



- CHELAN COUNTY - MONTHLY FINANCIAL REPORT

SEPTEMBER 2014

CHELAN COUNTY GENERAL FUND

The General fund is Chelan County's major operating fund. It has an adjusted budget of \$35 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 revenues continue to come in strong through September and exceed year-to-date projection by 14%.

| Revenue Category | Year-To-Date | | |
|------------------------------|-------------------|-------------------|------------------|
| | Projected | Actual | Variance |
| Property Tax | 6,399,934 | 6,476,688 | 76,754 |
| Sales Tax | 4,224,422 | 4,828,256 | 603,835 |
| Prop. Tax Penalty & Interest | 711,106 | 679,306 | (31,800) |
| Building and Planning Fees | 892,693 | 1,149,405 | 256,712 |
| PILT | 2,313,500 | 2,608,906 | 295,406 |
| PUD Privilege Tax | 1,100,000 | 1,246,269 | 146,269 |
| Liquor X & P | 57,251 | 105,381 | 48,130 |
| Wenatchee Court | 166,215 | 141,792 | (24,423) |
| Law Enforcement Contracts | 1,713,696 | 2,461,127 | 747,431 |
| Recording Fees | 119,562 | 91,711 | (27,852) |
| Motor Vehicle Licensing | 331,827 | 325,071 | (6,756) |
| Probation Services | 183,996 | 254,017 | 70,021 |
| Interfund Payments | 1,363,642 | 1,280,936 | (82,706) |
| Court Fines | 550,649 | 564,498 | 13,849 |
| Treasury Interest | 122,738 | 127,459 | 4,721 |
| Grants\Entitlements | 1,537,783 | 1,543,661 | 5,878 |
| Other | 1,319,385 | 1,574,847 | 255,463 |
| Total | 23,108,400 | 25,459,332 | 2,350,932 |

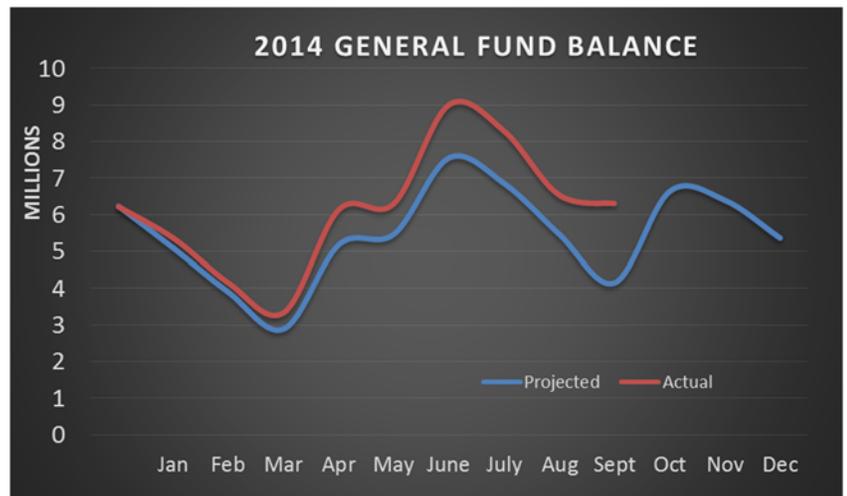
The majority of General Fund revenues are coming in at or above budget. Building and Planning fees and Probation Services are well above projections. The Law Enforcement Contracts category is artificially high as the fourth quarter billing was booked in September. This should balance out in October. Recording fees are slower than they have been in over a decade. This continues to point to few real estate transactions as these make up the bulk of the recording fees. The Other category includes various small fees, grants, and state funds. These other general revenues are coming in 19% over budget.

