



# - CHELAN COUNTY - MONTHLY FINANCIAL REPORT

## DECEMBER 2014 – Preliminary Unaudited

### CHELAN COUNTY GENERAL FUND

Amounts and analysis in this December 2014 report may be slightly revised between now and the final Comprehensive Annual Financial Report issued in June. This report is to provide a first-look synopsis of 2014's finances, and has not been formally audited.

**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 a five-year history. Revenues are compared with projections to determine how major revenue sources were received in light of the 2014 budget. Sales tax was the highlight of the revenue year. Due to

Revenue Category	Year-To-Date		
	Projected	Actual	Variance
Property Tax	11,029,208	11,195,335	166,127
Sales Tax	5,880,000	6,941,212	1,061,212
Prop. Tax Penalty & Interest	943,000	913,212	(29,788)
Building and Planning Fees	1,154,250	1,392,836	238,586
PILT	2,313,500	2,608,906	295,406
PUD Privilege Tax	1,100,000	1,246,269	146,269
Liquor X & P	75,000	140,772	65,772
Wenatchee Court	272,000	210,842	(61,158)
Law Enforcement Contracts	2,284,928	2,847,871	562,943
Recording Fees	160,000	129,813	(30,188)
Motor Vehicle Licensing	420,000	415,829	(4,171)
Probation Services	245,000	355,306	110,306
Interfund Payments	2,130,691	1,808,013	(322,678)
Court Fines	730,000	758,847	28,847
Treasury Interest	160,000	171,020	11,020
Grants\Entitlements	2,291,274	2,274,692	(16,582)
Other	1,916,515	2,374,164	457,649
<b>Total</b>	<b>33,105,366</b>	<b>35,784,939</b>	<b>2,679,573</b>

major projects and general spending increases within Chelan County, sales tax revenue was well above pre-recession levels. There are many questions about the ability of sales tax to remain strong in coming years due to annexation speculation and one-time large projects coming to an end. Law enforcement contracts finished the year above projection due to unbudgeted services provided to Grant County PUD for shoreline patrols. Interfund payments received ended under budget largely due to foregoing the budgeted \$200,000 reimbursement from the Criminal Justice Sales Tax fund.

**EXPENDITURES:** Expenditures are projected in a similar way as revenues, but expenditures are spent more evenly than revenues are received. Salaries and wages exceeded projection due to Sheriff's Office overtime incurred during the summer fires and at the PUD. These expenditures were reimbursed as law enforcement contracts revenue. Interfund payments ended high because of a one-time transfer of \$500,000 from the General fund to the Motor Pool fund to solve cash flow and billing cycle issues. The chart below shows the actual expenditures in comparison to the original budget. However, supplemental appropriations have been made to keep the General fund under budget in total.

Expenditure Category	Year-To-Date		
	Projected	Actual	Variance
10 - Salaries & Wages	15,950,715	16,227,462	276,747
20 - Personnel Benefits	6,393,251	6,222,088	(171,163)
30 - Supplies	833,276	721,740	(111,536)
40 - Services	5,351,890	5,417,739	65,849
50 - Intergovernmental Svcs	396,750	380,148	(16,602)
90 - Interfund Payments	5,042,896	5,609,586	566,690
<b>TOTAL</b>	<b>33,968,778</b>	<b>34,578,763</b>	<b>609,985</b>

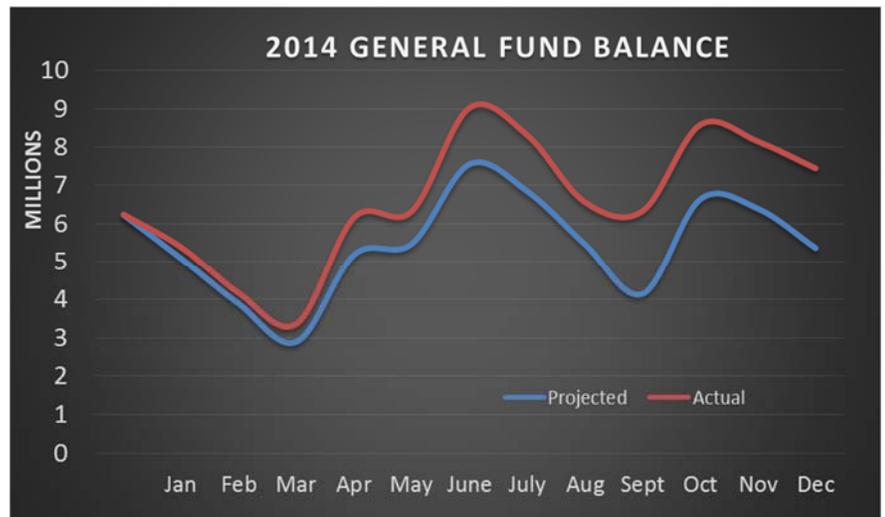
**FUND BALANCE:** The General Fund balance chart below shows the cyclical nature of the Chelan County's cash flow. Increases in April and October coincide with the due dates of the first and second half of property taxes. In June the cycle is at its highest due to the once-a-year PUD Privilege and PILT revenues. The 2014 General Fund budget was conservatively designed to lose \$863K, but strong revenues boosted the actual line well above the projected budget. Overall, the 2014 fund balance grew by \$1.2 million to \$7.4 million. This fund balance is larger than it has ever been and provides some stability for Chelan County in the face of uncertain revenues in the future. 2014 is the fourth consecutive year the General Fund has grown by over \$1 million, and the fifth consecutive year of growth since the drastic recession budget cuts.



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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 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.

The Natural Resources fund ended the year borrowing \$600,000 from REET I to meet cash flow needs. This fund is reimbursement driven and currently has almost \$550,000 in receivables from the 2014 year that should go toward paying down this balance when received.

