

# **CHELAN COUNTY WASHINGTON**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

Prepared by:

Skip Moore – Chelan County Auditor  
Bradley Posenjak, CPA – Financial Services Manager



# CHELAN COUNTY, WASHINGTON

Comprehensive Annual Financial Report  
For the Fiscal Year Ended December 31, 2009

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# CHELAN COUNTY

## ~ AUDITOR ~

*Skip Moore*

June 30, 2010

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, 2009. 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, 2009, 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, 2009, 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 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.** Like much of the rest of the nation, Chelan County has experienced a downturn in the economic environment. From 2003 through mid-2008, both residential and commercial construction thrived in Chelan County. In the middle of 2008 the construction industry slowed in a slightly delayed response to the national economic recession. This has made a significant impact to the revenues on which the County relies. 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's fund balance has decreased over the past three years to a level which has prompted budget reductions, including several layoffs. The goal is to bring expenditures back in balance with revenues that have dropped off with the slowing of the building industry. The 2010 general fund expenditure budget was reduced by almost \$3 million (9%) from where the 2009 budget started out.

The 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 Auditorium and Courthouse buildings. The County has used bonds and real estate excise tax proceeds to finance much of these construction projects. Bonds have been issued to finance a remodel of the Regional Justice Center that is estimated to cost \$8 million. Criminal justice sales tax funds are expected to be used to pay for these bonds.

**Financial 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.

Other financial policies are revised and adopted annual by the Board of County Commissioners at the recommendation of the Financial Policies Committee. This document includes budgetary, revenue receipting, expenditure, travel, and capital asset policies.

**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, 2008. This was the fifth consecutive 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 accounting staff in the Chelan County Auditor and Treasurer'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,



Skip Moore  
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, 2008

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.



A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director



# CHELAN COUNTY, WASHINGTON

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## List of Elected Officials

### CHELAN COUNTY ELECTED OFFICIALS

		<u>Term</u>	<u>Expiration</u>
Board of Commissioners			
District 1	Ron Walter	4	December 31, 2012
District 2	Keith Goehner	4	December 31, 2010
District 3	Doug England	4	December 31, 2012
Assessor	Russell Griffith	4	December 31, 2010
Auditor	Skip Moore	4	December 31, 2010
Clerk	Siri A. Woods	4	December 31, 2010
Coroner	Wayne Harris	4	December 31, 2010
Prosecuting Attorney	Gary A. Riesen	4	December 31, 2010
Sheriff	Mike Harum	4	December 31, 2010
Treasurer	David Griffiths	4	December 31, 2010
District Court Judges	Alicia Nakata	4	January 9, 2011
	Nancy Harmon	4	January 9, 2011
Superior Court Judges	Chip Small	4	December 31, 2012
	Lesley Allan	4	December 31, 2012
	John E. Bridges	4	December 31, 2012



## **Washington State Auditor Brian Sonntag**

### **INDEPENDENT AUDITOR'S REPORT**

June 15, 2010

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, 2009, which collectively comprise the County's basic financial statements 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions.

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 Chelan County, Washington, as of December 31, 2009, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, County Roads and L&J Construction funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we will also issue our report dated June 15, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the County's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 9 through 16 and other post-employment benefits information on page 53 are not a required part of the basic financial statements but are 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 and individual fund statements and schedules on pages 54 through 126 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, 2009. 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 \$73,536,983. Of this amount, \$12,851,312 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$2,693,015.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balance of \$16,702,757, an increase of \$7,357,149 in comparison with the prior year. The entire fund balance is generally available for spending at the government's discretion.
- At the end of the current fiscal year unreserved fund balance for the general fund was \$230,294, which is less than 1% of total general fund expenditures.
- The County's total non-current debt increased by \$7,669,012 during the current fiscal year. This was due, in part, to regular principal payments of general obligation bonds and the issuance of the law & justice facility renovation 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 utilities, recreation, education, and prisoner housing.

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 18-19.

**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 39 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 fund, and L&J Construction fund, all of which are considered to be major funds. Data from the other 36 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 and major special revenue funds.

The basic governmental fund financial statements can be found on pages 20-27 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, Expo Center, Fair, Public Education, Surface and Storm Water Utility, 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 Solid Waste and Regional Justice Center as major funds, 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 28-31 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 32 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 33-51 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Chelan County's progress in funding its obligation to provide other post employment benefits to its LEOFF 1 retirees. Required supplementary information can be found on page 53 of this report.

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 54-124 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 \$73,536,983 at the close of the most recent fiscal year. This increased by \$2,693,015 over the previous year. The majority of the growth was due to a large amount of infrastructure assets being constructed and higher billing rates in the Regional Justice Center.

A large portion of the County's net assets (83%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); 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

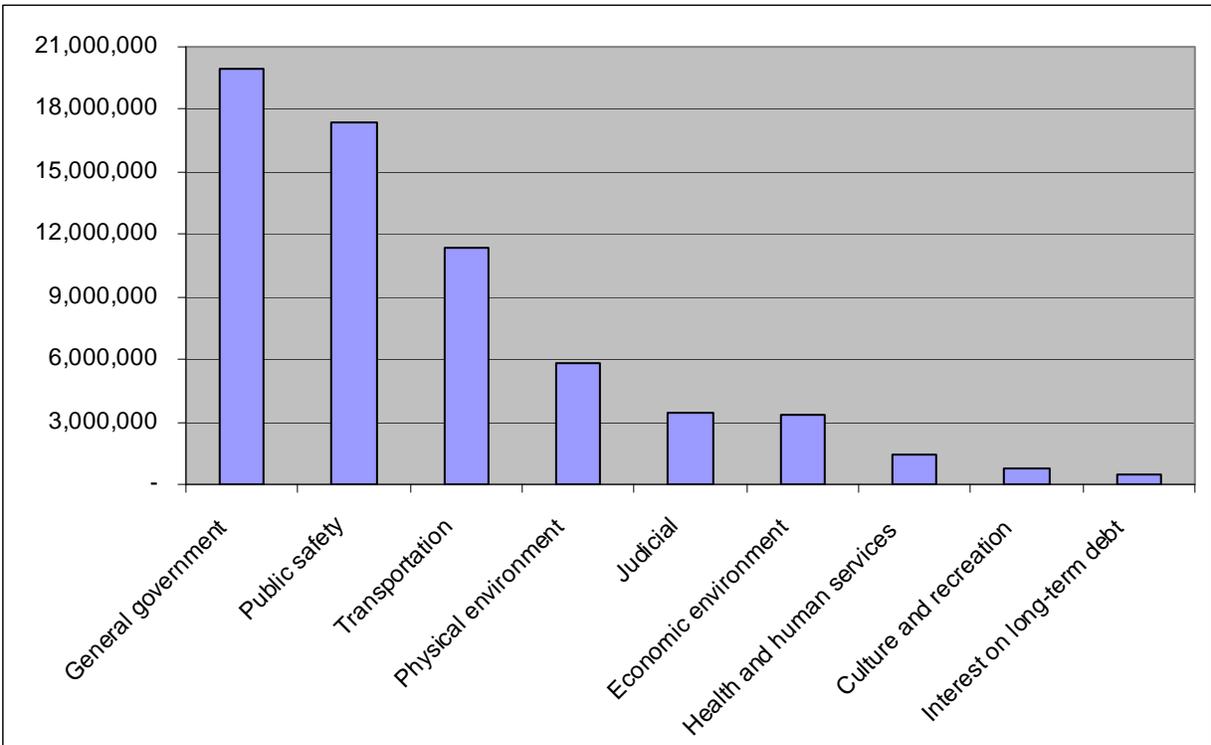
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current & other assets	24,718,797	18,087,603	3,903,143	2,817,679	28,621,941	20,905,282
Capital assets (net of depr.)	68,046,551	66,065,649	2,558,851	1,940,914	70,605,402	68,006,563
Total assets	92,765,348	84,153,252	6,461,995	4,758,593	99,227,343	88,911,845
Long-term liabilities	20,398,929	12,761,065	471,550	440,402	20,870,479	13,201,467
Other liabilities	3,326,992	4,034,308	1,492,889	832,102	4,819,881	4,866,410
Total liabilities	23,725,921	16,795,373	1,964,438	1,272,504	25,690,360	18,067,877
Net assets:						
Invested in capital assets						
Net of related debt	58,126,820	55,303,823	2,558,851	1,940,914	60,685,671	57,244,737
Unrestricted	10,912,607	12,054,056	1,938,705	1,545,175	12,851,312	13,599,231
Total net assets	69,039,427	67,357,879	4,497,556	3,486,089	73,536,983	70,843,969

### Chelan County's Changes in Net Assets

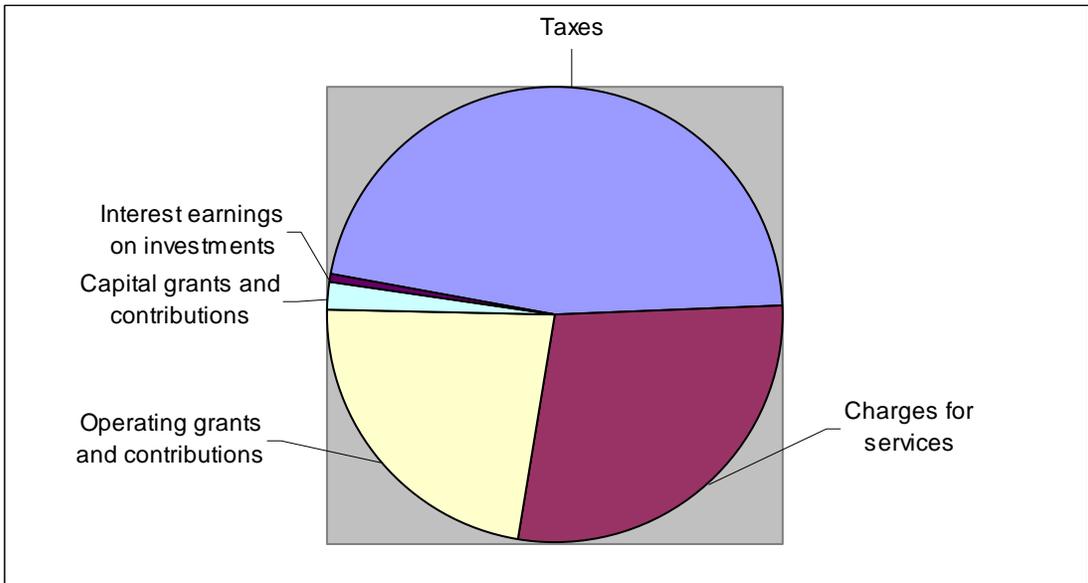
Revenues	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Program revenues:						
Charges for services	18,417,166	18,401,149	11,671,157	10,729,986	30,088,323	29,131,134
Operating grants and contrib.	14,952,201	9,856,702	565,301	324,842	15,517,502	10,181,544
Capital grants and contributions	1,287,484	6,682,665	-	-	1,287,484	6,682,665
General revenues:						
Taxes	30,720,099	30,820,447	9,413	12,441	30,729,512	30,832,888
Interest earnings on invest.	314,081	941,965	4,054	16,621	318,135	958,585
Total revenues	65,691,032	66,702,927	12,249,924	11,083,890	77,940,956	77,786,817
Program Expenses						
General government	19,913,816	20,075,480	-	-	19,913,816	20,075,480
Public safety	3,436,578	3,330,840	-	-	3,436,578	3,330,840
Judicial	17,339,824	17,219,829	-	-	17,339,824	17,219,829
Physical environment	5,857,814	3,267,209	-	-	5,857,814	3,267,209
Transportation	11,388,104	12,763,691	-	-	11,388,104	12,763,691
Health and human services	1,451,089	501,462	-	-	1,451,089	501,462
Economic environment	3,341,484	5,455,692	-	-	3,341,484	5,455,692
Culture and recreation	794,016	976,024	-	-	794,016	976,024
Utilities	-	-	1,381,051	1,888,505	1,381,051	1,888,505
Regional justice center	-	-	9,235,002	8,399,137	9,235,002	8,399,137
Other	-	-	642,405	649,449	642,405	649,449
Interest on long term debt	466,759	421,294	-	-	466,759	421,294
Total expenses	63,989,484	64,011,522	11,258,458	10,937,091	75,247,941	74,948,614
Excess (deficiency) revenues over (under) expenses	1,701,548	2,691,405	991,467	146,799	2,693,015	2,838,204
Transfers	(20,000)	(402,453)	20,000	402,453	-	-
Change in net assets	1,681,548	2,288,952	1,011,467	549,251	2,693,015	2,838,204
Net assets as of Jan 1	67,357,879	65,068,927	3,486,089	2,936,838	70,843,968	68,005,765
Net assets as of Dec 31	69,039,427	67,357,879	4,497,556	3,486,089	73,536,983	70,843,969

**Governmental Activities.** Despite the slowing of Chelan County’s economy, governmental activities increased the County’s net assets by \$1,681,548. This was due largely to significant County Roads projects that were capitalized as infrastructure assets and funded by grant revenues. Although the total net assets increased, the unrestricted net assets decreased due to the slowing of revenue during the economic recession.

**Expenses – Governmental Activities**

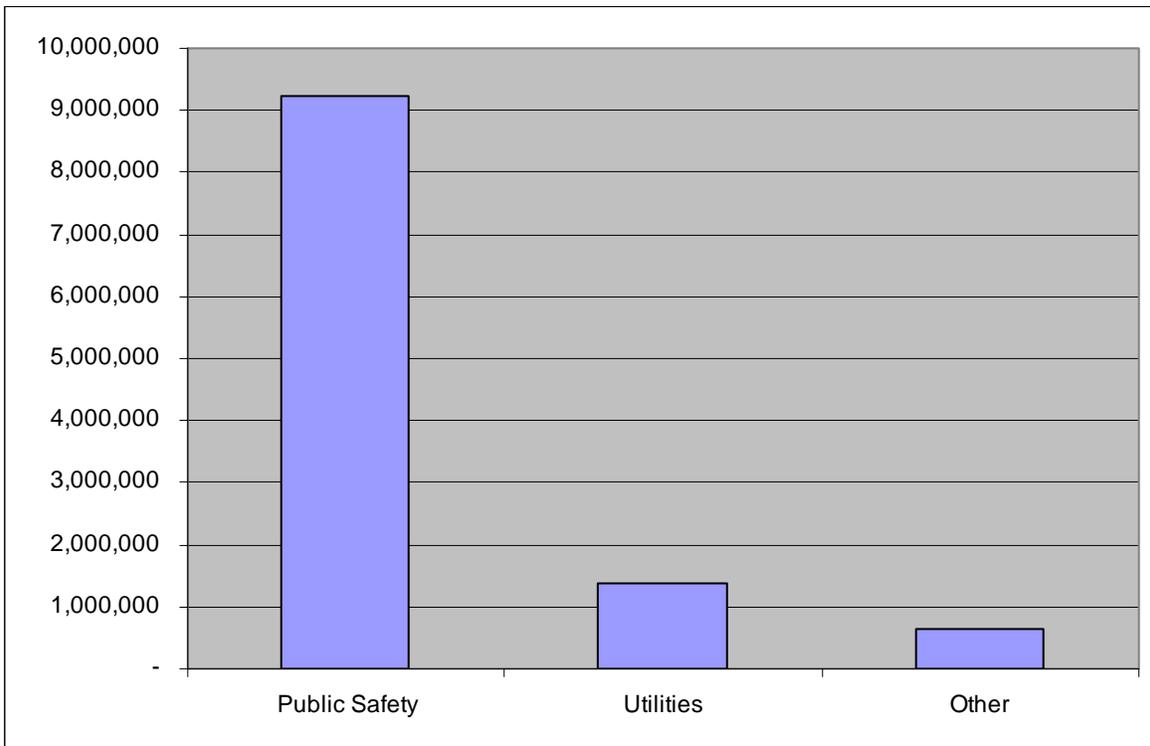


**Revenues by Source – Governmental Activities**

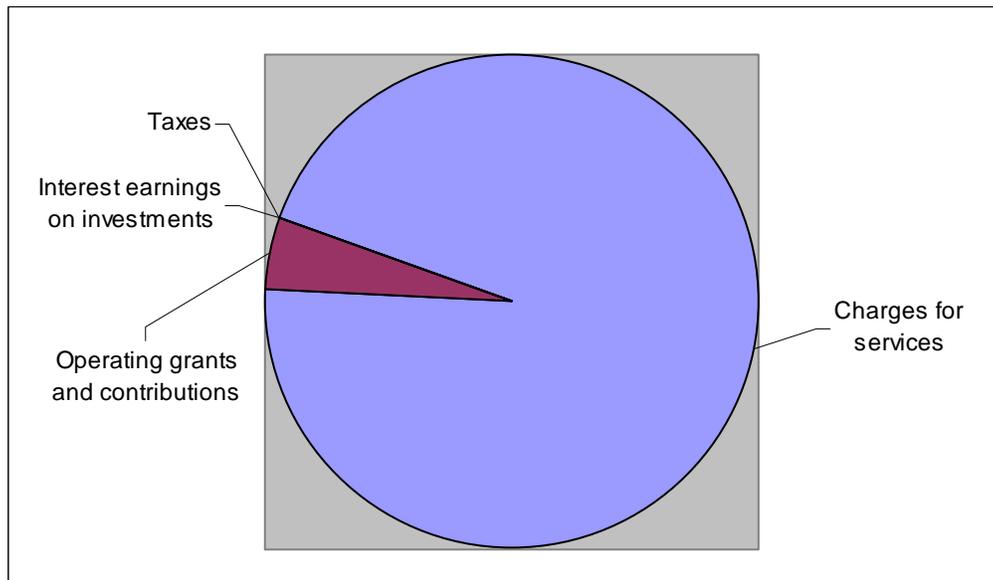


**Business-type Activities.** Business-type activities increased Chelan County’s net assets by \$1,011,467. Much of this increase is due to the Regional Justice Center increasing its daily billing rate and strengthening its operations. Another factor in this increase was due to the Surface & Storm Water building its net assets from its utility service fee.

**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, and L&J Construction funds made up the County's major funds during the most recent fiscal year. Together these three funds account for 65% of total governmental fund assets and 62% 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 \$16,702,757, an increase of \$7,357,149 in comparison with the prior year. Despite the General fund losing a significant portion of its fund balance, bonds proceeds were received and not yet spent. These bond proceeds are the major contributing factor for the overall fund balance growth. The fund balances are all unreserved, which is available for spending within the designated funds.

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 \$230,294. 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 less than 1% of total general fund expenditures.

The fund balance of Chelan County's General fund decreased by \$1,730,148 during the current fiscal year. From 2004 through 2007, the County's general fund thrived mainly due to the real estate market. Along with the increased revenues came increased expenditures in staffing to be able to handle the increase in required service. The real estate market started to show signs of slowing during 2007 and slowed much more in 2008 and 2009. This greatly reduced revenues to the General fund while the expenditure levels still reflected the growth of previous years. The unexpected slowing of revenue is the primary reason for the decrease in fund balance.

The fund balance of the County Roads special revenue fund increased by \$549,758 during the current fiscal year. In the past couple years, several major projects have been completed that used up much of the fund balance. During 2009, the major projects utilized more outside funds and less property tax revenues. This allowed the fund balance to grow.

The L&J Construction fund was created in December 2009 to receive the bond proceeds for the law and justice facility renovation. Since major construction did not start until 2010, the fund balance increased by \$8,057,285 as the proceeds were received, but major expenses had not yet been incurred.

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

Total net assets of the Solid Waste fund at the end of the year amounted to \$1,629,196. The total increase in net assets for this fund was \$51,994. This modest increase in fund balance reflects the Solid Waste department stable operation of revenues and expenditures.

Total net assets of the Regional Justice Center fund at the end of the year amounted to \$1,295,522. The total increase in net assets for this fund was \$507,662. During 2009, the Regional Justice Center increased its daily billing rate to cover costs and grow the fund balance. At the end of the year, the Regional Justice Center partnership agreement was terminated and the working capital was dispersed proportionately among the partners.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget amounted to \$1,137,640 of increases and \$769,640 of decreases in appropriations. Of this budget increase, \$171,562 was to be funded out of an unexpected grant and increases in various charges for services. The remaining \$966,078 was to be budgeted from available fund balance.

Department	Amount	Explanation
Community Development	29,000	For pass-through grant funding.
Non-departmental	357,065	For services and severance pay. From the closing of a TV district and the available fund balance.
Extension	12,885	For salaries and travel. From grant sources.
Juvenile	4,525	For additional services. From additional fee revenue.
Noxious Weed	32,400	For salaries, supplies, and services. From additional service revenues.
Several departments	(769,640)	Mid-year budget reduction across all departments due to reduced revenues.
Horticulture	721	For supplies. From additional revenues from selling equipment.
Superior Court	84,005	For supplies and services. From additional revenue and available fund balance.
Treasurer	61,500	For banking fees. From available fund balance.
Sheriff	495,367	For salaries, overtime and services. From additional fees, grants, and available fund balance.
Prosecuting Attorney	8,662	For salaries. From additional revenues.
Facilities Maintenance	51,510	For salaries and utilities. From available fund balance.
<b>Total</b>	<b>368,000</b>	

Actual expenditures are generally less than final budgeted expenditures because the county typically budgets conservatively. One main reason for this is the effect of employee turnover on salaries and benefits. The budget is based on current employees filling a position. However, when turnover of a position, the new employee is typically paid at a lower step than the previous employee. In additions, since elected officials are legally required to operate within their given budget, they typically try to spend a couple percent less than budget in case something unexpected comes up. The actual revenues were significantly less than budgeted revenues due to the slowing of the economy. Almost every revenue category was affected by the recession.

## 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, 2009, amounts to \$70,605,402 (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 4% (a 3% increase for governmental activities and a 32% increase for business-type activities). In business-type activities, the increase was due to a land and equipment purchases in Solid Waste and a software system purchased by the Regional Justice Center. In governmental activities, the increase was driven by major construction of new infrastructure and upgrades to the courthouse and law and justice buildings.

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

- \$3,008,897 for infrastructure improvement to Peshastin North Road.
- \$632,674 for infrastructure improvement to Eagle Creek Road.
- \$502,975 to install a new audible alarm system in the county buildings.

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	3,287,831	3,043,095	209,348	8,096	3,497,179	3,051,191
Other improvements	1,397,465	1,725,506	157,378	157,378	1,554,843	1,882,884
Construction in progress	1,328,454	387,189	-	-	1,328,454	387,189
Buildings & structures	23,018,614	22,860,667	1,304,455	1,359,561	24,323,069	24,220,228
Machinery & equipment	6,999,178	7,436,359	887,670	415,879	7,886,848	7,852,238
Infrastructure	32,015,009	30,612,833	-	-	32,015,009	30,612,833
<b>Total</b>	<b>68,046,551</b>	<b>66,065,649</b>	<b>2,558,851</b>	<b>1,940,914</b>	<b>70,605,402</b>	<b>68,006,563</b>

Additional information on the County's capital assets can be found in note 5 on page 40.

**Long-term Debt.** At the end of the current fiscal year, Chelan County had total bonded debt outstanding of \$18,069,731. The total amount of this debt is backed by the full faith and credit of the government.

Chelan County's total bonded debt increased by \$7,310,489 (68%) during the current fiscal year. The key factor in this was the issuance of the law and justice facility renovation general obligation bonds. See note 8 on page 47 for further information about long term debt.

## **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)

## **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**

**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.

**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**

**Balance Sheet – Governmental Funds** – presents the balance sheets for major funds and aggregated amounts for all other governmental funds.

#### **Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets**

**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.

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.**

**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, each major special revenue fund, and each major debt service fund which has a legally adopted budget. Departmental information is included for the general fund, in accordance with the County's legally adopted budget.