EXPENDITURES: Expenditures are projected in a similar way as revenues, but expenditures are spent more evenly than revenues are received. Salaries and Wages are over projection, but much of which was related to overtime during the summer fires and appears to be balancing out some in September. Interfund Payments are high from a one-time transfer of \$500,000 from the General fund to

| Expenditure Category | Year-To-Date | | |
|-----------------------------|-------------------|-------------------|----------------|
| | Projected | Actual | Variance |
| 10 - Salaries & Wages | 11,903,497 | 12,005,144 | 101,647 |
| 20 - Personnel Benefits | 4,774,727 | 4,616,872 | (157,854) |
| 30 - Supplies | 575,285 | 562,093 | (13,192) |
| 40 - Services | 3,852,271 | 3,754,432 | (97,838) |
| 50 - Intergovernmental Svcs | 280,940 | 295,184 | 14,244 |
| 90 - Interfund Payments | 3,795,922 | 4,132,299 | 336,377 |
| TOTAL | 25,182,642 | 25,366,024 | 183,382 |

the Motor Pool fund to solve cash flow and billing cycle issues. The overall General fund expenditure budget is tracking over projection, but budget adjustments have been made to remain under budget.

FUND BALANCE: The General Fund balance chart below shows the cyclical nature of the Chelan County's cash flow. Increases in April and October coincide with the due dates of the first and second half of property taxes. In June the cycle is at its highest due to the once-a-year PUD Privilege and PILT revenues. The 2014 General Fund budget was conservatively designed to lose \$863K, but strong revenues have kept the actual line well above the projected budget. The \$500,000 Motor Pool transfer brought the actual fund balance line closer to the projected line but when all is said and done, the General fund should end up breaking even for the 2014 fiscal year. On the graph below, the flattening of the actual line is related to the early revenue recognition from the Law Enforcement Contracts mentioned previously. It is expected that the actual line will draw closer to projection during October.



Prepared by:
Brad Posenjak, CPA 509-667-6800
 Chief Deputy Auditor brad.posenjak@co.chelan.wa.us

Also available online at <http://www.co.chelan.wa.us/>

ALL CHELAN COUNTY FUNDS

In addition to the General Fund, Chelan County has over 50 separate funds that account for resources committed by the Commissioners or reserved by contract for specific purposes.

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. If these funds are not able to repay the loans in a reasonable amount of time, the General fund is ultimately responsible to make the lending fund whole.

The Noxious Weed fund required a \$16,000 loan from ER&R during September to bridge the gap until the second half of their assessment comes in October.

The Natural Resources fund is currently borrowing \$677,000 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. This balance has been growing since September 2012 with little movement toward repayment.

The Regional Justice Center (RJC) is borrowing \$964,000 from the Criminal Justice Sales Tax and Distressed Counties Tax funds. Over the past couple years, the RJC's billed bed revenues have not kept up with ongoing operating expenses. They have had a significant loan balance since June 2013. However, during 2014, the RJC increased the number of inmates housed at their facilities and the rate at which they are losing cash slowed, but has not completely leveled out.

In addition to the existing loans, the Commissioners have proposed the authorization of a loan to the new Flood Control District fund for \$205,000. This is expected to be repaid after the new assessment starts in 2015.

BUDGET: September is 75% of the way through the calendar year. This percentage is a reasonable benchmark for departments with 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 verses 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: Each department has the responsibility to bill and track their own accounts receivables. The chart on the next page shows outstanding receivables older than 60 days.

