



# - CHELAN COUNTY - MONTHLY FINANCIAL REPORT

## JUNE 2014

### CHELAN COUNTY GENERAL FUND

The General fund is Chelan County's major operating fund. It has a budget of almost \$34 million and is comprised of administrative functions, building and planning permits, Sheriff's operations, juvenile housing, criminal prosecution, and the courts.

**REVENUE:** To get a picture of the economic and operational functions that drive revenue, the General fund revenues have been categorized by major revenue source and projected based on prior year history. Current revenues are compared with projections to determine how major revenue sources are being received in light of their 2014 budget. Sales tax continues to exceed projections and is 21% (\$500,000) higher than it was after June 2013. However, according to the County Treasurer, 5.1% (\$146,000) of the current sales tax collections are directly related to the one-time Holden Mine project. The entire balances of the PUD Privilege Tax and PILT revenues are received in June, making this a significant month for the General fund. Both of these revenues are received because the PUD and Federal government utilize Chelan County's land, but are

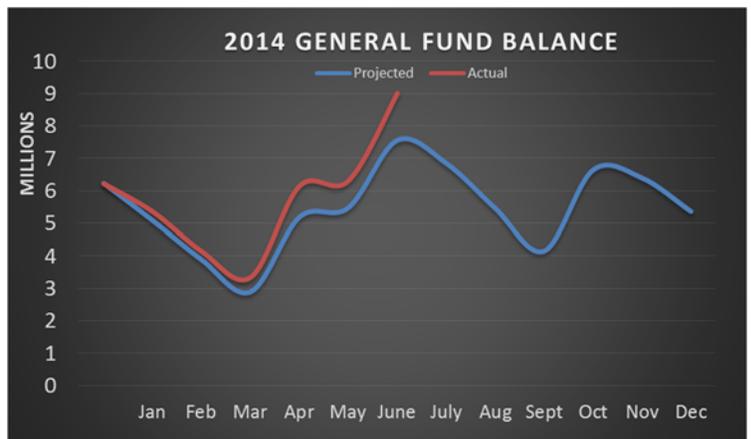
exempt from property taxes. Together, these two revenues came in \$440,000 more than expected. The amount of PUD Privilege is calculated based on the amount of power sales the PUD transacts, which varies from year to year and makes it difficult to estimate. The Federal PILT was larger this year due to a couple months' worth of revenue shorted last year during the federal budget sequester.

**EXPENDITURES:** Expenditures are projected in a similar way as revenues, but expenditures are spent more evenly than revenues are received. The Interfund Payments variance is due to the timing of the Motor Pool billing and should balance out during July. Although Salaries are running slightly strong, Benefits and Services are well under budget. In total, the General fund expenditure budget is tracking just under its budget projection.

| Revenue Category             | Year-To-Date      |                   |                  |
|------------------------------|-------------------|-------------------|------------------|
|                              | Projected         | Actual            | Variance         |
| Property Tax                 | 6,055,395         | 6,166,713         | 111,318          |
| Sales Tax                    | 2,619,388         | 2,883,710         | 264,321          |
| Prop. Tax Penalty & Interest | 550,324           | 561,310           | 10,986           |
| Building and Planning Fees   | 545,479           | 753,318           | 207,840          |
| PILT                         | 2,313,500         | 2,608,906         | 295,406          |
| PUD Privilege Tax            | 1,100,000         | 1,246,269         | 146,269          |
| Liquor X & P                 | 38,943            | 70,923            | 31,980           |
| Wenatchee Court              | 105,113           | 83,574            | (21,540)         |
| Law Enforcement Contracts    | 1,142,464         | 1,172,341         | 29,877           |
| Recording Fees               | 78,305            | 58,165            | (20,140)         |
| Motor Vehicle Licensing      | 209,518           | 209,186           | (332)            |
| Probation Services           | 117,835           | 169,940           | 52,105           |
| Interfund Payments           | 894,890           | 816,850           | (78,040)         |
| Court Fines                  | 342,106           | 356,692           | 14,586           |
| Treasury Interest            | 70,832            | 87,317            | 16,485           |
| Grants\Entitlements          | 1,001,953         | 993,172           | (8,781)          |
| Other *                      | 862,538           | 985,897           | 123,359          |
| <b>Total</b>                 | <b>18,048,584</b> | <b>19,224,283</b> | <b>1,175,698</b> |