The Regional Justice Center (RJC) is borrowing \$964,000 from the Criminal Justice Sales Tax and Distressed Counties Tax funds. In the past, the RJC's billed bed revenues did not keep up with ongoing operating expenses. During 2014 however, the RJC increased the number of inmates housed at their facilities and the rate at which they are losing cash has slowed. The General fund has committed to increase its contribution during 2015 to help alleviate the debt.

A recent line of credit was approved for the new Flood Control District fund. Only \$2,000 was needed to be borrowed from the General Fund as of December, but the amount is expected to grow until the new assessment can be collected in April 2015.

**BUDGET:** The Chelan County budget is legally adopted at the fund and department levels. Although one department in the General fund was over budget, there was plenty of room in other departments that kept the General fund from going over budget in total. Outside the General fund, there were several funds that ended up over budget. However, these funds all had the available cash balance or corresponding revenues to cover the excess expenditures. Natural Resources had a \$1.6 million land purchase during 2014 that was funded by grants. Accounting practices required for booking this purchase are what unexpectedly sent this fund over budget.

**ACCOUNTS RECEIVABLE:** Each department has the responsibility to bill and track their own accounts receivables. The chart below shows outstanding receivables older than 60 days.

Accounts Receivable Outstanding - Older than 60 Days			
<b>Sheriff</b>			
010145-01286	10/3/2014	Grant County DEM	7,367.91
<b>Superior Court</b>			
010155-00046	9/22/2014	AOC	2,962.76
<b>Natural Resources</b>			
180001-00950	11/25/2014	WA St Dept of Ecology	8,429.75
<b>Public Works</b>			
401001-02765	11/10/2014	Servicemaster	751.00
530001-00658	10/24/2014	Chelan County Horticulture	159.49
If any of these outstanding receivables have been paid, will not be paid, or need adjustment, please contact the County Auditor's Office.			

Cash Balance of Selected Funds		10/31/2014	11/30/2014	12/31/2014
010	General	9,829,958	9,416,296	8,264,015
014	Traffic Safety	58,748	64,642	70,448
110	County Roads	4,598,669	5,009,853	4,321,505
119	Ohme Gardens	90,418	76,612	69,278
124	Farm Worker Housing	156,060	70,958	175,368
125	Horticulture Pest & Disease	81,034	81,918	90,349
128	Noxious Weed	62,814	42,787	33,009
140	Cashmere-Dryden Airport	41,470	41,617	41,655
180	Natural Resources	(184,912)	431,586	54,486
190	Criminal Justice Tax	913,160	992,834	1,111,424
301	REET I	247,468	112,856	348,054
405	Wenatchee River Park	89,702	76,284	63,312
410	Expo Center	195,674	201,213	190,373
411	Fair	231,512	205,306	199,335
450	Regional Justice Center	270,320	189,036	239,217
510	ER&R	874,059	674,878	1,251,608
526	Health Insurance	2,855,917	2,842,161	2,735,855
530	Motor Pool	571,304	618,270	627,812
535	Unemployment Comp	260,277	266,652	273,099
540	Tort Claims & Insurance	635,727	608,464	888,462

Actual YTD Expenditures & Revenues w/ Percent of Annual Budget					
General Fund Departments		Expenditures		Revenues	
010	Assessor	1,134,342	94.7%	3,822	11.2%
015	Auditor	1,114,983	97.0%	939,161	105.8%
020	Community Develop.	1,500,570	88.0%	1,478,813	120.0%
030	Civil Service Comm	1,982	17.9%	0	-
040	Clerk	1,078,526	95.4%	813,740	102.5%
045	Commissioners	692,697	97.6%	11,955,422	116.5%
050	Coroner	235,315	102.0%	15,832	105.5%
052	Information Technology	718,798	96.6%	115,060	100.0%
055	Facilities Maintenance	1,510,515	98.7%	596,681	100.1%
065	District Court	1,230,232	94.9%	1,312,906	102.7%
066	District Court Probation	441,941	99.2%	396,140	134.7%
075	Extension Services	325,269	99.8%	35,459	97.1%
085	Juvenile Services	2,688,000	97.8%	690,394	106.7%
105	Non-Departmental	8,120,291	99.0%	281,788	51.5%
139	Child Support Enf.	320,962	83.4%	351,282	83.5%
140	Prosecuting Attorney	1,856,145	97.8%	543,418	103.5%
145	Sheriff	9,961,014	99.7%	3,581,129	109.2%
155	Superior Court System	1,030,421	96.5%	88,437	91.0%
165	Treasurer	586,760	94.2%	1,390,120	106.0%
170	Property Tax	30,000	100.0%	11,195,335	101.5%
General Fund Total		34,578,763	97.6%	35,784,939	107.1%
Other Funds		Expenditures		Revenues	
014	Traffic Safety	282,187	100.8%	386,506	154.6%
110	County Roads	14,208,781	81.4%	12,868,033	79.4%
118	Wenatchee River Park	216,280	89.6%	215,562	112.1%
119	Ohme Gardens	207,878	82.4%	187,972	85.5%
120	Expo Center	134,329	90.1%	205,429	117.4%
121	Fair	151,608	86.7%	243,355	136.8%
124	Farm Worker Housing	260,940	97.2%	232,087	105.1%
125	Horticulture	138,821	95.3%	139,882	114.9%
128	Noxious Weed	285,122	84.9%	284,423	84.2%
150	Regional Justice Center	8,026,951	99.8%	7,762,946	96.4%
180	Natural Resources	5,474,022	127.7%	4,846,134	114.0%
510	ER&R	3,696,957	93.8%	3,349,201	83.3%
530	Motor Pool	1,004,490	98.7%	1,508,007	160.2%