

# CHELAN COUNTY WASHINGTON



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

Prepared by:

Skip Moore – Chelan County Auditor  
Brad Posenjak, CPA – Chief Deputy Auditor



# **CHELAN COUNTY, WASHINGTON**

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## **Comprehensive Annual Financial Report**

For the Fiscal Year Ended December 31, 2013

### **TABLE OF CONTENTS**

#### **I. INTRODUCTION SECTION**

Letter of Transmittal.....	5
GFOA Certificate of Achievement .....	7
Organizational Chart .....	8
List of Elected and Appointed Officials.....	9

#### **II. FINANCIAL SECTION**

Independent Auditor's Opinion .....	10
Management's Discussion and Analysis .....	13
Basic Financial Statements:	
Description of Basic Financial Statements .....	18
Government-wide Financial Statements:	
Statement of Net Position.....	19
Statement of Activities .....	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	21
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund .....	25
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – County Roads Special Revenue Fund.....	26
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Natural Resources Special Revenue Fund.....	27
Statement of Net Position – Proprietary Funds.....	28
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	29
Statement of Cash Flows – Proprietary Funds .....	30
Statement of Fiduciary Net Position .....	31
Notes to Financial Statements.....	32
Required Supplementary Information:	
Schedule of Funding Progress – LEOFF 1 Retiree Other Postemployment Benefit Plan .....	55
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	56
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	57
Description of Nonmajor Special Revenue Funds.....	58
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	64
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds .....	68
Description of Nonmajor Capital Projects Funds.....	84
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	85
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	86
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Funds .....	87

Description of Nonmajor Enterprise Funds .....	89
Combining Statement of Net Position – Nonmajor Enterprise Funds .....	90
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds .....	91
Combining Statement of Cash Flows – Nonmajor Enterprise Funds .....	92
Description of Internal Service Funds .....	93
Combining Statement of Net Position – Internal Service Funds.....	94
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds..	95
Combining Statement of Cash Flows – Internal Service Funds .....	96
Description of Agency Funds .....	97
Combining Statement of Fiduciary Net Position – Agency Funds.....	98
Combining Statement of Changes in Assets and Liabilities – Agency Funds .....	101

### III. STATISTICAL SECTION

Description of the Statistical Section .....	107
Financial Trends	
Net Position by Component .....	109
Changes in Net Position .....	110
Fund Balances of Governmental Funds .....	112
Changes in Fund Balances of Governmental Funds.....	113
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property .....	114
Property Tax Rates – Direct and Overlapping Governments .....	115
Principal Property Taxpayers.....	116
Property Tax Levies and Collections .....	117
Debt Capacity	
Ratios of Outstanding Debt by Type .....	118
Ratios of General Bonded Debt Outstanding .....	119
Computation of Legal Debt Margin .....	120
Demographic and Economic Information	
Demographic and Economic Statistics .....	121
Principal Employers .....	122
Operating Information	
Full-time Equivalent City Government Employees by Function.....	123
Operating Indicators by Function.....	124
Capital Asset Statistics by Function.....	125



# CHELAN COUNTY

## ~ AUDITOR ~

*Skip Moore*

June 30, 2014

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, 2013. 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. The auditor's opinion included in this CAFR is unqualified, which means they believe the financial statements fairly present the financial position of Chelan County in all material respects.

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. As management, we are responsible for the contents of this CAFR and we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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**

Incorporated in 1899, Chelan County 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. The County's population is approximately 73,600.

Chelan County's organization is prescribed by state law. The citizens elect three Commissioners, three Superior Court Judges, two District Court Judges, an Assessor, Treasurer, Auditor, Prosecutor, Sheriff, Clerk, and a Coroner. These officials provide the citizens with services including police protection; criminal and civil courts; offender incarceration; appraisal of property values for property tax purposes; construction of county roads and other infrastructure; natural resource planning; administration of elections; issuance of motor vehicle licenses; land use planning and building review; as well as development of parks and recreation.

State law (RCW 36.40) establishes the general requirements of Chelan County's budget process and allows the County to use a modified budget calendar from the dates prescribed by the RCW. Development of the budget typically starts in early August when the County Auditor calls for each department's budget estimates. These estimates are turned into the Auditor toward the beginning of September, compiled, and provided to the Commissioners in late September. During October, the Commissioners meet with each elected official and department head to review their individual budgets. The Commissioners adopt a preliminary budget in November and a final budget in December. The budget is formally adopted at the fund level for every fund and at the department level for the General fund.

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

## Factors Affecting Financial Condition

A majority of Chelan County's revenues are derived from the construction industry. New construction provides increased property taxes as well as a significant portion of the sales tax. Like much of the rest of the nation, in 2008, Chelan County experienced a downturn in the once thriving construction industry. Since then this industry has shown only modest growth, but continues to slowly improve. Other major industries located within the county's boundaries consist mainly of agricultural related packing and processing plants and health care facilities. After the downturn in the county's revenues, sharp budget cuts were enacted. These cuts have generally been held while revenues increased slightly.

By policy, the County is required to maintain a minimum year-end fund balance of 8%, but it is the expectation of management that future budgets will be built to balance actual revenues and expenditures to maintain the fund balance at its current 15% level. After running a year-end fund balance of less than 1% of expenditures at the end of 2009, the General fund balance has exceeded its goal with a year-end fund balance that is 21% of expenditures. The 2014 General fund budget has been built to balance the expenditures and revenues to maintain the fund balance at a comfortable level.

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. Much of the County's investments are held at the State Investment Pool.

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, 2012. This was the ninth 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 desire to maintain financial stability through the budget process.

Respectfully submitted,



Skip Moore  
Chelan County Auditor



Bradley J. Posenjak, CPA  
Chief Deputy Auditor



Government Finance Officers Association

**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, 2012**

Executive Director/CEO

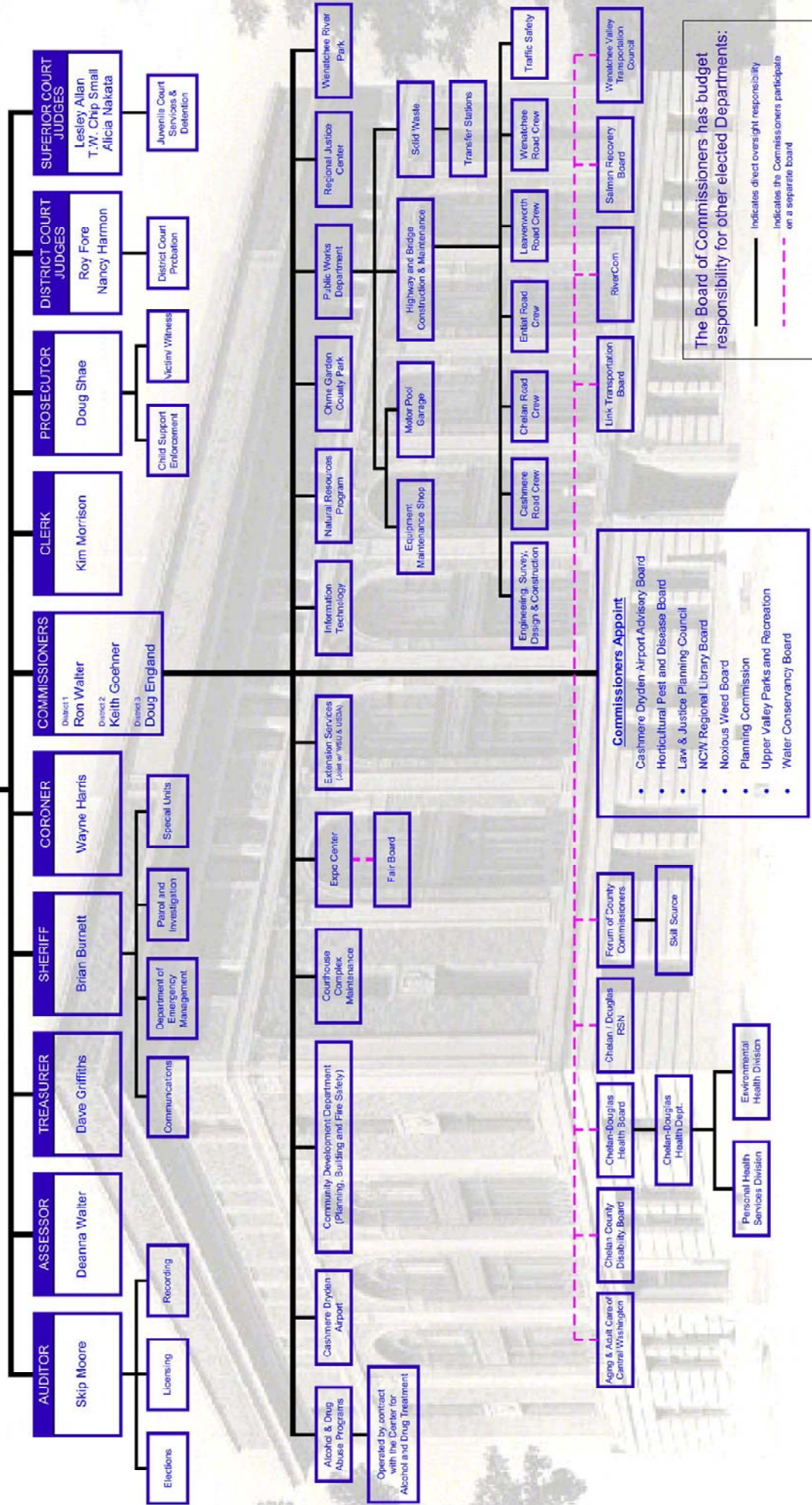




# COUNTY OF CHELAN GOVERNMENTAL ORGANIZATION



## CITIZENS OF CHELAN COUNTY (Electorate)





## 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, 2016
District 2	Keith Goehner	4	December 31, 2014
District 3	Doug England	4	December 31, 2016
Assessor	Deanna Walter	4	December 31, 2014
Auditor	Skip Moore	4	December 31, 2014
Clerk	Kim Morrison	4	December 31, 2014
Coroner	Wayne Harris	4	December 31, 2014
Prosecuting Attorney	Douglas Shae	4	November 26, 2013
Sheriff	Brian Burnett	4	December 31, 2014
Treasurer	David Griffiths	4	December 31, 2014
District Court Judges	Nancy Harmon	4	January 11, 2015
	Roy Fore	4	November 25, 2014
Superior Court Judges	Chip Small	4	January 8, 2017
	Lesley Allan	4	January 8, 2017
	Alicia Nakata	4	January 8, 2017



# **Washington State Auditor Troy Kelley**

## **INDEPENDENT AUDITOR'S REPORT**

June 30, 2014

Board of Commissioners  
Chelan County  
Wenatchee, Washington

### ***REPORT ON FINANCIAL STATEMENTS***

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Chelan County, Washington, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, County Roads Special Revenue and Natural Resources Special Revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Matters of Emphasis Regarding Material Misstatements in Previously Issued Financial Statements***

As described in Note 14 to the financial statements, the County's 2012 basic financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 17 and information on postemployment benefits other than pensions on page 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying information

listed as combining financial statements and supplementary information on pages 56 through 106 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information 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 Introduction 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 do not express an opinion or provide any assurance on it.

### ***OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we will also issue our report dated June 30, 2014, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in cursive script that reads "Troy X. Kelley". The signature is written in dark ink and is positioned above the printed name and title.

**TROY KELLEY**  
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 of the County's financial performance during the fiscal year that ended on December 31, 2013. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which immediately follow this section.

### **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.

The government-wide financial statements are comprised of the statement of net position (assets and liabilities) and the statement of activities (revenues and expenses). These statements present the entire financial position of Chelan County. 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). Governmental activities are typically made up of the governmental funds, while the business-type activities are derived from the enterprise funds. The government-wide financial statements use full accrual accounting, which reports both current and long-term liabilities and assets. The upper section of the statement of activities shows how general government activities do not support themselves based on charges for services. Rather the lower section of this statement shows the tax revenue that is required to support the general government functions.

The fund financial statements are presented immediately following the government-wide financial statements. There are three categories of the fund financial statements, 1) governmental, 2) proprietary, and 3) fiduciary. 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.

The governmental fund financial statements are prepared using the modified accrual basis of accounting, which does not include long-term liabilities and assets, focusing on current resources. Therefore a reconciliation is provided alongside the government fund financial statements to bridge the differences between the governmental fund financial statements and the governmental activities column of the government-wide financial statements. The major differences between the two types of financial statements are due to the capitalization and depreciation of assets, recognition of bonds payable, and the inclusion of the internal service net position. The county reports its major funds separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. A budgetary comparison statement is also provided for the general fund and each of the major special revenue funds. Data from the other 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 after the notes to the financial statements.

The proprietary fund financial statements are prepared using the same basis of accounting as the government-wide financial statements. They include both the enterprise and internal service funds. Enterprise funds account for business-like functions of the county that provide services and charge fees. These fund roll directly into the business-type activities in the government-wide financial statements. Internal service funds support the county government by accounting for the accumulation of assets for vehicle/equipment replacement and insurance functions. 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. Individual fund data for each of these nonmajor enterprise and all internal service funds is provided in the form of combining statements after the notes to the financial statements.

Fiduciary fund are used to account for resources held for the benefit of parties outside the government, which consists mostly of special purpose districts within Chelan County. 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 notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. 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 immediately following the notes.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of Chelan County, assets exceeded liabilities by \$91,720,284 at the close of the most recent fiscal year. This increased by \$4,765,005 over the previous year. Some of the growth was a reaction to the recent recession that drove the County to tighten the budget of the General fund to replenish the fund balances. While the revenues generated from the local economy continue to increase, the expenses have been held lower. Another aspect of net asset growth was due to large infrastructure assets being capitalized.

### Chelan County's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current & other assets	33,455,507	27,355,319	2,606,241	3,244,421	36,061,748	30,599,740
Capital assets (net of depr.)	76,960,683	77,374,617	2,083,797	2,084,570	79,044,480	79,459,187
Total assets	110,416,189	104,729,936	4,690,038	5,328,991	115,106,228	110,058,927
Long-term liabilities	18,634,974	18,222,960	525,385	520,422	19,160,359	18,743,382
Other liabilities	3,499,982	3,706,276	725,603	677,143	4,225,585	4,383,419
Total liabilities	22,134,956	21,929,236	1,250,988	1,197,565	23,385,944	23,126,801
Net position:						
Net investment in capital assets	63,148,523	62,812,448	2,083,797	2,084,570	65,232,320	64,897,018
Restricted	13,870,565	12,769,857	-	-	13,870,565	12,769,857
Unrestricted	11,262,145	7,218,396	1,355,253	2,046,856	12,617,398	9,265,251
Total net position	88,281,234	82,800,700	3,439,050	4,131,426	91,720,284	86,932,126

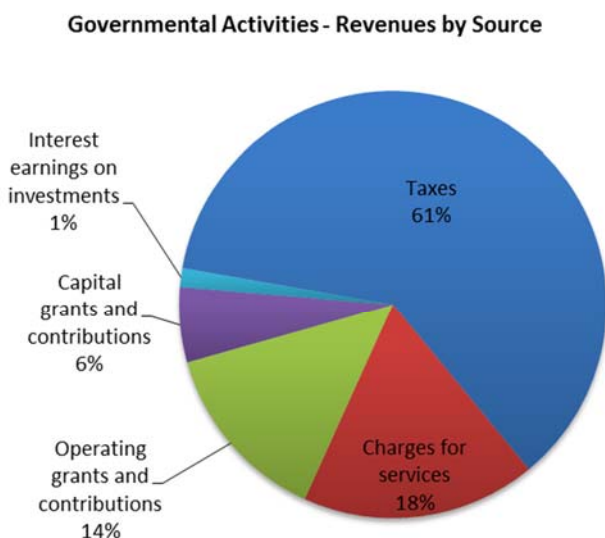
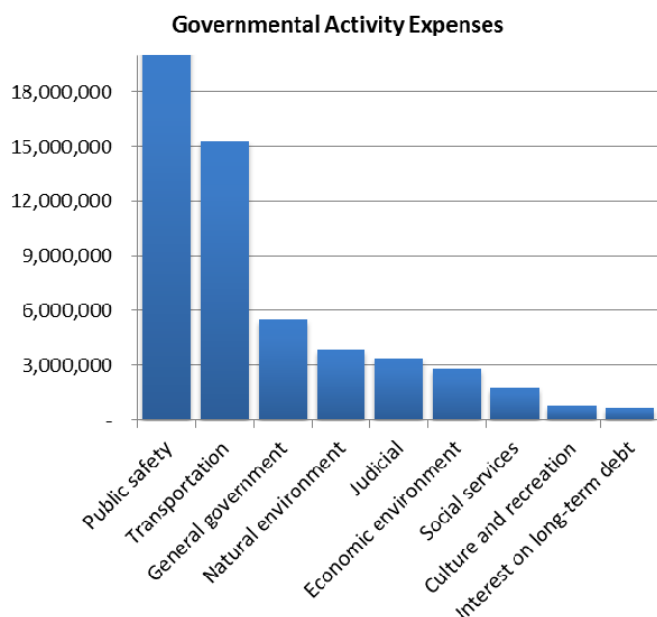
### Chelan County's Changes in Net Position

Revenues	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Program revenues:						
Charges for services	10,668,613	9,946,322	9,176,159	9,633,511	19,844,773	19,579,833
Operating grants and contrib.	8,310,703	7,266,384	614,859	471,069	8,925,562	7,737,452
Capital grants and contributions	3,442,683	5,277,809	-	-	3,442,683	5,277,809
General revenues:						
Taxes	36,810,937	36,305,834	-	10,138	36,810,937	36,315,972
Interest earnings on invest.	868,742	227,235	622	975	869,364	228,210
Total revenues	60,101,678	59,023,584	9,791,640	10,115,692	69,893,319	69,139,276
Program Expenses						
General government	5,494,639	8,533,353	-	-	5,494,639	8,533,353
Judicial	3,386,871	4,771,923	-	-	3,386,871	4,771,923
Public safety	20,556,030	18,994,713	-	-	20,556,030	18,994,713
Natural environment	3,855,296	2,166,320	-	-	3,855,296	2,166,320
Transportation	15,304,064	12,184,649	-	-	15,304,064	12,184,649
Social services	1,777,641	1,659,125	-	-	1,777,641	1,659,125
Economic environment	2,783,933	2,879,754	-	-	2,783,933	2,879,754
Culture and recreation	803,696	733,164	-	-	803,696	733,164
Utilities	-	-	1,962,210	1,566,644	1,962,210	1,566,644
Regional justice center	-	-	7,862,926	8,270,353	7,862,926	8,270,353
Other	-	-	658,879	693,808	658,879	693,808
Interest on long term debt	682,129	639,677	-	-	682,129	639,677
Total expenses	54,644,298	52,562,678	10,484,016	10,530,805	65,128,314	63,093,483
Excess (deficiency) revenues over (under) expenses	5,457,380	6,460,906	(692,376)	(415,113)	4,765,005	6,045,793
Transfers	-	10,000	-	(10,000)	-	-
Change in net position	5,457,380	6,470,906	(692,376)	(425,113)	4,765,005	6,045,793
Net position as of Jan 1, restated	82,823,853	76,329,795	4,131,426	4,556,538	86,955,279	80,886,333
Net position as of Dec 31	88,281,234	82,800,700	3,439,050	4,131,426	91,720,284	86,932,126

A large portion of the County's net position (71%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure). 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 repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (15%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (14%) may be used to meet the county's general ongoing obligations to citizens and creditors.

**Governmental Activities.** Chelan County's governmental activities improved the County's net position by \$5,457,380. This was due largely to the capitalization of several infrastructure asset as well as lingering budget reductions in the General funds. The fund balances of these funds were hit hard during the economic downturn and expenses were reduced across all functions to rebuild the fund balances. Revenues have started to pick up while increases to general expenses have been held to a minimum.



**Business-type Activities.** Business-type activities decreased Chelan County's net position by \$692,376. The majority of this decrease was due to the Regional Justice Center housing fewer contract inmates during 2013. The reduction in inmate housing revenue was not offset by decreased spending.

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

**Governmental funds.** The General fund, County Roads, and Natural Resources funds were the County's major governmental funds. Together these three funds account for 53% of total governmental fund balance.