**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.

**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.

**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.

**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.

**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, 2009

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	7,109,617	2,903,509	10,013,126
Deposits with fiscal agents	61,159	9,202	70,361
Investments	12,337,967	555,994	12,893,961
Accounts receivable	565,570	93,770	659,340
Taxes receivable	889,214	-	889,214
Interest receivable	20,309	150	20,459
Due from other governments	3,108,180	335,745	3,443,925
Internal balances	(4,774)	4,774	-
Inventory	631,554	-	631,554
Capital assets not being depreciated:			
Land	3,287,831	209,348	3,497,179
Other improvements	-	157,378	157,378
Construction in progress	1,328,454	-	1,328,454
Capital assets net of accumulated depreciation:			
Other improvements	1,397,465	-	1,397,465
Buildings	23,018,614	1,304,455	24,323,069
Equipment	6,999,178	887,670	7,886,848
Infrastructure	32,015,009	-	32,015,009
Total capital assets	<u>68,046,551</u>	<u>2,558,851</u>	<u>70,605,402</u>
Total assets:	<u>92,765,348</u>	<u>6,461,995</u>	<u>99,227,343</u>
<b>LIABILITIES</b>			
Accounts payable	1,141,195	425,055	1,566,249
Due to other governments	121,418	526,655	648,073
Other accrued liabilities	2,064,380	541,179	2,605,559
Noncurrent liabilities:			
Due within one year	1,502,971	157,233	1,660,204
Due in more than one year	18,895,958	314,317	19,210,275
Total liabilities	<u>23,725,921</u>	<u>1,964,438</u>	<u>25,690,360</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	58,126,820	2,558,851	60,685,671
Unrestricted	10,912,607	1,938,705	12,851,312
Total net assets	<u>69,039,427</u>	<u>4,497,556</u>	<u>73,536,983</u>

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

**CHELAN COUNTY, WASHINGTON**

Statement of Activities

For the Year Ended December 31, 2009

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets - Primary Government		
	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
General government	19,913,816	307,218	21,906	(8,621,150)	-	(8,621,150)
Judicial	3,436,578	1,347,694	-	756,253	-	756,253
Public safety	17,339,824	2,414,180	-	(12,169,670)	-	(12,169,670)
Physical environment	5,857,814	6,465,956	-	655,913	-	655,913
Transportation	11,388,104	2,803,924	1,187,183	(7,120,618)	-	(7,120,618)
Health and human services	1,451,089	1,079,442	-	(371,646)	-	(371,646)
Economic environment	3,341,484	485,896	78,395	(1,485,531)	-	(1,485,531)
Culture and recreation	794,016	47,890	-	(509,423)	-	(509,423)
Interest on long-term debt	466,759	-	-	(466,759)	-	(466,759)
Total governmental activities	63,989,484	14,952,201	1,287,484	(29,332,632)	-	(29,332,632)
Business-type activities:						
Utilities	1,381,051	357,804	-	-	532,322	532,322
Public safety	9,235,002	166,732	-	-	507,662	507,662
Other	642,405	40,765	-	-	(61,984)	(61,984)
Total business-type activities	11,258,458	565,301	-	-	978,000	978,000
Total primary government	75,247,941	15,517,502	1,287,484	(29,332,632)	978,000	(28,354,632)
General revenues						
Taxes:						
Property				16,745,569	-	16,745,569
Sales and use				6,929,205	-	6,929,205
Motor vehicle fuel tax				2,161,528	-	2,161,528
Other taxes				4,883,796	9,413	4,893,209
Interest and investment earnings				314,081	4,054	318,135
Transfers				(20,000)	20,000	-
Total general revenues and transfers				31,014,180	33,467	31,047,647
Change in net assets				1,681,548	1,011,467	2,693,015
Net assets - beginning				67,357,879	3,486,089	70,843,968
Net assets - ending				69,039,427	4,497,556	73,536,983

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

# CHELAN COUNTY, WASHINGTON

Balance Sheet  
 Governmental Funds  
 December 31, 2009

	<b>General Fund</b>	<b>County Roads</b>	<b>L&amp;J Construction</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	1,130,033	1,105,429	-	2,439,542	4,675,004
Deposits with fiscal agents	-	22,359	-	-	22,359
Investments	-	-	8,057,145	3,682,701	11,739,846
Accounts receivable	163,400	-	-	397,252	560,651
Taxes receivable	527,517	346,450	-	15,247	889,214
Interest receivable	19,070	-	140	937	20,147
Due from other funds	162,437	100,201	-	1,342	263,980
Due from other governments	548,599	1,698,246	-	827,918	3,074,763
<b>Total assets</b>	<b>2,551,056</b>	<b>3,272,686</b>	<b>8,057,285</b>	<b>7,364,938</b>	<b>21,245,965</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	195,957	150,836	-	674,996	1,021,789
Due to other funds	1,634	354,809	-	155,594	512,038
Due to other governments	32,503	43,892	-	42,187	118,582
Other accrued liabilities	1,563,151	369,510	-	68,924	2,001,585
Deferred revenue	527,517	346,450	-	15,247	889,214
<b>Total Liabilities</b>	<b>2,320,762</b>	<b>1,265,498</b>	<b>-</b>	<b>956,948</b>	<b>4,543,208</b>
Fund balances:					
Unreserved, reported in:					
General fund	230,294	-	-	-	230,294
Special revenue funds	-	2,007,188	-	4,952,364	6,959,552
Capital projects funds	-	-	8,057,285	1,455,626	9,512,911
<b>Total fund balances</b>	<b>230,294</b>	<b>2,007,188</b>	<b>8,057,285</b>	<b>6,407,990</b>	<b>16,702,757</b>
<b>Total liabilities and fund balances</b>	<b>2,551,056</b>	<b>3,272,686</b>	<b>8,057,285</b>	<b>7,364,938</b>	<b>21,245,965</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, 2009

Fund balances of governmental funds:		16,702,757
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	111,305,479	
Depreciation	<u>(49,166,326)</u>	
Capital assets net of depreciation		62,139,153
Liabilities for earned but deferred property tax revenues are removed from governmental activities.		889,214
Long-term debt and compensated absences that have not been included in the governmental fund activity		
Bonds payable	(18,069,731)	
Compensated absences	(1,680,669)	
OPEB benefit for LEOFF	<u>(610,299)</u>	
Long-term debt		(20,360,699)
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	9,892,269	
Liabilities	<u>(223,267)</u>	
Internal service net assets		9,669,002
Net assets of governmental activities		<u><u>69,039,427</u></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, 2009

	General Fund	County Roads	L&J Construction	Nonmajor Governmental Funds	Total
<b>REVENUES</b>					
Taxes	15,689,237	6,141,863	-	3,904,539	25,735,639
Licenses and permits	606,938	-	-	-	606,938
Intergovernmental revenues	8,199,733	7,104,537	-	3,866,065	19,170,335
Charges for services	4,096,198	19,551	-	834,283	4,950,032
Fees and fines	1,299,081	-	-	40,229	1,339,310
Miscellaneous	661,266	23,902	140	4,959,968	5,645,276
Total revenues	<u>30,552,452</u>	<u>13,289,853</u>	<u>140</u>	<u>13,605,085</u>	<u>57,447,530</u>
<b>EXPENDITURES</b>					
Current:					
General government	13,562,719	14,649	-	237,880	13,815,248
Security of persons and property	15,549,081	-	-	2,007,115	17,556,196
Utilities and environment	301,603	-	-	5,592,126	5,893,729
Transportation	-	8,569,497	-	92,420	8,661,917
Economic environment	1,757,277	-	-	1,614,736	3,372,013
Mental and physical health	453,987	-	-	1,112,619	1,566,606
Culture and recreation	362,584	-	-	217,281	579,866
Debt Service:					
Principal	-	-	-	729,512	729,512
Interest and other charges	1,572	229	-	366,238	368,039
Bond issuance costs	-	-	98,720	-	98,720
Capital outlay	53,929	4,570,531	-	976,804	5,601,264
Total expenditures	<u>32,042,754</u>	<u>13,154,906</u>	<u>98,720</u>	<u>12,946,730</u>	<u>58,243,110</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,490,301)</u>	<u>134,947</u>	<u>(98,580)</u>	<u>658,354</u>	<u>(795,580)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	847	14,345	-	1,673	16,864
Transfers in	100,458	400,466	-	344,877	845,801
Transfers out	(341,151)	-	-	(524,650)	(865,801)
General obligation bonds issued	-	-	8,150,000	-	8,150,000
Premium on general obligation bonds	-	-	5,865	-	5,865
Total other financing sources and uses	<u>(239,847)</u>	<u>414,811</u>	<u>8,155,865</u>	<u>(178,100)</u>	<u>8,152,729</u>
Net change in fund balances	<u>(1,730,148)</u>	<u>549,758</u>	<u>8,057,285</u>	<u>480,254</u>	<u>7,357,149</u>
Fund balances - beginning	<u>1,960,442</u>	<u>1,457,430</u>	<u>-</u>	<u>5,927,736</u>	<u>9,345,608</u>
Fund balances - ending	<u>230,294</u>	<u>2,007,188</u>	<u>8,057,285</u>	<u>6,407,990</u>	<u>16,702,757</u>

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, 2009

Amounts reported for governmental activities in the statement of activities (page 19) are different because:

Net change in fund balances - total governmental funds (page 22) 7,357,149

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.

Increases in governmental fund capital assets	6,204,861	
Decreases in governmental fund capital assets	(446,335)	
Increases in governmental fund depreciation expense	(3,606,543)	
Decreases in governmental fund depreciation expense	<u>52,159</u>	
		2,204,141

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount accounts for the change in deferred revenues in the current period. 267,429

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. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Increase in governmental fund bonds payable	(8,150,000)	
Decreases in governmental fund bonds payable	839,511	
Increase in governmental fund OPEB benefit for LEOFF	(587,091)	
Decrease in governmental fund OPEB benefit for LEOFF	301,182	
Increases in governmental fund compensated absences payable	(84,705)	
Decreases in governmental fund compensated absences payable	41,176	
Decreases in governmental fund leases payable	<u>2,583</u>	
		(7,637,344)

The net revenue of certain activities of internal service funds is reported with governmental activities. (509,828)

Change in net assets of governmental activities (page 19) 1,681,548

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

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# CHELAN COUNTY, WASHINGTON

## General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary and Actual  
For the Year Ended December 31, 2009

Variance with  
Final Budget -  
Positive  
(Negative)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	16,344,644	16,344,644	15,689,237	(655,407)
Licenses and permits	886,750	886,750	606,938	(279,812)
Intergovernmental revenues	7,892,823	8,036,536	8,199,733	163,197
Charges for services	4,223,661	4,276,527	4,096,198	(180,329)
Fees and fines	1,314,540	1,314,540	1,299,081	(15,459)
Miscellaneous	1,148,814	1,161,476	661,266	(500,210)
Total revenues	<u>31,811,232</u>	<u>32,020,473</u>	<u>30,552,452</u>	<u>(1,468,021)</u>
<b>EXPENDITURES</b>				
General government				
Assessor	1,217,422	1,177,322	1,149,677	27,645
Auditor	1,159,623	1,118,523	1,069,415	49,108
Board of Equalization	6,989	6,989	4,370	2,619
Clerk	1,124,879	1,087,579	1,061,227	26,352
Commissioners	694,849	664,249	647,321	16,928
Information Technology	705,441	681,641	615,572	66,069
Facilities Maintenance	1,528,069	1,530,279	1,493,330	36,949
District Court	1,194,855	1,180,778	1,132,630	48,148
Nondepartmental	2,345,498	2,694,583	2,593,991	100,592
Child Support Enforcement	430,629	428,379	403,780	24,599
Prosecuting Attorney	1,759,379	1,746,551	1,727,793	18,758
Superior Court	1,034,550	1,111,355	1,077,495	33,860
Treasurer	563,029	604,829	587,690	17,139
Security of persons and property				
Civil Service Commission	12,197	10,197	5,369	4,828
District Court Probation	408,603	418,180	405,887	12,293
Juvenile	2,906,496	2,832,420	2,689,293	143,127
Nondepartmental - law enforcement	4,491,151	4,491,151	4,470,555	20,596
Sheriff	7,825,886	8,059,734	7,977,976	81,758
Utilities and environment				
Horticulture	51,508	49,129	46,922	2,207
Nondepartmental - environment	170,000	170,000	170,019	(19)
Noxious weed	73,552	102,452	84,663	17,789
Economic environment				
Community Development	1,940,551	1,864,151	1,751,287	112,864
Coroner - welfare	2,000	2,000	990	1,010
Nondepartmental - aging	5,000	5,000	5,000	-
Mental and physical health				
Coroner	172,054	165,654	146,364	19,290
Nondepartmental - public health	307,623	307,623	307,623	-
Culture and recreation				
Extension	405,906	394,991	352,773	42,218
Nondepartmental - park	9,855	9,855	9,811	44
Capital outlay	78,001	78,001	53,929	24,072
Total expenditures	<u>32,625,595</u>	<u>32,993,595</u>	<u>32,042,754</u>	<u>950,841</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(814,363)</u>	<u>(973,122)</u>	<u>(1,490,301)</u>	<u>(517,179)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	2,000	2,721	847	(1,874)
Transfers in	45,158	125,458	100,458	(25,000)
Transfers out	(348,027)	(348,027)	(341,151)	6,876
Total other financing sources and uses	<u>(300,869)</u>	<u>(219,848)</u>	<u>(239,847)</u>	<u>(19,999)</u>
Net change in fund balances	(1,115,232)	(1,192,970)	(1,730,148)	(537,178)
Fund balances - beginning	2,500,000	2,500,000	1,960,442	(539,558)
Fund balances - ending	<u>1,384,768</u>	<u>1,307,030</u>	<u>230,294</u>	<u>(1,076,736)</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	6,696,213	6,696,213	6,141,863	(554,350)
Intergovernmental revenues	7,989,430	7,989,430	7,104,537	(884,893)
Charges for services	52,000	52,000	19,551	(32,449)
Miscellaneous	500	500	23,902	23,402
Total revenues	<u>14,738,143</u>	<u>14,738,143</u>	<u>13,289,853</u>	<u>(1,448,290)</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	14,649	(14,649)
Transportation	8,625,534	8,625,534	8,569,497	56,037
Debt Service:				
Interest and other charges	-	-	229	(229)
Capital outlay	<u>5,773,000</u>	<u>5,773,000</u>	<u>4,570,531</u>	<u>1,202,469</u>
Total expenditures	<u>14,398,534</u>	<u>14,398,534</u>	<u>13,154,906</u>	<u>1,243,628</u>
Excess (deficiency) of revenues over (under) expenditures	<u>339,609</u>	<u>339,609</u>	<u>134,947</u>	<u>(204,662)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	4,800	4,800	14,345	9,545
Transfers in	400,000	400,000	400,466	466
Total other financing sources and uses	<u>404,800</u>	<u>404,800</u>	<u>414,811</u>	<u>10,011</u>
Net change in fund balances	744,409	744,409	549,758	(194,651)
Fund balances - beginning	<u>542,103</u>	<u>542,103</u>	<u>1,457,430</u>	<u>915,327</u>
Fund balances - ending	<u><u>1,286,512</u></u>	<u><u>1,286,512</u></u>	<u><u>2,007,188</u></u>	<u><u>720,676</u></u>

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

**CHELAN COUNTY, WASHINGTON**

## L&amp;J Construction Capital Projects Fund

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

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	-	-	140	140
Total revenues	-	-	140	140
<b>EXPENDITURES</b>				
Debt Service:				
Bond issuance costs	-	115,000	98,720	16,280
Capital Outlay	-	210,000	-	210,000
Total expenditures	-	325,000	98,720	226,280
Excess (deficiency) of revenues over (under) expenditures	-	(325,000)	(98,580)	226,420
<b>OTHER FINANCING SOURCES (USES)</b>				
General obligation bonds issued	-	8,040,000	8,150,000	110,000
Premium on general obligation bonds	-	-	5,865	5,865
Total other financing sources and uses	-	8,040,000	8,155,865	115,865
Net change in fund balances	-	7,715,000	8,057,285	342,285
Fund balances - beginning	-	-	-	-
Fund balances - ending	-	7,715,000	8,057,285	342,285

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

# CHELAN COUNTY, WASHINGTON

Statement of Net Assets  
 Proprietary Funds  
 December 31, 2009

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities
	Solid Waste	Regional	Nonmajor		Internal Service Funds
		Justice Center	Enterprise Funds		
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	388,013	1,691,407	824,089	2,903,509	2,434,613
Deposits with fiscal agents	9,202	-	-	9,202	38,800
Investments	376,292	-	179,701	555,994	598,121
Accounts receivable	90,207	3,563	-	93,770	4,919
Interest receivable	102	-	49	150	162
Due from other funds	95	991	4,398	5,484	243,284
Due from other governments	34,675	236,306	64,764	335,745	33,418
Inventory	-	-	-	-	631,554
Total current assets	<u>898,586</u>	<u>1,932,266</u>	<u>1,073,001</u>	<u>3,903,853</u>	<u>3,984,870</u>
Noncurrent assets:					
Capital assets: net of accumulated depreciation)					
Land	8,096	-	201,252	209,348	-
Buildings	452,220	768,192	84,044	1,304,455	37,411
Other improvements	157,378	-	-	157,378	-
Equipment	224,368	399,043	264,259	887,670	5,869,987
Total noncurrent assets	<u>842,062</u>	<u>1,167,235</u>	<u>549,554</u>	<u>2,558,851</u>	<u>5,907,398</u>
Total assets	<u>1,740,649</u>	<u>3,099,501</u>	<u>1,622,555</u>	<u>6,462,704</u>	<u>9,892,269</u>
<b>LIABILITIES</b>					
Liabilities:					
Current liabilities:					
Accounts payable	85,799	331,352	7,904	425,055	119,406
Due to other funds	162	548	-	710	-
Due to other governments	2,380	520,984	3,291	526,655	2,836
Other accrued liabilities	21,755	493,532	25,892	541,179	62,795
Compensated absences	452	152,569	4,211	157,233	6,521
Total current liabilities	<u>110,548</u>	<u>1,498,985</u>	<u>41,298</u>	<u>1,650,831</u>	<u>191,557</u>
Noncurrent liabilities:					
Compensated absences	904	304,994	8,419	314,317	31,710
Total noncurrent liabilities	<u>904</u>	<u>304,994</u>	<u>8,419</u>	<u>314,317</u>	<u>31,710</u>
Total liabilities	<u>111,452</u>	<u>1,803,979</u>	<u>49,717</u>	<u>1,965,148</u>	<u>223,267</u>
<b>NET ASSETS</b>					
Invested in capital assets	842,062	1,167,235	549,554	2,558,851	5,907,398
Unrestricted	787,134	128,287	1,023,283	1,938,705	3,761,603
Total net assets	<u>1,629,196</u>	<u>1,295,522</u>	<u>1,572,838</u>	<u>4,497,556</u>	<u>9,669,002</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, 2009

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities
	Solid Waste	Regional Justice Center	Nonmajor Enterprise Funds		Internal Service Fund
<b>OPERATING REVENUES</b>					
Intergovernmental revenues	51,541	5,103,069	414,784	5,569,395	28,285
Charges for services	1,057,233	4,123,900	551,679	5,732,812	408,836
Fines & forfeits	-	11,697	-	11,697	-
Miscellaneous	16,495	503,998	404,335	924,828	9,105,902
Total operating revenues	<u>1,125,269</u>	<u>9,742,664</u>	<u>1,370,798</u>	<u>12,238,732</u>	<u>9,543,023</u>
<b>OPERATING EXPENSES</b>					
Salaries	119,079	4,787,807	285,655	5,192,541	535,032
Personnel benefits	38,755	1,870,622	127,202	2,036,580	177,647
Supplies	20,941	651,695	56,039	728,675	1,252,600
Other services & charges	782,883	563,120	375,648	1,721,650	6,569,428
Intergovernmental/interfund services and taxes	29,142	-	4,408	33,549	-
Interfund payments for services	72,585	774,230	39,894	886,709	369,038
Depreciation	19,302	68,833	51,923	140,059	1,257,714
Total operating expenses	<u>1,082,688</u>	<u>8,716,308</u>	<u>940,768</u>	<u>10,739,764</u>	<u>10,161,459</u>
Operating income (loss)	<u>42,581</u>	<u>1,026,356</u>	<u>430,030</u>	<u>1,498,968</u>	<u>(618,436)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Taxes	9,413	-	-	9,413	-
Intergovernmental closeout of partnership	-	(518,694)	-	(518,694)	-
Gain on sale of capital assets	-	-	1,780	1,780	108,609
Total nonoperating revenues (expenses)	<u>9,413</u>	<u>(518,694)</u>	<u>1,780</u>	<u>(507,501)</u>	<u>108,609</u>
Income (loss) before transfers	<u>51,994</u>	<u>507,662</u>	<u>431,810</u>	<u>991,467</u>	<u>(509,828)</u>
Transfers in	-	-	20,000	20,000	-
Change in net assets	<u>51,994</u>	<u>507,662</u>	<u>451,810</u>	<u>1,011,467</u>	<u>(509,828)</u>
Total net assets - beginning	<u>1,577,202</u>	<u>787,859</u>	<u>1,121,028</u>	<u>3,486,089</u>	<u>10,178,829</u>
Total net assets - ending	<u>1,629,196</u>	<u>1,295,522</u>	<u>1,572,838</u>	<u>4,497,556</u>	<u>9,669,002</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, 2009

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Enterprise Funds		Nonmajor Enterprise Funds		
	Solid Waste	Regional Justice Center			
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers and users	1,132,960	9,683,364	1,319,536	12,135,860	9,553,691
Cash payments to suppliers	(879,336)	(1,696,612)	(486,193)	(3,062,141)	(8,356,792)
Cash payments to employees and retirees	(157,972)	(6,796,410)	(409,232)	(7,363,614)	(715,293)
Net cash provided (used) by operating activities	95,653	1,190,342	424,112	1,710,106	481,607
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	-	-	20,000	20,000	-
Tax receipts	9,413	-	-	9,413	-
Net cash provided (used) by noncapital financing activities	9,413	-	20,000	29,413	-
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>					
Proceeds from sale of equipment	-	-	1,780	1,780	108,609
Acquisition and construction of capital assets	(215,107)	(337,572)	(205,317)	(757,996)	(1,034,476)
Net cash provided (used) by capital financing activities	(215,107)	(337,572)	(203,537)	(756,216)	(925,867)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	1,487	-	91,527	93,014	77,727
Purchase of investments	(3,131)	-	(1,310)	(4,441)	(91,823)
Interest on investments	454	-	353	807	715
Net cash provided (used) by investing activities	(1,190)	-	90,570	89,380	(13,382)
<b>Net increase (decrease) in cash and cash equivalents</b>	(111,232)	852,769	331,145	1,072,683	(457,642)
<b>Cash and cash equivalents, January 1</b>	499,245	838,638	492,943	1,830,826	2,892,255
<b>Cash and cash equivalents, December 31</b>	388,013	1,691,407	824,089	2,903,509	2,434,613

**Reconciliation of operating income (loss) to net cash provided (used) by operating activities:**

Operating income (loss)	42,581	1,026,356	430,030	1,498,968	(618,436)
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities:					
Depreciation and amortization of deferred charge	19,302	68,833	51,923	140,059	1,257,714
(Increase) decrease in accounts receivable	26,536	(3,563)	-	22,973	14,690
(Increase) decrease in due from other funds/gov	(18,846)	(55,737)	(51,262)	(125,845)	(4,022)
(Increase) decrease in inventory/prepaid expenses	-	-	-	-	3,615
Increase (decrease) in vouchers/contracts payable	25,763	291,280	2,651	319,694	(52,832)
Increase (decrease) in due to other funds/gov	452	1,152	(12,855)	(11,251)	(116,509)
Increase (decrease) in payables/other liabilities	662	(170,935)	4,632	(165,640)	(3,134)
Increase (decrease) in accrued employee leave benefits	(799)	32,954	(1,007)	31,148	521
Total adjustments	53,071	163,985	(5,918)	211,138	1,100,043
<b>Net cash provided (used) by operating activities</b>	<b>95,653</b>	<b>1,190,342</b>	<b>424,112</b>	<b>1,710,106</b>	<b>481,607</b>

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, 2009

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	8,088,705
Investments	79,855,557
Deposits with fiscal agents	1,595,902
Accounts receivable	2,842
Taxes receivable	3,320,422
Interest receivable	21,092
Total assets	<u>92,884,520</u>
<b>LIABILITIES</b>	
Accounts payable	566,037
Other accrued liabilities	520,562
Custodial accounts	91,797,921
Total liabilities	<u>92,884,520</u>

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

# CHELAN COUNTY, WASHINGTON

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Notes to the Financial Statements  
December 31, 2009

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## **CHELAN COUNTY, WASHINGTON**

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Notes to the Financial Statements  
December 31, 2009

### **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 activities) 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

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.
- L&J Construction fund accounts for the bond proceeds used for mechanical and electrical upgrades in the Law and Justice building.

Chelan County reports the following major proprietary funds:

- The Solid Waste fund accounts for the operations of solid waste disposal and management.
- 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 account for the cash balances maintained by the local taxing districts. These 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. An exception to this rule is that interfund charges for services are not excluded when elimination would distort the direct costs and program revenues reported for the various functions.

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 Expo Center and Fair are from event admission fees and off-season rentals, the principal operating revenues of the Surface and Storm Water Utility are from user fees, 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. Assets, Liabilities and Equities**

### **1. Deposits and Investments**

It is the County's policy to invest all temporary cash surpluses. At December 31, 2009, the Treasurer was holding \$15,973,685 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 general fund.

In the past, cash and cash equivalents also included compensating balances maintained with certain banks in lieu of payments for services rendered. Due to low interest rates on the compensating balances, this practice was discontinued after May 2009. The average compensating balances maintained during the first five months of 2009 were approximately \$2,175,000. Compensating balances were not maintained with any banks for the remainder of 2009.

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. Investments are reported at fair value.

### **2. Receivables**

Taxes receivable consist of property taxes and related interest and penalties (See Note 4). Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

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 12.

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 5**

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, or in the case of infrastructure assets with an initial cost of more than \$100,000, and for all categories of assets, 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 is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and structures	31.5
Land improvements	10
Machinery and equipment	3 - 10
Infrastructure	20-45

## 6. 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 or is paid out at year-end (depending on union status). Upon setting an official date of retirement, an employee is paid out all accumulated sick leave hours in excess of 720 hours to a maximum of 240 hours.

The County also allows 80 or 120 hours (depending on union status) of compensatory leave after which time it is paid out month by month. In addition, any compensatory leave accumulated in excess of 40 or 80 hours (depending on union status) is paid out at year-end.

## 7. Other Accrued Liabilities

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

## 8. Long-term Debt – See Note 8

## 9. Deferred Revenues

Deferred revenues in the fund financial statements include amounts collected before revenue recognition criteria are met and receivables for delinquent taxes that are not yet available under the modified accrual basis of accounting. Unearned revenues in the government-wide financial statements are resources received but are not yet earned.

## 10. 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 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. 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. These 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 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 2009 budget and the expenditures occurred late in 2009 after any supplemental budget appropriations could be legally made.

The Law Library fund expenditures exceeded appropriations by \$592. The excess expenditures were covered with its fund balance.

The Tourist and Convention fund expenditures exceeded appropriations by \$49,895. The excess expenditures were covered with its fund balance.

The Drug Task Force fund expenditures exceeded appropriations by \$407,635 because the fund was being handled as an agency fund in prior years and was not budgeted during the regular budget process. The excess expenditures were covered with its fund balance.

The Master Plan Construction fund expenditures exceeded appropriations by \$781 when the fund was closed. The excess expenditures were covered with its fund balance.

The Regional Justice Center fund expenditures exceeded appropriations by \$223,068 when the partnership was dissolved and the working capital liability was accrued the payment to the former partners. The excess expenditures were covered with its fund balance.

**NOTE 3 - 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, 2009 the County had the following investments:

Investment	Weighted average maturity of Chelan County's own investments	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	less than 90 days	12,893,961	76,903,446	89,797,407
U.S. Government Securities	N/A	-	1,305,081	1,305,081
Certificate of deposit	N/A	-	1,647,030	1,647,030
Total		12,893,961	79,855,557	92,749,518

*State investment pool.* The Local Government Investment Pool (LGIP) is an unrated 2a-7 like pool, as defined by GASB 31. Accordingly, participants' balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 90 days. Per GASB 40 guidelines the balances are also not subject to custodial credit risk. The credit risk of the LGIP is limited as most investments are either obligations of the US government, government sponsored enterprises, or insured demand deposit accounts and certificates of deposit.

*Interest rate risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Through its investment policy, the County manages its exposure to the risk that the market value of securities in the portfolio will fall due to changes in market interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter-term securities. The policy also states that no single security will be purchased with a maturity date of more than five years from the date of purchase.

*Credit risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit ratings are not available for any of the County's current investments. Chelan County does not have a policy related to credit risk.

**NOTE 4 - PROPERTY TAXES**

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

Property Tax Calendar	
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 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 2009 was \$1.16179 per \$1,000 on an assessed valuation of \$8,782,568,505 for a total regular levy of \$10,203,508.

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 2009 was \$1.2074 per \$1,000 on an assessed valuation of \$5,173,054,650 for a total road levy of \$6,246,133.