| Expenditure Category        | Year-To-Date      |                   |                  |
|-----------------------------|-------------------|-------------------|------------------|
|                             | Projected         | Actual            | Variance         |
| 10 - Salaries & Wages       | 7,855,607         | 7,887,248         | 31,641           |
| 20 - Personnel Benefits     | 3,187,544         | 3,088,682         | (98,862)         |
| 30 - Supplies               | 377,175           | 377,945           | 771              |
| 40 - Other Services/Charges | 2,588,201         | 2,498,606         | (89,595)         |
| 50 - Intergovernmental Svcs | 196,321           | 213,251           | 16,930           |
| 90 - Interfund Payments     | 2,518,948         | 2,366,728         | (152,220)        |
| <b>TOTAL</b>                | <b>16,723,796</b> | <b>16,432,460</b> | <b>(291,336)</b> |

**FUND BALANCE:** The General Fund balance chart shows the cyclical nature of the Chelan County's cash flow. The increases in April and October coincide with the due dates of the first and second half of property taxes. The increase in June coincides with the previously mentioned PUD Privilege and PILT revenues. The 2014 General Fund budget was conservatively designed to lose \$863K. However, if the second half of 2014 follows history, the General Fund will exceed budget projections by \$1.3 million. This swing would suggest General Fund balance growth of \$500K this year.



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# ALL CHELAN COUNTY FUNDS

In addition to the General Fund, Chelan County has over 50 separate funds that account for resources reserved by the Commissioners or separated for specific purposes. The largest of these are the County Roads, Natural Resources, Regional Justice Center, Equipment Rental & Revolving, and the Health Insurance funds.

**CASH BALANCES:** The General fund has a healthy cash balance and is in better financial condition than it has ever been. However, there are several funds outside of the General fund that are currently borrowing cash to meet operational needs. The Natural Resources fund is currently borrowing \$591,000 from the REET I and ER&R funds to meet cash flow needs because they are substantially funded by reimbursement grants and do not have the cash to make the initial outflows. The Regional Justice Center is borrowing \$964,000 from the Criminal Justice Sales Tax and Distressed Counties Tax funds. Over the past couple years, the Jail's billed bed revenues did not kept up with their ongoing operating expenses. However, during the first six months of 2014, they increased the number of inmates housed at their facilities, and their cash flow appears to be leveling out. The Motor Pool borrowed \$117,000 from the ER&R fund when it purchased vehicles early in the year. There are currently plans to have the General Fund transfer \$500,000 to Motor Pool to cover their current and future cash flow needs.

| Cash Balance of Selected Funds |                             | 4/30/2014 | 5/31/2014 | 6/30/2014  |
|--------------------------------|-----------------------------|-----------|-----------|------------|
| 010                            | General                     | 7,405,262 | 7,418,586 | 10,117,243 |
| 014                            | Traffic Safety              | 37,370    | 132,026   | 44,471     |
| 110                            | County Roads                | 6,721,407 | 6,825,788 | 6,430,783  |
| 119                            | Ohme Gardens                | 58,743    | 55,218    | 61,860     |
| 124                            | Farm Worker Housing         | 194,338   | 191,167   | 196,851    |
| 125                            | Horticulture Pest & Disease | 94,926    | 94,166    | 83,935     |
| 128                            | Noxious Weed                | 52,444    | 60,449    | 39,663     |
| 140                            | Cashmere-Dryden Airport     | 40,715    | 41,649    | 41,215     |
| 180                            | Natural Resources           | 109,710   | 45        | 376        |
| 190                            | Criminal Justice Tax        | 804,295   | 682,592   | 744,383    |
| 301                            | REET I                      | 814,193   | 587,318   | 511,739    |
| 405                            | Wenatchee River Park        | 47,337    | 51,896    | 58,546     |
| 410                            | Expo Center                 | 98,725    | 107,201   | 105,537    |
| 411                            | Fair                        | 131,875   | 130,947   | 130,121    |
| 450                            | Regional Justice Center     | 196       | 441,102   | 415,927    |
| 510                            | ER&R                        | 1,581,126 | 1,272,311 | 1,098,033  |
| 526                            | Health Insurance            | 2,029,156 | 2,033,167 | 2,528,257  |
| 530                            | Motor Pool                  | 70,976    | 103,492   | 6,416      |
| 535                            | Unemployment Comp           | 245,230   | 251,385   | 240,607    |
| 540                            | Tort Claims & Insurance     | 648,113   | 641,103   | 938,369    |