The General fund is the chief operating fund of Chelan County. At the end of the current fiscal year, unassigned fund balance of the General fund was \$6,225,947, which represents 21% of total General fund expenditures. The fund balance of General fund increased by \$1,838,982 during the current fiscal year and is larger than it has been since Chelan County has had comparable financial statements. The tremendous growth is due to the response from the recent economic recession. Between 2009 and 2010, General fund expenditures were reduced by almost \$3 million, a 10% expenditure reduction. These budget reductions allowed the General fund to start successfully rebuilding its fund balance in 2010 and continue that through 2013. In combination with the continued reduced expenditures, the local economy appears to be turning around slightly, resulting in increased tax revenues and increased fund balance. The cash balance of the General fund was reduced by \$599,351 due to a cyber-theft of Hospital District funds. Due to pending litigation, substantially all of the cash is expected to be recovered, and is listed as a Treasurer claim receivable on the Governmental Funds Balance Sheet.

The fund balance of the County Roads special revenue fund increased by \$21,877 during the current fiscal year. The After a few years of re-growing the fund balance, County Roads was able to spend roughly the same amount as they



brought in from taxes and outside funding, allowing them to continue at a sustainable fund balance level. Because property taxes in this fund are collected for the explicit purpose of road construction and maintenance, these funds are restricted for that purpose.

The fund balance of the Natural Resources special revenue fund decreased by \$22,729 during the current fiscal year. This fund is mostly operated through grant reimbursements. As fewer grants allow indirect costs to be charged, only direct costs are reimbursed and the amount of fund balance has decreased. By the end of 2013, the Natural Resources department needed to take an interfund loan of \$841,000 to cash flow the reimbursement grants it receives.

**Proprietary funds.** The Solid Waste, Surface & Storm Water Utility, and the Regional Justice Center were the County's three major proprietary funds.

Total net position of the Solid Waste fund at the end of the year amounted to \$1,144,033. The total decrease in net position for this fund was \$42,286. The Solid Waste fund has maintained a higher net position than needed for operations and has been slowly spending this down since 2010.

The Surface & Storm Water Utility net position increased by \$264,082 during the past fiscal year to \$1,770,329. The projects this fund will finance are still in the development stage, so the utility assessment is bringing in revenue while the projects are still in the planning stages. This has resulted in continual yearly growth to the net position.

Total net position of the Regional Justice Center fund decreased by \$1,093,841, leaving it with a negative 474,319 net position. This year-over-year continued decrease is due to fewer contracted inmates being housed, which reduced the revenue brought in by this fund. Cash flow is currently being supported by other funds and with new housing contracts and slightly smaller expenditures, the net position losses appear to be slowing.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Actual expenditures are generally less than final budgeted expenditures. The main reason for this is that employee turnover and unfilled positions leave budget authority that goes unspent. In addition, since elected officials are legally required to operate within their given budget, they typically spend their budgets conservatively in case something unexpected comes up. The actual revenues were greater than budgeted revenues due to the slight turnaround of the local economy and generally conservative budgeting. Sales tax, building and planning fees, and payments in lieu of tax all came in greater than budgeted.

Differences between the original budget and the final amended budget amounted to \$1,036,360 of increases in expenditure appropriations. Of this budget increase, \$506,074 was to be funded out of unexpected grants and increased reimbursements. The remaining \$530,286 was to be spent from the available fund balance.

Department	Amount	Explanation
Assessor	54,000	For capital outlay. From grant revenue.
Auditor	30,000	To account for special election printing costs. From increased election reimbursement revenue.
Clerk	39,056	For wages and small equipment. From state reimbursement revenue and available fund balance.
Commissioners	9,100	For extra salary. From available fund balance.
District Court	14,619	For small equipment. From state reimbursement revenue and available fund balance.
District Court Probation	21,282	To increase wages and benefits. From available fund balance.
Non-Departmental	242,042	For settlement of an employee claim and other services. From available fund balance.
Sheriff	225,872	For wages and small equipment. From increased grant revenue and available fund balance.
Superior Court	100,389	For increased salaries and services. From available fund balance and increased grant revenue.
Traffic Safety	300,000	For a new traffic safety program. From increased court fines revenue.
<b>Total</b>	<b>1,036,360</b>	

## 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, 2013, amounts to \$79,044,480 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways, and bridges. The County's investment in capital assets remained relatively flat for the current fiscal year decreasing by less than 1% (a 0.5% decrease for governmental activities and no change for business-type activities). There were no significant asset transactions in the business-type activities. In governmental activities, there was a slight increase from due to

infrastructure projects such as: \$876,557 for the Stemilt Loop Road infrastructure improvement; \$607,758 for the Manson Downtown Business District infrastructure improvement and \$401,599 for the Entiat River Road Guardrail Infill. There was also a purchase of an addition to the main County campus of \$625,488. However, when netted with general asset turnover and normal depreciation, the total capital assets balance had very little movement.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	2013	2012	2013	2012	2013	2012
Land	3,356,019	3,356,019	278,911	209,348	3,634,930	3,565,367
Other improvements	787,615	951,168	19,444	-	807,059	951,168
Construction in progress	417,846	2,088,326	-	-	417,846	2,088,326
Buildings	26,816,720	27,226,198	1,171,508	1,196,214	27,988,229	28,422,412
Equipment	5,203,006	5,361,189	613,933	679,008	5,816,939	6,040,197
Infrastructure	40,379,477	38,391,717	-	-	40,379,477	38,391,717
<b>Total</b>	<b>76,960,683</b>	<b>77,374,617</b>	<b>2,083,797</b>	<b>2,084,570</b>	<b>79,044,480</b>	<b>79,459,187</b>

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

**Long-term Debt.** At the end of the current fiscal year, Chelan County had total bonded debt outstanding of \$14,465,000. The total amount of this debt is backed by the full faith and credit of the government. Chelan County's total bonded debt decreased by \$755,000 (5%) during the current fiscal year. This was due solely to the regularly scheduled bond payments. See note 8 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 Position** - presents information on all county governmental and business-type assets and liabilities, with the difference reported as net position.

**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 position.

#### 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 Position**

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

**Statement of Net Position - Proprietary Funds** - presents information on all proprietary fund assets and liabilities, with the difference reported as change in net position 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 Position - 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 Position** - presents information on private-purpose trust fund and agency fund assets and liabilities, with the difference reported as change in net position.

**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 Position

December 31, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	22,127,286	2,527,970	24,655,255
Deposits with fiscal agents	80,855	19,164	100,019
Investments	5,917,686	164,464	6,082,149
Accounts receivable	108,493	54,245	162,739
Property tax receivable	798,489	-	798,489
Court judgements receivable	1,249,953	-	1,249,953
Due from other governments	1,186,095	449,470	1,635,565
Treasurer claim receivable	599,351	-	599,351
Internal balances	609,072	(609,072)	-
Inventory	778,228	-	778,228
Capital assets not being depreciated:			
Land	3,356,019	278,911	3,634,930
Construction in progress	417,846	-	417,846
Capital assets, net of accumulated depreciation:			
Other improvements	787,615	19,444	807,059
Buildings	26,816,720	1,171,508	27,988,229
Equipment	5,203,006	613,933	5,816,939
Infrastructure	40,379,477	-	40,379,477
Total assets	110,416,189	4,690,038	115,106,228
<b>Liabilities</b>			
Accounts payable	1,049,978	182,000	1,231,977
Due to other governments	200,066	6,168	206,234
Accrued payroll liabilities	2,209,083	518,272	2,727,355
Deposits payable	40,855	19,164	60,019
Noncurrent liabilities:			
Due within one year	1,032,295	195,748	1,228,043
Due in more than one year	17,602,679	329,637	17,932,316
Total liabilities	22,134,956	1,250,988	23,385,944
<b>Net Position</b>			
Net investment in capital assets	63,148,523	2,083,797	65,232,320
Restricted for:			
Transportation	4,735,696	-	4,735,696
Capital projects	4,399,263	-	4,399,263
Security of persons and property	1,750,116	-	1,750,116
Economic environment	1,250,258	-	1,250,258
Health services	250,471	-	250,471
General government technology	733,203	-	733,203
Physical environment	394,818	-	394,818
Judicial improvements	356,741	-	356,741
Unrestricted	11,262,145	1,355,253	12,617,398
Total net position	88,281,234	3,439,050	91,720,284

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

# CHELAN COUNTY, WASHINGTON

## Statement of Activities

For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position - Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	5,494,639	3,299,140	357,932	-	(1,837,566)	-	(1,837,566)
Judicial	3,386,871	2,244,207	1,149,376	-	6,713	-	6,713
Public safety	20,556,030	2,959,293	2,479,755	-	(15,116,982)	-	(15,116,982)
Natural environment	3,855,296	379,941	3,245,990	-	(229,365)	-	(229,365)
Transportation	15,304,064	95,822	-	3,442,683	(11,765,559)	-	(11,765,559)
Social services	1,777,641	35,572	865,620	-	(876,448)	-	(876,448)
Economic environment	2,783,933	1,437,351	184,038	-	(1,162,544)	-	(1,162,544)
Culture and recreation	803,696	217,287	27,991	-	(558,417)	-	(558,417)
Interest on long-term debt	682,129	-	-	-	(682,129)	-	(682,129)
Total governmental activities	54,644,298	10,668,613	8,310,703	3,442,683	(32,222,299)	-	(32,222,299)
Business-type activities:							
Utilities	1,962,210	1,819,812	406,007	-	-	263,608	263,608
Public safety	7,862,926	6,707,509	61,576	-	-	(1,093,841)	(1,093,841)
Recreation	658,879	648,839	147,275	-	-	137,235	137,235
Total business-type activities	10,484,016	9,176,159	614,859	-	-	(692,998)	(692,998)
Total primary government	65,128,314	19,844,773	8,925,562	3,442,683	(32,222,299)	(692,998)	(32,915,296)
General revenues							
Taxes:							
Property					18,089,545	-	18,089,545
Sales and use					7,825,514	-	7,825,514
Motor vehicle fuel tax					2,183,380	-	2,183,380
Emergency communication tax					2,180,071	-	2,180,071
Federal land PILT					2,342,695	-	2,342,695
Other taxes					4,189,732	-	4,189,732
Interest and investment earnings					868,742	622	869,364
Total general revenues					37,679,679	622	37,680,301
Change in net position					5,457,380	(692,376)	4,765,005
Net position - beginning, restated (note 14)					82,823,853	4,131,426	86,955,279
Net position - ending					88,281,234	3,439,050	91,720,284

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

**CHELAN COUNTY, WASHINGTON**

Balance Sheet  
Governmental Funds  
December 31, 2013

	<b>General Fund</b>	<b>County Roads</b>	<b>Natural Resources</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>Assets</b>					
Cash and cash equivalents	6,982,673	5,684,190	745,830	3,508,155	16,920,848
Deposits with fiscal agents	-	40,855	-	-	40,855
Investments	332,071	-	-	5,336,743	5,668,814
Accounts receivable	35,782	-	43,158	-	78,939
Property tax receivable	476,822	311,328	-	10,339	798,489
Court judgements receivable	1,249,953	-	-	-	1,249,953
Due from other funds	87,655	-	3,018	-	90,673
Interfund loan receivable	-	-	-	1,392,000	1,392,000
Due from other governments	335,668	185,093	607,878	57,370	1,186,008
Treasurer claim receivable	599,351	-	-	-	599,351
Total assets	<u>10,099,975</u>	<u>6,221,465</u>	<u>1,399,883</u>	<u>10,304,607</u>	<u>28,025,930</u>
<b>Liabilities</b>					
Accounts payable	309,900	176,406	160,397	245,660	892,363
Due to other funds	5,055	385,739	930	30,261	421,985
Interfund loan payable	-	-	841,000	-	841,000
Due to other governments	133,150	20,339	18,133	11,177	182,799
Accrued payroll	1,699,148	368,270	50,108	27,942	2,145,469
Deposits payable	-	40,855	-	-	40,855
Total liabilities	<u>2,147,252</u>	<u>991,609</u>	<u>1,070,568</u>	<u>315,041</u>	<u>4,524,470</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property tax	476,822	311,328	-	10,339	798,489
Unavailable revenue - court judgements	1,249,953	-	-	-	1,249,953
Total deferred inflows of resources	<u>1,726,775</u>	<u>311,328</u>	<u>-</u>	<u>10,339</u>	<u>2,048,442</u>
<b>Fund Balances</b>					
Restricted	-	4,918,528	329,315	9,698,624	14,946,467
Committed	-	-	-	280,603	280,603
Unassigned	6,225,947	-	-	-	6,225,947
Total fund balances	<u>6,225,947</u>	<u>4,918,528</u>	<u>329,315</u>	<u>9,979,227</u>	<u>21,453,018</u>
Total liabilities, fund balances, and deferred inflows of resources	<u>10,099,975</u>	<u>6,221,465</u>	<u>1,399,883</u>	<u>10,304,607</u>	<u>28,025,930</u>

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 Position December 31, 2013

Amounts reported for the governmental activities in the statement of net position are different because:

Fund balances of governmental funds:		21,453,018
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	136,230,204	
Depreciation	(63,669,042)	
Capital assets net of depreciation		72,561,162
Deferred inflows of resources that are not available to finance current liabilities are excluded from governmental activities.		
Property tax	798,489	
Court judgements	1,249,953	
Deferred inflows of resources		2,048,442
Long-term debt and compensated absences that have not been included in the governmental fund activity		
Bonds payable	(14,465,000)	
Compensated absences	(1,669,897)	
OPEB benefit for LEOFF	(1,590,967)	
Working capital loan for Substance Abuse	(110,394)	
Long-term debt		(17,836,258)
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 position.		
Assets	11,092,322	
Liabilities	(1,037,452)	
Internal service net position		10,054,870
Net position of governmental activities		<u>88,281,234</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, 2013

	General Fund	County Roads	Natural Resources	Nonmajor Governmental Funds	Total
<b>Revenues</b>					
Taxes	16,885,633	6,992,921	-	7,074,356	30,952,910
Licenses and permits	982,410	-	-	-	982,410
Intergovernmental revenues	6,633,257	5,632,188	3,147,384	2,317,606	17,730,436
Charges for services	4,992,629	93,113	2,305	910,638	5,998,685
Fees and fines	1,435,712	-	-	33,142	1,468,854
Miscellaneous	1,026,364	47,537	-	668,059	1,741,960
Total revenues	31,956,005	12,765,759	3,149,689	11,003,801	58,875,254
<b>Expenditures</b>					
Current:					
General government	11,841,477	25,176	-	206,128	12,072,780
Public safety	16,258,450	-	-	3,225,910	19,484,360
Natural environment	-	-	3,174,268	531,064	3,705,331
Transportation	-	9,827,486	-	34,136	9,861,622
Social services	519,214	-	-	1,415,864	1,935,079
Economic environment	1,033,641	-	-	1,271,918	2,305,559
Culture and recreation	298,489	-	-	217,728	516,217
Debt Service:					
Principal	-	-	-	755,000	755,000
Interest and other charges	77,114	-	3,150	601,865	682,129
Capital outlay	153,638	3,197,251	-	1,290,529	4,641,417
Total expenditures	30,182,023	13,049,913	3,177,418	9,550,142	55,959,495
Excess (deficiency) of revenues over (under) expenditures	1,773,982	(284,154)	(27,729)	1,453,659	2,915,759
<b>Other Financing Sources (Uses)</b>					
Sale of capital assets	-	6,031	-	-	6,031
Transfers in	100,000	400,000	5,000	30,000	535,000
Transfers out	(35,000)	(100,000)	-	(400,000)	(535,000)
Total other financing sources and uses	65,000	306,031	5,000	(370,000)	6,031
Net change in fund balances	1,838,982	21,877	(22,729)	1,083,659	2,921,790
Fund balances - beginning	4,386,965	4,896,651	352,044	8,895,568	18,531,228
Fund balances - ending	6,225,947	4,918,528	329,315	9,979,227	21,453,018

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, 2013

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		2,921,790
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.		
Capital outlay	6,019,622	
Disposition of capital assets	(2,137,603)	
Depreciation expense	<u>(3,988,193)</u>	(106,174)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Decreases in governmental fund court judgements receivable	(8,161)	
Decreases in governmental fund taxes receivable	<u>(68,269)</u>	(76,430)
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 position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Decreases in governmental fund bonds payable	755,000	
Increase in liability for OPEB benefit for LEOFF	(645,415)	
Contributions toward OPEB benefit for LEOFF	311,650	
Increases in governmental fund compensated absences payable	(79,550)	
Decreases in governmental fund compensated absences payable	<u>2,969</u>	344,654
The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>2,373,541</u>
Change in net position of governmental activities		<u><u>5,457,380</u></u>

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

**CHELAN COUNTY, WASHINGTON****General Fund**

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary and Actual  
For the Year Ended December 31, 2013

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	
Assessor	34,060	88,060	88,304	244
Auditor	911,208	941,208	980,135	38,927
Community Development	1,100,707	1,100,707	1,311,971	211,264
Clerk	792,920	802,820	854,044	51,224
Commissioners	9,577,480	9,577,480	10,562,868	985,388
Coroner	15,000	15,000	20,497	5,497
Information Technology	107,723	107,723	111,909	4,186
Facilities Maintenance	622,435	622,435	630,928	8,493
District Court	1,219,470	1,232,470	1,247,794	15,324
District Court Probation	294,148	294,148	317,979	23,831
Extension	58,500	58,500	49,918	(8,582)
Juvenile	646,446	646,446	682,893	36,447
Non-Departmental	539,131	539,131	601,186	62,055
Child Support Enforcement	397,617	397,617	333,644	(63,973)
Prosecuting Attorney	530,146	530,146	537,250	7,104
Sheriff	3,030,211	3,106,083	3,180,438	74,355
Superior Court	82,295	105,597	114,993	9,396
Treasurer	1,291,219	1,291,219	1,367,957	76,738
Taxes	10,921,212	10,921,212	10,949,633	28,421
Traffic Safety	0	300,000	128,215	(171,785)
Total revenues	32,171,928	32,678,002	34,072,554	1,394,552
<b>Expenditures</b>				
Assessor	1,144,961	1,198,961	1,162,382	36,579
Auditor	1,107,622	1,137,622	1,047,883	89,739
Board of Equalization	7,225	7,225	2,250	4,975
Community Development	1,527,624	1,527,624	1,378,800	148,824
Civil Service Commission	11,097	11,097	5,407	5,690
Clerk	1,060,433	1,099,489	1,083,728	15,761
Commissioners	667,197	676,297	666,177	10,120
Coroner	219,817	219,817	208,105	11,712
Information Technology	678,175	678,175	667,561	10,614
Facilities Maintenance	1,495,879	1,495,879	1,440,030	55,849
District Court	1,211,385	1,226,004	1,160,082	65,922
District Court Probation	413,086	434,368	401,402	32,966
Extension	290,119	290,119	293,127	(3,008)
Juvenile	2,654,060	2,654,060	2,541,244	112,816
Non-Departmental	7,309,282	7,551,324	7,382,474	168,850
Child Support Enforcement	375,356	375,356	307,509	67,847
Prosecuting Attorney	1,788,431	1,788,431	1,745,584	42,847
Sheriff	8,676,448	8,902,320	8,898,580	3,740
Superior Court	937,050	1,037,439	1,000,515	36,924
Treasurer	591,267	591,267	588,646	2,621
Taxes	30,000	30,000	30,000	-
Traffic Safety	0	300,000	222,085	77,915
Total expenditures	32,196,514	33,232,874	32,233,572	999,302
Excess (deficiency) of revenues over (under) expenditures	(24,586)	(554,872)	1,838,982	2,393,854
Fund balances - beginning	1,600,000	1,600,000	4,386,965	2,786,965
Fund balances - ending	1,575,414	1,045,128	6,225,947	5,180,819