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

**NOTE 5 - CAPITAL ASSETS AND DEPRECIATION**

Capital assets activity for the year ended December 31, 2009 was as follows:

<b>Governmental Activities</b>	<b>Beginning Balance 01/01/2009</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance 12/31/2009</b>
Capital assets, not being depreciated:				
Land	3,043,094	244,737	-	3,287,831
Other improvements	156,983	-	156,983	-
Construction in progress	387,189	1,070,860	129,595	1,328,454
Total capital assets, not being depreciated	3,587,267	1,315,597	286,578	4,616,285
Capital assets, being depreciated:				
Other improvements	2,078,910	-	-	2,078,910
Buildings and structures	42,060,286	922,624	-	42,982,910
Machinery and equipment	3,368,825	230,589	35,036	3,564,378
Infrastructure	70,963,276	4,791,470	609,382	75,145,364
Total capital assets being depreciated	118,471,297	5,944,682	644,418	123,771,561
Less accumulated depreciation for:				
Other improvements	510,387	171,058	-	681,444
Buildings and structures	19,239,244	762,463	-	20,001,708
Machinery and equipment	1,983,853	441,137	27,215	2,397,775
Infrastructure	34,259,431	3,489,600	488,663	37,260,368
Total accumulated depreciation	55,992,915	4,864,258	515,877	60,341,295
Total capital assets, being depreciated, net	62,478,382	1,080,425	128,541	63,430,266
Governmental activities capital assets, net	66,065,649	2,396,021	415,119	68,046,551

Depreciation expense was charged to functions as follows:

General government	854,403
Judicial	4,037
Public safety	266,231
Physical environment	10,539
Transportation	3,421,638
Economic environment	55,542
Culture and recreation	251,869
Total depreciation - governmental activities	4,864,258

<b>Business-Type Activities</b>	<b>Beginning Balance 01/01/2009</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance 12/31/2009</b>
Capital assets, not being depreciated:				
Land	8,096	201,252	-	209,348
Other improvements	157,378	-	-	157,378
Total capital assets, not being depreciated	165,474	201,252	-	366,726
Capital assets, being depreciated:				
Buildings and structures	2,461,993	-	-	2,461,993
Machinery and equipment	1,016,664	556,744	-	1,573,408
Total capital assets being depreciated	3,478,657	556,744	-	4,035,401
Less accumulated depreciation for:				
Buildings and structures	1,102,432	55,105	-	1,157,537
Machinery and equipment	600,785	84,954	-	685,739
Total accumulated depreciation	1,703,217	140,059	-	1,843,276
Total capital assets, being depreciated, net	1,775,440	416,685	-	2,192,125
Business-type activities capital assets, net	1,940,914	617,937	-	2,558,851
Depreciation expense was charged to functions as follows:				
Public safety		68,833		
Utilities		56,789		
Culture and recreation		14,436		
Total depreciation - business-type activities		140,059		

## **NOTE 6 - 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*.

### **A. Public Employees' Retirement System (PERS) Plans I, 2 and 3**

#### **1. 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 defined benefit plan with a defined contribution component.

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 participating in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

Participants who joined the system by September 30, 1977, are Plan I 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. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

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 members are vested after the completion of 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 benefit is two percent of the average final compensation (AFC) 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. Plan 1 retirements from inactive status prior to the age of 65 may receive actuarially reduced benefits. The benefit is actuarially reduced to reflect the choice of a survivor option. A cost-of living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, increased by three percent annually. Plan 1 members may also elect to receive an additional COLA amount (indexed to the Seattle Consumer Price Index), capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service, or at the age of 55 with 20 years of service, with an allowance of two 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 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 three percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. 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 one 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. Effective June 7, 2006, Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at age 65, or at age 55 with 10 years of service. 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 three percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. 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.

## **2. Judicial Benefit Multiplier**

Beginning January 1, 2007 through December 31, 2007, judicial members of PERS may choose to participate in the Judicial Benefit Multiplier Program (JBM). Current justices or judges in PERS Plan 1 and 2 may make a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of average financial compensation. Judges in PERS Plan 3 can elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of average compensation.

Members who chose to participate in JBM would: accrue service credit at the higher multiplier beginning with the date of their election, be subject to the benefit cap of 75 percent of AFC, pay higher contributions,

stop contributing to the Judicial Retirement Account (JRA), and be given the option to increase the multiplier on past judicial service. Members who did not choose to participate would: continue to accrue service credit at the regular multiplier; continue to participate in JRA, if applicable; never be a participant in the JBM Program; and continue to pay contributions at the regular PERS rate.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who have not previously opted into PERS membership, are required to participate in the JBM Program. Members required into the JBM program would: return to prior PERS Plan if membership had previously been established; be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member; accrue the higher multiplier for all judicial service; not contribute to JRA; and not have the option to increase the multiplier for past judicial service.

There are 1,192 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2008:

Retirees and beneficiaries receiving benefits	73,122
Terminated plan members entitled to but not yet receiving benefits	27,267
Active plan members vested	105,212
Active plan members nonvested	56,456
<b>Total</b>	<b>262,057</b>

### 3. 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 at 7.5 percent for state government elected officials. 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 the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. 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. As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. The methods used to determine the contribution requirements 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, 2009 are as follows:

Members not participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	5.31%	5.31%	5.31%**
Employee	6.00%	3.90%	***

\* The employer rates include an employer administrative expense fee of 0.16%.

\*\* Plan 3 defined benefit portion only.

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

Members participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	5.31%	5.31%	5.31%**
Employee	12.26%	9.75%	7.50%***

\* The employer rates include an employer administrative expense fee of 0.16%.

\*\* Plan 3 defined benefit portion only.

\*\*\* Minimum rate.

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

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2009	107,154	983,745	222,692
2008	111,740	982,935	222,488
2007	89,867	747,826	165,908

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

### 1. Plan Description

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. 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. Membership in the system includes all full-time, fully compensated, local law enforcement officers, firefighters, and as of July 24, 2005, those emergency medical technicians who were given the option and chose LEOFF Plan 2 membership. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003, being an exception. Chelan County does not currently employ any active LEOFF Plan 1 members.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 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.

LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations. LEOFF retirement benefit provisions are established in state statute and may be amended by the State Legislature.

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of two percent of the FAS per year of service. The FAS is based on the highest consecutive 60 months. Plan 2 retirements prior to the age of 53 are actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

There are 375 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2008:

Retirees and beneficiaries receiving benefits	9,268
Terminated plan members entitled to but not yet receiving benefits	650
Active plan members vested	13,120
Active plan members nonvested	3,927
<b>Total</b>	<b>26,965</b>

### 2. Funding Policy

Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. 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 and the LEOFF Plan 2 Retirement Board. 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 required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2009, were as follows:

LEOFF Plan 2	
Employer*	5.24%
Employee	8.46%
State	3.38%

\* The employer rates include an employer administrative expense fee of 0.16%.

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

LEOFF Plan 2	
2009	222,073
2008	198,657
2007	183,878

## C. Public Safety Employees' Retirement System (PSERS) Plan 2

### 1. Plan Description

PSERS is a cost-sharing multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2. PSERS was created by the 2004 Legislature and became effective July 1, 2006.

PSERS Plan 2 membership includes full-time employees of a covered employer on or before July 1, 2006, who met at least one of the PSERS eligibility criteria, and elected membership during the election period of July 1, 2006 to September 30, 2006; and those full-time employees, hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

A "covered employer" is one that participates in PSERS. Covered employers include: State of Washington agencies: Department of Corrections, Department of Natural Resources, Parks and Recreation Commission, Gambling Commission, Washington State Patrol, Liquor Control Board; Washington state counties; and Washington state cities except for Seattle, Tacoma and Spokane.

To be eligible for PSERS, an employee must work on a full-time basis and:

- have completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job; or
- have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or
- function as a limited authority Washington peace officer, as defined in RCW 10.93.020; or
- have primary responsibility to supervise eligible members who meet the above criteria

PSERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PSERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 2 members are vested after the completion of five years of eligible service. PSERS Plan 2 members may retire at the age of 65 with five years of service, or at the age of 60 with at least 10 years of PSERS service credit, with an allowance of two percent of the average final compensation per year of service. The average final compensation is the monthly average of the member's 60 consecutive highest-paid service credit months, excluding any severance pay such as lump-sum payments for deferred sick leave, vacation or annual leave. Plan 2 retirees prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a three percent per year reduction for each year between the age at retirement and age 60 applies. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

There are 73 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarial valuation date for the plan of June 30, 2008:

Retirees and beneficiaries receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members vested	-
Active plan members nonvested	3,981
<b>Total</b>	<b>3,982</b>

## 2. Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2. All employers are required to contribute at the level established by the Legislature. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.37 and 41.45 RCW.

The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2009, were as follows:

	PSERS Plan 2
Employer*	7.85%
Employee	6.55%

\* The employer rates include an employer administrative expense fee of 0.16%.

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

	PSERS Plan 2
2009	111,712
2008	91,573
2007	71,963

## NOTE 7 - RISK MANAGEMENT

### A. Risk Pool

Chelan County was one of the twenty-eight members of the Washington Counties Risk Pool ("Pool") during 2009. Other members included: Adams, Benton, Clallam and Clark, Columbia, Cowlitz, Douglas and Franklin, Garfield, Grays Harbor, Island and Jefferson, Kitsap, Kittitas, Lewis and Mason, Okanogan, Pacific, Pend Oreille and San Juan, Skagit, Skamania, Spokane and Thurston, Walla Walla, Whatcom and Yakima Counties. Klickitat and Whitman Counties were former Pool members, but terminated their memberships effective October 2002 and 2003 respectively.

The Pool was formed August 18, 1988 when several Washington counties signed an Interlocal (Cooperative) Agreement. It was established to provide its member counties with "joint" programs and services including self-insurance, purchasing of insurance, and contracting for or hiring of personnel to provide administrative services, claims handling and risk management. The Pool operates under Washington's "pooling" laws, more specifically Chapters 48.62 RCW and 82.60 WAC and implemented via Chapter 39.34 RCW. It is overseen by the State Risk Manager and is subject to fiscal audits performed annually by the State Auditor.

New members are required to pay the Pool modest admittance fees to cover the members' share of organizational expenses and the costs to analyze their loss data and risk profile. Members contract initially to remain in the Pool for at least five years. Counties may terminate their memberships at the conclusion of any Pool fiscal year following the initial term if the county timely files its required advance written notice. Otherwise, the Interlocal Agreement is renewed automatically for another year. Even after termination, a former member

remains responsible for reassessments from the Pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

The Pool is governed by a board of directors consisting of one director (and at least one alternate director) designated by each member county. The Pool's board of directors, made up of both elected and appointed county officials, meets three times each year with the summer meeting being the Annual Meeting. The board of directors is responsible for determining the 3<sup>rd</sup>-party liability coverage to be offered (approving the insuring agreement or coverage document), the reinsurance program to acquire, the excess insurances to be jointly purchased or offered for optional purchase, and approving the Pool's annual operating budgets and work programs, and the member deposit assessment formulas

Pool member counties presently acquire \$20 million (with another \$5 million optional) of joint liability coverage on a "per occurrence" basis for 3<sup>rd</sup>-party bodily injury, personal injury, property damage, errors and omissions, and advertising injury, and includes public officials' errors and omissions. Annually, members select a per occurrence deductible amount of \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. The initial \$10 million of coverage, less the retention (the greater of the member's deductible or \$100,000), is fully reinsured by superior-rated commercial carriers. The remaining insurance, up to \$15 million, is acquired from superior-rated commercial carriers as "following form" excess insurance. There are no aggregate limits to the payments made for any one member county or all member counties combined.

Property insurance, with composite limits of \$500 million for normal ("All Other Perils") coverage and \$250 million for catastrophe coverage and participant deductibles between \$5,000 and \$50,000, was added to the Pool coverage lines a few years ago as an individual county option. Coverage is for structures, vehicles, mobile equipment, EDP equipment, and equipment breakdown, etc. Participants are responsible for their claims' deductibles. The commercial insurers are responsible for covered losses exceeding the participant deductibles to the maximum limits of the policy. Twenty-six counties purchased this program during 2009.

The Washington Counties Risk Pool is a cooperative program, so there is joint liability amongst its participating members. Contingent liabilities are established when assets are not sufficient to cover liabilities. Pool member counties are required to timely submit their 3<sup>rd</sup>-party liability claims which are handled by the Pool's staff. This includes establishing reserves for both reported and unreported covered events, as well as estimates of the undiscounted future cash payments for losses and related claims adjustment expenses. Deficits resulting from any Pool fiscal year are financed by proportional reassessments against that year's membership. The Pool's reassessments receivable balance as of December 31, 2009 was zero.

## **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 Insurance Admin & Purchasing 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 8 - LONG-TERM DEBT**

### **A. Long-Term Debt**

The County issues general obligation bonds to finance the purchase and construction of buildings and other capital assets. 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 Criminal Justice Sales Tax, Distressed Counties Tax, and REET funds. These bonds are set to mature between 2010 and 2036.

General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount Outstanding
2000 G.O. bonds for acquisition, construction, and installation of certain public infrastructure improvements, original issue \$4,000,000	5.60%	160,000
2001 G.O. bonds for acquisition and installation of phone system and accounting system, original issue \$404,000	4.25%	94,731
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%	1,930,000
2003 LTGO 2003A bonds to make improvements to certain county facilities, original issue \$3,445,000	2.0% - 4.5%	2,630,000
2007 LTGO and refunding bonds to advance refund the county's 1998 and 2000 G.O. bonds and \$1,200,000 for technology projects, original issue \$5,735,000	4.0% - 5.0%	5,105,000
2009 LTGO bonds for the law and justice facility renovation, original issue \$8,150,000	2.0% - 5.0%	8,150,000
<b>Total</b>		<b>18,069,731</b>

The annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2010	866,403	765,687
2011	998,327	759,829
2012	985,000	715,124
2013	755,000	678,594
2014	780,000	650,890
2015-2019	4,170,000	2,738,196
2020-2024	3,160,000	1,885,163
2025-2029	2,220,000	1,321,475
2030-2034	2,815,000	721,913
2035-2036	1,320,000	93,765
<b>Total</b>	<b>18,069,731</b>	<b>10,330,635</b>

## B. Refunded Debt

In 2003 Chelan County issued the 2003 LTGO 2003A bonds to defease the 1997 LTGO bonds. In 2007 Chelan County issued the 2007 LTGO refunding bonds to defease the 1998 and 2000 G.O bonds. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for defeased bonds are not included in the county's financial statements.

## NOTE 9 – 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. As of December 31, 2009, all capital lease obligations were paid. The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Business-Type Activities
Office equipment	11,891	-
Tractor	-	22,451
Vehicles	231,006	-
Less accumulated depreciation	235,286	14,818
<b>Total</b>	<b>7,611</b>	<b>7,633</b>

**NOTE 10 – CHANGES IN LONG TERM LIABILITIES**

During the year ended December 31, 2009, the following changes occurred in long-term liabilities:

	<b>Beginning Balance 01/01/09</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 12/31/09</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Bonds payable	10,759,242	8,150,000	839,511	18,069,731	866,403
OPEB benefit for LEOFF	324,390	587,091	301,182	610,299	343,381
Compensated absences	1,674,849	285,611	241,561	1,718,899	293,187
Leases payable	2,583	-	2,583	-	-
Governmental activity long-term liabilities:	12,761,064	9,022,702	1,384,837	20,398,929	1,502,971
<b>Business-Type Activities:</b>					
Compensated absences	440,402	195,610	164,462	471,550	157,233
Business-type activity long-term liabilities:	440,402	195,610	164,462	471,550	157,233

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$38,230 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally 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.

**NOTE 11 – 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.

During 2008 and 2009, Chelan County received a total of \$773,203 from the Department of Community, Trade and Economic Development (CTED) for the express purpose of the construction of restroom, shower, and laundry facilities for the Monitor Park temporary farm worker camp. Repayment of the non-interest bearing loan principal shall be deferred until the change of use, noncompliance with agreement, or December 31, 2022, whichever occurs first. The loan is forgiven at a rate of 1/15<sup>th</sup> per year over the 15 year deferral period. Upon completion of the deferral period, the entire loan will be forgiven. Since the probability of repayment is remote, loan proceeds were recorded as a capital grant in 2008 and 2009. The potential liability for the unamortized balance on December 31, 2009 was \$670,109.

**NOTE 12 - INTERFUND BALANCES AND TRANSFERS**

**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. The majority of these are due to interfund billing of equipment rental and motor pool charges.

Due from other funds and due to other funds as of December 31, 2009 are as follows:

Due To	Due From					Total
	General Fund	County Roads	Nonmajor Governmental	Regional Justice Center	Nonmajor Enterprise	
General Fund	-	108,585	53,852	-	-	162,437
County Roads	201	-	100,000	-	-	100,201
Nonmajor governmental	-	-	1,242	100	-	1,342
Solid Waste	-	95	-	-	-	95
Regional Justice Center	991	-	-	-	-	991
Nonmajor enterprise	-	4,398	-	-	-	4,398
Internal service	442	241,731	501	448	162	243,284
Total	1,634	354,809	155,594	548	162	512,748

**B. Interfund Loans Payable/Receivable**

Interfund loans have arisen from certain funds requiring cash flow to manage their operations. The following table displays interfund loan activity during 2009:

Borrowing Fund	Lending Fund	Interfund Loans and Advances Payable			
		1/1/2009	New Loans	Repayments	12/31/2009
Natural Resources	General Fund	43,000	13,000	56,000	-
Natural Resources	Distressed Counties Tax	-	175,000	175,000	-
Natural Resources	R.E.E.T. I	-	45,000	45,000	-
General Fund	Distressed Counties Tax	-	362,000	362,000	-
General Fund	R.E.E.T. I	-	1,120,000	1,120,000	-
General Fund	R.E.E.T. II	-	169,000	169,000	-
County Roads	Equipment Rental & Revolving	-	872,000	872,000	-
Total		43,000	2,756,000	2,799,000	-

**C. Interfund Transfers**

During 2009, interfund transfers were used to move General funds property tax revenues to support the Veteran's Relief, Mental Health & Retardation, and Law Library operations. Transfers from nonmajor governmental funds were to reimburse Superior Court law library costs, supplant Superior Court's General fund budget reductions, and support event promotion at Ohme Gardens and Expo Center. Some REET funds were transferred to County Roads so that some of the road property tax levy could be shifted to the General fund.

The following table displays interfund transfers during 2009:

Transfers To	Transfers From		
	General	Nonmajor Governmental	Total
General	-	100,458	100,458
County Roads	-	400,466	400,466
Nonmajor governmental	341,151	3,726	344,877
Nonmajor enterprise	-	20,000	20,000
Total transfers	341,151	524,650	865,801

**NOTE 13 – JOINT VENTURES**

**A. 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 explicitly specify a method for measuring each partner's interest. During 2009, Rivercom received total revenues of \$3,251,595 and incurred total expenses of \$3,545,715 resulting in a decrease in net assets of \$294,120, and ending fund balance of \$819,591. A copy of Rivercom's financial statements can be obtained from Rivercom at: PO Box 3344, Wenatchee, WA 98807 or (509) 662-4650.

**NOTE 14 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS**

**A. Plan Description**

In addition to the pension benefits described in Note 6, the County provides single-employer defined benefit health insurance for retired public safety employees who are vested in LEOFF 1. All the County's LEOFF 1 employees may become eligible for these benefits if they reach normal retirement age while working for the County. There are 25 participants eligible to receive these benefits. The benefits are 100 percent provided by the County in order to meet state statutory requirements under the LEOFF 1 system whereby the County pays for their medical and dental premiums and out-of-pocket medical costs for life.

**B. Funding Policy**

The County has the authority to establish and amend contribution requirements. The required contribution is funded 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. Since the County's healthcare plan is experience rated, the annual required contribution can fluctuate. For the fiscal year ending December 31, 2009, the County's combined plan contributions were \$310,103.

**C. Annual OPEB Cost and Net OPEB Obligation**

For 2009, the county's annual OPEB cost of \$587,091 for LEOFF 1 was greater than the required contribution. The county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the two preceding years were as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
12/31/2009	\$587,091	53%	\$610,299
12/31/2008	\$637,339	49%	\$324,390
12/31/2007	Not available*	Not available*	Not available*

\*GASB 45 was implemented during 2008, therefore, no prior data is available.

**D. Funding Status and Funding Progress**

The funded status of the plan as of December 31, 2009, was as follows:

Actuarial accrued liability (AAL)	6,472,713
Actuarial value of plan assets	0
Unfunded actuarial accrued liability	6,472,713
Funded ratio (actuarial value of plan assets / AAL)	0%

## **E. Methods and Assumptions**

Due to the size of the plan (less than 100 participants) the County elected to use the alternative measurement method permitted under GASB Statement No. 45. A single retirement age of 56.24 was assumed for all active members for the purpose of determining the AAL and normal cost. An interest discount rate of Retirement, disablement, termination, and mortality rates were assumed to follow the LEOFF 1 rates used in the June 30, 2007 actuarial valuation report issued by the Office of the State Actuary (OSA). Healthcare costs and trends were determined by Milliman and used by OSA in the state-wide LEOFF 1 medical study performed in 2007. The results were based on grouped data with 4 active groupings and 4 inactive groupings. The actuarial cost method used to determine the AAL was Projected Unit Credit. Medical inflation rates were expected to start at 8.5% and decreases to 5.0% for years beginning in 2016. A return on investment earnings rate of 4.5% was assumed. General inflation was projected at 3.5%. General salary increases (including inflation) were projected at 4.5%. The AAL and NOO are amortized on an open basis as a level dollar over 15 years. These assumptions are individually and collectively reasonable for the purposes of this valuation.

## **NOTE 15 – SUBSEQUENT EVENTS**

Although the Regional Justice Center is solely a department of Chelan County, many financial and operational decisions have been managed as a partnership with the City of Wenatchee and Douglas County. On January 1<sup>st</sup>, 2010 the Regional Jail Partnership formally dissolved. During the dissolution, it was agreed that some of the Jail's fund balance should be proportionately divided between the partners who had contributed to the Regional Justice Center. In March of 2010, the Regional Justice Center paid \$299,773 to the City of Wenatchee, and \$218,921 to Douglas County out of the available cash. This is reported as a liability on the financial statements.

In addition, the Chelan County Board of Commissioners informally agreed to pay the former partners \$150,000 each to refund their capital contributions for the 2005 construction of the Regional Justice Center Annex. Payment of this commitment is reasonably possible, but has not been formally established nor has the funding source been identified.

**CHELAN COUNTY, WASHINGTON**

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Required Supplementary Information

**Chelan County LEOFF 1 Retiree Health Insurance Plan  
Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b-a)/c]</b>
12/31/2009	0	6,472,713	6,472,713	0%	0	N/A
12/31/2008	0	6,844,736	6,844,736	0%	0	N/A

## CHELAN COUNTY, WASHINGTON

Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2009

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	1,630,264	809,278	2,439,542
Investments	2,834,444	848,258	3,682,701
Accounts receivable	397,252	-	397,252
Taxes receivable	15,247	-	15,247
Interest receivable	692	245	937
Due from other funds	1,342	-	1,342
Due from other governments	771,008	56,910	827,918
Total assets	<u>5,650,248</u>	<u>1,714,690</u>	<u>7,364,938</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	415,932	259,064	674,996
Due to other funds	155,594	-	155,594
Due to other governments	42,187	-	42,187
Other accrued liabilities	68,924	-	68,924
Deferred revenue	15,247	-	15,247
Total liabilities	<u>697,884</u>	<u>259,064</u>	<u>956,948</u>
Fund balances:			
Unreserved, reported in nonmajor:	<u>4,952,364</u>	<u>1,455,626</u>	<u>6,407,990</u>
Total fund balances	<u>4,952,364</u>	<u>1,455,626</u>	<u>6,407,990</u>
Total liabilities and fund balances	<u>5,650,248</u>	<u>1,714,690</u>	<u>7,364,938</u>

**CHELAN COUNTY, WASHINGTON**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2009

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total</b>
<b>REVENUES</b>			
Taxes	3,253,134	651,405	3,904,539
Intergovernmental	3,787,670	78,395	3,866,065
Charges for services	834,283	-	834,283
Fees and fines	40,229	-	40,229
Miscellaneous	4,950,276	9,692	4,959,968
Total revenues	<u>12,865,592</u>	<u>739,492</u>	<u>13,605,085</u>
<b>EXPENDITURES</b>			
Current:			
General government	237,880	-	237,880
Security of persons and property	2,007,115	-	2,007,115
Utilities and environment	5,592,126	-	5,592,126
Transportation	92,420	-	92,420
Economic environment	1,614,736	-	1,614,736
Mental and physical health	1,112,619	-	1,112,619
Culture and recreation	217,281	-	217,281
Debt service:			
Principal	492,500	237,012	729,512
Interest and other charges	185,548	180,690	366,238
Capital outlay	76,580	900,223	976,804
Total expenditures	<u>11,628,805</u>	<u>1,317,925</u>	<u>12,946,730</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,236,787</u>	<u>(578,433)</u>	<u>658,354</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	1,673	-	1,673
Transfers in	344,524	354	344,877
Transfers out	(122,458)	(402,192)	(524,650)
Total other financing sources and uses	<u>223,738</u>	<u>(401,838)</u>	<u>(178,100)</u>
Net change in fund balances	<u>1,460,525</u>	<u>(980,271)</u>	<u>480,254</u>
Fund balances - beginning	<u>3,491,839</u>	<u>2,435,897</u>	<u>5,927,736</u>
Fund balances - ending	<u>4,952,364</u>	<u>1,455,626</u>	<u>6,407,990</u>

## **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.

**Felony Seizure and Forfeiture:** accounts for the proceeds from felony arrests and forfeiture cases worked by the Chelan County Sheriff's Office.

**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.

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

**Pest Control Internship Program:** 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.

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

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

**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.

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

**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.

**Criminal Justice Sales Tax:** accounts for monies collected from the sales and use tax allocated for "criminal justice" purposes.

**CASA:** accounts for the funding from the state to the Court Appointed Special Advocates (CASA) program.

**Network Grant:** accounts for the funds received from the legislature to deal with various community risk factors and passed through to the Community Action Council.

**Substance Abuse:** accounts for funds received from the state Department of Social and Health Services and passed through to The Center for Alcohol and Drug Treatment.

**Distressed Counties Tax:** accounts for monies collected from the sales and use tax allocated to "distressed and rural" counties.