**BUDGET:** June is 50% of the way through the calendar year. This percentage is a reasonable benchmark for departments that have even expenditures throughout the year. However, many departments have one-time expenditures at the beginning of the year such as annual software contracts. Therefore, the actual versus budget chart is provided for department heads to evaluate their own budgetary progress. They should be aware of their own department's budget cycle and the reasons they are over or under the straight-line benchmark.

| Accounts Receivable Outstanding - Older than 60 Days  |            |                                |           |
|---|------------|--------------------------------|-----------|
| <b>Auditor</b>  |            |                                |           |
| 010015-01923  | 4/8/2014   | DSHS - MA                      | 64.00     |
| 010015-01927  | 4/10/2014  | Dept of Licensing              | 2,232.47  |
| <b>Sheriff</b>  |            |                                |           |
| 010145-01225  | 4/16/2014  | WASPC                          | 2,000.00  |
| <b>Superior Court</b>   |            |                                |           |
| 010155-00041  | 02/24/2014 | AOC                            | 137.30    |
| <b>Public Works</b>   |            |                                |           |
| 401001-02509  | 03/06/2014 | Precise Carpeting & Painting   | 14.00     |
| 401001-02535  | 04/03/2014 | Pinckney Construction          | 208.00    |
| 401001-02538  | 04/03/2014 | Servpro of Chelan & Douglas Co | 546.00    |
| 510001-00938  | 04/07/2014 | Chelan Co ER&R                 | 883.70    |
| 530001-00501  | 4/7/2014   | Chelan County Coroner          | 159.49    |
| <b>Horticulture Pest &amp; Disease</b>  |            |                                |           |
| 125001-00019  | 12/31/2013 | Douglas County                 | 19,266.58 |
| 125001-00021  | 4/8/2014   | Douglas County                 | 10,379.21 |
| <b>Natural Resources</b>  |            |                                |           |
| 180001-00884  | 12/31/2013 | Nat Res Conservation Service   | 37,094.96 |
| 180001-00885  | 12/31/2013 | Recreation/Conservation Office | 11,585.77 |
| 180001-00886  | 12/31/2013 | Recreation/Conservation Office | 4,377.73  |
| 180001-00889  | 12/31/2013 | HCP Tributary Committee        | 16,769.60 |
| 180001-00893  | 4/11/2014  | WA St Dept of Ecology          | 49,456.43 |
| 180001-00894  | 4/11/2014  | Yakama Nation Fisheries        | 1,918.32  |
| <b>Substance Abuse</b>  |            |                                |           |
| 193001-00221  | 02/04/2014 | DSHS                           | 13,701.08 |
| 193001-00232  | 03/28/2014 | DSHS                           | 43,143.27 |
| 193001-00234  | 04/08/2014 | DSHS                           | 7,241.02  |
| <b>Regional Justice Center</b>  |            |                                |           |
| 450001-02717  | 12/10/2013 | Department of Corrections      | 263.53    |
| 450001-02802  | 4/10/2014  | Department of Corrections      | 50.12     |
| 450001-02813  | 4/10/2014  | YWCA                           | 118.75    |
| <b>Health Insurance</b>   |            |                                |           |
| 526001-00003  | 12/31/2010 | Daryl Mathena                  | 241.03    |
| 526001-00004  | 3/8/2011   | Daryl Mathena                  | 458.78    |
| If any of these outstanding receivables have been paid, will not be paid, or need adjustment, please contact the County Auditor's Office. |            |                                |           |