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, 2013

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Taxes	6,944,752	6,944,752	6,992,921	48,169
Intergovernmental revenues	5,033,574	5,033,574	5,632,188	598,614
Charges for services	17,000	17,000	93,113	76,113
Miscellaneous	500	500	47,537	47,037
Total revenues	11,995,826	11,995,826	12,765,759	769,933
<b>Expenditures</b>				
Current:				
General government	4,092	4,092	25,176	(21,084)
Transportation	9,874,551	9,874,551	9,827,486	47,065
Capital outlay	3,336,596	3,336,596	3,197,251	139,345
Total expenditures	13,215,239	13,215,239	13,049,913	165,326
Excess (deficiency) of revenues over (under) expenditures	(1,219,413)	(1,219,413)	(284,154)	935,259
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	1,000	1,000	6,031	5,031
Intergovernmental loan proceeds	400,000	400,000	-	(400,000)
Transfers in	700,000	700,000	400,000	(300,000)
Transfers out	(100,000)	(100,000)	(100,000)	-
Total other financing sources and uses	1,001,000	1,001,000	306,031	(694,969)
Net change in fund balances	(218,413)	(218,413)	21,877	240,290
Fund balances - beginning	2,450,368	2,450,368	4,896,651	2,446,283
Fund balances - ending	2,231,955	2,231,955	4,918,528	2,686,573

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

**CHELAN COUNTY, WASHINGTON**

## Natural Resources Special Revenue Fund

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

For the Year Ended December 31, 2013

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	
<b>Revenues</b>				
Intergovernmental revenues	4,406,978	4,406,978	3,147,384	(1,259,594)
Charges for services	7,630	7,630	2,305	(5,325)
Total revenues	<u>4,414,608</u>	<u>4,414,608</u>	<u>3,149,689</u>	<u>(1,264,919)</u>
<b>Expenditures</b>				
Current:				
Natural environment	4,570,072	4,570,072	3,174,268	1,395,804
Debt Service				
Interest	700	700	3,150	(2,450)
Total expenditures	<u>4,570,772</u>	<u>4,570,772</u>	<u>3,177,418</u>	<u>1,393,354</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(156,164)</u>	<u>(156,164)</u>	<u>(27,729)</u>	<u>128,435</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	5,000	5,000	5,000	-
Total other financing sources and uses	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balances	<u>(151,164)</u>	<u>(151,164)</u>	<u>(22,729)</u>	<u>128,435</u>
Fund balances - beginning	<u>226,659</u>	<u>226,659</u>	<u>352,044</u>	<u>125,385</u>
Fund balances - ending	<u><u>75,495</u></u>	<u><u>75,495</u></u>	<u><u>329,315</u></u>	<u><u>253,820</u></u>

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

# CHELAN COUNTY, WASHINGTON

Statement of Net Position  
 Proprietary Funds  
 December 31, 2013

	Business-Type Activities Enterprise Funds				Governmental Activities	
	Solid Waste	Surface & Storm Water Utility	Regional Justice Center	Nonmajor Enterprise Funds	Totals	Internal Service Funds
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	99,079	1,632,332	3,092	793,466	2,527,970	5,206,438
Deposits with fiscal agents	19,164	-	-	-	19,164	40,000
Investments	164,464	-	-	-	164,464	248,871
Accounts receivable	53,472	-	774	-	54,245	29,554
Due from other funds	-	-	737	11,025	11,762	348,624
Interfund loan receivable	-	-	-	-	-	41,000
Due from other governments	18,919	31,811	384,765	13,975	449,470	86
Inventory	-	-	-	-	-	778,228
Total current assets	355,098	1,664,143	389,368	818,466	3,227,075	6,692,802
Noncurrent assets:						
Capital assets: net of accumulated depreciation)						
Land & improvements	233,911	45,000	-	19,444	298,355	-
Buildings	393,025	57,470	654,523	66,490	1,171,508	28,557
Equipment	306,505	35,318	105,184	166,925	613,933	4,370,963
Total noncurrent assets	933,442	137,788	759,707	252,860	2,083,797	4,399,520
Total assets	1,288,539	1,801,931	1,149,075	1,071,326	5,310,872	11,092,322
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	76,753	28,432	44,072	32,743	182,000	157,615
Due to other funds	25,529	-	1,325	1,981	28,834	240
Interfund loan payable	-	-	592,000	-	592,000	-
Due to other governments	331	-	1,328	4,509	6,168	17,267
Accrued payroll liability	14,810	3,170	477,504	22,787	518,272	63,615
Deposits payable	19,164	-	-	-	19,164	-
Compensated absences	2,951	-	188,960	3,837	195,748	5,483
Total current liabilities	139,537	31,602	1,305,189	65,857	1,542,185	244,219
Noncurrent liabilities:						
Compensated absences	4,969	-	318,206	6,462	329,637	31,611
Claims reserve	-	-	-	-	-	761,622
Total noncurrent liabilities	4,969	-	318,206	6,462	329,637	793,233
Total liabilities	144,506	31,602	1,623,395	72,319	1,871,822	1,037,452
<b>Net Position</b>						
Investment in capital assets	933,442	137,788	759,707	252,860	2,083,797	4,399,520
Unrestricted	210,591	1,632,541	(1,234,026)	746,147	1,355,253	5,655,350
Total net position	1,144,033	1,770,329	(474,319)	999,007	3,439,050	10,054,870

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

**CHELAN COUNTY, WASHINGTON**

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

## Proprietary Funds

For the Year Ending December 31, 2013

	Business-Type Activities				Governmental Activities	
	Enterprise Funds					
	Solid Waste	Surface & Storm Water Utility	Regional Justice Center	Nonmajor Enterprise Funds	Totals	Internal Service Fund
<b>Operating Revenues</b>						
Intergovernmental revenues	-	-	17,400	-	17,400	-
Charges for services	1,331,802	343,757	6,616,447	348,998	8,641,004	489,718
Fines & forfeits	-	-	11,102	-	11,102	-
Miscellaneous	21,181	-	82,766	425,138	529,085	10,757,173
Total operating revenues	1,352,983	343,757	6,727,715	774,136	9,198,591	11,246,891
<b>Operating Expenses</b>						
Salaries	128,062	32,378	4,429,916	292,659	4,883,015	543,277
Personnel benefits	54,255	12,641	1,950,207	102,844	2,119,947	195,541
Supplies	14,499	30	352,434	70,318	437,281	1,484,710
Other services & charges	1,019,025	96,665	222,262	484,929	1,822,880	5,442,800
Intergovernmental services and taxes	36,567	-	-	-	36,567	-
Interfund payments for services	97,035	4,731	846,725	79,748	1,028,240	209,300
Depreciation	59,412	6,216	61,382	29,076	156,086	1,078,344
Total operating expenses	1,408,854	152,661	7,862,926	1,059,574	10,484,016	8,953,972
Operating income (loss)	(55,871)	191,096	(1,135,212)	(285,438)	(1,285,425)	2,292,919
<b>Nonoperating Revenues (Expenses)</b>						
Grants and assistance	13,585	72,986	44,176	466,712	597,459	-
Gain on sale of capital assets	-	-	-	-	-	112,601
Loss on disposal of assets	-	-	(2,806)	(1,604)	(4,410)	(31,978)
Total nonoperating revenues (expenses)	13,585	72,986	41,371	465,108	593,049	80,622
Change in net position	(42,286)	264,082	(1,093,841)	179,670	(692,376)	2,373,541
Net position - beginning, restated (note 14)	1,186,319	1,506,247	619,522	819,337	4,131,426	7,681,329
Net position - ending	1,144,033	1,770,329	(474,319)	999,007	3,439,050	10,054,870

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, 2013

	Business-Type Activities Enterprise Funds				Governmental Activities	
	Solid Waste	Surface & Storm Water Utility	Regional Justice Center	Nonmajor Enterprise Funds	Totals	Internal Service Funds
<b>Cash Flows From Operating Activities:</b>						
Cash received from customers and users	1,350,352	369,160	6,532,539	750,761	9,002,813	11,193,988
Cash payments to suppliers	(1,126,838)	(77,284)	(1,408,208)	(633,742)	(3,246,072)	(7,470,855)
Cash payments to employees and retirees	(176,364)	(42,853)	(6,395,429)	(397,795)	(7,012,442)	(736,626)
Net cash provided (used) by operating activities	47,151	249,023	(1,271,098)	(280,776)	(1,255,700)	2,986,508
<b>Cash Flows From Noncapital Financing Activities</b>						
Grants and assistance	13,585	72,986	44,176	466,712	597,459	-
Interfund loans paid	-	-	-	-	-	(41,000)
Interfund loans received	-	-	592,000	-	592,000	-
Net cash provided (used) by noncapital financing activities	13,585	72,986	636,176	466,712	1,189,459	(41,000)
<b>Cash Flows From Capital Financing Activities</b>						
Proceeds from sale of capital assets	-	-	60	199,648	199,708	112,601
Acquisition and construction of capital assets	(269,906)	(45,000)	-	(44,524)	(359,430)	(802,562)
Net cash provided (used) by capital financing activities	(269,906)	(45,000)	60	155,124	(159,722)	(689,962)
<b>Cash Flows From Investing Activities</b>						
Proceeds from sales and maturities of investments	196,117	-	-	240,782	436,899	5,924
Purchase of investments	(493)	-	-	(59,900)	(60,393)	(394)
Net cash provided (used) by investing activities	195,624	-	-	180,882	376,506	5,530
<b>Net increase (decrease) in cash and cash equivalents</b>	(13,546)	277,008	(634,862)	521,942	150,542	2,261,076
<b>Cash and cash equivalents, January 1</b>	112,625	1,355,324	637,954	271,524	2,377,427	2,945,362
<b>Cash and cash equivalents, December 31</b>	99,079	1,632,332	3,092	793,466	2,527,970	5,206,438
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	(55,871)	191,096	(1,135,212)	(285,438)	(1,285,425)	2,292,919
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities:						
Depreciation and amortization of deferred charge	59,412	6,216	61,382	29,076	156,086	1,078,344
(Increase) decrease in accounts receivable	(3,613)	-	94	-	(3,519)	25,665
(Increase) decrease in due from other funds/gov	982	25,403	(195,269)	(23,375)	(192,259)	(78,568)
(Increase) decrease in inventory	-	-	-	-	-	(185,804)
Increase (decrease) in vouchers/contracts payable	17,224	24,142	16,224	(3,745)	53,844	(92,395)
Increase (decrease) in due to other funds/gov	23,065	-	(3,012)	4,998	25,052	(55,846)
Increase (decrease) in accrued payroll liabilities	3,195	2,166	(16,748)	(3,055)	(14,442)	7,147
Increase (decrease) in accrued employee leave benefits	2,758	-	1,442	763	4,963	(4,955)
Total adjustments	103,022	57,926	(135,886)	4,662	29,724	693,589
<b>Net cash provided (used) by operating activities</b>	47,151	249,023	(1,271,098)	(280,776)	(1,255,700)	2,986,508

The County is not aware of any material noncash transactions.

## CHELAN COUNTY, WASHINGTON

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### Statement of Fiduciary Net Position

#### Fiduciary Funds

December 31, 2013

	<u>Agency Funds</u>
<b>Assets</b>	
Cash	13,300,348
Investments	83,540,580
Deposits with fiscal agents	2,313,309
Taxes receivable	3,198,277
Total assets	<u>102,352,515</u>
<b>Liabilities</b>	
Accounts payable	320,919
Other accrued liabilities	518,637
Custodial accounts	<u>101,512,959</u>
Total liabilities	<u>102,352,515</u>

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

## **CHELAN COUNTY, WASHINGTON**

Notes to the Financial Statements  
December 31, 2013

### **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 position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. 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 special revenue fund accounts for the finance, design, construction, and maintenance of Chelan County roads. The majority of its funding comes from property taxes, motor vehicle fuel taxes, and state and federal grants.
- The Natural Resources special revenue fund uses revenues from federal, state, and local grants to address environmental issues including water resources, timber, fish, wildlife, and agriculture within Chelan County.

Chelan County reports the following major proprietary funds:

- The Solid Waste fund accounts for the operations of solid waste disposal and management.
- The Surface & Storm Water Management Utility receives its revenue from an assessment on property in the unincorporated areas of Chelan County and grants. The fund is used to aid in the effort to implement the Storm Water Management Plan required by the Clean Water Act and to construct new storm water infrastructure.
- The Regional Justice Center fund accounts for the operation of the Chelan County regional correction facility. It receives its funding from providing Jail bed space to other entities as well as the Chelan County General fund.

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.

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.

## **D. Assets, Liabilities and Equities**

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

It is the County's policy to invest all temporary cash surpluses. At December 31, 2013, the Treasurer was holding \$25,089,316 in 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.

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. Court judgments receivable consist of fines and penalties assessed by the Superior and District Court Judges.

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.

## **3. Amounts Due To and From Other Funds and Governmental Units, and Interfund Loans Receivable**

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

## **4. Inventories**

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: Buildings for 31.5 years, land improvements over 10 years, equipment varies between 3 and 10 years; infrastructure between 20 and 45 years.

## **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 affiliation). 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 affiliation) 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 affiliation) is paid out at year-end.

## **7. Other Accrued Liabilities**

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

## **8. Deferred Inflows of Resources**

Deferred inflows of resources in the fund financial statements include delinquent taxes and court judgments that are earned, but not yet available under the modified accrual basis of accounting.

## 9. Fund Balance Classification

Chelan County fund balances are classified into five categories in accordance with Statement 54 from the Governmental Accounting Standards Board: nonspendable, restricted, committed, assigned, and unassigned. Committed, assigned, and unassigned categories are considered to be “unrestricted.”

When expenditures are incurred that could be paid from either restricted, committed, assigned, or unassigned resources, the county uses restricted resources first, committed resources second, assigned resources third, and unassigned resources last.

The fund balance is committed when the Board of County Commissioners commits a revenue source to a specific purpose by formal resolution. The fund balance is assigned when the Board of County Commissioners approve in writing, other than formal resolution, an intended use for a revenue source. The approved budget does not create committed or assigned amounts.

## 10. Minimum Fund Balance Policy

Maintenance of an adequate fund balance for each fund to ensure sufficient resources for cash flow and to mitigate revenue shortages or emergencies shall be a priority.

The General fund (010), County Roads (110), Farm Worker Housing (124), and all enterprise funds (400 series funds) shall maintain a minimum year-end unrestricted fund balance of 8% of its annual expenditures. In the event the fund balance is not at that level, the county shall create a plan to restore the fund balance to 8% within two years.

The county’s long-term fund balance target is a year-end unrestricted fund balance of 15% of annual expenditures.

## 11. Detailed Fund Balance Constraints

Fund Balances:	Special Revenue Funds					Total
	General Fund	County Roads	Natural Resources	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	
Restricted for:						
Transportation	-	4,918,528	-	77,942	-	4,996,470
Public safety	-	-	-	1,750,116	-	1,750,116
Archiving	-	-	-	364,137	-	364,137
Housing	-	-	-	430,316	-	430,316
Pest control	-	-	-	79,281	-	79,281
Technology	-	-	-	242,898	-	242,898
Weed control	-	-	-	10,140	-	10,140
Judicial	-	-	-	356,741	-	356,741
Veterans	-	-	-	231,125	-	231,125
Foreclosure costs	-	-	-	126,168	-	126,168
Tourism	-	-	-	819,941	-	819,941
Natural resources	-	-	329,315	27,975	-	357,290
Substance abuse	-	-	-	129,740	-	129,740
L&J renovation	-	-	-	-	652,841	652,841
Other capital project:	-	-	-	2,357,643	2,041,620	4,399,263
Committed to:						
Public safety	-	-	-	51,848	-	51,848
Parks	-	-	-	83,923	-	83,923
Parent education	-	-	-	14,351	-	14,351
Transportation	-	-	-	25,789	-	25,789
Elections	-	-	-	104,693	-	104,693
Unassigned	6,225,947	-	-	-	-	6,225,947
	6,225,947	4,918,528	329,315	7,284,766	2,694,461	21,453,018

## **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. However, interfund activity is also budgeted and must be removed (see note 2(A)(5) for a reconciliation to GAAP basis). These budgets are adopted at the fund and department levels. Appropriations for all budgeted funds lapse at year-end. Major capital projects are also included 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 2013 budget and the expenditures occurred late in 2013 after any supplemental budget appropriations could be legally made.

The Extension department of the General fund had expenditures that exceeded appropriation by \$3,008. The excess expenditures were covered with the General fund balance.

The Cashmere-Dryden Airport fund expenditures exceeded appropriations by \$352 due to larger maintenance services than anticipated. The excess expenditures were covered with the Cashmere-Dryden Airport fund balance.

The Mental Health fund expenditures exceeded appropriations by \$1,550. This fund operates as a pass-through fund, so the excess expenditures were covered with corresponding revenues received.

The CASA fund expenditures exceeded appropriations by \$5,392. This fund operates as a pass-through fund, so the excess expenditures were covered with corresponding revenues received.

The Solid Waste Planning fund expenses exceeded appropriations by \$171,143 as budgeted on the modified accrual basis of accounting. The excess expenses were covered with the Solid Waste Planning fund balance.



## 5. Reconciliation of Budgetary and Actual Statements

The total revenues and total expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budgetary and Actual do not tie to the total revenues and total expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balances due to the elimination of interfund activity and separation of other financing sources and uses.

<b>General Fund</b>	<b>Revenues</b>	<b>Expenditures</b>
Budgetary basis	34,072,554	32,233,572
Interfund activity	(2,016,549)	(2,016,549)
Transfers	(100,000)	(35,000)
GAAP basis	31,956,005	30,182,023

### **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, 2013 the County had the following investments:

<b>Investments</b>	<b>Weighted average maturity of Chelan County's own investments</b>	<b>Fair value of Chelan County's own investments</b>	<b>Fair value of investments held by Chelan County as an agent for other local governments</b>	<b>Total</b>
State investment pool	less than 90 days	6,082,149	81,063,803	87,145,952
U.S. government securities	N/A	-	699,087	699,087
Certificate of deposit	N/A	-	1,717,581	1,717,581
Municipal money market	N/A	-	60,109	60,109
Total		6,082,149	83,540,580	89,622,729

<b>Surplus cash pooled and invested, listed as cash and cash equivalents in the financial statements</b>		
<b>See Note 1(D)</b>		
State investment pool	less than 90 days	11,726,364
Municipal money market	less than 90 days	1,001,120
Certificate of deposit	5 months	250,000
U.S. government securities	34 months	12,111,832
		25,089,316

*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. The state investment pool does not have a credit rating. Chelan County holds municipal bonds with Moody's ratings of A2 and A3. The County also holds federal securities all holding a Moody's rating of Aaa and S&P rating of AA+. 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 2013 was \$1.288 per \$1,000 on an assessed valuation of \$8,646,158,916 for a total regular levy of \$11,137,201.

The County is also authorized to levy \$2.25 per \$1,000 of assessed valuation in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the levy for general government services. The County's road levy for 2013 was \$1.356 per \$1,000 on an assessed valuation of \$5,090,238,795 for a total road levy of \$6,900,725.

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, 2013 was as follows:

<b>Governmental Activities</b>	<b>Beginning Balance 01/01/2013</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance 12/31/2013</b>
Capital assets, not being depreciated:				
Land	3,356,019	-	-	3,356,019
Construction in progress	2,088,326	417,846	2,088,326	417,846
Total capital assets, not being depreciated	5,444,345	417,846	2,088,326	3,773,865
Capital assets, being depreciated:				
Other improvements	2,141,035	-	-	2,141,035
Buildings and structures	50,482,653	625,488	-	51,108,141
Machinery and equipment	20,658,268	1,080,416	481,672	21,257,012
Infrastructure	71,257,529	4,698,434	-	75,955,963
Total capital assets being depreciated	144,539,484	6,404,338	481,672	150,462,151
Less accumulated depreciation for:				
Other improvements	1,189,866	163,554	-	1,353,420
Buildings and structures	23,256,455	1,034,965	-	24,291,421
Machinery and equipment	15,297,079	1,193,840	436,912	16,054,006
Infrastructure	32,865,812	2,710,675	-	35,576,487
Total accumulated depreciation	72,609,212	5,103,034	436,912	77,275,334
Total capital assets, being depreciated, net	71,930,273	1,301,305	44,760	73,186,817
Governmental activities capital assets, net	77,374,617	1,719,151	2,133,085	76,960,683

Depreciation expense was charged to functions as follows:

General government	650,018
Judicial	9,046
Public safety	497,628
Physical environment	12,216
Transportation	3,650,207
Economic environment	31,310
Culture and recreation	252,609
Total depreciation - governmental activities	5,103,034

<b>Business-Type Activities</b>	<b>Beginning Balance 01/01/2013</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance 12/31/2013</b>
Capital assets, not being depreciated:				
Land	209,348	270,815	201,252	278,911
Total capital assets, not being depreciated	209,348	270,815	201,252	278,911
Capital assets, being depreciated:				
Other improvements	-	20,649	-	20,649
Buildings and structures	2,521,444	23,875	-	2,545,319
Machinery and equipment	1,844,675	44,092	14,006	1,874,761
Infrastructure	157,378	-	-	157,378
Total capital assets being depreciated	4,523,497	88,615	14,006	4,598,106
Less accumulated depreciation for:				
Other improvements	-	1,205	-	1,205
Buildings and structures	1,325,230	48,581	-	1,373,811
Machinery and equipment	1,165,668	106,300	11,141	1,260,827
Infrastructure	157,378	-	-	157,378
Total accumulated depreciation	2,648,275	156,086	11,141	2,793,220
Total capital assets, being depreciated, net	1,875,222	(67,470)	2,866	1,804,886
Business-type activities capital assets, net	2,084,570	203,344	204,117	2,083,797
Depreciation expense was charged to functions as follows:				
Public safety		61,382		
Utilities		88,219		
Culture and recreation		6,484		
Total depreciation - business-type activities		156,086		

## **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* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

### **A. Public Employees' Retirement System (PERS) Plans 1, 2 and 3**

#### **1. Plan Description**

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in the Judicial Retirement Systems); employees of legislative committees; community and technical colleges, college and university employees not participating in higher education retirement programs; judges of district and municipal courts; and employees of local governments. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

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.

PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS members 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 irrevocable 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 is comprised of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

PERS Plan 1 and Plan 2 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2012, the rate was five and one-half percent compounded quarterly. Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from PERS-covered employment.

PERS Plan 1 members are vested after the completion of five years of eligible service. PERS Plan 1 members are eligible for retirement 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 monthly benefit is 2 percent of the average final compensation (AFC) per year of service, but the benefit may not exceed 60 percent of the AFC. The AFC is the monthly average of the 24 consecutive highest-paid service credit months.

The monthly benefit is subject to a minimum for retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. If a survivor option is chosen, the benefit is reduced. Plan 1 members retiring from inactive status prior to the age of 65 may also receive actuarially reduced benefits. Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost-of living allowance was granted at age 66 based upon years of service times the COLA amount. This benefit was eliminated by the Legislature effective July 1, 2011. Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service while actively serving in the military if such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

The survivor of a PERS Plan 1 member who dies after having earned ten years of service credit has the option, upon the member's death, of either a monthly survivor benefit or the lump sum of contributions plus interest.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the

AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. 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 3 percent annually.

PERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions (1) with a benefit that is reduced by 3 percent for each year before age 65 or, (2) with a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. The surviving spouse or eligible child(ren) of a PERS Plan 2 member who dies after having earned ten years of service credit has the option of either a monthly benefit or a lump sum payment of the member's contributions plus interest.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. As established by Chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries, based on member choice. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 investments are made in the same portfolio as that of the PERS 2/3 defined benefit plan. For DRS' fiscal year 2012, PERS Plan 3 employee contributions were \$95.2 million, and plan refunds paid out were \$66.2 million.

The defined benefit portion of PERS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

Effective June 7, 2006, PERS 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 by June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.
- If they have 30 service credit years, are at least 55 years old, and were hired after May 1, 2013, they have the option to retire early by accepting a reduction of 5 percent for each year before age 65.

PERS Plan 3 benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service. These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and 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 (based on the Consumer Price Index) capped at 3 percent annually.

PERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an 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 AFC. Judges in PERS Plan 3 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of AFC.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM Program.

There are 1,176 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2012:

Retirees and beneficiaries receiving benefits	82,242
Terminated plan members entitled to but not yet receiving benefits	30,515
Active plan members vested	106,317
Active plan members nonvested	44,273
<b>Total</b>	<b>263,347</b>

## 2. Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS 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. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from 5 percent to 15 percent.

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, 2013 are as follows:

Members not participating in JBM:

	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>PERS Plan 3</b>
Employer*	9.21%	9.21%	9.21%
Employee	6.00%	4.92%	***

\* 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*	9.21%	9.21%	9.21%
Employee	12.26%	12.30%	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
2013	64,287	1,064,582	255,361
2012	64,693	936,695	221,657
2011	70,719	800,020	184,509

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

### **1. Plan Description**

LEOFF was established in 1970 by the Legislature. Membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, emergency medical technicians. 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. LEOFF retirement benefit provisions are established in Chapter 41.26 RCW and may be amended only by the State Legislature.

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members.

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

LEOFF 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. Employee contributions to the LEOFF Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' fiscal year 2012, the rate was five and one-half percent compounded quarterly. Members in LEOFF Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest earnings upon separation from LEOFF-covered employment.

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for retirement at the age of 53 with five years of service, or at age 50 with 20 years of service. Plan 2 members receive a benefit of 2 percent of the FAS per year of service (the FAS is based on the highest consecutive 60 months), actuarially reduced to reflect the choice of a survivor option. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 benefit amount is 2 percent of the FAS for each year of service. Benefits are reduced to reflect the choice of survivor option and for each year that the member's age is less than 53, unless the disability is duty-related. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53.

A disability benefit equal to 70 percent of their FAS, subject to offsets for workers' compensation and Social Security disability benefits received, is also available to those LEOFF Plan 2 members who are catastrophically



disabled in the line of duty and incapable of future substantial gainful employment in any capacity. Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment of eligible health care insurance premiums.

Members of LEOFF Plan 2 who leave service because of a line of duty disability are allowed to withdraw 150 percent of accumulated member contributions. This withdrawal benefit is not subject to federal income tax. Alternatively, members of LEOFF Plan 2 who leave service because of a line of duty disability may be eligible to receive a retirement benefit of at least 10 percent of FAS and 2 percent per year of service beyond five years. The first 10 percent of the FAS is not subject to federal income tax.

LEOFF Plan 2 retirees may return to work in an eligible position covered by another retirement system, choose membership in that system and suspend their pension benefits, or not choose membership and continue receiving pension benefits without interruption.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of eligible health care insurance premiums.

Legislation passed in 2009 provides to the Washington-state-registered domestic partners of LEOFF Plan 2 members the same treatment as married spouses, to the extent that the treatment is not in conflict with federal laws.

LEOFF members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

There are 374 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2012:

Retirees and beneficiaries receiving benefits	10,189
Terminated plan members entitled to but not yet receiving benefits	689
Active plan members vested	14,273
Active plan members nonvested	2,633
<b>Total</b>	<b>27,784</b>

## **2. Funding Policy**

Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plans. Starting on July 1, 2000, Plan 1 employers and employees contribute zero percent as long as the plan remains fully funded. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

The Legislature, by means of a special funding arrangement, appropriates 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 recommendations 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. For DRS' fiscal year 2013, the state contributed \$54.2 million to LEOFF Plan 2.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.26 and 41.45 RCW.

The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2013, were as follows:

	LEOFF Plan 2
Employer*	5.23%
Employee	8.41%
State	3.36%

\* The employer rates include an employer administrative expense fee of 0.18%.

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
2013	230,723
2012	210,700
2011	198,894

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

### 1. Plan Description

PSERS was created by the 2004 Legislature and became effective July 1, 2006. PSERS retirement benefit provisions have been established by Chapter 41.37 RCW and may be amended only by the State Legislature.

PSERS is a cost-sharing multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2.

PSERS membership includes:

- Full-time employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30, 2006; and
- 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 the following:

- State of Washington agencies: Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor Control Board, Parks and Recreation Commission, and Washington State Patrol;
- Washington State counties;
- Washington State cities except for Seattle, Tacoma and Spokane; and
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

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 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the plan accrue interest at a rate specified by the Director of DRS. During DRS' fiscal year 2012, the rate was five and one-half percent compounded quarterly. Members in PSERS Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from PSERS-covered employment.

PSERS Plan 2 members are vested after completing five years of eligible service.

PSERS members may retire with a monthly benefit of 2 percent of the average final compensation (AFC) 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, or at age 53 with 20 years of service. The AFC is the monthly average of the member's 60 consecutive highest-paid service credit months. 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 3 percent annually.

PSERS members who retire 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 3 percent per year reduction for each year between the age at retirement and age 60 applies.

PSERS Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The monthly benefit is 2 percent of the AFC for each year of service. The AFC is based on the member's 60 consecutive highest creditable months of service. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). 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 3 percent annually.

PSERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PSERS member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

There are 75 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarial valuation date for the plan of June 30, 2012:

Retirees and beneficiaries receiving benefits	27
Terminated plan members entitled to but not yet receiving benefits	60
Active plan members vested	2,083
Active plan members nonvested	2,167
<b>Total</b>	<b>4,337</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. 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, 2013, were as follows:

	<b>PSERS Plan 2</b>
Employer*	10.54%
Employee	6.36%

\* 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:

	<b>PSERS Plan 2</b>
2013	162,250
2012	144,596
2011	128,106

## **NOTE 7 - RISK MANAGEMENT**

### **A. Liability Insurance - Risk Pool**

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.

Chelan County was one of the twenty-seven county members of the Washington Counties Risk Pool ("Pool") during 2013. 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 may be 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.

As an individual county option, the Pool provides property insurance, with composite limits of \$500 million for normal (all other perils) exposures and \$200 million for catastrophe (flood / earthquake) exposures and participant deductibles between \$5,000 and \$50,000. Coverage is for structures, vehicles, mobile equipment, EDP equipment, and equipment breakdown, etc. Participants are responsible for their claims' deductibles. Commercial insurers are responsible for covered losses exceeding the participant deductibles to the maximum limits of the policy.

The Washington Counties Risk Pool is a cooperative program, so there is joint liability amongst its participating members. Contingent liabilities occur 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, 2013 was zero, as no contingent liabilities were known to exist at that time.

## B. Self-Insurance

### 1. Unemployment Compensation

Chelan County reimburses the Employment Security Department for individual unemployment compensation claims. The County pays actual claims on a pay-as-you-go basis.

Claims liability at 12/31/2012	\$ 0
Claims incurred	\$ 45,079
Claims paid	<u>\$ 45,079</u>
Claims liability at 12/31/2013	\$ 0

### 2. Workers Compensation

Chelan County is self-insured for Workers Compensation claims. The County maintains excess Workers Compensation insurance of \$400,000 per claim for regular employees and \$500,000 per claim for public safety employees.

Claims liability at 12/31/2012	\$ 814,920
Claims incurred	\$ 277,866
Claims paid	<u>\$ 331,164</u>
Claims liability at 12/31/2013	\$ 761,622

### 3. Medical Insurance

At the beginning of 2013, Chelan County started self-insuring for medical insurance. Premera provides the administration of the medical insurance claims for the County. The County has a \$100,000 stop-loss policy to mitigate risk of large individual claims. It also maintained an annual aggregate claims limit of \$4,458,677. Per the Washington Administrative Code, the County must maintain a reserve equal to 16 weeks of program expenses. Based on 2013's average weekly medical plan costs, this amount equals \$1,134,124. As of 12/31/2013, the Health Insurance fund was adequately funded with an ending net position of \$1,729,221.

Claims liability at 12/31/2012	\$ 0
Claims incurred	\$ 2,864,533
Claims paid	<u>\$ 2,864,533</u>
Claims liability at 12/31/2013	\$ 0

## **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 2013 and 2036.

General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount Outstanding
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%	1,440,000
2003 LTGO 2003A bonds to make improvements to certain county facilities, original issue \$3,445,000	2.0% - 4.5%	2,015,000
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%	3,160,000
2009 LTGO bonds for the law and justice facility renovation, original issue \$8,150,000	2.0% - 5.0%	7,850,000
<b>Total</b>		<b>14,465,000</b>

The annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2014	780,000	650,890
2015	805,000	621,308
2016	835,000	585,859
2017	870,000	548,852
2018	920,000	509,731
2019-2023	3,515,000	2,035,765
2024-2028	2,115,000	1,423,375
2029-2033	2,690,000	850,913
2034-2036	1,935,000	184,710
<b>Total</b>	<b>14,465,000</b>	<b>7,411,403</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 – CHANGES IN LONG TERM LIABILITIES

During the year ended December 31, 2013, the following changes occurred in long-term liabilities:

	Beginning Balance 01/01/13	Additions	Reductions	Ending Balance 12/31/13	Due Within One Year
<b>Governmental Activities:</b>					
Bonds payable	15,220,000	-	755,000	14,465,000	780,000
OPEB benefit for LEOFF	1,257,202	645,415	311,650	1,590,967	-
Working capital loan	110,394	-	-	110,394	-
Claims reserve	814,920	277,866	331,164	761,622	-
Compensated absences	1,635,364	335,179	263,553	1,706,991	252,295
Governmental activity long-term liabilities:	19,037,880	1,258,460	1,661,367	18,634,974	1,032,295
<b>Business-Type Activities:</b>					
Compensated absences	520,422	191,571	186,608	525,385	195,748
Business-type activity long-term liabilities:	520,422	191,571	186,608	525,385	195,748

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. At year end, \$37,094 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 OPEB benefit for LEOFF is liquidated by the general fund. The majority of the business-type activities compensated absences are liquidated by the regional justice center fund.

## NOTE 10 – CONTINGENCIES AND LITIGATIONS

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

During 2013, one of Chelan County's junior taxing districts incurred a security breach that resulted in fraudulent payroll ACH transactions being processed through the County's banking platform. The unauthorized transactions resulted in a net unrecovered draw of County funds in the amount of \$599,351. The unrecovered draw is currently reflected in the County General fund. An offsetting Claim Receivable has been booked because, although there are no guarantees, the county expects to recover substantially all of the loss pending litigation.

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, will be immaterial.

During 2008 and 2009, Chelan County received a loan 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 has been deferred until the change of use, noncompliance with agreement, or until it is fully forgiven on December 31, 2017, whichever occurs first. During 2013, the loan agreement was modified to forgive the loan at a rate of 1/15<sup>th</sup> per year over the first 5 year period, and a rate of 2/15<sup>th</sup> per year over the second 5 year 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, 2013 was \$412,375.

## **NOTE 11 - 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, 2013 are as follows:

	Due From								Total
	General Fund	County Roads	Natural Resources	Nonmajor Govern-mental	Solid Waste	Regional Justice Center	Nonmajor Enterprise	Internal Service	
<b>Due To</b>									
General Fund	-	57,269	-	27,243	-	1,162	1,981	-	87,655
Natural Resources	-	-	-	3,018	-	-	-	-	3,018
Regional Justice Center	373	124	-	-	-	-	-	240	737
Nonmajor Enterprise	-	-	-	-	11,025	-	-	-	11,025
Internal service	4,681	328,347	930	-	14,504	162	-	-	348,624
Total	5,055	385,739	930	30,261	25,529	1,325	1,981	240	451,058

### **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 2013:

Borrowing Fund	Lending Fund	Interfund Loans and Advances Payable			
		1/1/2013	New Loans	Repayments	12/31/2013
Noxious Weed	REET I	2,000	31,000	33,000	-
Natural Resources	REET I	94,000	906,000	200,000	800,000
Natural Resources	Equipment Rental & Rev	-	41,000	-	41,000
Regional Justice Center	Distressed Counties Tax	-	92,000	-	92,000
Regional Justice Center	Criminal Justice Sales Tax	-	500,000	-	500,000
Total		96,000	1,570,000	233,000	1,433,000

### C. Interfund Transfers

During 2013, interfund transfers were used to move General funds property tax revenues to support Law Library and Natural Resources operations. REET funds were transferred to County Roads so that an equal portion of the road property tax levy could be shifted to the General fund. County Roads transferred funds to the General fund to support county road traffic safety initiatives by the Sheriff.

The following table displays interfund transfers during 2013:

Transfers In	Transfers Out			
	General	County Roads	Nonmajor Governmental	Total
General	-	100,000	-	100,000
County Roads	-	-	400,000	400,000
Natural Resources	5,000	-	-	5,000
Nonmajor governmental	30,000	-	-	30,000
Total transfers	35,000	100,000	400,000	535,000

### NOTE 12 – 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 2013, Rivercom received total revenues of \$5,986,880 and incurred total expenses of \$4,641,637 resulting in an increase in fund balance of \$1,345,243, and ending fund balance of \$4,408,686. A copy of Rivercom's financial statements can be obtained from Rivercom at: PO Box 3344, Wenatchee, WA 98807 or (509) 662-4650.

### NOTE 13 – RELATED ORGANIZATIONS

#### A. Mosquito Districts

The Chelan County Board of Commissioners appoint the majority of board members for three legally separate mosquito districts. After appointment, the districts are not accountable to Chelan County. Their combined financial information is included with the agency fund combining financial statements.

### NOTE 14 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$838,073 was made to the beginning net position balance of the governmental activities on the government-wide Statement of Activities due to a court receivables that had not been recognized in prior financial statements.

An estimated claims liability should have been reported in the industrial insurance claims fund. A prior period adjustment of \$814,920 was made to the beginning net position balance of the governmental activities on the government-wide Statement of Activities and in the proprietary combining statements.

	Governmental activities	Internal Service Funds
Net position at December 31, 2012, as previously reported	82,800,700	8,496,249
Prior period adjustment - court receivable	838,073	-
Prior period adjustment - claims reserve	(814,920)	(814,920)
Net position at December 31, 2012, as restated	82,823,853	7,681,329



## **NOTE 15 – SUBSEQUENT EVENT**

After December 31, 2013 the Regional Justice Center fund required an additional \$372,000 in interfund loans from the Distressed Counties Tax fund to maintain a positive cash balance. This brought their total interfund loan balance up to \$964,000 at the end of May 2014.

## **NOTE 16 – 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 retired and became eligible for these benefits when they reached normal retirement age while working for the County. There are 22 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 OPEB contribution policy. The County funds its OPEB obligation 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. For the fiscal year ending December 31, 2013, the County's combined plan contributions were \$311,650.

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

The County's annual OPEB cost (expense) is calculated based on an annual required contribution of the employer, an amount actuarially determined in accordance within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB costs for the fiscal year ending December 31, 2013, the amount actually contributed to the plans, and changes in the County's net OPEB obligation:

Annual required contribution	708,201
Interest on net OPEB contribution	50,288
Adjustments to the annual required contribution	(113,074)
Annual OPEB cost/expense	645,415
Contributions made	(311,650)
Increase in the net OPEB obligation	333,765
Net OPEB obligation, beginning of year	1,257,202
Net OPEB obligation, end of year	1,590,967

The County's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Costs</b>	<b>Actual Plan Contributions</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
12/31/2013	\$645,415	\$311,650	48%	\$1,590,967
12/31/2012	\$529,892	\$306,057	58%	\$1,257,202
12/31/2011	\$557,815	\$320,402	57%	\$1,085,598

### **D. Funding Status and Funding Progress**

The funded status of the plan as of December 31, 2013, was as follows:

Actuarial accrued liability (AAL)	7,874,055
Actuarial value of plan assets	0
Unfunded actuarial accrued liability	7,874,055
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. Actuarial valuations involve estimates of the value of benefits and assumptions about the probability of events far into the future. Calculations are based on the current level of benefits provided by the employer. Actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and as new estimates are made about the future. A single retirement age of 56.24 was assumed for all active members for the purpose of determining the AAL and normal cost. Retirement, disablement, termination, and mortality rates were assumed to follow the LEOFF 1 rates used in the June 30, 2011 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 2013. 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 7% and generally decreasing to an ultimate rate of 4.6% in 2089. A return on investment earnings rate of 4.0% was assumed. General inflation was projected at 3.0%. General salary increases (including inflation) were projected at 3.75%. 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.