| Cash Balance of Selected Funds | | 7/31/2014 | 8/31/2014 | 9/30/2014 |
|--------------------------------|-----------------------------|-----------|-----------|-----------|
| 010 | General | 9,693,566 | 8,051,690 | 6,885,851 |
| 014 | Traffic Safety | 51,457 | (31,620) | 52,329 |
| 110 | County Roads | 5,770,784 | 4,322,534 | 3,496,684 |
| 119 | Ohme Gardens | 71,629 | 92,372 | 97,149 |
| 124 | Farm Worker Housing | 206,004 | 184,187 | 174,366 |
| 125 | Horticulture Pest & Disease | 91,772 | 81,737 | 71,575 |
| 128 | Noxious Weed | 28,140 | 8,894 | 258 |
| 140 | Cashmere-Dryden Airport | 44,448 | 43,898 | 42,690 |
| 180 | Natural Resources | 145,897 | 67,576 | 8,828 |
| 190 | Criminal Justice Tax | 815,897 | 891,679 | 965,416 |
| 301 | REET I | 403,699 | 416,522 | 410,718 |
| 405 | Wenatchee River Park | 75,636 | 79,080 | 90,001 |
| 410 | Expo Center | 115,179 | 117,518 | 122,318 |
| 411 | Fair | 132,250 | 86,167 | 232,714 |
| 450 | Regional Justice Center | 450,166 | 409,732 | 243,044 |
| 510 | ER&R | 747,088 | 1,073,134 | 896,293 |
| 526 | Health Insurance | 2,602,854 | 2,782,064 | 2,924,791 |
| 530 | Motor Pool | 74,901 | 463,443 | 484,382 |
| 535 | Unemployment Comp | 246,733 | 251,622 | 257,791 |
| 540 | Tort Claims & Insurance | 934,097 | 921,487 | 638,597 |

Actual YTD Expenditures and Revenues with Percent of Annual Budget

| General Fund Departments | | Expenditures | | Revenues | |
|--------------------------|---------------------------|--------------|-------|------------|--------|
| 010 | Assessor | 830,508 | 69.4% | 1,103 | 3.2% |
| 015 | Auditor | 822,870 | 71.6% | 578,384 | 65.1% |
| 020 | Community Development | 1,098,923 | 64.4% | 1,198,338 | 97.2% |
| 030 | Civil Service Comm | 1,912 | 17.2% | 0 | - |
| 040 | Clerk | 803,090 | 71.0% | 629,910 | 79.4% |
| 045 | Commissioners | 515,943 | 72.7% | 9,481,461 | 92.4% |
| 050 | Coroner | 167,546 | 72.6% | 15,832 | 105.5% |
| 052 | Information Technology | 526,370 | 72.6% | 86,295 | 75.0% |
| 055 | Facilities Maintenance | 1,072,355 | 70.0% | 446,823 | 75.0% |
| 065 | District Court | 913,436 | 70.5% | 956,655 | 74.8% |
| 066 | District Court Probation | 329,441 | 74.0% | 285,830 | 97.2% |
| 075 | Extension Services | 221,766 | 72.3% | 22,157 | 60.7% |
| 085 | Juvenile Services | 1,992,906 | 73.2% | 459,644 | 71.0% |
| 105 | Non-Departmental | 6,021,100 | 74.3% | 266,220 | 48.7% |
| 139 | Child Support Enforcement | 237,651 | 61.8% | 204,002 | 48.5% |
| 140 | Prosecuting Attorney | 1,379,493 | 72.7% | 359,188 | 68.4% |
| 145 | Sheriff | 7,230,226 | 74.0% | 2,906,176 | 88.6% |
| 155 | Superior Court System | 754,636 | 70.7% | 49,611 | 51.0% |
| 165 | Treasurer | 445,851 | 71.6% | 1,035,009 | 79.0% |
| 170 | Property Tax Transfer | 0 | 0.0% | 6,476,694 | 58.7% |
| General Fund Total | | 25,366,024 | 72.4% | 25,459,332 | 76.2% |

| Other Funds | | Expenditures | | Revenues | |
|-------------|-------------------------|--------------|-------|-----------|--------|
| 014 | Traffic Safety | 222,187 | 79.3% | 368,386 | 147.3% |
| 110 | County Roads | 9,917,999 | 56.8% | 8,343,789 | 51.5% |
| 119 | Ohme Gardens | 170,368 | 67.5% | 170,763 | 77.7% |
| 124 | Farm Worker Housing | 151,475 | 67.3% | 114,864 | 52.0% |
| 125 | Horticulture | 84,565 | 60.8% | 100,346 | 82.4% |
| 128 | Noxious Weed | 205,710 | 61.2% | 160,498 | 47.5% |
| 180 | Natural Resources | 2,524,180 | 71.3% | 1,739,160 | 49.7% |
| 405 | Wenatchee River Park | 172,711 | 71.6% | 193,418 | 100.6% |
| 410 | Expo Center | 95,918 | 64.3% | 109,859 | 62.8% |
| 411 | Fair | 110,340 | 63.1% | 219,998 | 123.7% |
| 450 | Regional Justice Center | 5,921,190 | 73.7% | 5,683,302 | 70.6% |
| 510 | ER&R | 2,557,966 | 64.9% | 2,273,267 | 56.6% |
| 530 | Motor Pool | 817,520 | 80.3% | 1,207,727 | 128.3% |