| Actual YTD Expenditures and Revenues with Percent of Annual Budget |                           |                   |              |                   |              |
|--|---------------------------|-------------------|--------------|-------------------|--------------|
| General Fund Departments   |                           | Expenditures      |              | Revenues          |              |
| 010  | Assessor                  | 552,454           | 46.1%        | 1,103             | 3.2%         |
| 015  | Auditor                   | 547,755           | 47.7%        | 368,296           | 41.5%        |
| 020  | Community Development     | 716,688           | 42.0%        | 770,958           | 62.5%        |
| 030  | Civil Service Comm        | 1,025             | 9.2%         | 0                 | -            |
| 040  | Clerk                     | 540,948           | 47.8%        | 424,135           | 53.4%        |
| 045  | Commissioners             | 343,411           | 48.4%        | 7,204,711         | 70.2%        |
| 050  | Coroner                   | 105,336           | 45.6%        | 7,452             | 49.7%        |
| 052  | Information Technology    | 354,571           | 48.9%        | 57,530            | 50.0%        |
| 055  | Facilities Maintenance    | 691,923           | 45.2%        | 296,850           | 49.8%        |
| 065  | District Court            | 607,402           | 46.9%        | 609,671           | 47.7%        |
| 066  | District Court Probation  | 216,376           | 48.6%        | 182,005           | 61.9%        |
| 075  | Extension Services        | 140,597           | 45.8%        | 8,602             | 23.6%        |
| 085  | Juvenile Services         | 1,324,435         | 48.6%        | 315,591           | 48.8%        |
| 105  | Non-Departmental          | 3,723,258         | 50.0%        | 137,962           | 25.2%        |
| 139  | Child Support Enforcement | 157,836           | 41.0%        | 116,463           | 27.7%        |
| 140  | Prosecuting Attorney      | 916,246           | 49.4%        | 222,216           | 42.3%        |
| 145  | Sheriff                   | 4,677,522         | 49.3%        | 1,504,174         | 50.0%        |
| 155  | Superior Court System     | 511,679           | 47.9%        | 32,369            | 33.3%        |
| 165  | Treasurer                 | 303,001           | 48.7%        | 797,483           | 60.8%        |
| 170  | Property Tax Transfer     | 0                 | 0.0%         | 6,166,713         | 55.9%        |
| <b>General Fund Total</b>  |                           | <b>16,432,460</b> | <b>48.2%</b> | <b>19,224,283</b> | <b>58.0%</b> |
| <b>Other Funds</b>   |                           |                   |              |                   |              |
| 014  | Traffic Safety            | 132,187           | 47.2%        | 270,528           | 108.2%       |
| 110  | County Roads              | 5,410,838         | 31.0%        | 6,371,335         | 39.3%        |
| 119  | Ohme Gardens              | 108,856           | 43.1%        | 74,080            | 33.7%        |
| 124  | Farm Worker Housing       | 38,258            | 17.0%        | 25,857            | 11.7%        |
| 125  | Horticulture              | 53,564            | 38.5%        | 81,185            | 66.7%        |
| 128  | Noxious Weed              | 129,549           | 38.6%        | 138,474           | 41.0%        |
| 180  | Natural Resources         | 1,503,334         | 42.5%        | 974,141           | 27.8%        |
| 405  | Wenatchee River Park      | 100,241           | 41.5%        | 89,031            | 46.3%        |
| 410  | Expo Center               | 63,449            | 42.5%        | 58,300            | 33.3%        |
| 411  | Fair                      | 23,585            | 13.5%        | 43,898            | 24.7%        |
| 450  | Regional Justice Center   | 3,926,682         | 48.8%        | 4,108,009         | 51.0%        |
| 510  | ER&R                      | 1,514,324         | 38.4%        | 1,151,130         | 28.6%        |
| 530  | Motor Pool                | 660,246           | 64.9%        | 383,017           | 40.7%        |