**CHELAN COUNTY, WASHINGTON**

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Required Supplementary Information

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

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Projected Unit Credit (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>
12/31/2013	0	7,874,055	7,874,055	0%	0	N/A
12/31/2012	0	5,690,805	5,690,805	0%	0	N/A
12/31/2011	0	6,428,952	6,428,952	0%	0	N/A

## CHELAN COUNTY, WASHINGTON

Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
<b>Assets</b>			
Cash and cash equivalents	2,993,961	514,194	3,508,155
Investments	3,804,754	1,531,989	5,336,743
Property tax receivable	10,339	-	10,339
Interfund loan receivable	592,000	800,000	1,392,000
Due from other governments	57,370	-	57,370
Total assets	<u>7,458,424</u>	<u>2,846,183</u>	<u>10,304,607</u>
<b>Liabilities</b>			
Accounts payable	93,938	151,722	245,660
Due to other funds	30,261	-	30,261
Due to other governments	11,177	-	11,177
Accrued payroll liability	<u>27,942</u>	<u>-</u>	<u>27,942</u>
Total liabilities	163,319	151,722	315,041
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property tax	10,339	-	10,339
Total deferred inflows of resources	<u>10,339</u>	<u>-</u>	<u>10,339</u>
<b>Fund Balances</b>			
Restricted	7,004,164	2,694,461	9,698,624
Committed	<u>280,603</u>	<u>-</u>	<u>280,603</u>
Total fund balances	7,284,766	2,694,461	9,979,227
Total liabilities, fund balances, and deferred inflows of resources	<u>7,458,424</u>	<u>2,846,183</u>	<u>10,304,607</u>

**CHELAN COUNTY, WASHINGTON****Combining Statement of Revenues, Expenditures, and Changes in Fund Balances****Nonmajor Governmental Funds**

For the Year Ended December 31, 2013

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total</b>
<b>Revenues</b>			
Taxes	5,481,741	1,592,614	7,074,356
Intergovernmental	2,317,606	-	2,317,606
Charges for services	910,638	-	910,638
Fees and fines	33,142	-	33,142
Miscellaneous	661,769	6,291	668,059
Total revenues	9,404,896	1,598,905	11,003,801
<b>Expenditures</b>			
Current:			
General government	206,128	-	206,128
Public safety	3,225,910	-	3,225,910
Natural environment	531,064	-	531,064
Transportation	34,136	-	34,136
Social services	1,415,864	-	1,415,864
Economic environment	1,271,918	-	1,271,918
Culture and recreation	217,728	-	217,728
Debt service:			
Principal	755,000	-	755,000
Interest and other charges	567,116	34,749	601,865
Capital outlay	641,745	648,784	1,290,529
Total expenditures	8,866,609	683,533	9,550,142
Excess (deficiency) of revenues over (under) expenditures	538,287	915,372	1,453,659
<b>Other Financing Sources (Uses)</b>			
Transfers in	30,000	-	30,000
Transfers out	-	(400,000)	(400,000)
Total other financing sources and uses	30,000	(400,000)	(370,000)
Net change in fund balances	568,287	515,372	1,083,659
Fund balances - beginning	6,716,479	2,179,089	8,895,568
Fund balances - ending	7,284,766	2,694,461	9,979,227

## CHELAN COUNTY, WASHINGTON

### Description of Nonmajor Special Revenue Funds

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#### 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

**Horticulture Pest & Disease:** accounts for the financing of the pest control activities.

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

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

**Noxious Weeds:** accounts for the funds collected from an assessment used for noxious weed eradication and control.

**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

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

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

**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:** 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.

**RJC Prisoner:** 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.

**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 funds to be used for public facilities and infrastructure which promote economic development. The revenue comes from a portion of the state sales tax that is distributed to rural counties.

Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2013

	Paths & Trails	Drug Enforce- ment Reserve	Felony Seizure & Forfeiture	Auditor O&M	ORV Ed. & Enforce- ment	Boating Safety	Ohme Gardens
<b>Assets</b>							
Cash and cash equivalents	52,685	6,000	15,632	233,098	7,111	108,611	8,469
Investments	25,258	16,448	-	131,039	-	-	81,497
Property tax receivable	-	-	-	-	-	-	-
Interfund loan receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Total assets	<u>77,942</u>	<u>22,448</u>	<u>15,632</u>	<u>364,137</u>	<u>7,111</u>	<u>108,611</u>	<u>89,966</u>
<b>Liabilities</b>							
Accounts payable	-	-	18	-	987	781	63
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	261
Accrued payroll	-	-	-	-	-	-	5,720
Total liabilities	<u>-</u>	<u>-</u>	<u>18</u>	<u>-</u>	<u>987</u>	<u>781</u>	<u>6,043</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue - property tax	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>							
Restricted	77,942	-	15,614	364,137	-	107,830	-
Committed	-	22,448	-	-	6,124	-	83,923
Total fund balances	<u>77,942</u>	<u>22,448</u>	<u>15,614</u>	<u>364,137</u>	<u>6,124</u>	<u>107,830</u>	<u>83,923</u>
Total liabilities, fund balances, and deferred inflows of resources	<u>77,942</u>	<u>22,448</u>	<u>15,632</u>	<u>364,137</u>	<u>7,111</u>	<u>108,611</u>	<u>89,966</u>



<b>Sheriff Donation</b>	<b>Farm Worker Housing</b>	<b>Horti- culture Pest &amp; Disease</b>	<b>R.E.E.T. Tech- nology</b>	<b>Juvenile Donation</b>	<b>Noxious Weeds</b>	<b>Trial Court Improve- ment</b>	<b>911 Comm.</b>	<b>Parent Education</b>	<b>Cashmere Dryden Airport</b>
49,280	204,379	62,674	242,898	907	25,525	217,374	-	16,814	-
-	-	-	-	-	-	-	-	-	27,110
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	19,267	-	-	-	-	-	-	-
<u>49,280</u>	<u>204,379</u>	<u>81,940</u>	<u>242,898</u>	<u>907</u>	<u>25,525</u>	<u>217,374</u>	<u>-</u>	<u>16,814</u>	<u>27,110</u>
1,963	63	326	-	-	94	-	-	444	241
-	-	-	-	-	-	-	-	-	-
126	929	-	-	-	3	-	-	930	540
-	-	2,334	-	-	15,288	-	-	1,089	541
<u>2,089</u>	<u>992</u>	<u>2,660</u>	<u>-</u>	<u>-</u>	<u>15,385</u>	<u>-</u>	<u>-</u>	<u>2,463</u>	<u>1,321</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
47,191	203,387	79,281	242,898	907	10,140	217,374	-	-	-
-	-	-	-	-	-	-	-	14,351	25,789
<u>47,191</u>	<u>203,387</u>	<u>79,281</u>	<u>242,898</u>	<u>907</u>	<u>10,140</u>	<u>217,374</u>	<u>-</u>	<u>14,351</u>	<u>25,789</u>
<u>49,280</u>	<u>204,379</u>	<u>81,940</u>	<u>242,898</u>	<u>907</u>	<u>25,525</u>	<u>217,374</u>	<u>-</u>	<u>16,814</u>	<u>27,110</u>

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2013

	<b>Drug Task Force</b>	<b>Law Library</b>	<b>Veterans Relief</b>	<b>Mental Health</b>	<b>Comm. Services and Housing</b>	<b>Treasurer O&amp;M</b>
<b>Assets</b>						
Cash and cash equivalents	600	131,094	214,208	1,797	240,593	18,126
Investments	384,817	-	26,973	-	-	108,286
Property tax receivable	-	-	653	9,685	-	-
Interfund loan receivable	-	-	-	-	-	-
Due from other governments	22,460	-	-	-	-	-
Total assets	<u>407,877</u>	<u>131,094</u>	<u>241,835</u>	<u>11,482</u>	<u>240,593</u>	<u>126,411</u>
<b>Liabilities</b>						
Accounts payable	504	3,070	10,056	-	13,664	244
Due to other funds	7,639	-	-	-	-	-
Due to other governments	6,592	-	-	1,797	-	-
Accrued payroll	-	-	-	-	-	-
Total liabilities	<u>14,735</u>	<u>3,070</u>	<u>10,056</u>	<u>1,797</u>	<u>13,664</u>	<u>244</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - property tax	-	-	653	9,685	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>653</u>	<u>9,685</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>						
Restricted	393,142	128,024	231,125	-	226,929	126,168
Committed	-	-	-	-	-	-
Total fund balances	<u>393,142</u>	<u>128,024</u>	<u>231,125</u>	<u>-</u>	<u>226,929</u>	<u>126,168</u>
Total liabilities, fund balances, and deferred inflows of resources	<u>407,877</u>	<u>131,094</u>	<u>241,835</u>	<u>11,482</u>	<u>240,593</u>	<u>126,411</u>

<b>Tourist &amp; Convention</b>	<b>Election Reserve</b>	<b>RJC Prisoner</b>	<b>Forest Title III</b>	<b>Criminal Justice Sales Tax</b>	<b>CASA</b>	<b>Sub- stance Abuse</b>	<b>Distressed Counties Tax</b>	<b>Total</b>
857,516	78,891	8,000	50,597	-	11,342	129,740	-	2,993,961
7,978	20,903	22,767	-	685,734	-	-	2,265,945	3,804,754
-	-	-	-	-	-	-	-	10,339
-	-	-	-	500,000	-	-	92,000	592,000
-	4,899	5,073	-	-	5,672	-	-	57,370
<u>865,494</u>	<u>104,693</u>	<u>35,839</u>	<u>50,597</u>	<u>1,185,734</u>	<u>17,014</u>	<u>129,740</u>	<u>2,357,945</u>	<u>7,458,424</u>
45,553	-	9,594	-	302	5,672	-	302	93,938
-	-	-	22,622	-	-	-	-	30,261
-	-	-	-	-	-	-	-	11,177
-	-	2,971	-	-	-	-	-	27,942
<u>45,553</u>	<u>-</u>	<u>12,564</u>	<u>22,622</u>	<u>302</u>	<u>5,672</u>	<u>-</u>	<u>302</u>	<u>163,319</u>
-	-	-	-	-	-	-	-	10,339
-	-	-	-	-	-	-	-	10,339
819,941	-	-	27,975	1,185,432	11,342	129,740	2,357,643	7,004,164
-	104,693	23,275	-	-	-	-	-	280,603
<u>819,941</u>	<u>104,693</u>	<u>23,275</u>	<u>27,975</u>	<u>1,185,432</u>	<u>11,342</u>	<u>129,740</u>	<u>2,357,643</u>	<u>7,284,766</u>
<u>865,494</u>	<u>104,693</u>	<u>35,839</u>	<u>50,597</u>	<u>1,185,734</u>	<u>17,014</u>	<u>129,740</u>	<u>2,357,945</u>	<u>7,458,424</u>

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

## Nonmajor Special Revenue Funds

For the Year Ended December 31, 2013

	Paths & Trails	Drug Enforce- ment Reserve	Felony Seizure & Forfeiture	Auditor O&M	ORV Ed. & Enforce- ment	Boating Safety	Ohme Gardens
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	-
Intergovernmental	10,917	-	-	68,837	-	38,049	-
Charges for services	-	-	-	51,476	-	-	100,668
Fees and fines	-	9,589	-	-	-	-	-
Miscellaneous	40	13	9,989	206	-	-	68,915
Total revenues	<u>10,957</u>	<u>9,602</u>	<u>9,989</u>	<u>120,520</u>	<u>-</u>	<u>38,049</u>	<u>169,583</u>
<b>Expenditures</b>							
Current:							
General government	-	-	-	38,347	-	-	-
Public safety	-	25	2,273	-	2,846	15,617	-
Natural environment	-	-	-	-	-	-	-
Transportation	1,585	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	177,139
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total expenditures	<u>1,585</u>	<u>25</u>	<u>2,273</u>	<u>38,347</u>	<u>2,846</u>	<u>15,617</u>	<u>177,139</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,372</u>	<u>9,577</u>	<u>7,716</u>	<u>82,172</u>	<u>(2,846)</u>	<u>22,432</u>	<u>(7,557)</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>9,372</u>	<u>9,577</u>	<u>7,716</u>	<u>82,172</u>	<u>(2,846)</u>	<u>22,432</u>	<u>(7,557)</u>
Fund balances - beginning	<u>68,571</u>	<u>12,871</u>	<u>7,898</u>	<u>281,965</u>	<u>8,970</u>	<u>85,398</u>	<u>91,479</u>
Fund balances - ending	<u>77,942</u>	<u>22,448</u>	<u>15,614</u>	<u>364,137</u>	<u>6,124</u>	<u>107,830</u>	<u>83,923</u>

Sheriff Donation	Farm Worker Housing	Horti- culture Pest & Disease	R.E.E.T. Tech- nology	Juvenile Donation	Noxious Weeds	Trial Court Improve- ment	911 Comm.	Parent Educ.	Cashmere Dryden Airport
-	-	-	-	-	-	-	2,180,071	-	-
-	121,850	51,890	-	-	79,649	54,163	504,923	10,078	-
-	-	44,377	-	-	271	-	-	19,947	-
-	-	-	-	-	-	-	-	-	-
37,056	107,244	70,358	-	-	214,935	-	143	864	35,675
37,056	229,094	166,625	-	-	294,855	54,163	2,685,138	30,890	35,675
-	-	-	-	-	-	12,233	-	-	-
18,555	-	-	-	-	-	-	2,484,166	-	-
-	-	147,961	-	-	295,682	-	-	-	-
-	-	-	-	-	-	-	-	-	32,551
-	-	-	-	-	-	-	-	-	-
-	238,221	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	40,589	-
-	-	-	-	-	-	-	130,000	-	-
-	-	-	-	-	-	-	70,972	-	-
-	-	-	-	-	-	-	-	-	-
18,555	238,221	147,961	-	-	295,682	12,233	2,685,138	40,589	32,551
18,501	(9,127)	18,663	-	-	(827)	41,929	-	(9,700)	3,124
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
18,501	(9,127)	18,663	-	-	(827)	41,929	-	(9,700)	3,124
28,690	212,514	60,618	242,898	907	10,967	175,445	-	24,051	22,665
47,191	203,387	79,281	242,898	907	10,140	217,374	-	14,351	25,789

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2013

	Drug Task Force	Law Library	Veterans Relief	Mental Health	Comm. Services and Housing	Treas- urer's O&M	Tourist & Convention
<b>Revenues</b>							
Taxes	-	-	1,275	218,534	-	-	1,029,075
Intergovernmental revenues	288,542	8,929	-	91	62,188	-	-
Charges for services	-	28,401	-	-	533,159	22,104	-
Fees and fines	23,553	-	-	-	-	-	-
Miscellaneous	105,945	-	277	-	-	170	13
Total revenues	<u>418,040</u>	<u>37,330</u>	<u>1,552</u>	<u>218,625</u>	<u>595,348</u>	<u>22,274</u>	<u>1,029,088</u>
<b>Expenditures</b>							
Current:							
General government	-	51,082	-	-	13,195	10,335	-
Public safety	303,851	-	-	-	-	-	-
Natural environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Social services	-	-	-	222,091	405,039	-	-
Economic environment	-	-	50,667	-	200,590	-	773,074
Culture and recreation	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total expenditures	<u>303,851</u>	<u>51,082</u>	<u>50,667</u>	<u>222,091</u>	<u>618,824</u>	<u>10,335</u>	<u>773,074</u>
Excess (deficiency) of revenues over (under) expenditures	<u>114,189</u>	<u>(13,752)</u>	<u>(49,115)</u>	<u>(3,466)</u>	<u>(23,476)</u>	<u>11,940</u>	<u>256,014</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	30,000	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>114,189</u>	<u>16,248</u>	<u>(49,115)</u>	<u>(3,466)</u>	<u>(23,476)</u>	<u>11,940</u>	<u>256,014</u>
Fund balances - beginning	<u>278,953</u>	<u>111,776</u>	<u>280,240</u>	<u>3,466</u>	<u>250,405</u>	<u>114,228</u>	<u>563,927</u>
Fund balances - ending	<u>393,142</u>	<u>128,024</u>	<u>231,125</u>	<u>-</u>	<u>226,929</u>	<u>126,168</u>	<u>819,941</u>

<b>Election Reserve</b>	<b>RJC Prisoner</b>	<b>Forest Title III</b>	<b>Criminal Justice Sales Tax</b>	<b>CASA</b>	<b>Substance Abuse</b>	<b>Distressed Counties Tax</b>	<b>Total</b>
-	-	-	708,819	-	-	1,343,966	5,481,741
-	81,640	25	-	70,215	865,620	-	2,317,606
17,853	87,029	-	-	-	5,352	-	910,638
-	-	-	-	-	-	-	33,142
33	4,589	-	1,686	-	-	3,619	661,769
<u>17,886</u>	<u>173,258</u>	<u>25</u>	<u>710,505</u>	<u>70,215</u>	<u>870,972</u>	<u>1,347,585</u>	<u>9,404,896</u>
3,647	-	-	-	77,288	-	-	206,128
-	176,980	-	221,598	-	-	-	3,225,910
-	-	87,420	-	-	-	-	531,064
-	-	-	-	-	-	-	34,136
-	-	-	-	-	788,735	-	1,415,864
-	-	-	-	-	-	9,367	1,271,918
-	-	-	-	-	-	-	217,728
-	-	-	100,000	-	-	525,000	755,000
-	-	-	362,486	-	-	133,658	567,116
16,257	-	-	-	-	-	625,488	641,745
<u>19,904</u>	<u>176,980</u>	<u>87,420</u>	<u>684,083</u>	<u>77,288</u>	<u>788,735</u>	<u>1,293,513</u>	<u>8,866,609</u>
<u>(2,018)</u>	<u>(3,722)</u>	<u>(87,394)</u>	<u>26,422</u>	<u>(7,073)</u>	<u>82,237</u>	<u>54,072</u>	<u>538,287</u>
-	-	-	-	-	-	-	30,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
<u>(2,018)</u>	<u>(3,722)</u>	<u>(87,394)</u>	<u>26,422</u>	<u>(7,073)</u>	<u>82,237</u>	<u>54,072</u>	<u>568,287</u>
<u>106,711</u>	<u>26,997</u>	<u>115,369</u>	<u>1,159,010</u>	<u>18,415</u>	<u>47,503</u>	<u>2,303,571</u>	<u>6,716,479</u>
<u>104,693</u>	<u>23,275</u>	<u>27,975</u>	<u>1,185,432</u>	<u>11,342</u>	<u>129,740</u>	<u>2,357,643</u>	<u>7,284,766</u>

**CHELAN COUNTY, WASHINGTON**

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>Paths &amp; Trails</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	11,200	10,917	(283)
Miscellaneous	30	40	10
Total revenues	11,230	10,957	(273)
<b>Expenditures</b>			
Current:			
Transportation	45,025	1,585	43,440
Total expenditures	45,025	1,585	43,440
Excess (deficiency) of revenues over (under) expenditures	(33,795)	9,372	43,167
Fund balances - beginning	47,868	68,571	20,703
Fund balances - ending	14,073	77,942	63,869

<b>Drug Enforcement Reserve</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	5,000	9,589	4,589
Miscellaneous	-	13	13
Total revenues	5,000	9,602	4,602
<b>Expenditures</b>			
Current:			
Public safety	5,025	25	5,000
Total expenditures	5,025	25	5,000
Excess (deficiency) of revenues over (under) expenditures	(25)	9,577	9,602
Fund balances - beginning	198	12,871	12,673
Fund balances - ending	173	22,448	22,275



**CHELAN COUNTY, WASHINGTON**

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>Felony Seizure &amp; Forfeiture</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Miscellaneous	2,500	9,989	7,489
Total revenues	2,500	9,989	7,489
<b>Expenditures</b>			
Public safety	5,000	2,273	2,727
Total expenditures	5,000	2,273	2,727
Excess (deficiency) of revenues over (under) expenditures	(2,500)	7,716	10,216
Fund balances - beginning	4,667	7,898	3,231
Fund balances - ending	2,167	15,614	13,447

<b>Auditor's O&amp;M</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental revenues	55,000	68,837	13,837
Charges for services	43,150	51,476	8,326
Miscellaneous	200	206	6
Total revenues	98,350	120,520	22,170
<b>Expenditures</b>			
Current:			
General government	60,262	38,347	21,915
Capital outlay	10,000	-	10,000
Total expenditures	70,262	38,347	31,915
Excess (deficiency) of revenues over (under) expenditures	28,088	82,172	54,084
Fund balances - beginning	290,000	281,965	(8,035)
Fund balances - ending	318,088	364,137	46,049

**CHELAN COUNTY, WASHINGTON**

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>ORV Educational &amp; Enforcement</b>	<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>			
Current:			
Public safety	4,156	2,846	1,310
Total expenditures	4,156	2,846	1,310
Excess (deficiency) of revenues over (under) expenditures	(4,156)	(2,846)	1,310
Fund balances - beginning	4,594	8,970	4,376
Fund balances - ending	438	6,124	5,686