**Regional Justice Center Records:** accounts for grant revenues received from the Washington State Archives for supplies, boxes, and personnel costs involved in the re-organization of records and preparation of inmate packets for a future mobile filing/storage system.

**Drug Task Force:** accounts for the finances of the Columbia River Drug Task Force, a multijurisdictional narcotics control program and task force.

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2009

	<u>Paths &amp; Trails</u>	<u>Drug Enforce- ment Reserve</u>	<u>Felony Seizure &amp; Forfeiture</u>	<u>Auditor O&amp;M</u>	<u>ORV Ed. &amp; Enforce- ment</u>	<u>Boating Safety</u>	<u>Ohme Gardens</u>
<b>ASSETS</b>							
Cash and cash equivalents	26,740	6,000	1,416	952	73,376	21,385	1,150
Investments	25,053	13,835	-	129,976	-	-	68,022
Accounts receivable	-	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-	-
Interest receivable	7	4	-	39	-	-	18
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
<b>Total assets</b>	<u><b>51,800</b></u>	<u><b>19,839</b></u>	<u><b>1,416</b></u>	<u><b>130,967</b></u>	<u><b>73,376</b></u>	<u><b>21,385</b></u>	<u><b>69,191</b></u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	-	-	-	-	463	441	702
Due to other funds	-	-	-	-	222	-	35
Due to other governments	-	-	-	-	-	-	217
Other accrued liabilities	-	-	-	-	-	9,037	5,214
Deferred revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>685</b></u>	<u><b>9,478</b></u>	<u><b>6,168</b></u>
Fund balances:							
Unreserved, undesignated	<u>51,800</u>	<u>19,839</u>	<u>1,416</u>	<u>130,967</u>	<u>72,691</u>	<u>11,907</u>	<u>63,023</u>
<b>Total fund balances</b>	<u><b>51,800</b></u>	<u><b>19,839</b></u>	<u><b>1,416</b></u>	<u><b>130,967</b></u>	<u><b>72,691</b></u>	<u><b>11,907</b></u>	<u><b>63,023</b></u>
<b>Total liabilities and fund balances</b>	<u><b>51,800</b></u>	<u><b>19,839</b></u>	<u><b>1,416</b></u>	<u><b>130,967</b></u>	<u><b>73,376</b></u>	<u><b>21,385</b></u>	<u><b>69,191</b></u>

<u>Sheriff Donation</u>	<u>Farm Worker Housing</u>	<u>Pest Control Internship Program</u>	<u>R.E.E.T. Tech- nology</u>	<u>Juvenile Donation</u>	<u>Trial Court Improve- ment</u>	<u>911 Comm.</u>	<u>Parent Education</u>	<u>Cashmere Dryden Airport</u>	<u>Law Library</u>
14,717	127,451	15,742	129,199	972	74,637	-	20,288	606	100,907
-	-	-	-	-	-	-	-	832	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	141
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	100	-	-
-	62,717	-	-	-	-	-	-	-	-
<u>14,717</u>	<u>190,169</u>	<u>15,742</u>	<u>129,199</u>	<u>972</u>	<u>74,637</u>	<u>-</u>	<u>20,388</u>	<u>1,439</u>	<u>101,048</u>
-	6,128	-	-	-	-	-	699	131	890
-	-	-	-	-	-	-	-	-	-
-	860	-	-	-	-	-	-	105	-
-	1,752	-	-	-	-	-	818	875	-
-	-	-	-	-	-	-	-	-	141
-	<u>8,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,518</u>	<u>1,111</u>	<u>1,031</u>
<u>14,717</u>	<u>181,428</u>	<u>15,742</u>	<u>129,199</u>	<u>972</u>	<u>74,637</u>	<u>-</u>	<u>18,870</u>	<u>328</u>	<u>100,017</u>
<u>14,717</u>	<u>181,428</u>	<u>15,742</u>	<u>129,199</u>	<u>972</u>	<u>74,637</u>	<u>-</u>	<u>18,870</u>	<u>328</u>	<u>100,017</u>
<u>14,717</u>	<u>190,169</u>	<u>15,742</u>	<u>129,199</u>	<u>972</u>	<u>74,637</u>	<u>-</u>	<u>20,388</u>	<u>1,439</u>	<u>101,048</u>

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2009

	<b>Veterans Relief</b>	<b>Mental Health</b>	<b>Comm. Services and Housing</b>	<b>Treasurer O&amp;M</b>	<b>Tourist &amp; Convention</b>	<b>Election Reserve</b>	<b>Natural Resources Program</b>
<b>ASSETS</b>							
Cash and cash equivalents	164,393	1,338	215,607	7,555	537,180	7,855	39,005
Investments	26,755	-	-	128,511	7,914	20,734	-
Accounts receivable	-	-	-	-	-	-	269,772
Taxes receivable	4,976	10,130	-	-	-	-	-
Interest receivable	7	-	-	35	2	6	-
Due from other funds	-	-	-	-	-	-	1,242
Due from other governments	-	-	5,784	-	-	12,367	481,693
<b>Total assets</b>	<b>196,131</b>	<b>11,468</b>	<b>221,391</b>	<b>136,101</b>	<b>545,096</b>	<b>40,961</b>	<b>791,711</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	1,102	-	-	-	162,210	3,496	154,469
Due to other funds	-	-	-	-	-	-	100,243
Due to other governments	-	1,338	14,791	-	16,250	-	8,470
Other accrued liabilities	-	-	-	1,220	-	-	50,007
Deferred revenue	4,976	10,130	-	-	-	-	-
<b>Total liabilities</b>	<b>6,078</b>	<b>11,468</b>	<b>14,791</b>	<b>1,220</b>	<b>178,460</b>	<b>3,496</b>	<b>313,189</b>
Fund balances:							
Unreserved, undesignated	190,053	-	206,600	134,880	366,636	37,465	478,523
<b>Total fund balances</b>	<b>190,053</b>	<b>-</b>	<b>206,600</b>	<b>134,880</b>	<b>366,636</b>	<b>37,465</b>	<b>478,523</b>
<b>Total liabilities and fund balances</b>	<b>196,131</b>	<b>11,468</b>	<b>221,391</b>	<b>136,101</b>	<b>545,096</b>	<b>40,961</b>	<b>791,711</b>

Regional Jail Education	Forest Title III	Criminal Justice Sales Tax	CASA	Network Grant	Substance Abuse	Distressed Counties Tax	Regional Justice Center Records	Drug Task Force	Total
9,000	13,379	-	16,970	-	2,351	-	-	93	1,630,264
21,210	-	697,529	-	-	-	1,289,750	-	404,323	2,834,444
-	-	-	5,650	-	121,830	-	-	-	397,252
-	-	-	-	-	-	-	-	-	15,247
6	-	176	-	-	-	281	-	111	692
-	-	-	-	-	-	-	-	-	1,342
-	140,090	-	-	8,975	59,382	-	-	-	771,008
<u>30,216</u>	<u>153,469</u>	<u>697,705</u>	<u>22,620</u>	<u>8,975</u>	<u>183,563</u>	<u>1,290,031</u>	<u>-</u>	<u>404,527</u>	<u>5,650,248</u>
519	-	6,911	16,950	-	59,982	304	-	536	415,932
-	55,094	-	-	-	-	-	-	-	155,594
157	-	-	-	-	-	-	-	-	42,187
-	-	-	-	-	-	-	-	-	68,924
-	-	-	-	-	-	-	-	-	15,247
<u>675</u>	<u>55,094</u>	<u>6,911</u>	<u>16,950</u>	<u>-</u>	<u>59,982</u>	<u>304</u>	<u>-</u>	<u>536</u>	<u>697,884</u>
29,541	98,376	690,794	5,670	8,975	123,581	1,289,727	-	403,992	4,952,364
29,541	98,376	690,794	5,670	8,975	123,581	1,289,727	-	403,992	4,952,364
<u>30,216</u>	<u>153,469</u>	<u>697,705</u>	<u>22,620</u>	<u>8,975</u>	<u>183,563</u>	<u>1,290,031</u>	<u>-</u>	<u>404,527</u>	<u>5,650,248</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2009

	<b>Paths &amp; Trails</b>	<b>Drug Enforce- ment Reserve</b>	<b>Felony Seizure &amp; Forfeiture</b>	<b>Auditor O&amp;M</b>	<b>ORV Ed. &amp; Enforce- ment</b>	<b>Boating Safety</b>	<b>Ohme Gardens</b>
<b>REVENUES</b>							
Taxes	-	-	-	-	-	-	-
Intergovernmental	10,808	-	-	82,569	120,932	145,192	-
Charges for services	-	-	-	50,877	-	1,922	151,567
Fees and fines	-	7,031	-	-	-	-	-
Miscellaneous	172	4,247	1,416	909	-	962	26,978
Total revenues	<u>10,979</u>	<u>11,278</u>	<u>1,416</u>	<u>134,355</u>	<u>120,932</u>	<u>148,076</u>	<u>178,545</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	88,958	-	-	-
Security of persons and property	-	117	-	-	91,490	197,938	-
Utilities and environment	-	-	-	-	-	-	-
Transportation	8,122	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Mental and physical health	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	184,464
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	54,334	-	-	-
Total expenditures	<u>8,122</u>	<u>117</u>	<u>-</u>	<u>143,292</u>	<u>91,490</u>	<u>197,938</u>	<u>184,464</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,858</u>	<u>11,161</u>	<u>1,416</u>	<u>(8,936)</u>	<u>29,443</u>	<u>(49,862)</u>	<u>(5,919)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of capital assets	-	-	-	-	-	1,271	270
Transfers in	-	-	-	-	-	-	2,000
Transfers out	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,271</u>	<u>2,270</u>
Net change in fund balances	<u>2,858</u>	<u>11,161</u>	<u>1,416</u>	<u>(8,936)</u>	<u>29,443</u>	<u>(48,590)</u>	<u>(3,649)</u>
Fund balances - beginning	<u>48,943</u>	<u>8,677</u>	<u>-</u>	<u>139,903</u>	<u>43,248</u>	<u>60,498</u>	<u>66,672</u>
Fund balances - ending	<u>51,800</u>	<u>19,839</u>	<u>1,416</u>	<u>130,967</u>	<u>72,691</u>	<u>11,907</u>	<u>63,023</u>

Sheriff Donation	Farm Worker Housing	Pest Control Internship Program	R.E.E.T. Tech- nology	Juvenile Donation	Trial Court Improve- ment	911 Comm.	Parent Educ.	Cashmere Dryden Airport	Law Library
-	-	-	-	-	-	521,999	-	-	212
-	301,584	-	21,906	-	37,195	93,405	11,194	43,266	-
-	-	-	-	-	-	-	12,950	-	32,319
-	-	-	-	-	-	-	-	-	-
2,815	105,898	-	-	-	-	-	3,862	30,679	90
<u>2,815</u>	<u>407,481</u>	<u>-</u>	<u>21,906</u>	<u>-</u>	<u>37,195</u>	<u>615,405</u>	<u>28,005</u>	<u>73,946</u>	<u>32,620</u>
-	-	-	-	-	3,544	-	-	-	35,857
7,225	-	-	-	-	-	615,405	-	-	-
-	-	14,351	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	84,298	-
-	420,246	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	32,817	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>7,225</u>	<u>420,246</u>	<u>14,351</u>	<u>-</u>	<u>-</u>	<u>3,544</u>	<u>615,405</u>	<u>32,817</u>	<u>84,298</u>	<u>35,857</u>
<u>(4,410)</u>	<u>(12,764)</u>	<u>(14,351)</u>	<u>21,906</u>	<u>-</u>	<u>33,651</u>	<u>-</u>	<u>(4,812)</u>	<u>(10,352)</u>	<u>(3,237)</u>
-	131	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	30,000
-	-	-	-	-	(80,300)	-	-	-	(20,158)
-	131	-	-	-	(80,300)	-	-	-	9,842
<u>(4,410)</u>	<u>(12,633)</u>	<u>(14,351)</u>	<u>21,906</u>	<u>-</u>	<u>(46,649)</u>	<u>-</u>	<u>(4,812)</u>	<u>(10,352)</u>	<u>6,605</u>
<u>19,126</u>	<u>194,061</u>	<u>30,094</u>	<u>107,293</u>	<u>972</u>	<u>121,286</u>	<u>-</u>	<u>23,682</u>	<u>10,680</u>	<u>93,412</u>
<u>14,717</u>	<u>181,428</u>	<u>15,742</u>	<u>129,199</u>	<u>972</u>	<u>74,637</u>	<u>-</u>	<u>18,870</u>	<u>328</u>	<u>100,017</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2009

	Veterans Relief	Mental Health	Comm. Services and Housing	Treasurer's O&M	Tourist & Convention	Election Reserve	Natural Resources Program
<b>REVENUES</b>							
Taxes	383	850	-	-	770,349	-	-
Intergovernmental revenues	-	-	83,649	-	-	-	1,382,250
Charges for services	-	-	424,277	14,874	-	25,873	22,944
Fees and fines	-	-	-	-	-	-	-
Miscellaneous	183	-	-	3,361	54	71	3,920,707
Total revenues	<u>566</u>	<u>850</u>	<u>507,926</u>	<u>18,235</u>	<u>770,403</u>	<u>25,943</u>	<u>5,325,901</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	20,767	-	14,676	-
Security of persons and prop	-	-	-	-	-	-	-
Utilities and environment	-	-	-	-	-	-	5,448,044
Transportation	-	-	-	-	-	-	-
Economic environment	25,370	-	393,570	-	733,147	-	-
Mental and physical health	-	213,026	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	916
Capital outlay	-	-	-	-	-	22,247	-
Total expenditures	<u>25,370</u>	<u>213,026</u>	<u>393,570</u>	<u>20,767</u>	<u>733,147</u>	<u>36,923</u>	<u>5,448,960</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,804)</u>	<u>(212,176)</u>	<u>114,356</u>	<u>(2,532)</u>	<u>37,256</u>	<u>(10,980)</u>	<u>(123,059)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	96,201	212,176	-	-	-	-	-
Transfers out	-	-	-	-	(22,000)	-	-
Total other financing sources and uses	<u>96,201</u>	<u>212,176</u>	<u>-</u>	<u>-</u>	<u>(22,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>71,396</u>	<u>-</u>	<u>114,356</u>	<u>(2,532)</u>	<u>15,256</u>	<u>(10,980)</u>	<u>(123,059)</u>
Fund balances - beginning	<u>118,657</u>	<u>-</u>	<u>92,244</u>	<u>137,412</u>	<u>351,380</u>	<u>48,444</u>	<u>601,581</u>
Fund balances - ending	<u>190,053</u>	<u>-</u>	<u>206,600</u>	<u>134,880</u>	<u>366,636</u>	<u>37,465</u>	<u>478,523</u>

Regional Jail Ed.	Forest Title III	Criminal Justice Sales Tax	CASA	Network Grant	Substance Abuse	Distressed Counties Tax	RJC Records	Drug Task Force	Total
-	-	683,361	-	-	-	1,275,980	-	-	3,253,134
-	140,848	-	73,302	46,358	901,183	-	1,000	291,030	3,787,670
96,680	-	-	-	-	-	-	-	-	834,283
215	-	-	-	-	-	-	-	32,983	40,229
43,441	-	4,061	3,671	-	121,991	187,083	12	487,614	4,950,276
<u>140,336</u>	<u>140,848</u>	<u>687,422</u>	<u>76,973</u>	<u>46,358</u>	<u>1,023,174</u>	<u>1,463,062</u>	<u>1,012</u>	<u>811,627</u>	<u>12,865,592</u>
-	-	-	74,078	-	-	-	-	-	237,880
112,930	-	570,483	-	-	-	-	3,893	407,635	2,007,115
-	129,731	-	-	-	-	-	-	-	5,592,126
-	-	-	-	-	-	-	-	-	92,420
-	-	-	-	37,383	-	5,019	-	-	1,614,736
-	-	-	-	-	899,593	-	-	-	1,112,619
-	-	-	-	-	-	-	-	-	217,281
-	-	-	-	-	-	492,500	-	-	492,500
-	-	-	-	-	-	184,632	-	-	185,548
-	-	-	-	-	-	-	-	-	76,580
<u>112,930</u>	<u>129,731</u>	<u>570,483</u>	<u>74,078</u>	<u>37,383</u>	<u>899,593</u>	<u>682,151</u>	<u>3,893</u>	<u>407,635</u>	<u>11,628,805</u>
<u>27,406</u>	<u>11,117</u>	<u>116,939</u>	<u>2,895</u>	<u>8,975</u>	<u>123,581</u>	<u>780,911</u>	<u>(2,881)</u>	<u>403,992</u>	<u>1,236,787</u>
-	-	-	-	-	-	-	-	-	1,673
-	-	-	2,775	-	-	1,372	-	-	344,524
-	-	-	-	-	-	-	-	-	(122,458)
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,775</u>	<u>-</u>	<u>-</u>	<u>1,372</u>	<u>-</u>	<u>-</u>	<u>223,738</u>
<u>27,406</u>	<u>11,117</u>	<u>116,939</u>	<u>5,670</u>	<u>8,975</u>	<u>123,581</u>	<u>782,284</u>	<u>(2,881)</u>	<u>403,992</u>	<u>1,460,525</u>
<u>2,136</u>	<u>87,259</u>	<u>573,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>507,444</u>	<u>2,881</u>	<u>-</u>	<u>3,491,839</u>
<u>29,541</u>	<u>98,376</u>	<u>690,794</u>	<u>5,670</u>	<u>8,975</u>	<u>123,581</u>	<u>1,289,727</u>	<u>-</u>	<u>403,992</u>	<u>4,952,364</u>

# CHELAN COUNTY, WASHINGTON

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## Paths & Trails Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	12,000	10,808	(1,192)
Miscellaneous	1,000	172	(828)
Total revenues	<u>13,000</u>	<u>10,979</u>	<u>(2,021)</u>
<b>EXPENDITURES</b>			
Current:			
Transportation	35,000	8,122	26,878
Total expenditures	<u>35,000</u>	<u>8,122</u>	<u>26,878</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,000)</u>	<u>2,858</u>	<u>24,858</u>
Fund balances - beginning	<u>45,779</u>	<u>48,943</u>	<u>3,164</u>
Fund balances - ending	<u><u>23,779</u></u>	<u><u>51,800</u></u>	<u><u>28,021</u></u>

# 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, 2009

	<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	7,031	3,031
Miscellaneous	13,750	4,247	(9,503)
Total revenues	<u>17,750</u>	<u>11,278</u>	<u>(6,472)</u>
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	15,117	117	15,000
Total expenditures	<u>15,117</u>	<u>117</u>	<u>15,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,633</u>	<u>11,161</u>	<u>8,528</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	1,500	-	(1,500)
Transfers out	(25,000)	-	25,000
Total other financing sources and uses	<u>(23,500)</u>	<u>-</u>	<u>23,500</u>
Net change in fund balances	<u>(20,867)</u>	<u>11,161</u>	<u>32,028</u>
Fund balances - beginning	<u>23,983</u>	<u>8,677</u>	<u>(15,306)</u>
Fund balances - ending	<u>3,116</u>	<u>19,839</u>	<u>16,723</u>

# CHELAN COUNTY, WASHINGTON

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## Felony Seizure & Forfeiture Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Miscellaneous	-	1,416	1,416
Total revenues	-	1,416	1,416
<b>EXPENDITURES</b>	-		
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	1,416	1,416
Fund balances - beginning	-	-	-
Fund balances - ending	-	1,416	1,416

# 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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	60,000	82,569	22,569
Charges for services	48,830	50,877	2,047
Miscellaneous	1,000	909	(91)
Total revenues	<u>109,830</u>	<u>134,355</u>	<u>24,525</u>
<b>EXPENDITURES</b>			
Current:			
General government	101,923	88,958	12,965
Capital outlay	70,000	54,334	15,667
Total expenditures	<u>171,923</u>	<u>143,292</u>	<u>28,631</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(62,093)</u>	<u>(8,936)</u>	<u>53,157</u>
Fund balances - beginning	<u>50,000</u>	<u>139,903</u>	<u>89,903</u>
Fund balances - ending	<u>(12,093)</u>	<u>130,967</u>	<u>143,060</u>

# 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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	142,010	120,932	(21,078)
Total revenues	142,010	120,932	(21,078)
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	151,791	91,490	60,301
Total expenditures	151,791	91,490	60,301
Excess (deficiency) of revenues over (under) expenditures	(9,781)	29,443	39,224
Fund balances - beginning	26,833	43,248	16,415
Fund balances - ending	17,052	72,691	55,639

# 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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	111,374	145,192	33,818
Charges for services	-	1,922	1,922
Miscellaneous	45,900	962	(44,938)
Total revenues	<u>157,274</u>	<u>148,076</u>	<u>(9,198)</u>
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	228,372	197,938	30,434
Total expenditures	<u>228,372</u>	<u>197,938</u>	<u>30,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(71,098)</u>	<u>(49,862)</u>	<u>21,236</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	-	1,271	1,271
Total other financing sources and uses	<u>-</u>	<u>1,271</u>	<u>1,271</u>
Net change in fund balances	<u>(71,098)</u>	<u>(48,590)</u>	<u>22,508</u>
Fund balances - beginning	<u>71,098</u>	<u>60,498</u>	<u>(10,600)</u>
Fund balances - ending	<u>-</u>	<u>11,907</u>	<u>11,907</u>

**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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for services	148,637	151,567	2,930
Miscellaneous	27,790	26,978	(812)
Total revenues	<u>176,427</u>	<u>178,545</u>	<u>2,118</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	245,726	184,464	61,262
Total expenditures	<u>245,726</u>	<u>184,464</u>	<u>61,262</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(69,299)</u>	<u>(5,919)</u>	<u>63,380</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	-	270	270
Transfers in	2,040	2,000	(40)
Total other financing sources and uses	<u>2,040</u>	<u>2,270</u>	<u>230</u>
Net change in fund balances	<u>(67,259)</u>	<u>(3,649)</u>	<u>63,610</u>
Fund balances - beginning	101,222	66,672	(34,550)
Fund balances - ending	<u>33,963</u>	<u>63,023</u>	<u>29,060</u>

# CHELAN COUNTY, WASHINGTON

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## Sheriff Donation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Miscellaneous	3,140	2,815	(325)
Total revenues	<u>3,140</u>	<u>2,815</u>	<u>(325)</u>
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	9,171	7,225	1,946
Total expenditures	<u>9,171</u>	<u>7,225</u>	<u>1,946</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,031)</u>	<u>(4,410)</u>	<u>1,621</u>
Fund balances - beginning	<u>6,722</u>	<u>19,126</u>	<u>12,404</u>
Fund balances - ending	<u><u>691</u></u>	<u><u>14,717</u></u>	<u><u>14,026</u></u>

# 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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	304,500	301,584	(2,916)
Miscellaneous	82,175	105,898	23,723
Total revenues	<u>386,675</u>	<u>407,481</u>	<u>20,806</u>
<b>EXPENDITURES</b>			
Current:			
Economic environment	427,386	420,246	7,140
Total expenditures	<u>427,386</u>	<u>420,246</u>	<u>7,140</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,711)</u>	<u>(12,764)</u>	<u>27,947</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	-	131	131
Total other financing sources and uses	<u>-</u>	<u>131</u>	<u>131</u>
Net change in fund balances	<u>(40,711)</u>	<u>(12,633)</u>	<u>28,078</u>
Fund balances - beginning	<u>45,600</u>	<u>194,061</u>	<u>148,461</u>
Fund balances - ending	<u>4,889</u>	<u>181,428</u>	<u>176,539</u>

# CHELAN COUNTY, WASHINGTON

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## 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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Miscellaneous	12,750	-	(12,750)
Total revenues	<u>12,750</u>	<u>-</u>	<u>(12,750)</u>
<b>EXPENDITURES</b>			
Current:			
Utilities and environment	31,250	14,351	16,899
Total expenditures	<u>31,250</u>	<u>14,351</u>	<u>16,899</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,500)</u>	<u>(14,351)</u>	<u>4,149</u>
Fund balances - beginning	<u>25,000</u>	<u>30,094</u>	<u>5,094</u>
Fund balances - ending	<u><u>6,500</u></u>	<u><u>15,742</u></u>	<u><u>9,242</u></u>

# 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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	20,000	21,906	1,906
Total revenues	20,000	21,906	1,906
<b>EXPENDITURES</b>			
Capital outlay	103,200	-	103,200
Total expenditures	103,200	-	103,200
Excess (deficiency) of revenues over (under) expenditures	(83,200)	21,906	105,106
Fund balances - beginning	83,200	107,293	24,093
Fund balances - ending	-	129,199	129,199

# 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, 2009

	<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

# CHELAN COUNTY, WASHINGTON

## Trial Court Improvement Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	51,000	37,195	(13,805)
Total revenues	51,000	37,195	(13,805)
<b>EXPENDITURES</b>			
Current:			
General government	141,000	3,544	137,456
Total expenditures	141,000	3,544	137,456
Excess (deficiency) of revenues over (under) expenditures	(90,000)	33,651	123,651
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	(80,300)	(80,300)
Total other financing sources and uses	-	(80,300)	(80,300)
Net change in fund balances	(90,000)	(46,649)	43,351
Fund balances - beginning	90,000	121,286	31,286
Fund balances - ending	-	74,637	74,637

# CHELAN COUNTY, WASHINGTON

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## 911 Communications Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	516,000	521,999	5,999
Intergovernmental revenues	149,000	93,405	(55,595)
Total revenues	<u>665,000</u>	<u>615,405</u>	<u>(49,595)</u>
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	665,000	615,405	49,595
Total expenditures	<u>665,000</u>	<u>615,405</u>	<u>49,595</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>

# 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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	17,707	11,194	(6,513)
Charges for services	25,150	12,950	(12,200)
Miscellaneous	27,349	3,862	(23,488)
Total revenues	<u>70,206</u>	<u>28,005</u>	<u>(42,201)</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	68,136	32,817	35,319
Total expenditures	<u>68,136</u>	<u>32,817</u>	<u>35,319</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,070</u>	<u>(4,812)</u>	<u>(6,882)</u>
Fund balances - beginning	<u>27,000</u>	<u>23,682</u>	<u>(3,318)</u>
Fund balances - ending	<u><u>29,070</u></u>	<u><u>18,870</u></u>	<u><u>(10,200)</u></u>