Accounts Receivable Outstanding - Older than 60 Days

Community Development

010020-00151 6/12/2014 Chelan County Public Works 285.00

District Court Probation

010066-00024 7/22/2014 City of Wenatchee 8,804.88

Sheriff

010145-01246 6/19/2014 Snohomish Co Sheriffs Office 1,488.38

Superior Court

010155-00041 2/24/2014 AOC 137.30

Public Works

110001-00685 6/9/2014 AT&T Mobility 8,446.22

110001-00704 7/10/2014 Frontier Communications 315.00

401001-02648 7/14/2014 Waste Management 68,067.00

401001-02649 7/31/2014 WA St Dept of Ecology 7,994.83

403001-00353 7/15/2014 Chelan County Solid Waste 11,025.00

510001-00938 4/7/2014 Chelan Co ER&R 883.70

530001-00501 4/7/2014 Chelan County Coroner 159.49

530001-00555 6/20/2014 Chelan Co Noxious Weed Boarc 41.31

530001-00574 7/10/2014 Chelan County Horticulture 190.32

530001-00576 7/15/2014 Chelan Co Regional Justice Cen 136.48

530001-00577 7/15/2014 Chelan County Roads 123.73

530001-00578 7/15/2014 Chelan County Sheriff 40.97

530001-00579 7/15/2014 Chelan County Sheriff 40.57

530001-00581 7/18/2014 Chelan County Community Dev 616.00

530001-00582 7/18/2014 Chelan County Building Dept 2,577.00

530001-00584 7/18/2014 Chelan County Maintenance 1,052.00

530001-00586 7/18/2014 Chelan Co Noxious Weed Boarc 326.00

530001-00587 7/18/2014 Chelan County Sheriff 67,641.00

530001-00588 7/18/2014 Chelan County Horticulture 475.00

530001-00589 7/18/2014 Ohme Gardens 82.00

Horticulture Pest & Disease

125001-00019 12/31/2013 Douglas County 19,266.58

125001-00021 4/8/2014 Douglas County 10,379.21

Natural Resources

180001-00884 12/31/2013 Nat Res Conservation Servi 17,759.65

180001-00886 12/31/2013 Recreation/Conservation Of 4,377.73

180001-00889 12/31/2013 HCP Tributary Committee 5,154.02

180001-00893 4/11/2014 WA St Dept of Ecology 4.15

180001-00909 6/20/2014 HCP Tributary Committee 116.00

180001-00911 7/23/2014 Nat Res Conservation Servi 29,877.50

180001-00916 7/31/2014 WA St Dept of Ecology 45,660.00

CASA

191001-00136 7/15/2014 Regina McDougall, AOC 6,991.00

Substance Abuse

193001-00221 2/4/2014 DSHS 13,701.08

193001-00232 3/28/2014 DSHS 43,143.27

193001-00234 4/8/2014 DSHS 7,241.02

Regional Justice Center

450001-02813 4/10/2014 YWCA 118.75

450001-02845 5/1/2014 City of North Bend 3,290.00

450001-02880 6/4/2014 City of North Bend 2,030.00

450001-02888 6/30/2014 Department of Corrections 65,785.84

450001-02891 6/30/2014 Chelan County Motor Pool 120.00

450001-02922 7/31/2014 Department of Corrections 62,504.51

If any of these outstanding receivables have been paid, will not be paid,
or need adjustment, please contact the County Auditor's Office.