<b>Boating Safety</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	69,300	38,049	(31,251)
Total revenues	69,300	38,049	(31,251)
<b>Expenditures</b>			
Current:			
Public safety	66,069	15,617	50,452
Total expenditures	66,069	15,617	50,452
Excess (deficiency) of revenues over (under) expenditures	3,231	22,432	19,201
Fund balances - beginning	-	85,398	85,398
Fund balances - ending	3,231	107,830	104,599

**CHELAN COUNTY, WASHINGTON**

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>Ohme Gardens</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Charges for services	133,445	100,668	(32,777)
Miscellaneous	72,795	68,915	(3,880)
Total revenues	206,240	169,583	(36,657)
<b>Expenditures</b>			
Current:			
Culture and recreation	230,936	177,139	53,797
Total expenditures	230,936	177,139	53,797
Excess (deficiency) of revenues over (under) expenditures	(24,696)	(7,557)	17,139
Fund balances - beginning	78,523	91,479	12,956
Fund balances - ending	53,827	83,923	30,096

<b>Sheriff Donation</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Miscellaneous	10,000	37,056	27,056
Total revenues	10,000	37,056	27,056
<b>Expenditures</b>			
Current:			
Public safety	23,174	18,555	4,619
Total expenditures	23,174	18,555	4,619
Excess (deficiency) of revenues over (under) expenditures	(13,174)	18,501	31,675
Fund balances - beginning	29,816	28,690	(1,126)
Fund balances - ending	16,642	47,191	30,549

**CHELAN COUNTY, WASHINGTON**

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>Farm Worker Housing</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental revenues	131,850	121,850	(10,000)
Miscellaneous	72,000	107,244	35,244
Total revenues	203,850	229,094	25,244
<b>Expenditures</b>			
Current:			
Economic environment	261,133	238,221	22,912
Total expenditures	261,133	238,221	22,912
Excess (deficiency) of revenues over (under) expenditures	(57,283)	(9,127)	48,156
Fund balances - beginning	200,000	212,514	12,514
Fund balances - ending	142,717	203,387	60,670

<b>Horticulture Pest &amp; Disease</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	51,784	51,890	106
Charges for services	60,879	44,377	(16,502)
Miscellaneous	60,879	70,358	9,479
Total revenues	173,542	166,625	(6,917)
<b>Expenditures</b>			
Current:			
Natural environment	191,372	147,961	43,411
Total expenditures	191,372	147,961	43,411
Excess (deficiency) of revenues over (under) expenditures	(17,830)	18,663	36,493
Fund balances - beginning	40,000	60,618	20,618
Fund balances - ending	22,170	79,281	57,111

**CHELAN COUNTY, WASHINGTON**

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>REET Technology</b>	<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>			
Capital outlay	242,635	-	242,635
Total expenditures	242,635	-	242,635
Excess (deficiency) of revenues over (under) expenditures	(242,635)	-	242,635
Fund balances - beginning	242,898	242,898	-
Fund balances - ending	263	242,898	242,635

<b>Juvenile Donation</b>	<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>			
Current:			
Public safety	972	-	972
Total expenditures	972	-	972
Excess (deficiency) of revenues over (under) expenditures	(972)	-	972
Fund balances - beginning	972	907	(65)
Fund balances - ending	-	907	907

**CHELAN COUNTY, WASHINGTON**

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>Noxious Weed</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	73,063	79,649	6,586
Charges for services	10,000	271	(9,729)
Miscellaneous	244,951	214,935	(30,016)
Total revenues	328,014	294,855	(33,159)
<b>Expenditures</b>			
Current:			
Natural environment	332,614	295,682	36,932
Total expenditures	332,614	295,682	36,932
Excess (deficiency) of revenues over (under) expenditures	(4,600)	(827)	3,773
Fund balances - beginning	12,000	10,967	(1,033)
Fund balances - ending	7,400	10,140	2,740

<b>Trial Court Improvement</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	47,648	54,163	6,515
Total revenues	47,648	54,163	6,515
<b>Expenditures</b>			
Current:			
General government	223,098	12,233	210,865
Total expenditures	223,098	12,233	210,865
Excess (deficiency) of revenues over (under) expenditures	(175,450)	41,929	217,379
Fund balances - beginning	175,450	175,445	(5)
Fund balances - ending	-	217,374	217,374

**CHELAN COUNTY, WASHINGTON**

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>911 Communications</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	2,200,000	2,180,071	(19,929)
Intergovernmental revenues	800,972	504,923	(296,049)
Miscellaneous	-	143	143
Total revenues	<u>3,000,972</u>	<u>2,685,138</u>	<u>(315,834)</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	2,800,000	2,484,166	315,834
Debt service	-		
Principal	130,000	130,000	
Interest and other charges	70,972	70,972	-
Total expenditures	<u>3,000,972</u>	<u>2,685,138</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(315,834)</u>
Fund balances - beginning	-	-	-
Fund balances - ending	<u>-</u>	<u>-</u>	<u>-</u>

<b>Parent Education</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	25,000	10,078	(14,922)
Charges for services	38,999	19,947	(19,052)
Miscellaneous	27,349	864	(26,485)
Total revenues	<u>91,348</u>	<u>30,890</u>	<u>(60,458)</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	67,484	40,589	26,895
Total expenditures	<u>67,484</u>	<u>40,589</u>	<u>26,895</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,864</u>	<u>(9,700)</u>	<u>(33,564)</u>
Fund balances - beginning	26,000	24,051	(1,949)
Fund balances - ending	<u>49,864</u>	<u>14,351</u>	<u>(35,513)</u>

**CHELAN COUNTY, WASHINGTON**

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>Cashmere-Dryden Airport</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Miscellaneous	37,000	35,675	(1,325)
Total revenues	37,000	35,675	(1,325)
<b>Expenditures</b>			
Current:			
Transportation	32,199	32,551	(352)
Total expenditures	32,199	32,551	(352)
Excess (deficiency) of revenues over (under) expenditures	4,801	3,124	(1,677)
Fund balances - beginning	-	22,665	22,665
Fund balances - ending	4,801	25,789	20,988

<b>Columbia River Drug Task Force</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	191,797	288,542	96,745
Fees and fines	32,000	23,553	(8,447)
Miscellaneous	28,500	105,945	77,445
Total revenues	252,297	418,040	165,743
<b>Expenditures</b>			
Current:			
Public safety	435,184	303,851	131,333
Total expenditures	435,184	303,851	131,333
Excess (deficiency) of revenues over (under) expenditures	(182,887)	114,189	297,076
Fund balances - beginning	325,000	278,953	(46,047)
Fund balances - ending	142,113	393,142	251,029



**CHELAN COUNTY, WASHINGTON**

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>Law Library</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	17,977	8,929	(9,048)
Charges for services	31,450	28,401	(3,049)
Total revenues	49,427	37,330	(12,097)
<b>Expenditures</b>			
Current:			
General government	77,136	51,082	26,054
Total expenditures	77,136	51,082	26,054
Excess (deficiency) of revenues over (under) expenditures	(27,709)	(13,752)	13,957
<b>Other Financing Sources (Uses)</b>			
Transfers in	30,000	30,000	-
Total other financing sources and uses	30,000	30,000	-
Net change in fund balances	2,291	16,248	13,957
Fund balances - beginning	125,000	111,776	(13,224)
Fund balances - ending	127,291	128,024	733

<b>Veteran's Relief</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Taxes	525	1,275	750
Miscellaneous	175	277	102
Total revenues	700	1,552	852
<b>Expenditures</b>			
Current:			
Economic environment	124,180	50,667	73,513
Total expenditures	124,180	50,667	73,513
Excess (deficiency) of revenues over (under) expenditures	(123,480)	(49,115)	74,365
Fund balances - beginning	355,000	280,240	(74,760)
Fund balances - ending	231,520	231,125	(395)

**CHELAN COUNTY, WASHINGTON**

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>Mental Health</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Taxes	217,384	218,534	1,150
Intergovernmental	200	91	(109)
Total revenues	217,584	218,625	1,041
<b>Expenditures</b>			
Current:			
Social services	220,541	222,091	(1,550)
Total expenditures	220,541	222,091	(1,550)
Excess (deficiency) of revenues over (under) expenditures	(2,957)	(3,466)	(509)
Fund balances - beginning	1,000	3,466	2,466
Fund balances - ending	(1,957)	-	1,957

<b>Community Services &amp; Housing</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	25,000	62,188	37,188
Charges for services	450,000	533,159	83,159
Total revenues	475,000	595,348	120,348
<b>Expenditures</b>			
Current:			
General government	20,000	13,195	6,805
Economic environment	230,000	200,590	29,410
Social services	405,000	405,039	(39)
Total expenditures	655,000	618,824	36,176
Excess (deficiency) of revenues over (under) expenditures	(180,000)	(23,476)	156,524
Fund balances - beginning	75,000	250,405	175,405
Fund balances - ending	(105,000)	226,929	331,929

**CHELAN COUNTY, WASHINGTON**

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>Treasurer's O&amp;M</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Charges for services	25,000	22,104	(2,896)
Miscellaneous	200	170	(30)
Total revenues	<u>25,200</u>	<u>22,274</u>	<u>(2,926)</u>
<b>Expenditures</b>			
Current:			
General government	112,757	10,335	102,422
Total expenditures	<u>112,757</u>	<u>10,335</u>	<u>102,422</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(87,557)</u>	<u>11,940</u>	<u>99,497</u>
Fund balances - beginning	123,000	114,228	(8,772)
Fund balances - ending	<u>35,443</u>	<u>126,168</u>	<u>90,725</u>

<b>Tourist &amp; Convention</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Taxes	1,000,000	1,029,075	29,075
Miscellaneous	20	13	(7)
Total revenues	<u>1,000,020</u>	<u>1,029,088</u>	<u>29,068</u>
<b>Expenditures</b>			
Current:			
Economic environment	1,179,289	773,074	406,215
Total expenditures	<u>1,179,289</u>	<u>773,074</u>	<u>406,215</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(179,269)</u>	<u>256,014</u>	<u>435,283</u>
Fund balances - beginning	520,000	563,927	43,927
Fund balances - ending	<u>340,731</u>	<u>819,941</u>	<u>479,210</u>

**CHELAN COUNTY, WASHINGTON**

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>Election Reserve</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Charges for services	10,000	17,853	7,853
Miscellaneous	50	33	(17)
Total revenues	10,050	17,886	7,836
<b>Expenditures</b>			
Current:			
General government	15,011	3,647	11,364
Capital Outlay	25,000	16,257	8,743
Total expenditures	40,011	19,904	20,107
Excess (deficiency) of revenues over (under) expenditures	(29,961)	(2,018)	27,943
Fund balances - beginning	100,000	106,711	6,711
Fund balances - ending	70,039	104,693	34,654

<b>RJC Prisoner</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	-	81,640	81,640
Charges for services	103,001	87,029	(15,972)
Miscellaneous	110	4,589	4,479
Total revenues	103,111	173,258	70,147
<b>Expenditures</b>			
Current:			
Public safety	184,751	176,980	7,771
Total expenditures	184,751	176,980	7,771
Excess (deficiency) of revenues over (under) expenditures	(81,640)	(3,722)	77,918
Fund balances - beginning	10,000	26,997	16,997
Fund balances - ending	(71,640)	23,275	94,915

**CHELAN COUNTY, WASHINGTON**

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>Forest Title III</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	102,753	25	(102,728)
Total revenues	102,753	25	(102,728)
<b>Expenditures</b>			
Current:			
Natural environment	102,249	87,420	14,829
Total expenditures	102,249	87,420	14,829
Excess (deficiency) of revenues over (under) expenditures	504	(87,394)	(87,898)
Fund balances - beginning	-	115,369	115,369
Fund balances - ending	504	27,975	27,471

<b>Criminal Justice Sales Tax</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Taxes	640,000	708,819	68,819
Miscellaneous	2,500	1,686	(814)
Total revenues	642,500	710,505	68,005
<b>Expenditures</b>			
Current:			
Public safety	402,641	221,598	181,043
Debt Service			
Principal	100,000	100,000	-
Interest and other charges	362,184	362,486	(302)
Total expenditures	864,825	684,083	180,742
Excess (deficiency) of revenues over (under) expenditures	(222,325)	26,422	248,747
Fund balances - beginning	1,150,000	1,159,010	9,010
Fund balances - ending	927,675	1,185,432	257,757

**CHELAN COUNTY, WASHINGTON**

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>CASA</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	71,896	70,215	(1,681)
Total revenues	71,896	70,215	(1,681)
<b>Expenditures</b>			
Current:			
General government	71,896	77,288	(5,392)
Total expenditures	71,896	77,288	(5,392)
Excess (deficiency) of revenues over (under) expenditures	-	(7,073)	(7,073)
Fund balances - beginning	-	18,415	18,415
Fund balances - ending	-	11,342	11,342

<b>Substance Abuse</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	1,175,500	865,620	(309,880)
Charges for services	8,500	5,352	(3,148)
Total revenues	1,184,000	870,972	(313,028)
<b>Expenditures</b>			
Current:			
Social services	1,208,811	788,735	420,077
Total expenditures	1,208,811	788,735	420,077
Excess (deficiency) of revenues over (under) expenditures	(24,811)	82,237	107,048
Fund balances - beginning	120,000	47,503	(72,497)
Fund balances - ending	95,189	129,740	34,551

**CHELAN COUNTY, WASHINGTON**

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>Distressed Counties Tax</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Taxes	1,280,000	1,343,966	63,966
Miscellaneous	5,000	3,619	(1,381)
Total revenues	<u>1,285,000</u>	<u>1,347,585</u>	<u>62,585</u>
<b>Expenditures</b>			
Current:			
Economic environment	504,367	9,367	495,000
Debt service			
Principal	525,000	525,000	-
Interest and other charges	133,357	133,658	(301)
Capital Outlay	530,000	625,488	(95,488)
Total expenditures	<u>1,692,724</u>	<u>1,293,513</u>	<u>399,211</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(407,724)</u>	<u>54,072</u>	<u>461,796</u>
Fund balances - beginning	<u>2,600,000</u>	<u>2,303,571</u>	<u>(296,429)</u>
Fund balances - ending	<u><u>2,192,276</u></u>	<u><u>2,357,643</u></u>	<u><u>165,367</u></u>

## 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.

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

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



**CHELAN COUNTY, WASHINGTON**

Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2013

	<b>R.E.E.T. 1 Capital Improvement</b>	<b>R.E.E.T. 2 Capital Improvement</b>	<b>Technology Bond Projects</b>	<b>L&amp;J Construction</b>	<b>Total</b>
<b>Assets</b>					
Cash and cash equivalents	-	500,628	13,566	-	514,194
Investments	732,680	110,379	36,089	652,841	1,531,989
Interfund loan receivable	800,000	-	-	-	800,000
Total assets	<u>1,532,680</u>	<u>611,006</u>	<u>49,656</u>	<u>652,841</u>	<u>2,846,183</u>
<b>Liabilities</b>					
Accounts payable	151,722	-	-	-	151,722
Total liabilities	<u>151,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,722</u>
<b>Fund Balances</b>					
Restricted	1,380,958	611,006	49,656	652,841	2,694,461
Total fund balances	<u>1,380,958</u>	<u>611,006</u>	<u>49,656</u>	<u>652,841</u>	<u>2,694,461</u>
Total liabilities and fund balances	<u>1,532,680</u>	<u>611,006</u>	<u>49,656</u>	<u>652,841</u>	<u>2,846,183</u>

**CHELAN COUNTY, WASHINGTON**

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

## Nonmajor Capital Projects Funds

For the Year Ended December 31, 2013

	<b>R.E.E.T. 1 Capital Improvement</b>	<b>R.E.E.T. 2 Capital Improvement</b>	<b>Technology Bond Projects</b>	<b>L&amp;J Construction</b>	<b>Total</b>
<b>Revenues</b>					
Taxes	796,345	796,270	-	-	1,592,614
Miscellaneous	4,523	678	57	1,033	6,291
Total revenues	<u>800,868</u>	<u>796,948</u>	<u>57</u>	<u>1,033</u>	<u>1,598,905</u>
<b>Expenditures</b>					
Debt service:					
Interest and other charges	34,749	-	-	-	34,749
Capital outlay	605,624	37,121	16	6,023	648,784
Total expenditures	<u>640,374</u>	<u>37,121</u>	<u>16</u>	<u>6,023</u>	<u>683,533</u>
Excess (deficiency) of revenues over (under) expenditures	<u>160,494</u>	<u>759,828</u>	<u>41</u>	<u>(4,990)</u>	<u>915,372</u>
<b>Other Financing Sources (Uses)</b>					
Transfers out	-	(400,000)	-	-	(400,000)
Total other financing sources and uses	<u>-</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>(400,000)</u>
Net change in fund balances	<u>160,494</u>	<u>359,828</u>	<u>41</u>	<u>(4,990)</u>	<u>515,372</u>
Fund balances - beginning	<u>1,220,464</u>	<u>251,179</u>	<u>49,615</u>	<u>657,831</u>	<u>2,179,089</u>
Fund balances - ending	<u><u>1,380,958</u></u>	<u><u>611,006</u></u>	<u><u>49,656</u></u>	<u><u>652,841</u></u>	<u><u>2,694,461</u></u>

**CHELAN COUNTY, WASHINGTON**

## Capital Projects Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013

<b>R.E.E.T. 1 Capital Improvement</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Taxes	460,000	796,345	336,345
Miscellaneous	2,000	4,523	2,523
Total revenues	462,000	800,868	338,868
<b>Expenditures</b>			
Debt service:			
Interest and other charges	34,750	34,749	1
Capital outlay	1,001,741	605,624	396,117
Total expenditures	1,036,491	640,374	396,117
Excess (deficiency) of revenues over (under) expenditures	(574,491)	160,494	734,985
Fund balances - beginning	1,278,000	1,220,464	(57,536)
Fund balances - ending	703,509	1,380,958	677,449

<b>R.E.E.T. 2 Capital Improvement</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Taxes	460,000	796,270	336,270
Miscellaneous	225	678	453
Total revenues	460,225	796,948	336,723
<b>Expenditures</b>			
Capital outlay	72,251	37,121	35,130
Total expenditures	72,251	37,121	35,130
Excess (deficiency) of revenues over (under) expenditures	387,974	759,828	371,854
<b>Other Financing Sources (Uses)</b>			
Transfers out	(400,000)	(400,000)	-
Total other financing sources and uses	(400,000)	(400,000)	-
Net change in fund balances	(12,026)	359,828	371,854
Fund balances - beginning	208,000	251,179	43,179
Fund balances - ending	195,974	611,006	415,032

## CHELAN COUNTY, WASHINGTON

### Capital Projects Funds

#### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2013

<b>Technology Bond Projects</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Miscellaneous	75	57	(18)
Total revenues	75	57	(18)
<b>Expenditures</b>			
Capital outlay	34,544	16	34,528
Total expenditures	34,544	16	34,528
Excess (deficiency) of revenues over (under) expenditures	(34,469)	41	34,510
Fund balances - beginning	50,000	49,615	(385)
Fund balances - ending	15,531	49,656	34,125

<b>L&amp;J Construction</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Miscellaneous	1,000	1,033	33
Total revenues	1,000	1,033	33
<b>Expenditures</b>			
Capital Outlay	406,023	6,023	400,000
Total expenditures	406,023	6,023	400,000
Excess (deficiency) of revenues over (under) expenditures	(405,023)	(4,990)	400,033
Fund balances - beginning	670,000	657,831	(12,169)
Fund balances - ending	264,977	652,841	387,864

## 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, which serves as the facilities for the Chelan County Fair.

**Fair:** accounts for the operations of the Chelan County Fair.

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

**CHELAN COUNTY, WASHINGTON**

Combining Statement of Net Position  
Nonmajor Enterprise Funds  
December 31, 2013