# CHELAN COUNTY, WASHINGTON

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## Cashmere-Dryden Airport Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	100,000	43,266	(56,734)
Miscellaneous	23,276	30,679	7,403
Total revenues	<u>123,276</u>	<u>73,946</u>	<u>(49,330)</u>
<b>EXPENDITURES</b>			
Current:			
Transportation	146,695	84,298	62,397
Total expenditures	<u>146,695</u>	<u>84,298</u>	<u>62,397</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,419)</u>	<u>(10,352)</u>	<u>13,067</u>
Fund balances - beginning	<u>24,000</u>	<u>10,680</u>	<u>(13,320)</u>
Fund balances - ending	<u><u>581</u></u>	<u><u>328</u></u>	<u><u>(253)</u></u>

# 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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	-	212	212
Charges for services	31,450	32,319	869
Miscellaneous	-	90	90
Total revenues	<u>31,450</u>	<u>32,620</u>	<u>1,170</u>
<b>EXPENDITURES</b>			
Current:			
General government	<u>35,265</u>	<u>35,857</u>	<u>(592)</u>
Total expenditures	<u>35,265</u>	<u>35,857</u>	<u>(592)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,815)</u>	<u>(3,237)</u>	<u>578</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	30,000	30,000	-
Transfers out	<u>(20,158)</u>	<u>(20,158)</u>	<u>-</u>
Total other financing sources and uses	<u>9,842</u>	<u>9,842</u>	<u>-</u>
Net change in fund balances	<u>6,027</u>	<u>6,605</u>	<u>578</u>
Fund balances - beginning	<u>100,000</u>	<u>93,412</u>	<u>(6,588)</u>
Fund balances - ending	<u><u>106,027</u></u>	<u><u>100,017</u></u>	<u><u>(6,010)</u></u>

# 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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	300	383	83
Miscellaneous	1,800	183	(1,617)
Total revenues	<u>2,100</u>	<u>566</u>	<u>(1,534)</u>
<b>EXPENDITURES</b>			
Current:			
Economic environment	90,153	25,370	64,783
Total expenditures	<u>90,153</u>	<u>25,370</u>	<u>64,783</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(88,053)</u>	<u>(24,804)</u>	<u>63,249</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	98,698	96,201	(2,497)
Total other financing sources and uses	<u>98,698</u>	<u>96,201</u>	<u>(2,497)</u>
Net change in fund balances	<u>10,645</u>	<u>71,396</u>	<u>60,751</u>
Fund balances - beginning	<u>62,000</u>	<u>118,657</u>	<u>56,657</u>
Fund balances - ending	<u><u>72,645</u></u>	<u><u>190,053</u></u>	<u><u>117,408</u></u>

# 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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	600	850	250
Total revenues	<u>600</u>	<u>850</u>	<u>250</u>
<b>EXPENDITURES</b>			
Current:			
Mental and physical health	222,830	213,026	9,804
Total expenditures	<u>222,830</u>	<u>213,026</u>	<u>9,804</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(222,230)</u>	<u>(212,176)</u>	<u>10,054</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	219,329	212,176	(7,153)
Total other financing sources and uses	<u>219,329</u>	<u>212,176</u>	<u>(7,153)</u>
Net change in fund balances	<u>(2,901)</u>	<u>-</u>	<u>2,901</u>
Fund balances - beginning	2,901	-	(2,901)
Fund balances - ending	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

# CHELAN COUNTY, WASHINGTON

## Community Services & Housing Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	200,000	83,649	(116,351)
Charges for services	288,700	424,277	135,577
Total revenues	<u>488,700</u>	<u>507,926</u>	<u>19,226</u>
<b>EXPENDITURES</b>			
Current:			
Economic environment	536,700	393,570	143,130
Total expenditures	<u>536,700</u>	<u>393,570</u>	<u>143,130</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(48,000)</u>	<u>114,356</u>	<u>162,356</u>
Fund balances - beginning	<u>48,000</u>	<u>92,244</u>	<u>44,244</u>
Fund balances - ending	<u><u>-</u></u>	<u><u>206,600</u></u>	<u><u>206,600</u></u>

# 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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for services	16,000	14,874	(1,126)
Miscellaneous	2,400	3,361	961
Total revenues	<u>18,400</u>	<u>18,235</u>	<u>(165)</u>
<b>EXPENDITURES</b>			
Current:			
General government	115,200	20,767	94,433
Total expenditures	<u>115,200</u>	<u>20,767</u>	<u>94,433</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(96,800)</u>	<u>(2,532)</u>	<u>94,268</u>
Fund balances - beginning	<u>132,000</u>	<u>137,412</u>	<u>5,412</u>
Fund balances - ending	<u><u>35,200</u></u>	<u><u>134,880</u></u>	<u><u>99,680</u></u>

**CHELAN COUNTY, WASHINGTON**

Tourist &amp; Convention Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	640,000	770,349	130,349
Miscellaneous	1,000	54	(946)
Total revenues	<u>641,000</u>	<u>770,403</u>	<u>129,403</u>
<b>EXPENDITURES</b>			
Current:			
Economic environment	693,252	733,147	(39,895)
Total expenditures	<u>693,252</u>	<u>733,147</u>	<u>(39,895)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,252)</u>	<u>37,256</u>	<u>89,508</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(12,000)	(22,000)	(10,000)
Total other financing sources and uses	<u>(12,000)</u>	<u>(22,000)</u>	<u>(10,000)</u>
Net change in fund balances	<u>(64,252)</u>	<u>15,256</u>	<u>79,508</u>
Fund balances - beginning	<u>98,000</u>	<u>351,380</u>	<u>253,380</u>
Fund balances - ending	<u>33,748</u>	<u>366,636</u>	<u>332,888</u>

# 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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenue	10,000	-	(10,000)
Charges for services	20,000	25,873	5,873
Miscellaneous	1,600	71	(1,529)
Total revenues	<u>31,600</u>	<u>25,943</u>	<u>(5,657)</u>
<b>EXPENDITURES</b>			
Current:			
General government	10,198	14,676	(4,478)
Capital outlay	35,000	22,247	12,753
Total expenditures	<u>45,198</u>	<u>36,923</u>	<u>8,275</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,598)</u>	<u>(10,980)</u>	<u>2,618</u>
Fund balances - beginning	<u>56,000</u>	<u>48,444</u>	<u>(7,556)</u>
Fund balances - ending	<u>42,402</u>	<u>37,465</u>	<u>(4,937)</u>

# 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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	2,432,054	1,382,250	(1,049,804)
Charges for services	20,000	22,944	2,944
Miscellaneous	2,549,110	3,920,707	1,371,597
Total revenues	<u>5,001,164</u>	<u>5,325,901</u>	<u>324,737</u>
<b>EXPENDITURES</b>			
Current:			
Utilities and environment	5,903,657	5,448,044	455,613
Debt Service			
Interest and other charges	-	916	(916)
Total expenditures	<u>5,903,657</u>	<u>5,448,960</u>	<u>454,697</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(902,493)</u>	<u>(123,059)</u>	<u>779,434</u>
Fund balances - beginning	348,931	601,581	252,650
Fund balances - ending	<u>(553,562)</u>	<u>478,523</u>	<u>1,032,085</u>

# CHELAN COUNTY, WASHINGTON

## Regional Jail Education Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for services	130,000	96,680	(33,320)
Fees and fines	-	215	215
Miscellaneous	10	43,441	43,431
Total revenues	<u>130,010</u>	<u>140,336</u>	<u>10,326</u>
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	130,500	112,930	17,570
Total expenditures	<u>130,500</u>	<u>112,930</u>	<u>17,570</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(490)</u>	<u>27,406</u>	<u>27,896</u>
Fund balances - beginning	<u>2,126</u>	<u>2,136</u>	<u>10</u>
Fund balances - ending	<u><u>1,636</u></u>	<u><u>29,541</u></u>	<u><u>27,905</u></u>

# 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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	<u>137,529</u>	<u>140,848</u>	<u>3,319</u>
Total revenues	<u>137,529</u>	<u>140,848</u>	<u>3,319</u>
<b>EXPENDITURES</b>			
Current:			
Utilities and environment	<u>137,529</u>	<u>129,731</u>	<u>7,798</u>
Total expenditures	<u>137,529</u>	<u>129,731</u>	<u>7,798</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>11,117</u>	<u>11,117</u>
Fund balances - beginning	<u>-</u>	<u>87,259</u>	<u>87,259</u>
Fund balances - ending	<u>-</u>	<u>98,376</u>	<u>98,376</u>

# CHELAN COUNTY, WASHINGTON

## Criminal Justice Sales Tax Special Revenue Fund

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

For the Year Ended December 31, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	790,000	683,361	1,473,361
Miscellaneous	15,000	4,061	19,061
Total revenues	<u>805,000</u>	<u>687,422</u>	<u>(117,578)</u>
<b>EXPENDITURES</b>			
Security of persons and property	720,937	570,483	1,291,420
Total expenditures	<u>720,937</u>	<u>570,483</u>	<u>150,454</u>
Excess (deficiency) of revenues over (under) expenditures	<u>84,063</u>	<u>116,939</u>	<u>32,876</u>
Fund balances - beginning	<u>535,000</u>	<u>573,855</u>	<u>38,855</u>
Fund balances - ending	<u><u>619,063</u></u>	<u><u>690,794</u></u>	<u><u>71,731</u></u>

# CHELAN COUNTY, WASHINGTON

## CASA Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	70,000	73,302	3,302
Miscellaneous	-	3,671	3,671
Total revenues	<u>70,000</u>	<u>76,973</u>	<u>6,973</u>
<b>EXPENDITURES</b>			
Current:			
General government	70,000	74,078	(4,078)
Total expenditures	<u>70,000</u>	<u>74,078</u>	<u>(4,078)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>2,895</u>	<u>2,895</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	2,775	2,775
Total other financing sources and uses	<u>-</u>	<u>2,775</u>	<u>2,775</u>
Net change in fund balances	<u>-</u>	<u>5,670</u>	<u>5,670</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>-</u>	<u>5,670</u>	<u>5,670</u>

# CHELAN COUNTY, WASHINGTON

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## Network Grant Special Revenue Fund

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

For the Year Ended December 31, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	50,000	46,358	96,358
Total revenues	<u>50,000</u>	<u>46,358</u>	<u>(3,642)</u>
<b>EXPENDITURES</b>			
Economic environment	50,000	37,383	87,383
Total expenditures	<u>50,000</u>	<u>37,383</u>	<u>12,617</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>8,975</u>	<u>8,975</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u><u>-</u></u>	<u><u>8,975</u></u>	<u><u>8,975</u></u>

**CHELAN COUNTY, WASHINGTON**

Substance Abuse Special Revenue Fund

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

For the Year Ended December 31, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	1,200,000	901,183	2,101,183
Miscellaneous	-	121,991	121,991
Total revenues	<u>1,200,000</u>	<u>1,023,174</u>	<u>2,223,174</u>
<b>EXPENDITURES</b>			
Mental and physical health	1,200,000	899,593	2,099,593
Total expenditures	<u>1,200,000</u>	<u>899,593</u>	<u>300,407</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>123,581</u>	<u>2,523,581</u>
Fund balances - beginning	-	-	-
Fund balances - ending	<u>-</u>	<u>123,581</u>	<u>2,523,581</u>

# CHELAN COUNTY, WASHINGTON

## Distressed Counties Tax Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	1,120,000	1,275,980	155,980
Miscellaneous	70,000	187,083	117,083
Total revenues	<u>1,190,000</u>	<u>1,463,062</u>	<u>273,062</u>
<b>EXPENDITURES</b>			
Current:			
Economic environment	1,113,807	5,019	1,108,788
Debt Service:			
Principal	390,000	492,500	(102,500)
Interest and other charges	393,700	184,632	209,068
Total expenditures	<u>1,897,507</u>	<u>682,151</u>	<u>1,215,356</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(707,507)</u>	<u>780,911</u>	<u>1,488,418</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	1,372	1,372
Total other financing sources and uses	<u>-</u>	<u>1,372</u>	<u>1,372</u>
Net change in fund balances	<u>(707,507)</u>	<u>782,284</u>	<u>1,489,791</u>
Fund balances - beginning	<u>1,110,000</u>	<u>507,444</u>	<u>(602,556)</u>
Fund balances - ending	<u>402,493</u>	<u>1,289,727</u>	<u>887,234</u>

# CHELAN COUNTY, WASHINGTON

## Regional Justice Center Records Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2009

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	2,000	1,000	(1,000)
Miscellaneous	-	12	12
Total revenues	<u>2,000</u>	<u>1,012</u>	<u>(988)</u>
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	<u>4,876</u>	<u>3,893</u>	<u>983</u>
Total expenditures	<u>4,876</u>	<u>3,893</u>	<u>983</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,876)</u>	<u>(2,881)</u>	<u>(5)</u>
Fund balances - beginning	<u>2,876</u>	<u>2,881</u>	<u>5</u>
Fund balances - ending	<u>-</u>	<u>-</u>	<u>-</u>

## CHELAN COUNTY, WASHINGTON

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### Drug Task Force Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	-	291,030	291,030
Fees and fines	-	32,983	32,983
Miscellaneous	-	487,614	487,614
Total revenues	-	811,627	811,627
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	-	407,635	(407,635)
Total expenditures	-	407,635	(407,635)
Excess (deficiency) of revenues over (under) expenditures	-	403,992	403,992
Fund balances - beginning	-	-	-
Fund balances - ending	-	403,992	403,992

## **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.

**Technology Bond Projects:** accounts for the proceeds of the 2007 technology bond and the expenditures related to those funds.

# CHELAN COUNTY, WASHINGTON

Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 December 31, 2009

	R.E.E.T. 1 Capital Improvement	R.E.E.T. 2 Capital Improvement	Master Plan Construction	Technology Bond Projects	Total
<b>ASSETS</b>					
Cash and cash equivalents	603,160	206,119	-	-	809,278
Investments	296,319	109,486	-	442,453	848,258
Interest receivable	80	30	-	135	245
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	56,910	-	-	56,910
Total assets	<u>899,559</u>	<u>372,543</u>	<u>-</u>	<u>442,588</u>	<u>1,714,690</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	25,615	56,017	-	177,433	259,064
Total Liabilities	<u>25,615</u>	<u>56,017</u>	<u>-</u>	<u>177,433</u>	<u>259,064</u>
Fund balances:					
Unreserved, reported in nonmajor:	873,944	316,527	-	265,155	1,455,626
Total fund balances	<u>873,944</u>	<u>316,527</u>	<u>-</u>	<u>265,155</u>	<u>1,455,626</u>
Total liabilities and fund balances	<u>899,559</u>	<u>372,543</u>	<u>-</u>	<u>442,588</u>	<u>1,714,690</u>

# CHELAN COUNTY, WASHINGTON

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

### Nonmajor Capital Projects Funds

For the Year Ended December 31, 2009

	R.E.E.T. 1 Capital Improvement	R.E.E.T. 2 Capital Improvement	Master Plan Construction	Technology Bond Projects	Total
<b>REVENUES</b>					
Taxes	331,694	319,711	-	-	651,405
Intergovernmental	-	78,395	-	-	78,395
Miscellaneous	3,355	1,042	-	5,295	9,692
Total revenues	<u>335,049</u>	<u>399,148</u>	<u>-</u>	<u>5,295</u>	<u>739,492</u>
<b>EXPENDITURES</b>					
Debt service:					
Principal	237,012	-	-	-	237,012
Interest and other charges	180,690	-	-	-	180,690
Capital outlay	200,048	173,896	8,589	517,690	900,223
Total expenditures	<u>617,750</u>	<u>173,896</u>	<u>8,589</u>	<u>517,690</u>	<u>1,317,925</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(282,701)</u>	<u>225,252</u>	<u>(8,589)</u>	<u>(512,395)</u>	<u>(578,433)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	354	-	-	-	354
Transfers out	-	(400,000)	(2,192)	-	(402,192)
Total other financing sources and uses	<u>354</u>	<u>(400,000)</u>	<u>(2,192)</u>	<u>-</u>	<u>(401,838)</u>
Net change in fund balances	<u>(282,347)</u>	<u>(174,748)</u>	<u>(10,781)</u>	<u>(512,395)</u>	<u>(980,271)</u>
Fund balances - beginning	1,156,292	491,275	10,781	777,550	2,435,897
Fund balances - ending	<u>873,944</u>	<u>316,527</u>	<u>-</u>	<u>265,155</u>	<u>1,455,626</u>

# 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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	580,000	331,694	(248,306)
Miscellaneous	5,000	3,355	(1,645)
Total revenues	<u>585,000</u>	<u>335,049</u>	<u>(249,951)</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	337,250	237,012	100,238
Interest and other charges	16,975	180,690	(163,715)
Capital outlay	364,339	200,048	164,291
Total expenditures	<u>718,564</u>	<u>617,750</u>	<u>100,814</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(133,564)</u>	<u>(282,701)</u>	<u>(149,137)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	354	354
Total other financing sources and uses	<u>-</u>	<u>354</u>	<u>354</u>
Net change in fund balances	<u>(133,564)</u>	<u>(282,347)</u>	<u>(148,783)</u>
Fund balances - beginning	185,000	1,156,292	971,292
Fund balances - ending	<u>51,436</u>	<u>873,944</u>	<u>822,508</u>

**CHELAN COUNTY, WASHINGTON**

## 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, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	580,000	319,711	(260,289)
Intergovernmental	-	78,395	78,395
Miscellaneous	5,000	1,042	(3,958)
Total revenues	<u>585,000</u>	<u>399,148</u>	<u>(185,852)</u>
<b>EXPENDITURES</b>			
Capital outlay	252,453	173,896	78,557
Total expenditures	<u>252,453</u>	<u>173,896</u>	<u>78,557</u>
Excess (deficiency) of revenues over (under) expenditures	<u>332,547</u>	<u>225,252</u>	<u>(107,295)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(400,000)	(400,000)	-
Total other financing sources and uses	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Net change in fund balances	(67,453)	(174,748)	(107,295)
Fund balances - beginning	190,000	491,275	301,275
Fund balances - ending	<u>122,547</u>	<u>316,527</u>	<u>193,980</u>

# CHELAN COUNTY, WASHINGTON

## Master Plan Construction Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2009

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>10,000</u>	<u>8,589</u>	<u>1,411</u>
Total expenditures	<u>10,000</u>	<u>8,589</u>	<u>1,411</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,000)</u>	<u>(8,589)</u>	<u>1,411</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>-</u>	<u>(2,192)</u>	<u>(2,192)</u>
Total other financing sources and uses	<u>-</u>	<u>(2,192)</u>	<u>(2,192)</u>
Net change in fund balances	<u>(10,000)</u>	<u>(10,781)</u>	<u>(781)</u>
Fund balances - beginning	<u>-</u>	<u>10,781</u>	<u>10,781</u>
Fund balances - ending	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>

# CHELAN COUNTY, WASHINGTON

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## Technology Bond Projects Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2009

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Miscellaneous	-	5,295	5,295
Total revenues	-	5,295	5,295
<b>EXPENDITURES</b>			
Capital outlay	960,000	517,690	442,310
Total expenditures	960,000	517,690	442,310
Excess (deficiency) of revenues over (under) expenditures	(960,000)	(512,395)	447,605
Fund balances - beginning	960,000	777,550	(182,450)
Fund balances - ending	-	265,155	265,155

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## **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 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.

**Expo Center:** accounts for the operations of the Chelan County Expo Center and Fairgrounds as an economic agent for the County.

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

**Surface & Storm Water Management Utility:** accounts for funds received through assessments for planning, designing, construction, and maintenance of drainage systems in the unincorporated areas of Chelan County.

# CHELAN COUNTY, WASHINGTON

Combining Statement of Net Assets  
 Nonmajor Enterprise Funds  
 December 31, 2009

	<b>Solid Waste Planning</b>	<b>Wenatchee River County Park</b>	<b>Expo Center</b>	<b>Public Education</b>	<b>Surface &amp; Storm Water Utility</b>	<b>Total</b>
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	120,088	109,820	35,629	33,175	525,377	824,089
Investments	179,701	-	-	-	-	179,701
Interest receivable	49	-	-	-	-	49
Due from other funds	-	-	4,398	-	-	4,398
Due from other governments	64,764	-	-	-	-	64,764
Total current assets	<u>364,602</u>	<u>109,820</u>	<u>40,027</u>	<u>33,175</u>	<u>525,377</u>	<u>1,073,001</u>
Noncurrent assets:						
Capital assets: (net of accumulated depreciation)						
Land	201,252	-	-	-	-	201,252
Buildings	54,769	-	29,275	-	-	84,044
Equipment	226,771	9,659	27,829	-	-	264,259
Total noncurrent assets	<u>482,792</u>	<u>9,659</u>	<u>57,104</u>	<u>-</u>	<u>-</u>	<u>549,554</u>
Total assets	<u>847,394</u>	<u>119,478</u>	<u>97,130</u>	<u>33,175</u>	<u>525,377</u>	<u>1,622,555</u>
<b>LIABILITIES</b>						
Liabilities:						
Current liabilities:						
Accounts payable	603	4,128	345	2,710	118	7,904
Due to other governments	-	800	2,371	120	-	3,291
Other accrued liabilities	3,743	4,066	7,666	4,476	5,940	25,892
Compensated absences	294	-	1,917	2,001	-	4,211
Total current liabilities	<u>4,640</u>	<u>8,995</u>	<u>12,298</u>	<u>9,307</u>	<u>6,058</u>	<u>41,298</u>
Noncurrent liabilities:						
Compensated absences	588	-	3,831	3,999	-	8,419
Total noncurrent liabilities	<u>588</u>	<u>-</u>	<u>3,831</u>	<u>3,999</u>	<u>-</u>	<u>8,419</u>
Total liabilities	<u>5,228</u>	<u>8,995</u>	<u>16,130</u>	<u>13,306</u>	<u>6,058</u>	<u>49,717</u>
<b>NET ASSETS</b>						
Invested in capital assets	482,792	9,659	57,104	-	-	549,554
Unrestricted	359,374	100,825	23,897	19,869	519,319	1,023,283
Total net assets	<u>842,166</u>	<u>110,484</u>	<u>81,000</u>	<u>19,869</u>	<u>519,319</u>	<u>1,572,838</u>

## CHELAN COUNTY, WASHINGTON

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

Nonmajor Enterprise Funds

For the Year Ending December 31, 2009

	<b>Solid Waste Planning</b>	<b>Wenatchee River Co Park</b>	<b>Expo Center</b>	<b>Public Education</b>	<b>Surface &amp; Storm Water Utility</b>	<b>Total</b>
<b>OPERATING REVENUES</b>						
Intergovernmental revenues	306,263	-	35,166	73,355	-	414,784
Charges for services	100,000	4,314	89,532	11,349	346,484	551,679
Miscellaneous	39,410	210,156	149,290	5,479	-	404,335
Total revenues	<u>445,673</u>	<u>214,471</u>	<u>273,987</u>	<u>90,183</u>	<u>346,484</u>	<u>1,370,798</u>
<b>OPERATING EXPENSES</b>						
Salaries	35,110	74,404	84,352	57,569	34,219	285,655
Personnel benefits	10,944	57,104	28,858	17,828	12,468	127,202
Supplies	336	18,387	24,433	12,809	74	56,039
Other services and charges	151,894	51,979	141,682	19,575	10,517	375,648
Intergovernmental/interfund services and taxes	165	613	3,629	-	-	4,408
Interfund payments for services	5,149	9,586	24,876	283	-	39,894
Depreciation	37,486	2,322	12,114	-	-	51,923
Total operating expenses	<u>241,086</u>	<u>214,396</u>	<u>319,945</u>	<u>108,064</u>	<u>57,278</u>	<u>940,768</u>
Operating income (loss)	<u>204,588</u>	<u>75</u>	<u>(45,958)</u>	<u>(17,881)</u>	<u>289,206</u>	<u>430,030</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Transfers in	-	-	20,000	-	-	20,000
Gain on sale of capital assets	-	1,780	-	-	-	1,780
Change in net assets	<u>204,588</u>	<u>1,855</u>	<u>(25,958)</u>	<u>(17,881)</u>	<u>289,206</u>	<u>451,810</u>
Total net assets - beginning	<u>637,578</u>	<u>108,629</u>	<u>106,958</u>	<u>37,750</u>	<u>230,113</u>	<u>1,121,028</u>
Total net assets - ending	<u>842,166</u>	<u>110,484</u>	<u>81,000</u>	<u>19,869</u>	<u>519,319</u>	<u>1,572,838</u>

## CHELAN COUNTY, WASHINGTON

Combining Statement of Cash Flows  
 Nonmajor Enterprise Funds  
 For the Year Ended December 31, 2009

### CASH FLOWS FROM OPERATING ACTIVITIES:

	Solid Waste Planning	Wenatchee River County Park	Expo Center	Public Education	Surface & Storm Water Utility	Total
Cash received from customers and users	398,809	214,471	269,589	90,183	346,484	1,319,536
Cash payments to suppliers	(157,858)	(79,619)	(195,737)	(30,830)	(22,149)	(486,193)
Cash payments to employees and retirees	(49,004)	(131,104)	(114,439)	(71,194)	(43,492)	(409,232)
Net cash provided (used) by operating activities	191,948	3,748	(40,587)	(11,841)	280,844	424,112

### CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfers in	-	-	20,000	-	-	20,000
Net cash provided (used) by noncapital financing activities	-	-	20,000	-	-	20,000

### CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Proceeds from sale of equipment	-	1,780	-	-	-	1,780
Acquisition and construction of capital assets	(201,252)	(4,065)	-	-	-	(205,317)
Net cash provided (used) by capital financing activities	(201,252)	(2,285)	-	-	-	(203,537)

### CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	91,527	-	-	-	-	91,527
Purchase of investments	(1,310)	-	-	-	-	(1,310)
Interest on investments	353	-	-	-	-	353
Net cash provided (used) by investing activities	90,570	-	-	-	-	90,570

### Net increase (decrease) in cash and cash equiv.

	81,266	1,464	(20,587)	(11,841)	280,844	331,145
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### Cash and cash equivalents, January 1

	38,822	108,356	56,216	45,016	244,534	492,943
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### Cash and cash equivalents, December 31

	120,088	109,820	35,629	33,175	525,377	824,089
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### Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	204,588	75	(45,958)	(17,881)	289,206	430,030
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization of deferred charge	37,486	2,322	12,114	-	-	51,923
(Increase) decrease in due from other funds/gov	(46,864)	-	(4,398)	-	-	(51,262)
Increase (decrease) in vouchers/contracts payable	(313)	813	(44)	2,076	118	2,651
Increase (decrease) in due to other funds/gov	-	134	(1,073)	(240)	(11,676)	(12,855)
Increase (decrease) in payables/other liabilities	(1,842)	404	(1,602)	4,476	3,195	4,632
Increase (decrease) in accrued employee leave benefits	(1,108)	-	374	(273)	-	(1,007)
Total adjustments	(12,640)	3,674	5,371	6,040	(8,363)	(5,918)
Net cash provided (used) by operating activities	191,948	3,748	(40,587)	(11,841)	280,844	424,112

The County is not aware of any material noncash transactions.