	<b>Solid Waste Planning</b>	<b>Wenatchee River County Park</b>	<b>Expo Center</b>	<b>Fair</b>	<b>Public Education</b>	<b>Total</b>
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	399,023	63,310	124,589	111,410	95,134	793,466
Due from other funds	11,025	-	-	-	-	11,025
Due from other governments	13,975	-	-	-	-	13,975
Total current assets	<u>424,023</u>	<u>63,310</u>	<u>124,589</u>	<u>111,410</u>	<u>95,134</u>	<u>818,466</u>
Noncurrent assets:						
Capital assets: (net of accumulated depreciation)						
Land & improvements	-	-	-	19,444	-	19,444
Buildings	50,417	-	16,073	-	-	66,490
Equipment	144,883	3,690	18,353	-	-	166,925
Total noncurrent assets	<u>195,300</u>	<u>3,690</u>	<u>34,426</u>	<u>19,444</u>	<u>-</u>	<u>252,860</u>
Total assets	<u>619,323</u>	<u>67,000</u>	<u>159,014</u>	<u>130,855</u>	<u>95,134</u>	<u>1,071,326</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	25,323	3,517	1,668	1,564	671	32,743
Due to other funds	-	-	1,981	-	-	1,981
Due to other governments	-	802	1,987	159	1,561	4,509
Accrued payroll liability	7,286	3,532	6,632	2,664	2,673	22,787
Compensated absences	1,030	-	2,496	-	311	3,837
Total current liabilities	<u>33,640</u>	<u>7,851</u>	<u>14,763</u>	<u>4,386</u>	<u>5,217</u>	<u>65,857</u>
Noncurrent liabilities:						
Compensated absences	1,735	-	4,204	-	523	6,462
Total noncurrent liabilities	<u>1,735</u>	<u>-</u>	<u>4,204</u>	<u>-</u>	<u>523</u>	<u>6,462</u>
Total liabilities	<u>35,375</u>	<u>7,851</u>	<u>18,967</u>	<u>4,386</u>	<u>5,740</u>	<u>72,319</u>
<b>Net Position</b>						
Investment in capital assets	195,300	3,690	34,426	19,444	-	252,860
Unrestricted	388,648	55,459	105,621	107,025	89,394	746,147
Total net position	<u>583,948</u>	<u>59,149</u>	<u>140,047</u>	<u>126,469</u>	<u>89,394</u>	<u>999,007</u>

**CHELAN COUNTY, WASHINGTON**

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

Nonmajor Enterprise Funds

For the Year Ending December 31, 2013

	<b>Solid Waste Planning</b>	<b>Wenatchee River Co Park</b>	<b>Expo Center</b>	<b>Fair</b>	<b>Public Education</b>	<b>Total</b>
<b>Operating Revenues</b>						
Charges for services	125,168	1,150		101,763	120,917	348,998
Miscellaneous	129	212,976	156,280	52,410	3,342	425,138
Total revenues	<u>125,297</u>	<u>214,126</u>	<u>156,280</u>	<u>154,173</u>	<u>124,259</u>	<u>774,136</u>
<b>Operating Expenses</b>						
Salaries	64,901	94,795	30,158	30,955	71,850	292,659
Personnel benefits	19,558	28,729	15,564	10,912	28,081	102,844
Supplies	6,980	17,471	8,271	13,813	23,783	70,318
Other services and charges	266,175	56,451	22,704	83,647	55,952	484,929
Interfund payments for services	20,490	15,664	20,088	9,056	14,450	79,748
Depreciation	22,591	3,099	2,181	1,205	-	29,076
Total operating expenses	<u>400,695</u>	<u>216,209</u>	<u>98,967</u>	<u>149,587</u>	<u>194,116</u>	<u>1,059,574</u>
Operating income (loss)	<u>(275,398)</u>	<u>(2,083)</u>	<u>57,313</u>	<u>4,585</u>	<u>(69,857)</u>	<u>(285,438)</u>
<b>Non Operating Revenues</b>						
Grants and assistance	319,436	-	-	53,691	93,584	466,712
Loss on disposal of assets	(1,604)	-	-	-	-	(1,604)
Total nonoperating revenues (expenses)	<u>317,832</u>	<u>-</u>	<u>-</u>	<u>53,691</u>	<u>93,584</u>	<u>465,108</u>
Change in net position	42,435	(2,083)	57,313	58,276	23,728	179,670
Net position - beginning	541,513	61,231	82,734	68,192	65,666	819,337
Net position - ending	<u>583,948</u>	<u>59,149</u>	<u>140,047</u>	<u>126,469</u>	<u>89,394</u>	<u>999,007</u>

## CHELAN COUNTY, WASHINGTON

### Combining Statement of Cash Flows

#### Nonmajor Enterprise Funds

For the Year Ended December 31, 2013

#### Cash Flows From Operating Activities:

Cash received from customers and users	101,922	214,126	156,280	154,173	124,259	750,761
Cash payments to suppliers	(299,859)	(90,389)	(45,658)	(105,254)	(92,582)	(633,742)
Cash payments to employees and retirees	(85,655)	(123,333)	(39,059)	(44,362)	(105,387)	(397,795)
Net cash provided (used) by operating activities	(283,591)	405	71,563	4,557	(73,709)	(280,776)

#### Cash Flows From Noncapital Financing Activities

Grants and assistance	319,436	-	-	53,691	93,584	466,712
Net cash provided (used) by noncapital financing activities	319,436	-	-	53,691	93,584	466,712

#### Cash Flows From Capital Financing Activities

Proceeds from sale of capital assets	199,648	-	-	-	-	199,648
Acquisition and construction of capital assets	(23,875)	-	-	(20,649)	-	(44,524)
Net cash provided (used) by capital financing activities	175,773	-	-	(20,649)	-	155,124

#### Cash Flows From Investing Activities

Proceeds from sales and maturities of investments	240,782	-	-	-	-	240,782
Purchase of investments	(59,900)	-	-	-	-	(59,900)
Net cash provided (used) by investing activities	180,882	-	-	-	-	180,882

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

	392,500	405	71,563	37,599	19,875	521,942
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#### Cash and cash equivalents, January 1

	6,523	62,905	53,026	73,811	75,259	271,524
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#### Cash and cash equivalents, December 31

	399,023	63,310	124,589	111,410	95,134	793,466
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#### Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	(275,398)	(2,083)	57,313	4,585	(69,857)	(285,438)
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities:						
Depreciation and amortization of deferred charge	22,591	3,099	2,181	1,205	-	29,076
(Increase) decrease in due from other funds/gov	(23,375)	-	-	-	-	(23,375)
Increase (decrease) in vouchers/contracts payable	(6,214)	(431)	1,545	1,104	251	(3,745)
Increase (decrease) in due to other funds/gov	-	(371)	3,859	159	1,352	4,998
Increase (decrease) in accrued payroll liabilities	(395)	191	2,934	(2,495)	(3,291)	(3,055)
Increase (decrease) in accrued employee leave benefits	(801)	-	3,729	-	(2,165)	763
Total adjustments	(8,194)	2,487	14,249	(28)	(3,853)	4,662
Net cash provided (used) by operating activities	(283,591)	405	71,563	4,557	(73,709)	(280,776)

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 purchase, maintenance, and repair of equipment and inventory used in fulfilling the objectives of the Public Works Department.

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

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

**Motor Pool:** accounts for the funds used to manage the operations and maintenance of the Chelan County Motor Pool.

**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 Position

## Internal Service Funds

December 31, 2013

	<b>Equipment Rental &amp; Revolving</b>	<b>Industrial Insurance</b>	<b>Health Insurance</b>	<b>Motor Pool</b>	<b>Unemploy. Comp.</b>	<b>Insurance Admin &amp; Purchasing</b>	<b>Total</b>
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	1,419,366	1,191,885	1,713,482	251,739	214,390	415,576	5,206,438
Deposits with fiscal agents	-	40,000	-	-	-	-	40,000
Investments	-	178,891	54,092	-	15,889	-	248,871
Accounts receivable	28,854	-	700	-	-	-	29,554
Due from other funds	342,705	-	-	5,919	-	-	348,624
Interfund loan receivable	41,000	-	-	-	-	-	41,000
Due from other governments	-	-	-	86	-	-	86
Inventory	778,228	-	-	-	-	-	778,228
Total current assets	<u>2,610,153</u>	<u>1,410,776</u>	<u>1,768,274</u>	<u>257,744</u>	<u>230,279</u>	<u>415,576</u>	<u>6,692,802</u>
Noncurrent assets:							
Capital assets: (net of accumulated depreciation)							
Buildings	28,557	-	-	-	-	-	28,557
Equipment	3,526,602	-	-	844,361	-	-	4,370,963
Total noncurrent assets	<u>3,555,159</u>	<u>-</u>	<u>-</u>	<u>844,361</u>	<u>-</u>	<u>-</u>	<u>4,399,520</u>
Total assets	<u>6,165,312</u>	<u>1,410,776</u>	<u>1,768,274</u>	<u>1,102,106</u>	<u>230,279</u>	<u>415,576</u>	<u>11,092,322</u>
<b>Liabilities</b>							
Current liabilities:							
Accounts payable	84,990	8,270	36,755	14,607	-	12,994	157,615
Due to other funds	-	-	-	240	-	-	240
Due to other governments	486	16,781	-	-	-	-	17,267
Accrued payroll liability	49,241	2,298	2,298	9,778	-	-	63,615
Compensated absences	3,420	-	-	2,063	-	-	5,483
Total current liabilities	<u>138,136</u>	<u>27,349</u>	<u>39,053</u>	<u>26,687</u>	<u>-</u>	<u>12,994</u>	<u>244,219</u>
Noncurrent liabilities:							
Compensated absences	19,718	-	-	11,894	-	-	31,611
Claims reserve	-	761,622	-	-	-	-	761,622
Total noncurrent liabilities	<u>19,718</u>	<u>761,622</u>	<u>-</u>	<u>11,894</u>	<u>-</u>	<u>-</u>	<u>793,233</u>
Total liabilities	<u>157,853</u>	<u>788,971</u>	<u>39,053</u>	<u>38,581</u>	<u>-</u>	<u>12,994</u>	<u>1,037,452</u>
<b>Net Position</b>							
Investment in capital assets	3,555,159	-	-	844,361	-	-	4,399,520
Unrestricted	2,452,299	621,805	1,729,221	219,163	230,279	402,582	5,655,350
Total net position	<u>6,007,458</u>	<u>621,805</u>	<u>1,729,221</u>	<u>1,063,525</u>	<u>230,279</u>	<u>402,582</u>	<u>10,054,870</u>

# CHELAN COUNTY, WASHINGTON

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

Internal Service Funds

For the Year Ending December 31, 2013

	Equipment Rental & Revolving	Industrial Insurance	Health Insurance	Motor Pool	Unemploy. Comp.	Insurance Admin & Purchasing	Total
<b>Operating Revenues</b>							
Charges for services	131,245	-	-	358,473	-	-	489,718
Miscellaneous	2,319,903	1,073,654	5,564,718	496,955	124,421	1,177,522	10,757,173
Total operating revenues	2,451,148	1,073,654	5,564,718	855,428	124,421	1,177,522	11,246,891
<b>Operating Expenses</b>							
Salaries	391,205	16,834	16,834	118,405	-	-	543,277
Personnel benefits	135,333	6,899	13,550	39,759	-	-	195,541
Supplies	1,141,650	-	-	343,060	-	-	1,484,710
Other services and charges	59,155	520,517	4,001,753	23,289	45,709	792,376	5,442,800
Interfund payments for services	91,627	13,523	31,046	28,098	619	44,387	209,300
Depreciation	821,056	-	-	257,288	-	-	1,078,344
Total operating expenses	2,640,027	557,773	4,063,183	809,898	46,328	836,763	8,953,972
Operating income (loss)	(188,879)	515,881	1,501,535	45,530	78,093	340,759	2,292,919
<b>Nonoperating Revenues (Expenses)</b>							
Gain on sale of capital assets	88,159	-	-	24,442	-	-	112,601
Loss on disposal of assets	(22,923)	-	-	(9,055)	-	-	(31,978)
Total nonoperating revenues (expenses)	65,236	-	-	15,387	-	-	80,622
Change in net position	(123,643)	515,881	1,501,535	60,916	78,093	340,759	2,373,541
Total net position - beginning, restated (note 14)	6,131,101	105,924	227,686	1,002,608	152,186	61,823	7,681,329
Total net position - ending	6,007,458	621,805	1,729,221	1,063,525	230,279	402,582	10,054,870

# **CHELAN COUNTY, WASHINGTON**

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2013

## **Cash Flows From Operating Activities:**

Cash received from customers and users  
Cash payments to suppliers  
Cash payments to employees and retirees  
Net cash provided (used) by operating activities

## **Cash Flows From Noncapital Financing Activities**

Interfund loan paid  
Net cash provided (used) by noncapital financing activities

## **Cash Flows From Capital Financing Activities**

Proceeds from sale of capital assets  
Acquisition and construction of capital assets  
Net cash provided (used) by capital financing activities

## **Cash Flows From Investing Activities**

Proceeds from sales and maturities of investments  
Purchase of investments  
Net cash provided (used) by investing activities

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

## **Cash and cash equivalents, January 1**

## **Cash and cash equivalents, December 31**

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

Operating income (loss)  
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities:  
Depreciation and amortization of deferred charge  
(Increase) decrease in accounts receivable  
(Increase) decrease in due from other funds/gov  
(Increase) decrease in inventory  
Increase (decrease) in vouchers/contracts payable  
Increase (decrease) in due to other funds/gov  
Increase (decrease) in accrued payroll liabilities  
Increase (decrease) in accrued employee leave benefits  
Total adjustments

## **Net cash provided (used) by operating activities**

The County is not aware of any material noncash transactions.

	Equipment Rental & Revolving	Industrial Insurance	Health Insurance	Motor Pool	Unemploy. Comp.	Insurance Admin & Purchasing	Total
Cash received from customers and users	2,351,693	1,112,454	5,564,718	863,180	124,421	1,177,522	11,193,988
Cash payments to suppliers	(1,530,463)	(596,732)	(3,996,580)	(406,221)	(46,328)	(894,529)	(7,470,855)
Cash payments to employees and retirees	(516,630)	(21,435)	(28,086)	(170,476)	-	-	(736,626)
Net cash provided (used) by operating activities	304,600	494,287	1,540,052	286,483	78,093	282,993	2,986,508
<b>Cash Flows From Noncapital Financing Activities</b>							
Interfund loan paid	(41,000)	-	-	-	-	-	(41,000)
Net cash provided (used) by noncapital financing activities	(41,000)	-	-	-	-	-	(41,000)
<b>Cash Flows From Capital Financing Activities</b>							
Proceeds from sale of capital assets	88,159	-	-	24,442	-	-	112,601
Acquisition and construction of capital assets	(454,835)	-	-	(347,727)	-	-	(802,562)
Net cash provided (used) by capital financing activities	(366,676)	-	-	(323,286)	-	-	(689,962)
<b>Cash Flows From Investing Activities</b>							
Proceeds from sales and maturities of investments	-	-	-	-	-	5,924	5,924
Purchase of investments	-	(281)	(85)	-	(25)	(3)	(394)
Net cash provided (used) by investing activities	-	(281)	(85)	-	(25)	5,921	5,530
<b>Net increase (decrease) in cash and cash equivalents</b>	(103,076)	494,006	1,539,967	(36,803)	78,068	288,914	2,261,076
<b>Cash and cash equivalents, January 1</b>	1,522,442	697,880	173,516	288,541	136,322	126,662	2,945,362
<b>Cash and cash equivalents, December 31</b>	1,419,366	1,191,885	1,713,482	251,739	214,390	415,576	5,206,438
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	(188,879)	515,881	1,501,535	45,530	78,093	340,759	2,292,919
Operating income (loss)							
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities:							
Depreciation and amortization of deferred charge	821,056	-	-	257,288	-	-	1,078,344
(Increase) decrease in accounts receivable	(20,469)	38,800	-	7,334	-	-	25,665
(Increase) decrease in due from other funds/gov	(78,986)	-	-	418	-	-	(78,568)
(Increase) decrease in inventory	(185,804)	-	-	-	-	-	(185,804)
Increase (decrease) in vouchers/contracts payable	(52,268)	(54,555)	36,219	(6,350)	-	(15,441)	(92,395)
Increase (decrease) in due to other funds/gov	42	(8,137)	-	(5,425)	-	(42,326)	(55,846)
Increase (decrease) in accrued payroll liabilities	5,448	2,298	2,298	(2,897)	-	-	7,147
Increase (decrease) in accrued employee leave benefits	4,460	-	-	(9,415)	-	-	(4,955)
Total adjustments	493,479	(21,594)	38,517	240,953	-	(57,766)	693,589
<b>Net cash provided (used) by operating activities</b>	304,600	494,287	1,540,052	286,483	78,093	282,993	2,986,508

## 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

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

**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.

**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 and the Upper Valley Parks and Recreation districts.

**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 as well as holding County

Combining Statement of Fiduciary Net Position  
 Agency Funds  
 December 31, 2013

	<b>County Roads Retainage</b>	<b>LID 85-1</b>	<b>Chelan/ Douglas Health Dist</b>	<b>NCR Library</b>	<b>Link</b>	<b>State</b>
<b>Assets</b>						
Cash	-	61	30,118	689,214	1,202,410	472,127
Investments	67,418	27,828	1,051,256	16,360,865	4,223,793	-
Deposits with fiscal agents	-	-	-	-	-	-
Taxes receivable	-	-	-	169,577	-	1,006,940
Total assets	<u>67,418</u>	<u>27,890</u>	<u>1,081,375</u>	<u>17,219,656</u>	<u>5,426,203</u>	<u>1,479,067</u>
<b>Liabilities</b>						
Accounts payable	-	-	5,209	258,115	-	-
Accrued payroll liabilities	-	-	164,465	30,255	-	-
Custodial accounts	67,418	27,890	911,701	16,931,287	5,426,203	1,479,067
Total liabilities	<u>67,418</u>	<u>27,890</u>	<u>1,081,375</u>	<u>17,219,656</u>	<u>5,426,203</u>	<u>1,479,067</u>

<b>NCESD</b>	<b>School Districts</b>	<b>Fire Districts</b>	<b>Cemetery Districts</b>	<b>Port of Chelan County</b>	<b>Pangborn Field</b>	<b>Lake Chelan Sewer Rev Bond</b>	<b>Park Districts</b>	<b>Mosquito Districts</b>
1,075,125	4,734,574	1,401,076	300,969	495,441	106,970	21,747	67,836	99,536
14,213,064	27,893,765	4,361,311	634,406	2,980,449	151,123	954,352	108,976	-
-	-	-	-	-	-	-	-	-
-	1,161,917	226,941	11,093	105,859	-	-	16,090	-
<u>15,288,189</u>	<u>33,790,256</u>	<u>5,989,328</u>	<u>946,468</u>	<u>3,581,749</u>	<u>258,093</u>	<u>976,099</u>	<u>192,902</u>	<u>99,536</u>
-	-	15,143	51	-	-	-	9,750	-
-	-	275,680	7,079	-	-	-	6,560	1,051
<u>15,288,189</u>	<u>33,790,256</u>	<u>5,698,506</u>	<u>939,338</u>	<u>3,581,749</u>	<u>258,093</u>	<u>976,099</u>	<u>176,592</u>	<u>98,486</u>
<u>15,288,189</u>	<u>33,790,256</u>	<u>5,989,328</u>	<u>946,468</u>	<u>3,581,749</u>	<u>258,093</u>	<u>976,099</u>	<u>192,902</u>	<u>99,536</u>

Combining Statement of Fiduciary Net Position  
 Agency Funds  
 December 31, 2013

	<b>Water Districts</b>	<b>Irrigation Districts</b>	<b>Water Cons. Board</b>	<b>Hospital Districts</b>	<b>Cities</b>	<b>County</b>	<b>Total</b>
<b>Assets</b>							
Cash	447,889	482,492	3,416	568,851	168,562	931,932	13,300,348
Investments	1,245,107	5,167,034	-	4,099,833	-	-	83,540,580
Deposits with fiscal agents	-	-	-	-	-	2,313,309	2,313,309
Taxes receivable	-	-	-	169,883	329,977	-	3,198,277
Total assets	<u>1,692,996</u>	<u>5,649,527</u>	<u>3,416</u>	<u>4,838,567</u>	<u>498,539</u>	<u>3,245,241</u>	<u>102,352,515</u>
<b>Liabilities</b>							
Accounts payable	11,712	20,940	-	-	-	-	320,919
Accrued payroll liabilities	19,843	13,705	-	-	-	-	518,637
Custodial accounts	1,661,441	5,614,882	3,416	4,838,567	498,539	3,245,241	101,512,959
Total liabilities	<u>1,692,996</u>	<u>5,649,527</u>	<u>3,416</u>	<u>4,838,567</u>	<u>498,539</u>	<u>3,245,241</u>	<u>102,352,515</u>