## **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.

**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, 2009

	<b>Equipment Rental &amp; Revolving</b>	<b>Industrial Insurance</b>	<b>Health Insurance</b>	<b>Unemploy. Comp.</b>	<b>Insurance Admin &amp; Purchasing</b>	<b>Total</b>
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	2,222,870	51,640	10,674	40,224	109,205	2,434,613
Deposits with fiscal agents	-	38,800	-	-	-	38,800
Investments	-	203,284	116,070	30,605	248,161	598,121
Accounts receivable	4,919	-	-	-	-	4,919
Interest receivable	-	55	31	8	67	162
Due from other funds	243,284	-	-	-	-	243,284
Due from other governments	528	-	-	-	32,890	33,418
Inventory	631,554	-	-	-	-	631,554
Total current assets	<u>3,103,155</u>	<u>293,778</u>	<u>126,776</u>	<u>70,838</u>	<u>390,324</u>	<u>3,984,870</u>
Noncurrent assets:						
Capital assets: (net of accumulated depreciation)						
Buildings	37,411	-	-	-	-	37,411
Equipment	5,869,987	-	-	-	-	5,869,987
Total noncurrent assets	<u>5,907,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,907,398</u>
Total assets	<u>9,010,553</u>	<u>293,778</u>	<u>126,776</u>	<u>70,838</u>	<u>390,324</u>	<u>9,892,269</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	84,754	18,419	553	-	15,681	119,406
Due to other governments	2,836	-	-	-	-	2,836
Other accrued liabilities	62,795	-	-	-	-	62,795
Compensated absences	6,521	-	-	-	-	6,521
Total current liabilities	<u>156,906</u>	<u>18,419</u>	<u>553</u>	<u>-</u>	<u>15,681</u>	<u>191,557</u>
Noncurrent liabilities:						
Compensated absences	31,710	-	-	-	-	31,710
Total noncurrent liabilities	<u>31,710</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,710</u>
Total liabilities	<u>188,615</u>	<u>18,419</u>	<u>553</u>	<u>-</u>	<u>15,681</u>	<u>223,267</u>
<b>NET ASSETS</b>						
Invested in capital assets	5,907,398	-	-	-	-	5,907,398
Unrestricted	2,914,540	275,360	126,223	70,838	374,643	3,761,603
Total net assets	<u>8,821,938</u>	<u>275,360</u>	<u>126,223</u>	<u>70,838</u>	<u>374,643</u>	<u>9,669,002</u>

## CHELAN COUNTY, WASHINGTON

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

Internal Service Funds

For the Year Ending December 31, 2009

	<b>Equipment Rental &amp; Revolving</b>	<b>Industrial Insurance</b>	<b>Health Insurance</b>	<b>Unemploy. Comp.</b>	<b>Insurance Admin &amp; Purchasing</b>	<b>Total</b>
<b>OPERATING REVENUES</b>						
Intergovernmental revenues	28,285	-	-	-	-	28,285
Charges for services	408,836	-	-	-	-	408,836
Miscellaneous	2,646,413	680,607	4,829,966	103,022	845,894	9,105,902
Total operating revenues	<u>3,083,534</u>	<u>680,607</u>	<u>4,829,966</u>	<u>103,022</u>	<u>845,894</u>	<u>9,543,023</u>
<b>OPERATING EXPENSES</b>						
Salaries	535,032	-	-	-	-	535,032
Personnel benefits	171,319	-	6,328	-	-	177,647
Supplies	1,252,600	-	-	-	-	1,252,600
Other services and charges	133,203	738,555	4,840,969	111,939	744,762	6,569,428
Interfund payments for services	114,696	22,264	20,059	278	211,741	369,038
Depreciation	1,257,714	-	-	-	-	1,257,714
Total operating expenses	<u>3,464,565</u>	<u>760,819</u>	<u>4,867,356</u>	<u>112,217</u>	<u>956,503</u>	<u>10,161,459</u>
Operating income (loss)	<u>(381,031)</u>	<u>(80,212)</u>	<u>(37,390)</u>	<u>(9,195)</u>	<u>(110,609)</u>	<u>(618,436)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Gain on sale of capital assets	108,609	-	-	-	-	108,609
Change in net assets	<u>(272,422)</u>	<u>(80,212)</u>	<u>(37,390)</u>	<u>(9,195)</u>	<u>(110,609)</u>	<u>(509,828)</u>
Total net assets - beginning	<u>9,094,360</u>	<u>355,572</u>	<u>163,613</u>	<u>80,033</u>	<u>485,252</u>	<u>10,178,829</u>
Total net assets - ending	<u>8,821,938</u>	<u>275,360</u>	<u>126,223</u>	<u>70,838</u>	<u>374,643</u>	<u>9,669,002</u>

## CHELAN COUNTY, WASHINGTON

Combining Statement of Cash Flows  
Internal Service Funds

For the Year Ended December 31, 2009

### CASH FLOWS FROM OPERATING ACTIVITIES:

	Equipment Rental & Revolving	Industrial Insurance	Health Insurance	Unemploy. Comp.	Insurance Admin & Purchasing	Total
Cash received from customers and users	3,127,092	680,607	4,829,966	103,022	813,004	9,553,691
Cash payments to suppliers	(1,683,099)	(751,747)	(4,860,475)	(112,217)	(949,253)	(8,356,792)
Cash payments to employees and retirees	(708,946)	(19)	(6,328)	-	-	(715,293)
Net cash provided (used) by operating activities	735,047	(71,160)	(36,837)	(9,195)	(136,248)	481,607

### CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Proceeds from sale of equipment	108,609	-	-	-	-	108,609
Acquisition and construction of capital assets	(1,034,476)	-	-	-	-	(1,034,476)
Net cash provided (used) by capital financing activities	(925,867)	-	-	-	-	(925,867)

### CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	-	53	16,174	61,436	64	77,727
Purchase of investments	-	(1,692)	(75,932)	(12,135)	(2,065)	(91,823)
Interest on investments	-	245	52	118	299	715
Net cash provided (used) by investing activities	-	(1,394)	(59,706)	49,419	(1,701)	(13,382)

### Net increase (decrease) in cash and cash equivalents

	(190,820)	(72,553)	(96,543)	40,224	(137,950)	(457,642)
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### Cash and cash equivalents, January 1

	2,413,690	124,193	107,217	-	247,155	2,892,255
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### Cash and cash equivalents, December 31

	2,222,870	51,640	10,674	40,224	109,205	2,434,613
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### Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	(381,031)	(80,212)	(37,390)	(9,195)	(110,609)	(618,436)
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities:						
Depreciation and amortization of deferred charge	1,257,714	-	-	-	-	1,257,714
(Increase) decrease in accounts receivable	14,690	-	-	-	-	14,690
(Increase) decrease in due from other funds/gov	28,868	-	-	-	(32,890)	(4,022)
(Increase) decrease in inventory/prepaid expenses	3,615	-	-	-	-	3,615
Increase (decrease) in vouchers/contracts payable	(69,706)	9,071	553	-	7,250	(52,832)
Increase (decrease) in due to other funds/gov	(116,509)	-	-	-	-	(116,509)
Increase (decrease) in payables/other liabilities	(3,116)	(19)	-	-	-	(3,134)
Increase (decrease) in accrued employee leave benefits	521	-	-	-	-	521
Total adjustments	1,116,078	9,052	553	-	(25,640)	1,100,043
<b>Net cash provided (used) by operating activities</b>	<b>735,047</b>	<b>(71,160)</b>	<b>(36,837)</b>	<b>(9,195)</b>	<b>(136,248)</b>	<b>481,607</b>

The County is not aware of any material noncash transactions.

## **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.

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

**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.

**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 used to finance the RJC 60-bed annex.

**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.

**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 that are remitted to the cities.

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

Combining Statement of Fiduciary Net Assets  
 Agency Funds  
 December 31, 2009

	<b>County Roads Retainage</b>	<b>Infrastructure Improvement</b>	<b>LID 85-1</b>	<b>Chelan/Douglas Health District</b>	<b>RJC Partnership</b>
<b>ASSETS</b>					
Cash	-	-	61	5,917	-
Investments	266,769	-	27,603	310,584	-
Deposits with fiscal agents	-	-	-	-	-
Accounts receivable	2,842	-	-	-	-
Taxes receivable	-	-	-	-	-
Interest receivable	70	-	7	61	-
Total assets	<u>269,681</u>	<u>-</u>	<u>27,672</u>	<u>316,563</u>	<u>-</u>
<b>LIABILITIES</b>					
Accounts payable	-	-	-	9,211	-
Other accrued liabilities	-	-	-	217,948	-
Custodial accounts	269,681	-	27,672	89,404	-
Total liabilities	<u>269,681</u>	<u>-</u>	<u>27,672</u>	<u>316,563</u>	<u>-</u>

<u>NCR Library</u>	<u>Link</u>	<u>State</u>	<u>NCESD</u>	<u>School Districts</u>	<u>Fire Districts</u>	<u>Cemetery Districts</u>	<u>Port of Chelan County</u>
1,570,707	1,835,387	338,392	239,808	1,146,785	925,094	279,290	83,484
8,405,414	1,469,672	-	11,565,287	23,507,244	4,667,651	521,921	7,309,429
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
172,941	-	1,108,181	-	1,121,280	264,165	12,355	119,688
2,306	397	-	3,072	5,995	1,282	141	1,638
<u>10,151,368</u>	<u>3,305,456</u>	<u>1,446,573</u>	<u>11,808,168</u>	<u>25,781,303</u>	<u>5,858,193</u>	<u>813,706</u>	<u>7,514,240</u>
265,125	-	-	-	-	39,785	6,617	-
30,092	-	-	-	-	230,827	6,539	-
<u>9,856,152</u>	<u>3,305,456</u>	<u>1,446,573</u>	<u>11,808,168</u>	<u>25,781,303</u>	<u>5,587,581</u>	<u>800,550</u>	<u>7,514,240</u>
<u>10,151,368</u>	<u>3,305,456</u>	<u>1,446,573</u>	<u>11,808,168</u>	<u>25,781,303</u>	<u>5,858,193</u>	<u>813,706</u>	<u>7,514,240</u>

Combining Statement of Fiduciary Net Assets  
 Agency Funds  
 December 31, 2009

	<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>ASSETS</b>					
Cash	9,902	53,338	2,402	23,820	102,215
Investments	-	990,748	92,022	-	-
Deposits with fiscal agents	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Taxes receivable	-	-	13,867	7,165	52
Interest receivable	-	268	27	-	-
Total assets	<u>9,902</u>	<u>1,044,354</u>	<u>108,317</u>	<u>30,985</u>	<u>102,267</u>
<b>LIABILITIES</b>					
Accounts payable	-	-	4,177	-	556
Other accrued liabilities	-	-	7,578	-	1,299
Custodial accounts	<u>9,902</u>	<u>1,044,354</u>	<u>96,563</u>	<u>30,985</u>	<u>100,412</u>
Total liabilities	<u>9,902</u>	<u>1,044,354</u>	<u>108,317</u>	<u>30,985</u>	<u>102,267</u>

<b>Water Districts</b>	<b>Irrigation Districts</b>	<b>Water Conservancy Board</b>	<b>Hospital Districts</b>	<b>Cities</b>	<b>County</b>	<b>Total</b>
273,791	276,337	9,362	665,608	156,745	90,260	8,088,705
1,433,380	4,194,516	-	15,093,317	-	-	79,855,557
-	-	-	-	-	1,595,902	1,595,902
-	-	-	-	-	-	2,842
222	-	-	191,950	308,556	-	3,320,422
320	1,167	-	4,341	-	-	21,092
<u>1,707,712</u>	<u>4,472,020</u>	<u>9,362</u>	<u>15,955,215</u>	<u>465,301</u>	<u>1,686,162</u>	<u>92,884,520</u>
14,122	225,842	603	-	-	-	566,037
10,859	15,420	-	-	-	-	520,562
<u>1,682,732</u>	<u>4,230,758</u>	<u>8,759</u>	<u>15,955,215</u>	<u>465,301</u>	<u>1,686,162</u>	<u>91,797,921</u>
<u>1,707,712</u>	<u>4,472,020</u>	<u>9,362</u>	<u>15,955,215</u>	<u>465,301</u>	<u>1,686,162</u>	<u>92,884,520</u>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 For the Year Ended December 31, 2009

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>COUNTY ROADS RETAINAGE</b>				
<b>Assets</b>				
Cash	-	535,088	535,088	-
Investments	350,564	165,075	248,870	266,769
Accounts receivable	10,374	371,662	379,194	2,842
Interest receivable	521	70	521	70
Total assets	<u>361,459</u>	<u>1,071,894</u>	<u>1,163,672</u>	<u>269,681</u>
<b>Liabilities</b>				
Custodial accounts	<u>361,459</u>	<u>253,642</u>	<u>345,420</u>	<u>269,681</u>
Total liabilities	<u>361,459</u>	<u>253,642</u>	<u>345,420</u>	<u>269,681</u>
 <b>INFRASTRUCTURE IMPROVEMENT</b>				
<b>Assets</b>				
Cash	-	362,228	362,228	-
Investments	178,979	181,795	360,774	-
Interest receivable	266	-	266	-
Total assets	<u>179,246</u>	<u>544,023</u>	<u>723,269</u>	<u>-</u>
<b>Liabilities</b>				
Custodial accounts	<u>179,246</u>	<u>1,188</u>	<u>180,434</u>	<u>-</u>
Total liabilities	<u>179,246</u>	<u>1,188</u>	<u>180,434</u>	<u>-</u>
 <b>LID 85-1</b>				
<b>Assets</b>				
Cash	61	230	230	61
Investments	27,381	230	7	27,603
Interest receivable	41	7	41	7
Total assets	<u>27,483</u>	<u>467</u>	<u>278</u>	<u>27,672</u>
<b>Liabilities</b>				
Custodial accounts	<u>27,483</u>	<u>189</u>	<u>-</u>	<u>27,672</u>
Total liabilities	<u>27,483</u>	<u>189</u>	<u>-</u>	<u>27,672</u>

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>CHELAN/DOUGLAS HEALTH DISTRICT</b>				
<b>Assets</b>				
Cash	5,812	9,434,406	9,434,300	5,917
Investments	330,103	2,992,860	3,012,379	310,584
Interest receivable	370	61	370	61
Total assets	<u>336,284</u>	<u>12,427,327</u>	<u>12,447,048</u>	<u>316,563</u>
<b>Liabilities</b>				
Accounts payable	7,877	1,896,616	1,895,283	9,211
Other accrued liabilities	212,453	3,229,441	3,223,946	217,948
Custodial accounts	115,954	3,361,965	3,388,515	89,404
Total liabilities	<u>336,284</u>	<u>8,488,023</u>	<u>8,507,744</u>	<u>316,563</u>
<b>REGIONAL JUSTICE CENTER PARTNERSHIP</b>				
<b>Assets</b>				
Cash	54	-	54	-
Total assets	<u>54</u>	<u>-</u>	<u>54</u>	<u>-</u>
<b>Liabilities</b>				
Accounts payable	-	54	54	-
Custodial accounts	54	-	54	-
Total liabilities	<u>54</u>	<u>-</u>	<u>54</u>	<u>-</u>
<b>LINK</b>				
<b>Assets</b>				
Cash	985,140	12,592,610	11,742,363	1,835,387
Investments	1,751,195	914,016	1,195,539	1,469,672
Interest receivable	3,296	397	3,296	397
Total assets	<u>2,739,630</u>	<u>13,507,023</u>	<u>12,941,198</u>	<u>3,305,456</u>
<b>Liabilities</b>				
Custodial accounts	2,739,630	11,325,197	10,759,372	3,305,456
Total liabilities	<u>2,739,630</u>	<u>11,325,197</u>	<u>10,759,372</u>	<u>3,305,456</u>
<b>NCR LIBRARY</b>				
<b>Assets</b>				
Cash	-	12,867,257	11,296,549	1,570,707
Investments	9,340,188	2,633,833	3,568,608	8,405,414
Taxes receivable	117,871	172,941	117,871	172,941
Interest receivable	14,373	2,306	14,373	2,306
Total assets	<u>9,472,432</u>	<u>15,676,337</u>	<u>14,997,401</u>	<u>10,151,369</u>
<b>Liabilities</b>				
Accounts payable	212,636	6,427,617	6,375,128	265,125
Other accrued liabilities	24,697	4,352,568	4,347,174	30,092
Custodial accounts	9,235,100	9,437,635	8,816,582	9,856,152
Total liabilities	<u>9,472,432</u>	<u>20,217,820</u>	<u>19,538,884</u>	<u>10,151,368</u>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 For the Year Ended December 31, 2009

<b>STATE</b>	<b>Balance January 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31</b>
<b>Assets</b>				
Cash	308,050	27,197,227	27,166,886	338,392
Taxes receivable	724,490	1,108,181	724,490	1,108,181
Total assets	<u>1,032,540</u>	<u>28,305,408</u>	<u>27,891,376</u>	<u>1,446,573</u>
<b>Liabilities</b>				
Custodial accounts	1,032,540	28,274,009	27,859,976	1,446,573
Total liabilities	<u>1,032,540</u>	<u>28,274,009</u>	<u>27,859,976</u>	<u>1,446,573</u>
<b>NCESD</b>				
<b>Assets</b>				
Cash	350,166	19,285,658	19,396,016	239,808
Investments	10,326,014	2,541,107	1,301,834	11,565,287
Interest receivable	16,278	3,072	16,278	3,072
Total assets	<u>10,692,459</u>	<u>21,829,837</u>	<u>20,714,128</u>	<u>11,808,168</u>
<b>Liabilities</b>				
Custodial accounts	10,692,459	17,970,618	16,854,910	11,808,168
Total liabilities	<u>10,692,459</u>	<u>17,970,618</u>	<u>16,854,910</u>	<u>11,808,168</u>
<b>SCHOOL DISTRICTS</b>				
<b>Assets</b>				
Cash	192,409	147,560,108	146,605,732	1,146,785
Investments	20,924,016	17,878,084	15,294,856	23,507,244
Taxes receivable	902,333	1,121,280	902,333	1,121,280
Interest receivable	34,454	5,995	34,454	5,995
Total assets	<u>22,053,212</u>	<u>166,565,467</u>	<u>162,837,375</u>	<u>25,781,303</u>
<b>Liabilities</b>				
Custodial accounts	22,053,212	132,261,678	128,533,587	25,781,303
Total liabilities	<u>22,053,212</u>	<u>132,261,678</u>	<u>128,533,587</u>	<u>25,781,303</u>
<b>FIRE DISTRICTS</b>				
<b>Assets</b>				
Cash	1,078,808	8,637,050	8,790,764	925,094
Investments	3,697,445	2,330,702	1,360,496	4,667,651
Taxes receivable	167,975	264,165	167,975	264,165
Interest receivable	6,494	1,282	6,494	1,282
Total assets	<u>4,950,721</u>	<u>11,233,200</u>	<u>10,325,728</u>	<u>5,858,193</u>
<b>Liabilities</b>				
Accounts payable	14,803	3,821,455	3,796,474	39,785
Other accrued liabilities	163,622	2,843,825	2,776,619	230,827
Custodial accounts	4,772,297	7,192,731	6,377,447	5,587,581
Total liabilities	<u>4,950,721</u>	<u>13,858,012</u>	<u>12,950,540</u>	<u>5,858,193</u>

	<b>Balance January 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31</b>
<b>CEMETERY DISTRICTS</b>				
<b>Assets</b>				
Cash	249,759	243,803	214,272	279,290
Investments	517,713	4,207	-	521,921
Taxes receivable	7,187	12,355	7,187	12,355
Interest receivable	770	141	770	141
Total assets	<u>775,430</u>	<u>260,506</u>	<u>222,229</u>	<u>813,706</u>
<b>Liabilities</b>				
Accounts payable	145	116,490	110,018	6,617
Other accrued liabilities	6,090	129,464	129,015	6,539
Custodial accounts	769,195	254,765	223,410	800,550
Total liabilities	<u>775,430</u>	<u>500,719</u>	<u>462,443</u>	<u>813,706</u>
<b>PORT OF CHELAN COUNTY</b>				
<b>Assets</b>				
Cash	235,940	14,496,929	14,649,385	83,484
Investments	3,960,595	8,515,761	5,166,927	7,309,429
Taxes receivable	85,992	119,688	85,992	119,688
Interest receivable	4,742	1,638	4,742	1,638
Total assets	<u>4,287,269</u>	<u>23,134,017</u>	<u>19,907,046</u>	<u>7,514,240</u>
<b>Liabilities</b>				
Custodial accounts	4,287,269	9,328,474	6,101,503	7,514,240
Total liabilities	<u>4,287,269</u>	<u>9,328,474</u>	<u>6,101,503</u>	<u>7,514,240</u>
<b>PANGBORN FIELD</b>				
<b>Assets</b>				
Cash	39,455	4,705,106	4,734,659	9,902
Investments	114	-	114	-
Total assets	<u>39,570</u>	<u>4,705,106</u>	<u>4,734,773</u>	<u>9,902</u>
<b>Liabilities</b>				
Custodial accounts	39,570	4,704,991	4,734,659	9,902
Total liabilities	<u>39,570</u>	<u>4,704,991</u>	<u>4,734,659</u>	<u>9,902</u>
<b>LAKE CHELAN SEWER REVENUE BOND</b>				
<b>Assets</b>				
Cash	77,071	1,287,944	1,311,678	53,338
Investments	982,247	614,123	605,621	990,748
Interest receivable	1,674	268	1,674	268
Total assets	<u>1,060,992</u>	<u>1,902,335</u>	<u>1,918,974</u>	<u>1,044,354</u>
<b>Liabilities</b>				
Custodial accounts	1,060,992	144,205	160,844	1,044,354
Total liabilities	<u>1,060,992</u>	<u>144,205</u>	<u>160,844</u>	<u>1,044,354</u>

## Combining Statement of Changes in Assets and Liabilities

## Agency Funds

For the Year Ended December 31, 2009

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>PARK DISTRICTS</b>				
<b>Assets</b>				
Cash	2,000	563,140	562,738	2,402
Investments	86,317	191,669	185,964	92,022
Taxes receivable	8,035	13,867	8,035	13,867
Interest receivable	130	27	130	27
Total assets	<u>96,482</u>	<u>768,702</u>	<u>756,867</u>	<u>108,317</u>
<b>Liabilities</b>				
Accounts payable	8,117	246,157	250,097	4,177
Other accrued liabilities	5,560	168,096	166,079	7,578
Custodial accounts	82,804	372,963	359,205	96,563
Total liabilities	<u>96,482</u>	<u>787,216</u>	<u>775,381</u>	<u>108,317</u>
<b>UPPER VALLEY PARK AND REC</b>				
<b>Assets</b>				
Cash	50,854	229,726	256,760	23,820
Investments	984	994	1,978	0
Taxes receivable	5,867	7,165	5,867	7,165
Interest receivable	1	-	1	-
Total assets	<u>57,707</u>	<u>237,885</u>	<u>264,606</u>	<u>30,985</u>
<b>Liabilities</b>				
Accounts payable	-	169,553	169,553	-
Custodial accounts	57,707	234,912	261,634	30,985
Total liabilities	<u>57,707</u>	<u>404,465</u>	<u>431,187</u>	<u>30,985</u>
<b>MOSQUITO DISTRICTS</b>				
<b>Assets</b>				
Cash	97,707	56,499	51,991	102,215
Taxes receivable	137	52	137	52
Total assets	<u>97,844</u>	<u>56,551</u>	<u>52,128</u>	<u>102,267</u>
<b>Liabilities</b>				
Accounts payable	480	31,871	31,795	556
Other accrued liabilities	-	29,020	27,721	1,299
Custodial accounts	97,364	49,374	46,326	100,412
Total liabilities	<u>97,844</u>	<u>110,265</u>	<u>105,842</u>	<u>102,267</u>

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>WATER DISTRICTS</b>				
<b>Assets</b>				
Cash	619,819	2,363,503	2,709,532	273,791
Investments	1,206,542	863,480	636,642	1,433,380
Taxes receivable	304	222	304	222
Interest receivable	1,902	320	1,902	320
Total assets	<u>1,828,567</u>	<u>3,227,525</u>	<u>3,348,380</u>	<u>1,707,712</u>
<b>Liabilities</b>				
Accounts payable	13,288	974,161	973,327	14,122
Other accrued liabilities	10,952	141,907	142,001	10,859
Custodial accounts	1,804,327	2,430,571	2,552,166	1,682,732
Total liabilities	<u>1,828,567</u>	<u>3,546,639</u>	<u>3,667,494</u>	<u>1,707,712</u>
<b>IRRIGATION DISTRICTS</b>				
<b>Assets</b>				
Cash	302,423	6,278,076	6,304,163	276,337
Investments	4,277,609	1,203,154	1,286,247	4,194,516
Interest receivable	6,648	1,167	6,648	1,167
Total assets	<u>4,586,680</u>	<u>7,482,397</u>	<u>7,597,058</u>	<u>4,472,020</u>
<b>Liabilities</b>				
Accounts payable	176,255	3,992,536	3,942,949	225,842
Other accrued liabilities	21,080	210,936	216,596	15,420
Custodial accounts	4,389,346	4,964,272	5,122,860	4,230,758
Total liabilities	<u>4,586,680</u>	<u>9,167,744</u>	<u>9,282,405</u>	<u>4,472,020</u>
<b>WATER CONSERVANCY BOARD</b>				
<b>Assets</b>				
Cash	9,839	17,955	18,432	9,362
Total assets	<u>9,839</u>	<u>17,955</u>	<u>18,432</u>	<u>9,362</u>
<b>Liabilities</b>				
Accounts payable	1,890	12,812	14,099	603
Custodial accounts	7,949	17,955	17,145	8,759
Total liabilities	<u>9,839</u>	<u>30,766</u>	<u>31,243</u>	<u>9,362</u>
<b>HOSPITALS</b>				
<b>Assets</b>				
Cash	505,916	43,029,939	42,870,248	665,608
Investments	12,858,161	5,712,731	3,477,575	15,093,317
Taxes receivable	129,780	191,950	129,780	191,950
Interest receivable	23,164	4,341	23,164	4,341
Total assets	<u>13,517,021</u>	<u>48,938,961</u>	<u>46,500,767</u>	<u>15,955,215</u>
<b>Liabilities</b>				
Custodial accounts	13,517,021	39,725,492	37,287,297	15,955,215
Total liabilities	<u>13,517,021</u>	<u>39,725,492</u>	<u>37,287,297</u>	<u>15,955,215</u>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 For the Year Ended December 31, 2009

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>CITIES</b>				
<b>Assets</b>				
Cash	375,690	9,297,951	9,516,896	156,745
Taxes receivable	266,629	308,556	266,629	308,556
Total assets	<u>642,319</u>	<u>9,606,507</u>	<u>9,783,525</u>	<u>465,301</u>
<b>Liabilities</b>				
Custodial accounts	642,319	9,602,049	9,779,068	465,301
Total liabilities	<u>642,319</u>	<u>9,602,049</u>	<u>9,779,068</u>	<u>465,301</u>
<b>COUNTY</b>				
<b>Assets</b>				
Cash	103,077	4,429,202	4,442,018	90,260
Deposits with fiscal agents	2,224,248	-	628,346	1,595,902
Total assets	<u>2,327,324</u>	<u>4,429,202</u>	<u>5,070,364</u>	<u>1,686,162</u>
<b>Liabilities</b>				
Custodial accounts	2,327,324	4,426,722	5,067,884	1,686,162
Total liabilities	<u>2,327,324</u>	<u>4,426,722</u>	<u>5,067,884</u>	<u>1,686,162</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash	5,590,051	325,471,635	322,972,981	8,088,705
Investments	70,816,167	46,743,820	37,704,430	79,855,557
Deposits with fiscal agents	2,224,248	-	628,346	1,595,902
Accounts receivable	10,374	371,662	379,194	2,842
Taxes receivable	2,416,600	3,320,422	2,416,600	3,320,422
Interest receivable	115,125	21,092	115,125	21,092
Total assets	<u>81,172,564</u>	<u>375,928,632</u>	<u>364,216,675</u>	<u>92,884,520</u>
<b>Liabilities</b>				
Accounts payable	435,490	17,689,323	17,558,776	566,037
Other accrued liabilities	444,454	11,105,257	11,029,150	520,562
Custodial accounts	80,292,620	286,335,598	274,830,297	91,797,921
Total liabilities	<u>81,172,564</u>	<u>315,130,179</u>	<u>303,418,223</u>	<u>92,884,520</u>

# **CHELAN COUNTY, WASHINGTON**

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Statistical Section

## **STATISTICAL SECTION**

This part of Chelan County’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the county’s overall financial health.

**Page**

### **Financial Trends**

These schedules contain trend information to help the reader understand how the county’s financial performance and well-being have changed over time.

Net Assets by Component	129
Changes in Net Assets	130
Fund Balances of Governmental Funds	132
Changes in Fund Balances of Governmental Funds	133
General Government Tax Revenues by Source	134

### **Revenue Capacity**

These schedules contain information to help the reader assess the county’s most significant local revenue source, the property tax.

Assessed Value and Estimated Actual Value of Taxable Property	135
Property Tax Rates – Direct and Overlapping Governments	136
Principal Property Taxpayers	137
Property Tax Levies and Collections	138

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the county’s current levels of outstanding debt and the county’s ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type	139
Ratios of General Bonded Debt Outstanding	140
Legal Debt Margin Information	141

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the county’s financial activities take place.

Demographic and Economic Statistics	142
Principal Employers	143

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the county’s financial report relates to the services the government provides and the activities it performs.

Full-time Equivalent City Government Employees by Function	144
Operating Indicators by Function	145
Capital Asset Statistics by Function	146

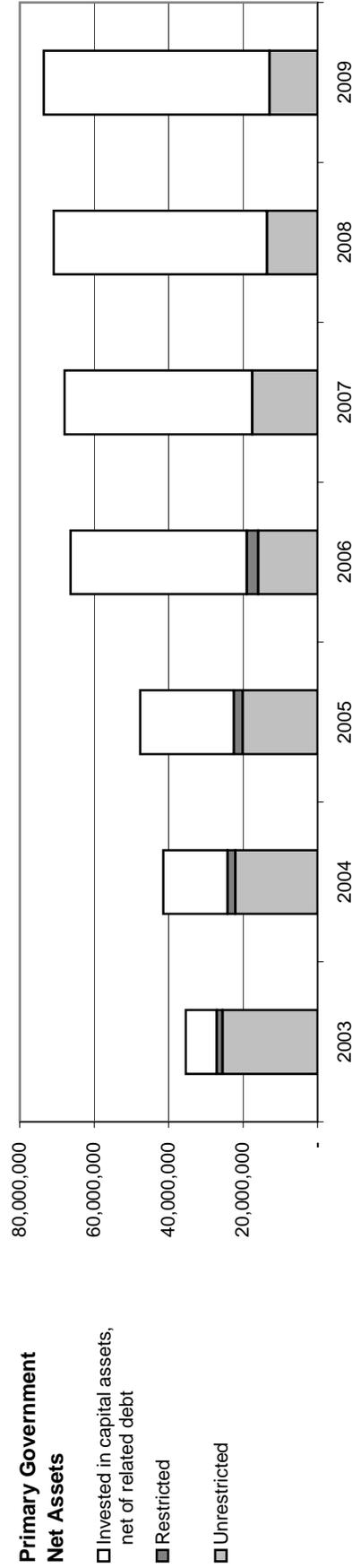
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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# CHELAN COUNTY, WASHINGTON

Net Assets by Component  
Last Seven Fiscal Years  
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
<b>Governmental activities</b>							
Invested in capital assets, net of related debt	5,982,622	15,229,008	23,064,659	45,256,287	48,436,910	55,303,823	58,126,820
Restricted	1,594,582	2,091,324	2,423,099	3,016,727	-	-	-
Unrestricted	25,060,621	21,057,517	18,762,671	15,279,911	16,632,017	12,054,056	10,912,607
<b>Total governmental activities net assets</b>	<b>32,637,826</b>	<b>38,377,850</b>	<b>44,250,429</b>	<b>63,552,926</b>	<b>65,068,927</b>	<b>67,357,879</b>	<b>69,039,427</b>
<b>Business-type activities</b>							
Invested in capital assets, net of related debt	2,357,662	2,075,020	2,138,608	2,106,615	2,034,312	1,940,914	2,558,851
Unrestricted	429,108	994,720	1,304,432	682,535	902,526	1,545,175	1,938,705
<b>Total business-type activities net assets</b>	<b>2,786,770</b>	<b>3,069,740</b>	<b>3,443,039</b>	<b>2,789,150</b>	<b>2,936,838</b>	<b>3,486,089</b>	<b>4,497,556</b>
<b>Primary government</b>							
Invested in capital assets, net of related debt	8,340,284	17,304,028	25,203,267	47,362,902	50,471,222	57,244,737	60,685,671
Restricted	1,594,582	2,091,324	2,423,099	3,016,727	-	-	-
Unrestricted	25,489,729	22,052,237	20,067,102	15,962,447	17,534,542	13,599,231	12,851,312
<b>Total primary government net assets</b>	<b>35,424,595</b>	<b>41,447,590</b>	<b>47,693,468</b>	<b>66,342,076</b>	<b>68,005,765</b>	<b>70,843,969</b>	<b>73,536,983</b>



Notes:

The County implemented GASB #34 in 2003, and therefore no prior information is available. Governmental activities invested in capital assets almost doubled in 2006 due to retrospective reporting of infrastructure. Due to the defeasance of general obligation bonds in the debt service fund, the restricted net assets were removed in 2007.

## CHELAN COUNTY, WASHINGTON

### Changes in Net Assets

#### Last Seven Fiscal Years

(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>							
Governmental activities:							
General government	15,704,699	14,983,530	15,820,567	16,875,815	19,779,898	20,075,480	19,913,816
Judicial	2,518,104	2,583,105	2,788,489	2,878,666	3,093,301	3,330,840	3,436,578
Public safety	11,039,550	15,411,584	15,300,244	14,505,817	16,196,980	17,219,829	17,339,824
Physical environment	1,665,874	1,430,752	2,298,744	2,218,962	3,921,161	3,267,209	5,857,814
Transportation	4,032,318	5,728,453	8,564,054	12,860,070	16,734,747	12,763,691	11,388,104
Health and human services	491,423	497,421	501,035	466,656	530,354	501,462	1,451,089
Economic environment	1,772,667	1,722,704	2,090,119	2,762,824	3,460,391	5,455,692	3,341,484
Culture and recreation	678,752	763,942	837,424	780,326	935,089	976,024	794,016
Interest on long-term debt	607,156	631,657	592,364	544,672	488,311	421,294	466,759
Total governmental activities expenses	38,510,542	43,753,148	48,793,040	53,893,807	65,140,233	64,011,522	63,989,484
Business-type activities:							
Utilities	918,952	1,369,149	980,186	1,088,631	1,357,762	1,888,505	1,381,051
Public safety	4,642,425	4,911,932	5,917,493	7,116,572	7,707,781	8,399,137	9,235,002
Other	486,114	524,758	624,481	615,657	592,670	649,449	642,405
Total business-type activities expenses	6,047,492	6,805,839	7,522,161	8,820,861	9,658,213	10,937,091	11,258,458
Total primary government expenses	44,558,034	50,558,986	56,315,201	62,714,668	74,798,445	74,948,614	75,247,941
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
General government	3,142,742	5,270,139	7,042,373	8,268,024	10,168,264	10,273,848	10,963,542
Judicial	1,448,838	2,086,950	2,318,144	2,634,870	2,866,511	2,761,898	2,845,137
Public safety	570,103	2,023,007	1,758,700	2,198,422	2,120,818	2,264,493	2,755,974
Physical environment	48,060	182,762	261,758	85,411	13,373	22,640	47,771
Transportation	121,870	260,659	2,742,542	3,659,967	3,884,330	1,063,365	276,378
Health and human services	-	-	-	751	495	-	-
Economic environment	1,169,163	1,207,780	1,486,343	1,771,371	1,739,092	1,802,103	1,291,662
Culture and recreation	158,289	364,966	370,846	204,010	192,718	212,802	236,702
Operating grants and contributions	7,523,707	6,202,763	6,714,602	4,888,389	10,685,200	9,856,702	14,952,201
Capital grants and contributions	362,022	1,809,396	2,263,123	1,551,641	2,324,298	6,682,665	1,287,484
Total governmental activities program revenues	14,544,794	19,408,422	24,958,431	25,262,855	33,995,099	34,940,516	34,656,851

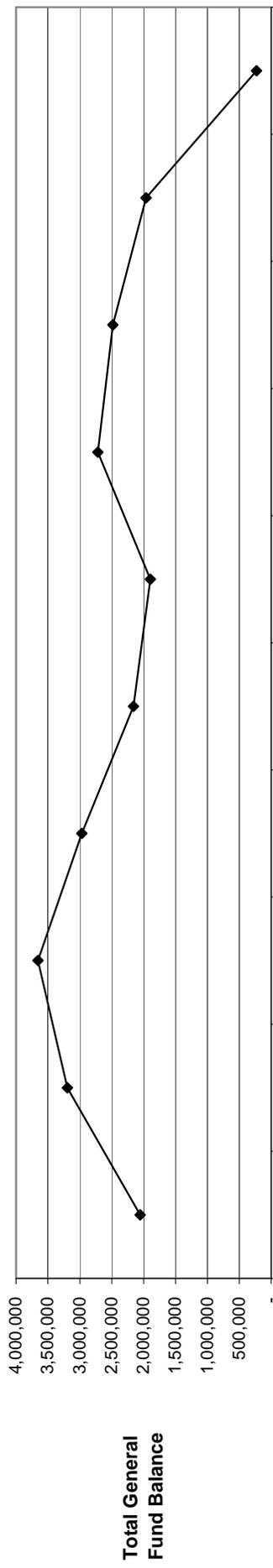
	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Business-type activities:							
Charges for services:							
Utilities	718,523	796,490	834,517	1,048,184	1,568,913	1,649,101	1,555,568
Public safety	2,891,934	6,002,190	5,847,098	6,083,928	7,256,312	8,516,446	9,575,932
Other	393,457	519,050	456,199	485,751	486,657	564,439	539,656
Operating grants and contributions	2,446,887	256,809	412,792	378,208	341,233	324,842	565,301
Total business-type activities program revenues	6,450,801	7,574,539	7,550,606	7,996,070	9,653,115	11,054,828	12,236,458
Total primary government program revenues	20,995,595	26,982,961	32,509,037	33,258,925	43,648,214	45,995,344	46,893,309
Net (expense)/revenue:							
Governmental activities	(23,965,749)	(24,344,725)	(23,834,608)	(28,630,953)	(31,145,133)	(29,071,006)	(29,332,632)
Business-type activities	403,310	768,700	28,445	(824,790)	(5,098)	117,737	978,000
Total primary government net expense	(23,562,439)	(23,576,025)	(23,806,163)	(29,455,743)	(31,150,231)	(28,953,270)	(28,354,632)
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental activities:							
Taxes							
Property taxes	12,932,495	13,452,658	14,437,672	14,079,978	14,706,768	15,036,880	16,745,569
Sales and use taxes	5,033,958	4,976,610	5,611,908	6,230,355	7,059,665	8,034,200	6,929,205
Motor vehicle fuel tax	2,078,464	2,101,802	2,162,824	2,238,789	2,290,340	2,247,026	2,161,528
Other taxes	3,911,797	5,169,333	5,806,352	6,535,512	7,088,030	5,502,341	4,883,796
Interest and investment earnings	622,193	509,483	888,244	1,541,264	1,586,330	941,965	314,081
Miscellaneous	2,520,597	778,147	794,711	5,606	-	-	-
Transfers	535,398	675,229	4,476	(55,835)	(70,000)	(402,453)	(20,000)
Total governmental activities	27,634,903	27,663,263	29,706,188	30,575,669	32,661,133	31,359,959	31,014,180
Business-type activities:							
Other taxes	48,167	48,329	46,768	46,001	52,306	12,441	9,413
Interest and investment earnings	7,684	3,936	11,210	27,501	30,479	16,621	4,054
Miscellaneous	90,037	137,235	291,352	41,565	-	-	-
Transfers	(535,398)	(675,229)	(4,476)	55,835	70,000	402,453	20,000
Total business-type activities	(389,510)	(485,730)	344,854	170,901	152,785	431,515	33,467
Total primary government	27,245,393	27,177,533	30,051,042	30,746,570	32,813,918	31,791,473	31,047,647
<b>Change in Net Assets</b>							
Governmental activities	3,669,154	3,318,538	5,871,580	1,944,716	1,516,000	2,288,952	1,681,548
Business-type activities	13,800	282,970	373,300	(653,889)	147,687	549,251	1,011,467
Total primary government	3,682,954	3,601,508	6,244,879	1,290,827	1,663,688	2,838,204	2,693,015

Note: The County implemented GASB #34 in 2003, and therefore no prior information is available.

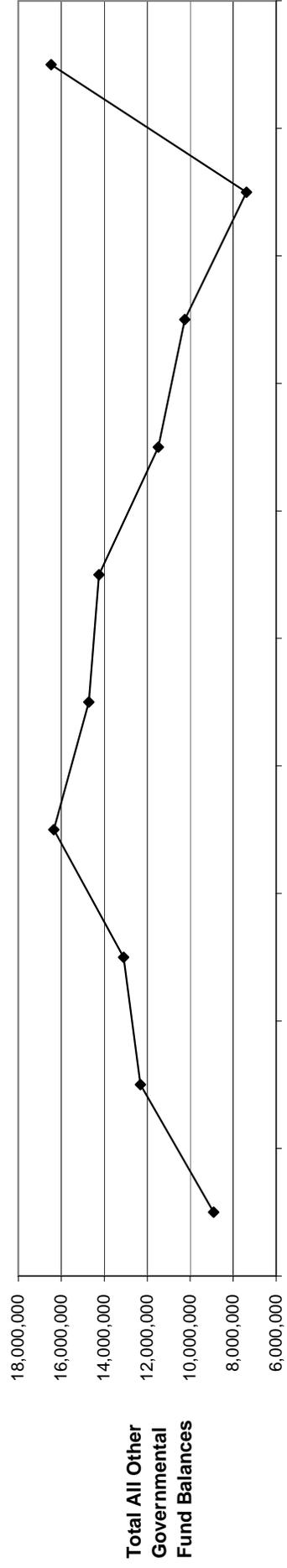
# CHELAN COUNTY, WASHINGTON

Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>General fund</b>										
Reserved	-	-	-	-	120,000	-	-	-	-	-
Unreserved	2,055,514	3,194,740	3,655,861	2,970,554	2,040,710	1,893,826	2,717,995	2,480,438	1,960,442	230,294
<b>Total General fund</b>	<b>2,055,514</b>	<b>3,194,740</b>	<b>3,655,861</b>	<b>2,970,554</b>	<b>2,160,710</b>	<b>1,893,826</b>	<b>2,717,995</b>	<b>2,480,438</b>	<b>1,960,442</b>	<b>230,294</b>



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>All other governmental funds</b>										
Reserved	1,993,807	2,306,676	2,663,943	1,594,582	2,138,054	2,503,099	3,116,727	100,000	-	-
Unreserved, reported in:										
Special revenue funds	6,891,908	8,528,838	8,726,835	9,664,676	8,865,378	9,995,517	7,086,530	7,408,546	4,949,269	6,959,552
Capital project funds	28,466	1,487,725	1,714,819	5,091,274	3,713,732	1,743,007	1,279,830	2,741,570	2,435,897	9,512,911
<b>Total all other governmental funds</b>	<b>8,914,181</b>	<b>12,323,239</b>	<b>13,105,597</b>	<b>16,350,532</b>	<b>14,717,165</b>	<b>14,241,623</b>	<b>11,483,088</b>	<b>10,250,116</b>	<b>7,385,167</b>	<b>16,472,463</b>



Notes: The decrease in 2009 General fund balance is due to a slowing in revenues from the recession. The increase in 2009 all other governmental funds is due to the proceeds of bonds issued during the year.

# CHELAN COUNTY, WASHINGTON

## Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(accrual basis of accounting)

Revenues	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Taxes	18,401,962	18,995,748	19,782,253	20,782,272	21,682,449	23,537,843	24,885,151	26,761,084	25,869,996	25,735,639
Licenses and permits	485,118	488,015	510,579	575,042	659,499	749,512	832,002	883,035	828,632	606,938
Intergovernmental revenues	11,854,381	14,051,670	10,944,356	10,690,407	12,196,873	13,915,923	11,861,297	17,855,898	21,150,213	19,170,335
Charges for services	2,085,324	2,893,294	3,160,507	4,142,544	4,342,974	4,650,320	5,383,426	5,591,290	5,244,527	4,950,032
Fees and fines	925,891	848,442	1,095,754	1,130,273	1,218,182	1,133,455	1,303,721	1,377,250	1,271,913	1,339,310
Miscellaneous	1,702,832	1,860,741	1,002,031	1,073,130	2,323,893	2,018,459	2,286,489	2,858,423	2,517,035	5,645,276
<b>Total revenues</b>	<b>35,455,508</b>	<b>39,137,910</b>	<b>36,495,480</b>	<b>38,393,668</b>	<b>42,423,870</b>	<b>46,005,512</b>	<b>46,552,086</b>	<b>55,326,979</b>	<b>56,882,317</b>	<b>57,447,530</b>
<b>Expenditures</b>										
General government	8,715,144	9,376,451	10,575,057	10,756,389	10,868,927	11,414,253	11,744,332	13,142,930	13,966,147	13,815,248
Security of persons and property	9,660,763	10,322,993	10,895,333	11,751,741	13,438,209	15,058,453	14,249,525	15,913,411	16,516,677	17,556,196
Utilities & environment	380,706	769,887	901,138	1,701,870	1,467,956	2,297,620	2,217,838	3,925,161	3,343,268	5,893,729
Transportation	7,033,917	7,002,680	7,170,610	6,443,486	6,258,446	6,206,477	7,987,502	9,643,443	8,331,859	8,661,917
Economic environment	1,846,019	1,517,268	1,922,960	1,921,489	1,998,431	2,198,298	2,819,565	3,589,407	6,511,228	3,372,013
Mental health and physical health	1,201,862	1,321,188	571,528	569,236	573,150	595,995	552,469	555,406	571,622	1,566,606
Culture and recreation	700,797	702,310	786,826	568,238	640,847	639,202	655,953	732,406	723,409	579,866
Debt service:										
Principal	1,084,847	1,211,135	1,506,392	2,257,971	924,893	1,279,978	1,330,543	1,507,020	697,697	729,512
Interest and other charges	-	-	-	657,083	631,657	594,889	549,479	538,550	427,180	368,039
Bond issuance costs	-	-	-	-	-	-	-	-	-	98,720
Capital outlay	4,001,190	2,559,736	814,662	2,718,871	8,049,832	6,621,306	6,316,599	6,089,249	9,686,066	5,601,264
<b>Total expenditures</b>	<b>34,625,245</b>	<b>34,783,648</b>	<b>35,144,506</b>	<b>39,346,374</b>	<b>44,852,348</b>	<b>46,906,471</b>	<b>48,423,804</b>	<b>55,636,982</b>	<b>60,775,152</b>	<b>58,243,110</b>
Excess of revenues over (under) expenditures.	830,263	4,354,262	1,350,974	(952,706)	(2,428,478)	(900,959)	(1,871,719)	(310,003)	(3,892,835)	(795,580)
<b>Other financing sources (uses)</b>										
Sale of capital assets	80,294	39,518	13,057	12,063	13,074	17,097	15,188	29,256	7,825	16,864
Transfers in	193,980	394,578	(79,238)	327,070	272,369	466,287	2,606,568	894,892	2,009,029	845,801
Transfers out	(532,962)	(193,457)	(1,096,244)	(274,064)	(384,454)	(324,850)	(2,684,402)	(964,892)	(1,508,965)	(865,801)
Other	8,335	(5,474)	(121,765)	2,265	84,278	-	-	-	-	-
General obligation bonds issued	-	-	-	3,445,000	-	-	-	1,210,000	-	8,150,000
Refunding bonds issued	-	-	-	3,315,000	-	-	-	4,525,000	-	-
Premium (discount) on bonds issued	-	-	-	-	-	-	-	57,726	-	5,865
Payment to refunding escrow agent	-	-	-	(3,315,000)	-	-	-	(6,912,508)	-	-
<b>Total other financing sources (uses)</b>	<b>(250,353)</b>	<b>235,165</b>	<b>(1,284,190)</b>	<b>3,512,334</b>	<b>(14,733)</b>	<b>158,534</b>	<b>(62,647)</b>	<b>(1,160,526)</b>	<b>507,890</b>	<b>8,152,729</b>
<b>Net change in fund balances</b>	<b>579,910</b>	<b>4,589,427</b>	<b>66,784</b>	<b>2,559,628</b>	<b>(2,443,211)</b>	<b>(742,425)</b>	<b>(1,934,366)</b>	<b>(1,470,529)</b>	<b>(3,384,946)</b>	<b>7,357,149</b>
Debt service as a percentage of noncapital expenditures	3.54%	3.76%	4.39%	7.96%	4.23%	4.65%	4.46%	4.13%	2.20%	2.27%

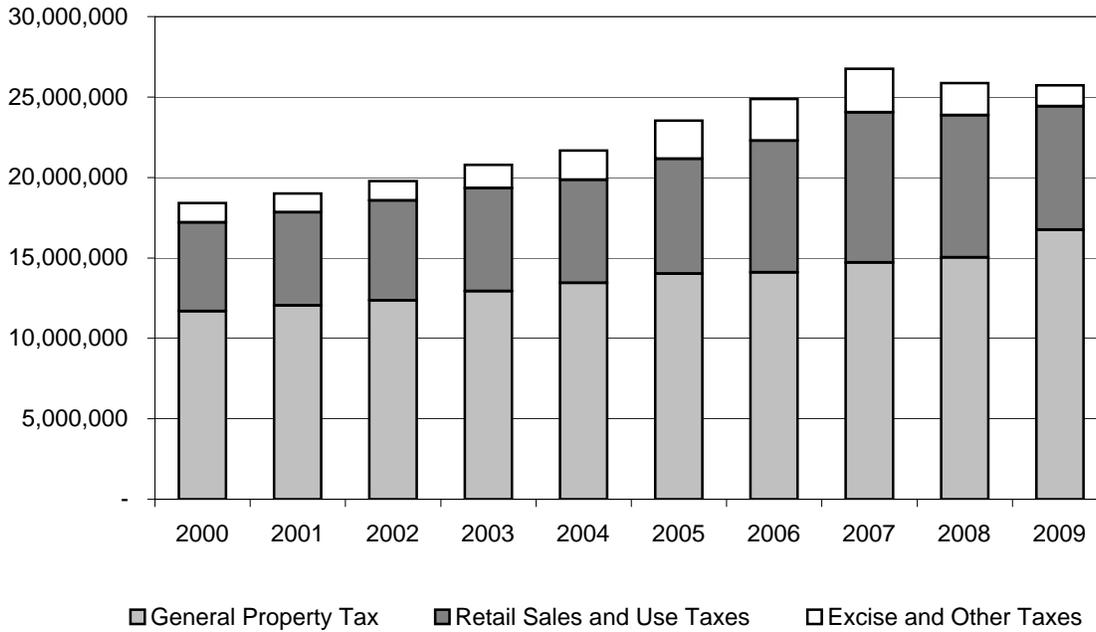
# CHELAN COUNTY, WASHINGTON

## General Government Tax Revenues By Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

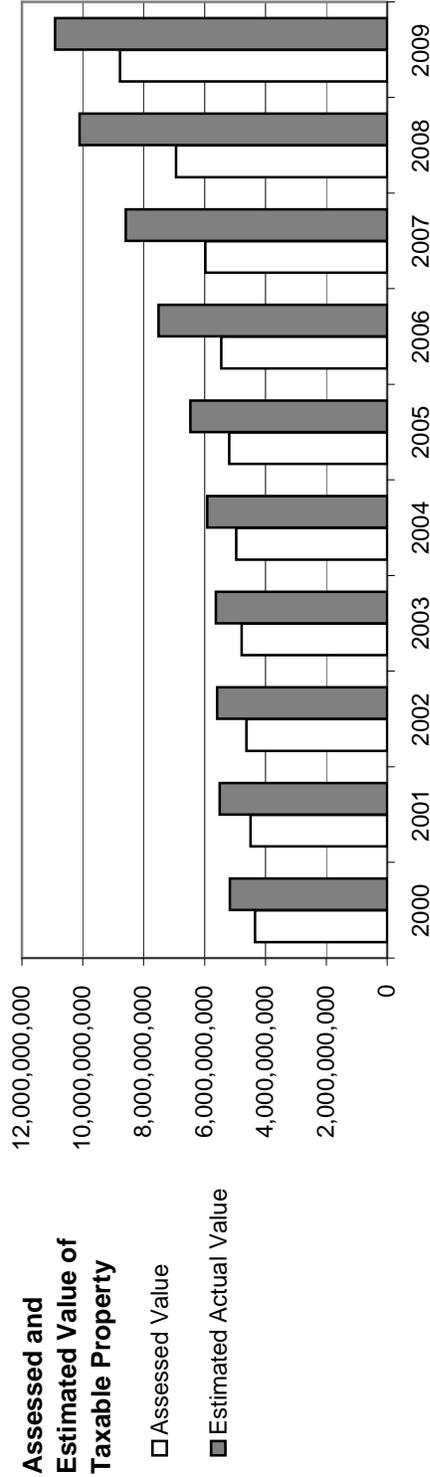
<b>Fiscal Year</b>	<b>General Property Tax</b>	<b>Retail Sales and Use Taxes</b>	<b>Excise and Other Taxes</b>	<b>Total</b>
2000	11,696,315	5,515,259	1,190,388	18,401,962
2001	12,041,381	5,802,234	1,152,133	18,995,748
2002	12,360,714	6,210,989	1,210,551	19,782,253
2003	12,932,495	6,409,121	1,440,657	20,782,272
2004	13,452,658	6,405,720	1,824,071	21,682,449
2005	14,022,223	7,144,030	2,371,590	23,537,843
2006	14,093,548	8,190,125	2,601,478	24,885,151
2007	14,706,768	9,349,690	2,704,626	26,761,084
2008	15,036,880	8,823,307	2,009,810	25,869,996
2009	16,745,569	7,669,654	1,320,415	25,735,639



# CHELAN COUNTY, WASHINGTON

Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2000	4,260,653,380	148,696,333	65,614,211	4,343,735,502	3.4669	5,164,964,925	84.1%
2001	4,396,678,221	151,685,890	64,165,917	4,484,198,194	3.4317	5,502,083,674	81.5%
2002	4,521,104,432	159,624,187	59,525,202	4,621,203,417	3.3146	5,587,912,233	82.7%
2003	4,687,593,937	147,353,730	57,922,434	4,777,025,233	3.3059	5,633,284,473	84.8%
2004	4,872,628,292	147,386,402	57,920,414	4,962,094,280	3.2561	5,907,255,095	84.0%
2005	5,122,190,051	160,288,138	88,765,052	5,193,713,137	3.2458	6,467,886,846	80.3%
2006	5,375,160,737	166,997,635	89,441,177	5,452,717,195	3.1087	7,510,629,745	72.6%
2007	5,878,975,610	187,932,639	87,973,397	5,978,934,852	3.0457	8,590,423,638	69.6%
2008	6,827,144,362	195,716,362	87,499,133	6,935,361,591	2.6827	10,109,856,547	68.6%
2009	8,575,092,121	278,823,141	71,346,757	8,782,568,505	2.3692	10,910,022,988	80.5%



Data Sources:  
Chelan County Assessor  
Washington 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		Overlapping Rates - Districts								Total Direct and Overlapping Rates
	General Fund	Special Revenue Funds	Total County	Hospital Districts	Fire Districts	Cemetery Districts	School Districts	Miscellaneous Districts	Cities and Towns		
2000	1.4790	1.9879	3.4669	0.4906	0.9294	0.0839	3.1725	0.3534	2.6496	11.1463	
2001	1.4647	1.9671	3.4317	0.6523	0.9865	0.0807	3.1966	0.2942	2.7458	11.3879	
2002	1.5469	1.7677	3.3146	0.9059	0.9934	0.0843	3.2096	0.3443	2.8805	11.7325	
2003	1.5466	1.7594	3.3059	0.9093	0.9772	0.0847	3.0453	0.3649	2.8330	11.5203	
2004	1.5301	1.7260	3.2561	0.8671	0.9287	0.0833	3.1989	0.3416	2.7534	11.4291	
2005	1.6114	1.6344	3.2458	0.8308	0.9424	0.0823	3.1105	0.3405	2.7863	11.3384	
2006	1.6215	1.4872	3.1087	0.9752	0.9556	0.0813	3.7752	0.3204	2.7165	11.9330	
2007	1.5370	1.5088	3.0457	1.0238	0.9993	0.0729	4.1492	0.5248	2.5696	12.3853	
2008	1.3844	1.2983	2.6827	0.9024	0.8119	0.0696	3.4134	0.3140	2.1238	10.3177	
2009	1.1255	1.2434	2.3689	0.6789	0.6605	0.0614	2.9814	0.2503	2.1017	9.1031	

Source: Chelan County Assessor's Office

Overlapping rates are those of local governments that apply to property owners within Chelan County. Not all overlapping rates apply to all Chelan County property owners (e.g., the rates for districts apply only to the proportion of the county's property owners whose property is located within the geographic boundaries of the district). Overlapping rates have been averaged within each district category.

## CHELAN COUNTY, WASHINGTON

Principal Property Taxpayers - Top Ten  
Current Year and Eight Years Ago

Taxpayer	2009			2001		
	2009 Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	2001 Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
ALCOA Inc.	59,393,444	1	0.68%	51,363,142	1	1.15%
Stemilt Growers Inc	57,424,150	2	0.65%	36,847,900	2	0.82%
Regional Events Center	40,532,851	3	0.46%			
Verizon Northwest Inc	37,308,464	4	0.42%	-	-	-
Trout Blue Chelan Inc	35,432,448	5	0.40%	31,606,504	3	0.70%
Wenatchee Valley Clinic	35,398,033	6	0.40%	20,519,416	5	0.46%
BNSF Railway Company	30,283,444	7	0.34%	-	-	-
Tree Top Inc	21,011,390	8	0.24%	15,966,836	8	0.36%
Bear Mountain Ranch	19,812,907	9	0.23%	-	-	-
Dovex Fruit Company	18,251,730	10	0.21%	21,436,040	4	0.48%
Longview Fibre Company	-	-	-	19,758,500	6	0.44%
Blue Bird Inc	-	-	-	16,460,266	7	0.37%
Chief Wenatchee	-	-	-	15,473,426	9	0.35%
Blue Star Growers Inc	-	-	-	11,493,815	10	0.26%
Totals	<u>354,848,861</u>		<u>4.04%</u>	<u>240,925,845</u>		<u>5.37%</u>
Total Taxable Value:	\$ 8,782,568,505			\$ 4,484,198,194		

Source: Chelan County Assessor

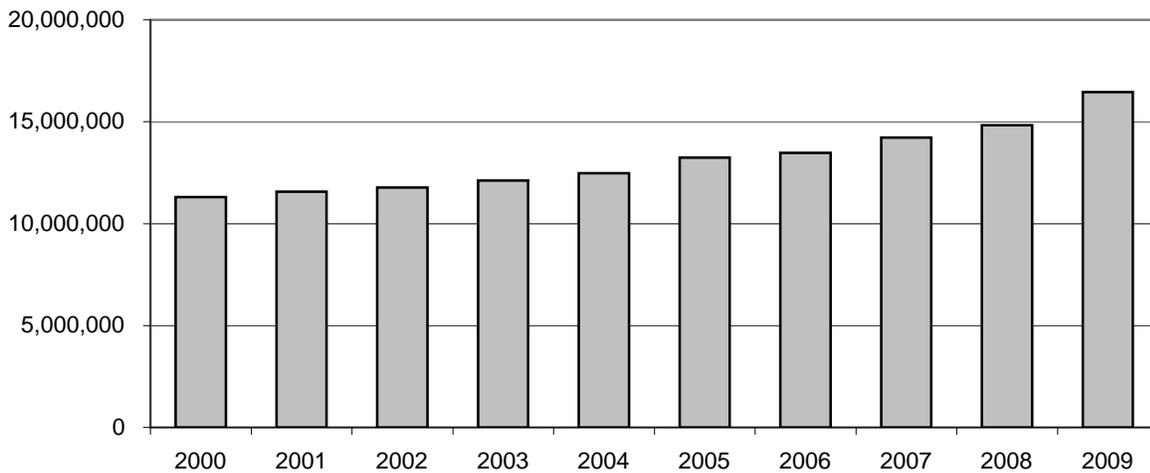
This list does not include lending institutions who are taxed on behalf of individual mortgages they are holding.  
Data from 2001 was use for comparison since data from 10 years prior is not available.

# CHELAN COUNTY, WASHINGTON

## Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	11,304,605	10,938,813	96.76%	362,464	11,301,278	99.97%
2001	11,566,648	11,085,002	95.84%	480,384	11,565,386	99.99%
2002	11,777,775	11,395,989	96.76%	380,547	11,776,536	99.99%
2003	12,115,666	11,766,717	97.12%	347,736	12,114,452	99.99%
2004	12,469,748	12,198,777	97.83%	269,159	12,467,936	99.99%
2005	13,233,355	12,982,188	98.10%	249,353	13,231,541	99.99%
2006	13,476,608	13,218,345	98.08%	249,331	13,467,676	99.93%
2007	14,230,327	13,976,296	98.21%	196,086	14,172,382	99.59%
2008	14,838,833	14,415,873	97.15%	268,219	14,415,873	97.15%
2009	16,449,753	15,792,831	96.01%	Not applicable	15,792,831	96.01%

**Total Tax Levy**

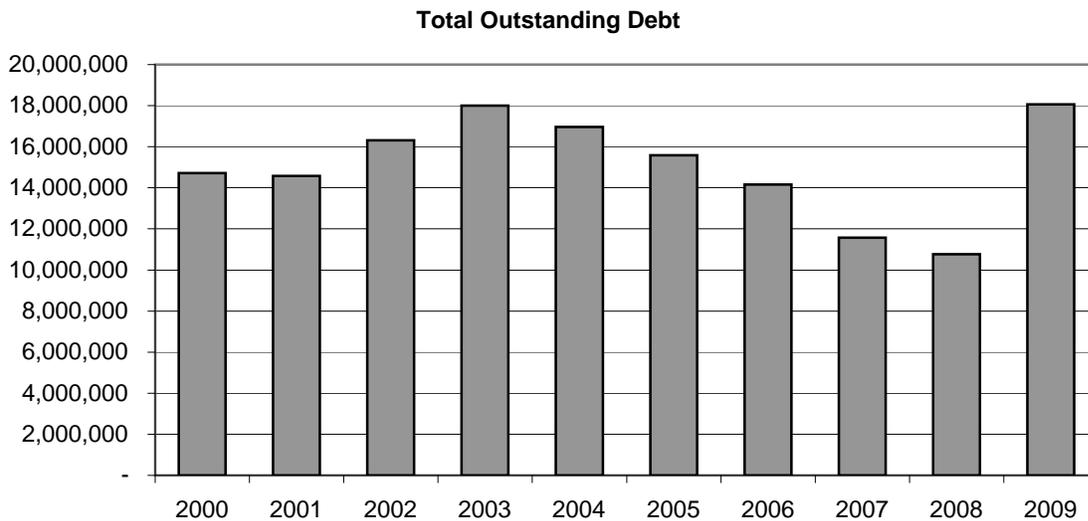


Source: Chelan County Treasurer, tax distribution report  
Levy and collections include those of Chelan County's general and special revenue funds.

# CHELAN COUNTY, WASHINGTON

## Ratio of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation		Capital Leases			
	Bonds	Capital Leases	Capital Leases			
2000	14,720,112	-	-	14,720,112	0.88%	221
2001	14,582,401	105,828	-	14,688,229	0.83%	219
2002	16,317,342	211,392	17,561	16,546,295	0.91%	245
2003	17,994,373	265,358	12,667	18,272,398	0.97%	269
2004	16,969,480	140,059	7,773	17,125,085	0.87%	250
2005	15,589,502	57,039	4,915	15,651,456	0.76%	226
2006	14,153,958	8,432	-	14,162,390	0.65%	202
2007	11,566,939	5,059	-	11,571,998	0.50%	163
2008	10,759,242	2,583	-	10,761,825	Not available	149
2009	18,069,731	-	-	18,069,731	Not available	249

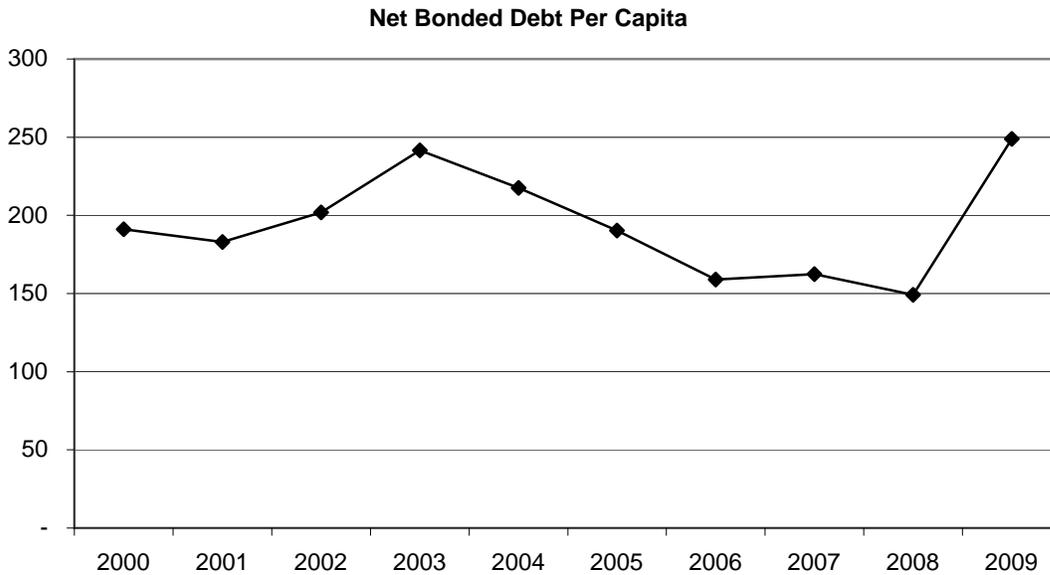


Details regarding the County's outstanding debt can be found in the notes to the financial statements. See the Schedule of Demographic and Economic Statistics for personal income and population data.

# CHELAN COUNTY, WASHINGTON

## Ratio of General Obligation Bonded Debt Outstanding Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amonts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Net Bonded Debt Per Capita</u>
2000	14,720,112	1,993,807	12,726,305	0.25%	191
2001	14,582,401	2,306,676	12,275,725	0.22%	183
2002	16,317,342	2,663,943	13,653,399	0.24%	202
2003	17,994,373	1,594,582	16,399,791	0.29%	242
2004	16,969,480	2,091,324	14,878,156	0.25%	218
2005	15,589,502	2,423,099	13,166,403	0.20%	190
2006	14,153,958	3,016,727	11,137,231	0.15%	159
2007	11,566,939	-	11,566,939	0.13%	162
2008	10,759,242	-	10,759,242	0.11%	149
2009	18,069,731	-	18,069,731	0.17%	249



Details regarding the County's outstanding debt can be found in the notes to the financial statements. See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data. Population data can be found in the Schedule of Demographic and Economic Statistics.

## CHELAN COUNTY, WASHINGTON

Computation of Legal Debt Margin  
Last Ten Fiscal Years  
(amounts expressed in thousands)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Non-Voted Debt</b>										
Legal debt limit	65,156	67,262	69,318	71,655	74,431	76,368	81,791	89,684	104,030	131,739
Total net debt applicable to limit	14,309	13,277	1,387	(9,515)	1,884	1,547	3,013	3,972	6,535	7,577
Legal debt margin	50,847	53,985	67,931	81,170	72,547	74,821	78,778	85,712	97,496	124,161

Total net debt applicable to the limit  
as a percentage of debt limit

21.96%    19.74%    2.00%    -13.28%    2.53%    2.03%    3.68%    4.43%    6.28%    5.75%

### Voted and Non-Voted Debt

Legal debt limit	108,593	112,104	115,530	119,425	124,052	127,280	136,318	149,473	173,384	219,564
Total net debt applicable to limit	13,277	1,387	(9,515)	1,884	1,547	1,547	3,013	3,972	6,535	7,577
Legal debt margin	95,316	110,717	125,045	117,541	122,505	125,733	133,305	145,501	166,849	211,987

Total net debt applicable to the limit  
as a percentage of debt limit

12.23%    1.24%    -8.24%    1.58%    1.25%    1.22%    2.21%    2.66%    3.77%    3.45%

### Legal Debt Margin Calculation for Fiscal Year 2009

Assessed Valuations	8,782,569
Limited Tax General Obligation Debt Capacity (non-voted):	
Legal limit of up to 1.5% on the assessed valuation	131,739
Less: outstanding debt	(24,015)
Add: available assets	16,437
Remaining Debt Capacity (non voted)	124,161
Total General Obligation Debt Capacity (voted and non-voted):	
Legal limit of up to 2.5% on the assessed valuation	219,564
Less: outstanding debt	(24,015)
Add: available assets	16,437
Remaining Debt Capacity (voted and non-voted)	211,987

## CHELAN COUNTY, WASHINGTON

### Demographic and Economic Statistics Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Income (2)</b>	<b>Median Age (3)</b>	<b>Public School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>
2000	66,616	1,675,244,000	25,124	36.3	13,024	7.5%
2001	67,100	1,760,754,000	26,416	36.5	12,910	11.0%
2002	67,600	1,809,501,000	27,066	36.8	12,777	9.5%
2003	67,900	1,875,104,000	27,871	37.1	12,941	9.1%
2004	68,400	1,963,865,000	28,871	37.5	12,874	7.7%
2005	69,200	2,062,445,000	29,937	37.8	12,901	6.5%
2006	70,100	2,188,973,000	31,349	38.0	12,911	6.0%
2007	71,200	2,312,679,000	32,714	38.1	12,883	5.7%
2008	72,100	Not Available	Not Available	38.3	12,868	7.0%
2009	72,600	Not Available	Not Available	38.5	12,722	9.0%

#### Data sources:

- (1) Washington State Office of Financial Management (OFM) - 2001 through 2009 are OFM projections.
- (2) Bureau of Economic Analysis at <http://www.bea.gov/regional/reis/>
- (3) Washington State Office of Financial Management <http://www.ofm.wa.gov/pop/coagemf/default.asp>
- (4) Washington State Office of Superintendent of Public Instruction at <http://www.k12.wa.us/dataadmin/>
- (5) Washington State Employment Security Department at <http://www.workforceexplorer.com>, rates as of December, not seasonally adjusted

## CHELAN COUNTY, WASHINGTON

### Principal Employers

Current Year and Three Years Ago

Employer (1)	2009			2006		
	Employees	Rank	Percentile of Total County Employment	Employees	Rank	Percentile of Total County Employment
Stemilt Growers, Inc	2,334	1	6.48%	1,402	2	3.89%
Wenatchee Valley Medical Center	1,554	2	4.31%	1,420	1	3.94%
Central Washington Hospital	1,450	3	4.03%	1,352	3	3.76%
Wenatchee School District	972	4	2.70%	963	4	2.67%
Dovex Fruit Company	725	5	2.01%	-	-	-
Chelan County PUD #1	665	6	1.85%	658	5	1.83%
Chelan Fruit, Inc	550	7	1.53%	610	6	1.69%
Chelan County	539	8	1.50%	590	9	1.64%
McDougall & Sons, Inc.	531	9	1.47%	-	-	-
Blue Star Growers	452	10	1.25%	412	10	1.14%
C&O Nursery	450	-	1.25%	600	8	1.67%
Blue Bird, Inc	300	-	0.83%	600	7	1.67%
Total County Employment (2):	36,021			36,002		

Principal Employer data is not available prior to 2006.

#### Data Sources:

(1) Principal employer data is obtained from the Port of Chelan County. Includes full time and part time employees.

Major differences between years may be due to differences in how business reported their employees to the Port.

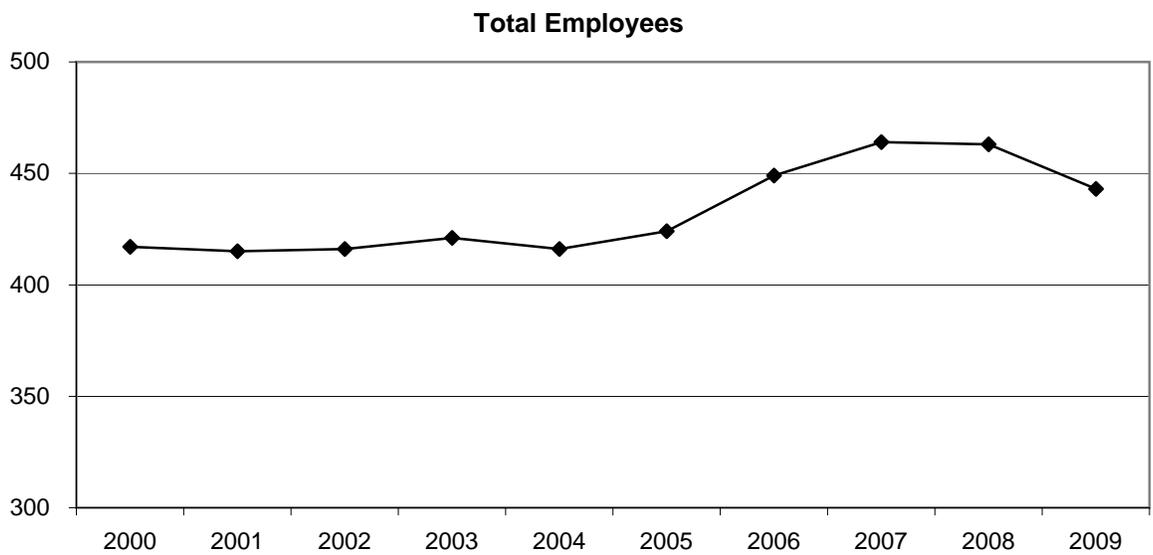
The Port did not conduct an employment survey during 2009, so the 2008 figures are repeated for the current year.

(2) Total county employment uses 2nd quarter data averaged over the past year. From the US Census Bureau at <http://lehd.did.census.gov/led/datatools/qwiapp.html>

# CHELAN COUNTY, WASHINGTON

## Full-time Equivalent Chelan County Employees by Function Last Ten Fiscal Years

Function	Full-time Equivalent Employees									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	100	99	101	102	97	102	106	106	104	102
Judicial	37	38	42	41	41	43	44	45	45	42
Public safety	182	179	177	182	181	186	196	199	201	195
Physical environment	3	3	3	7	7	8	7	9	8	11
Transportation	65	65	64	61	60	53	56	63	66	58
Economic environment	22	23	19	20	21	21	28	29	27	23
Culture and recreation	6	6	7	6	7	9	9	10	9	9
Utilities	2	2	3	2	2	2	3	3	3	3
<b>Total</b>	<b>417</b>	<b>415</b>	<b>416</b>	<b>421</b>	<b>416</b>	<b>424</b>	<b>449</b>	<b>464</b>	<b>463</b>	<b>443</b>



Actual paid FTE as of December 31 is used for 2003 - 2009. Prior to this, budgeted FTE is used because actual data is not available.

**Data sources:**

2000-2002 data was obtained from the Chelan County budget books.

2003-2009 data was obtained from payroll data in the Chelan County Auditor's office.

# CHELAN COUNTY, WASHINGTON

## Operating Indicators by Function Last Ten Fiscal Years

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government										
Total documents recorded by Auditor	18,584	21,734	25,078	31,535	26,198	27,262	27,939	27,105	22,486	19,767
Total vehicle licensing transactions	61,068	54,854	52,665	51,930	52,699	60,003	57,462	56,119	59,656	66,494
General election:										
Number of registered voters	33,755	32,393	32,703	33,327	37,395	36,185	35,314	35,983	38,650	37,715
Number of votes	26,754	18,028	20,378	15,737	29,617	20,408	23,518	19,174	32,392	20,656
Percent of registered voters voting	79.26%	55.65%	62.31%	47.22%	79.20%	56.40%	66.60%	53.29%	83.81%	54.77%
Judicial										
Superior Court cases filed	3,536	3,732	3,829	4,037	3,961	4,101	4,095	3,920	4,119	3,763
Documents filed with Clerk	107,694	112,752	110,845	116,704	118,226	134,101	156,796	138,253	145,014	123,000
District Court filings	15,935	14,962	19,563	19,181	19,419	19,466	21,958	21,868	20,047	22,957
Public safety										
Sheriff										
Total warrants entered	N/A	N/A	N/A	667	1,846	1,972	2,298	2,128	1,957	1,806
Total arrests carried out	N/A	N/A	N/A	2,181	2,209	2,150	2,645	2,330	2,211	2,345
Total citations issued	N/A	N/A	N/A	4,101	4,783	4,721	5,053	5,055	4,072	3,989
Concealed weapons permits issued	N/A	N/A	N/A	425	392	384	591	533	767	814
Regional Justice Center										
Total bookings	5,247	5,568	5,867	6,307	6,175	6,131	7,278	7,224	7,017	6,371
Average daily population	279	270	305	314	306	332	367	357	358	322
Meals served	242,444	305,130	348,765	354,870	344,175	371,328	431,769	431,043	413,910	377,049
Juvenile average daily population	26	25	29	27	20	23	20	21	21	29
Transportation										
Miles of county road repaired/preserved	N/A	98	107	231	175	346	177	301	164	41
Economic environment										
Total residential building permits	N/A	N/A	296	351	369	441	504	500	375	255
Total commercial building permits	N/A	N/A	66	75	57	70	69	60	51	44

### Data sources:

General government data was obtained from the Chelan County Auditor's office  
 Judicial data was obtained from the Chelan County Superior Court Clerk and District Court offices.  
 Public safety data was obtained from the Chelan County Sheriff, Regional Jail, and Juvenile department.  
 Transportation data was obtained from the Public Works department.  
 Economic environment data was obtained from the Community Development department.

## CHELAN COUNTY, WASHINGTON

Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Motor pool vehicles	N/A	N/A	N/A	N/A	N/A	N/A	48	36	26	41
Public safety										
Sheriff patrol vehicles	N/A	N/A	N/A	N/A	N/A	N/A	59	66	63	58
Transportation										
Streets (miles)	N/A	N/A	N/A	N/A	N/A	N/A	643	655	646	655
Culture and recreation										
Parks	1	1	1	1	1	1	1	1	2	2

During 2008, ownership of Ohme Gardens was transferred from Washington State to Chelan County.

Data sources:

General government, public safety, and transportation data was obtained from the Public Works department.

Culture and recreation information was obtained from Chelan County's budget.