**CHELAN COUNTY, WASHINGTON**

Page 1 of 6

## Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2013

<b>County Roads Retainage</b>	<b>Balance January 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31</b>
<b>Assets</b>				
Cash	-	78,972	78,972	-
Investments	16,887	64,034	13,503	67,418
Total assets	16,887	143,006	92,475	67,418
<b>Liabilities</b>				
Custodial accounts	16,887	64,032	13,501	67,418
Total liabilities	16,887	64,032	13,501	67,418

**LID 85-1**

<b>Assets</b>				
Cash	61	5	5	61
Investments	27,785	48	4	27,828
Total assets	27,846	53	9	27,890
<b>Liabilities</b>				
Custodial accounts	27,846	44	-	27,890
Total liabilities	27,846	44	-	27,890

**CHELAN/DOUGLAS HEALTH DISTRICT**

<b>Assets</b>				
Cash	4,471	4,535,633	4,509,986	30,118
Investments	762,277	1,497,620	1,208,641	1,051,256
Total assets	766,748	6,033,253	5,718,627	1,081,375
<b>Liabilities</b>				
Accounts payable	3,833	1,476,940	1,475,564	5,209
Accrued payroll liabilities	153,928	2,388,172	2,377,635	164,465
Custodial accounts	608,987	2,925,947	2,623,232	911,701
Total liabilities	766,748	6,791,058	6,476,432	1,081,375

**NCR LIBRARY**

<b>Assets</b>				
Cash	2,007,413	16,007,669	17,325,869	689,214
Investments	13,311,689	6,330,319	3,281,142	16,360,865
Taxes receivable	181,963	169,577	181,963	169,577
Total assets	15,501,065	22,507,565	20,788,974	17,219,656
<b>Liabilities</b>				
Accounts payable	499,218	7,179,798	7,420,901	258,115
Accrued payroll liabilities	50,578	4,908,080	4,928,403	30,255
Custodial accounts	14,951,269	11,905,726	9,925,708	16,931,287
Total liabilities	15,501,065	23,993,603	22,275,012	17,219,656

## Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2013

LINK	Balance January 1	Additions	Deductions	Balance December 31
<b>Assets</b>				
Cash	1,548,050	11,747,717	12,093,357	1,202,410
Investments	3,289,471	1,005,743	71,421	4,223,793
Total assets	4,837,520	12,753,460	12,164,778	5,426,203
<b>Liabilities</b>				
Custodial accounts	4,837,520	11,619,553	11,030,870	5,426,203
Total liabilities	4,837,520	11,619,553	11,030,870	5,426,203
<b>STATE</b>				
<b>Assets</b>				
Cash	456,390	32,018,107	32,002,370	472,127
Taxes receivable	1,127,242	1,006,940	1,127,242	1,006,940
Total assets	1,583,633	33,025,047	33,129,613	1,479,067
<b>Liabilities</b>				
Custodial accounts	1,583,633	31,821,955	31,926,520	1,479,067
Total liabilities	1,583,633	31,821,955	31,926,520	1,479,067
<b>NCESD</b>				
<b>Assets</b>				
Cash	617,690	21,900,107	21,442,673	1,075,125
Investments	14,238,276	17,732,464	17,757,676	14,213,064
Total assets	14,855,966	39,632,571	39,200,349	15,288,189
<b>Liabilities</b>				
Custodial accounts	14,855,966	17,207,109	16,774,887	15,288,189
Total liabilities	14,855,966	17,207,109	16,774,887	15,288,189
<b>SCHOOL DISTRICTS</b>				
<b>Assets</b>				
Cash	4,691,209	172,738,432	172,695,067	4,734,574
Investments	24,932,793	51,256,669	48,295,697	27,893,765
Taxes receivable	1,205,790	1,161,917	1,205,790	1,161,917
Total assets	30,829,792	225,157,018	222,196,554	33,790,256
<b>Liabilities</b>				
Custodial accounts	30,829,792	182,263,754	179,303,289	33,790,256
Total liabilities	30,829,792	182,263,754	179,303,289	33,790,256

<b>FIRE DISTRICTS</b>	<b>Balance January 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31</b>
<b>Assets</b>				
Cash	1,554,640	20,806,673	20,960,237	1,401,076
Investments	4,262,176	7,070,641	6,971,506	4,361,311
Taxes receivable	252,813	226,941	252,813	226,941
Total assets	6,069,629	28,104,255	28,184,556	5,989,328
<b>Liabilities</b>				
Accounts payable	100,468	4,799,466	4,884,790	15,143
Accrued payroll liabilities	252,054	3,901,542	3,877,917	275,680
Custodial accounts	5,717,107	7,735,179	7,753,780	5,698,506
Total liabilities	6,069,629	16,436,187	16,516,488	5,989,328
<b>CEMETERY DISTRICTS</b>				
<b>Assets</b>				
Cash	354,336	1,082,755	1,136,121	300,969
Investments	554,202	844,166	763,962	634,406
Taxes receivable	12,051	11,093	12,051	11,093
Total assets	920,588	1,938,014	1,912,134	946,468
<b>Liabilities</b>				
Accounts payable	1,789	140,659	142,398	51
Accrued payroll liabilities	8,224	135,038	136,183	7,079
Custodial accounts	910,575	281,068	252,305	939,338
Total liabilities	920,588	556,765	530,886	946,468
<b>PORT OF CHELAN COUNTY</b>				
<b>Assets</b>				
Cash	750,965	17,110,814	17,366,338	495,441
Investments	2,790,975	7,328,921	7,139,447	2,980,449
Taxes receivable	114,790	105,859	114,790	105,859
Total assets	3,656,730	24,545,594	24,620,574	3,581,749
<b>Liabilities</b>				
Custodial accounts	3,656,730	11,061,979	11,136,960	3,581,749
Total liabilities	3,656,730	11,061,979	11,136,960	3,581,749
<b>PANGBORN FIELD</b>				
<b>Assets</b>				
Cash	284,146	6,045,840	6,223,016	106,970
Investments	39,202	1,113,331	1,001,411	151,123
Total assets	323,348	7,159,171	7,224,427	258,093
<b>Liabilities</b>				
Custodial accounts	323,348	4,156,157	4,221,413	258,093
Total liabilities	323,348	4,156,157	4,221,413	258,093

## Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2013

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>LAKE CHELAN SEWER REVENUE BOND</b>				
<b>Assets</b>				
Cash	4,459	182,774	165,486	21,747
Investments	966,527	968,174	980,349	954,352
Total assets	<u>970,986</u>	<u>1,150,949</u>	<u>1,145,835</u>	<u>976,099</u>
<b>Liabilities</b>				
Custodial accounts	970,986	165,957	160,844	976,099
Total liabilities	<u>970,986</u>	<u>165,957</u>	<u>160,844</u>	<u>976,099</u>
<b>PARK DISTRICTS</b>				
<b>Assets</b>				
Cash	49,076	1,430,069	1,411,309	67,836
Investments	83,746	256,076	230,846	108,976
Taxes receivable	10,876	16,090	10,876	16,090
Total assets	<u>143,698</u>	<u>1,702,236</u>	<u>1,653,032</u>	<u>192,902</u>
<b>Liabilities</b>				
Accounts payable	-	428,135	418,385	9,750
Accrued payroll liabilities	6,840	199,264	199,545	6,560
Custodial accounts	136,858	685,746	646,011	176,592
Total liabilities	<u>143,698</u>	<u>1,313,145</u>	<u>1,263,940</u>	<u>192,902</u>
<b>MOSQUITO DISTRICTS</b>				
<b>Assets</b>				
Cash	91,534	181,603	173,601	99,536
Taxes receivable	6	-	6	-
Total assets	<u>91,540</u>	<u>181,603</u>	<u>173,607</u>	<u>99,536</u>
<b>Liabilities</b>				
Accounts payable	-	23,297	23,297	-
Accrued payroll liabilities	407	26,395	25,752	1,051
Custodial accounts	91,133	49,031	41,678	98,486
Total liabilities	<u>91,540</u>	<u>98,723</u>	<u>90,727</u>	<u>99,536</u>

<b>WATER DISTRICTS</b>	<b>Balance January 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31</b>
<b>Assets</b>				
Cash	498,716	4,427,417	4,478,245	447,889
Investments	1,243,846	1,559,106	1,557,846	1,245,107
Total assets	1,742,563	5,986,523	6,036,090	1,692,996
<b>Liabilities</b>				
Accounts payable	3,893	1,230,863	1,223,044	11,712
Accrued payroll liabilities	12,841	231,043	224,042	19,843
Custodial accounts	1,725,829	1,703,485	1,767,873	1,661,441
Total liabilities	1,742,563	3,165,391	3,214,958	1,692,996

## IRRIGATION DISTRICTS

<b>Assets</b>				
Cash	329,848	10,252,156	10,099,512	482,492
Investments	4,701,084	6,954,317	6,488,366	5,167,034
Total assets	5,030,932	17,206,473	16,587,878	5,649,527
<b>Liabilities</b>				
Accounts payable	141,297	2,818,514	2,938,872	20,940
Accrued payroll liabilities	14,124	220,752	221,171	13,705
Custodial accounts	4,875,511	4,374,532	3,635,161	5,614,882
Total liabilities	5,030,932	7,413,799	6,795,204	5,649,527

## WATER CONSERVANCY BOARD

<b>Assets</b>				
Cash	1,783	13,222	11,588	3,416
Total assets	1,783	13,222	11,588	3,416
<b>Liabilities</b>				
Accounts payable	602	4,277	4,879	-
Custodial accounts	1,181	6,513	4,277	3,416
Total liabilities	1,783	10,789	9,156	3,416

## HOSPITALS

<b>Assets</b>				
Cash	1,108,712	44,286,381	44,826,242	568,851
Investments	5,493,149	7,341,093	8,734,409	4,099,833
Taxes receivable	175,219	169,883	175,219	169,883
Total assets	6,777,080	51,797,357	53,735,870	4,838,567
<b>Liabilities</b>				
Custodial accounts	6,777,080	34,022,476	35,960,989	4,838,567
Total liabilities	6,777,080	34,022,476	35,960,989	4,838,567

## Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2013

	Balance January 1	Additions	Deductions	Balance December 31
<b>CITIES</b>				
<b>Assets</b>				
Cash	245,471	10,519,831	10,596,740	168,562
Taxes receivable	362,104	329,977	362,104	329,977
Total assets	607,575	10,849,808	10,958,844	498,539
<b>Liabilities</b>				
Custodial accounts	607,575	10,586,632	10,695,668	498,539
Total liabilities	607,575	10,586,632	10,695,668	498,539
<b>COUNTY</b>				
<b>Assets</b>				
Cash	877,095	62,922,317	62,867,480	931,932
Deposits with fiscal agents	2,836,403	-	523,094	2,313,309
Investments	15,928	6	15,934	0
Total assets	3,729,426	62,922,323	63,406,509	3,245,241
<b>Liabilities</b>				
Custodial accounts	3,729,426	102,627	586,813	3,245,241
Total liabilities	3,729,426	102,627	586,813	3,245,241
<b>TOTAL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash	15,476,065	438,288,497	440,464,214	13,300,348
Investments	76,730,012	111,322,729	104,512,160	83,540,580
Deposits with fiscal agents	2,836,403	-	523,094	2,313,309
Taxes receivable	3,442,855	3,198,277	3,442,855	3,198,277
Total assets	98,485,335	552,809,503	548,942,323	102,352,515
<b>Liabilities</b>				
Accounts payable	751,100	18,101,948	18,532,130	320,919
Accrued payroll liabilities	498,998	12,010,287	11,990,648	518,637
Custodial accounts	97,235,237	332,739,501	328,461,779	101,512,959
Total liabilities	98,485,335	362,851,736	358,984,557	102,352,515

## 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 Position by Component	109
Changes in Net Position	110
Fund Balances of Governmental Funds	112
Changes in Fund Balances of Governmental Funds	113

#### 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	114
Property Tax Rates – Direct and Overlapping Governments	115
Principal Property Taxpayers	116
Property Tax Levies and Collections	117

#### 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	118
Ratios of General Bonded Debt Outstanding	119
Legal Debt Margin Information	120

#### 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	121
Principal Employers	122

#### 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	123
Operating Indicators by Function	124
Capital Asset Statistics by Function	125

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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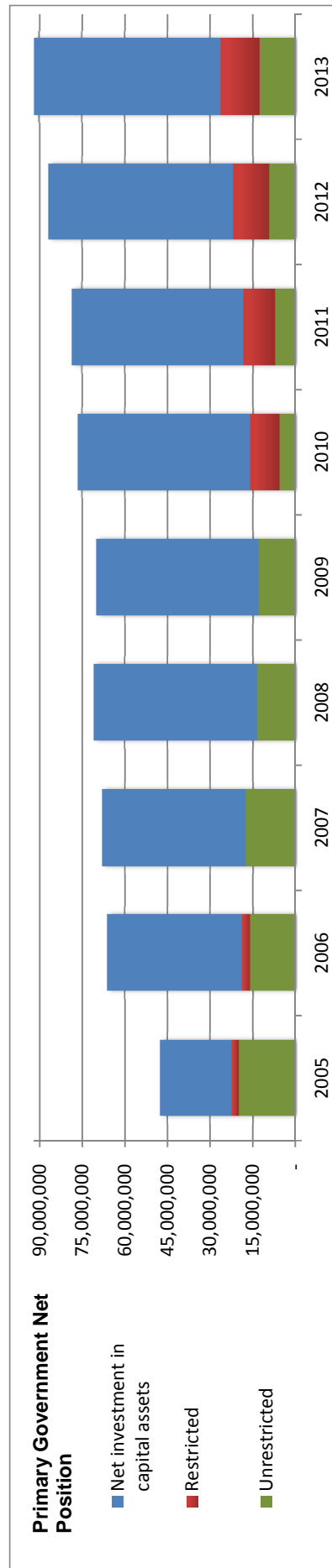
## CHELAN COUNTY, WASHINGTON

### Net Position by Component

Last Nine Fiscal Years

(accrual basis of accounting)

	Fiscal Year								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>									
Net investment in capital assets	23,064,659	45,256,287	48,436,910	55,303,823	58,126,820	57,752,757	60,286,575	62,812,448	63,148,523
Restricted	2,423,099	3,016,727	-	-	-	10,345,113	10,966,825	12,769,857	13,870,565
Unrestricted	18,762,671	15,279,911	16,632,017	12,054,056	10,912,607	3,702,742	5,076,395	7,218,396	11,262,145
Total governmental activities net position	44,250,429	63,552,926	65,068,927	67,357,879	69,039,427	71,800,613	76,329,795	82,800,700	88,281,234
<b>Business-type activities</b>									
Net investment in capital assets	2,138,608	2,106,615	2,034,312	1,940,914	2,558,851	2,634,337	2,246,075	2,084,570	2,083,797
Unrestricted	1,304,432	682,535	902,526	1,545,175	1,938,705	2,045,777	2,310,463	2,046,856	1,355,253
Total business-type activities net position	3,443,039	2,789,150	2,936,838	3,486,089	4,497,556	4,680,114	4,556,538	4,131,426	3,439,050
<b>Primary government</b>									
Net investment in capital assets	25,203,267	47,362,902	50,471,222	57,244,737	57,244,737	60,387,094	60,387,094	64,897,018	65,232,320
Restricted	2,423,099	3,016,727	-	-	-	10,345,113	10,966,825	12,769,857	13,870,565
Unrestricted	20,067,102	15,962,447	17,534,542	13,599,231	12,851,312	5,748,520	7,386,858	9,265,251	12,617,398
Total primary government net position	47,693,468	66,342,076	68,005,765	70,843,968	70,096,049	76,480,727	78,740,777	86,932,126	91,720,284



### Notes:

Governmental activities net investment in capital assets almost doubled in 2006 due to retrospective reporting of infrastructure from GASB Statement 34. Due to the defeasance of general obligation bonds in the debt service fund, the restricted portion of net position was removed in 2007. Prior to 2010 the restricted portion of net position was not properly classified so complete historical information is not available.

# CHELAN COUNTY, WASHINGTON

Changes in Net Position  
Last Nine Fiscal Years  
(accrual basis of accounting)

	Fiscal Year								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>									
Governmental activities:									
General government	15,820,567	16,875,815	19,779,898	20,075,480	19,913,816	11,921,365	8,419,537	8,533,353	5,494,639
Judicial	2,788,489	2,878,666	3,093,301	3,330,840	3,436,578	3,055,970	4,655,371	4,771,923	3,386,871
Public safety	15,300,244	14,505,817	16,196,980	17,219,829	17,339,824	17,703,729	18,938,202	18,994,713	20,556,030
Natural environment	2,298,744	2,218,962	3,921,161	3,267,209	5,857,814	3,431,739	2,536,994	2,166,320	3,855,296
Transportation	8,564,054	12,860,070	16,734,747	12,763,691	11,388,104	10,162,953	11,651,801	12,184,649	15,304,064
Social services	501,035	466,656	530,354	501,462	1,451,089	1,624,062	1,551,060	1,659,125	1,777,641
Economic environment	2,090,119	2,762,824	3,460,391	5,455,692	3,341,484	2,911,280	3,023,289	2,879,754	2,783,933
Culture and recreation	837,424	780,326	935,089	976,024	794,016	713,204	760,314	733,164	803,696
Interest on long-term debt	592,364	544,672	488,311	421,294	466,759	523,852	672,520	639,677	682,129
Total governmental activities expenses	48,793,040	53,893,807	65,140,232	64,011,522	63,989,484	52,048,154	52,209,087	52,562,678	54,644,298
Business-type activities:									
Utilities	980,186	1,088,631	1,357,762	1,888,505	1,381,051	1,528,671	1,414,523	1,566,644	1,962,210
Public safety	5,917,493	7,116,572	7,707,781	8,399,137	9,235,002	8,538,243	8,951,729	8,270,353	7,862,926
Recreation	624,481	615,657	592,670	649,449	642,405	644,281	700,388	693,808	658,879
Total business-type activities expenses	7,522,160	8,820,861	9,658,213	10,937,091	11,258,458	10,711,195	11,066,640	10,530,805	10,484,016
Total primary government expenses	56,315,200	62,714,668	74,798,445	74,948,614	75,247,941	62,759,349	63,275,727	63,093,483	65,128,314
<b>Program Revenues</b>									
Governmental activities:									
Charges for services:									
General government	7,042,373	8,268,024	10,168,264	10,273,848	10,963,542	2,789,851	2,613,536	2,569,347	3,299,140
Judicial	2,318,144	2,634,870	2,866,511	2,761,898	2,845,137	3,061,482	3,009,945	2,938,774	2,244,207
Public safety	1,758,700	2,198,422	2,120,818	2,264,493	2,755,974	2,402,842	2,279,255	2,464,283	2,959,293
Physical environment	261,758	85,411	13,373	22,640	47,771	222,926	342,901	344,126	379,941
Transportation	2,742,542	3,659,967	3,884,330	1,063,365	276,378	363,826	333,048	84,913	95,822
Health and human services	-	751	495	210	-	210	198	91	35,572
Economic environment	1,486,343	1,771,371	1,739,092	1,802,103	1,291,662	1,275,902	1,256,726	1,325,961	1,437,351
Culture and recreation	370,846	204,010	192,718	212,802	236,702	213,034	264,364	218,827	217,287
Operating grants and contributions	6,714,602	4,888,389	10,685,200	9,856,702	14,952,201	10,589,492	7,697,637	7,266,384	8,310,703
Capital grants and contributions	2,263,123	1,551,641	2,324,298	6,682,665	1,287,484	1,717,337	4,297,107	5,277,809	3,442,683
Total governmental activities program revenues	24,958,431	25,262,855	33,995,099	34,940,726	34,656,851	22,636,901	22,094,718	22,490,515	22,422,000

	Fiscal Year								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:									
Charges for services:									
Utilities	834,517	1,048,184	1,568,913	1,649,101	1,555,568	1,458,488	1,239,716	1,510,191	1,819,812
Public safety	5,847,098	6,083,928	7,256,312	8,516,446	9,575,932	8,426,100	8,832,550	7,522,109	6,707,509
Recreation	456,199	485,751	486,657	564,439	539,656	644,292	510,156	601,211	648,839
Operating grants and contributions	412,792	378,208	341,233	324,842	565,301	384,400	487,631	471,069	614,859
Total business-type activities program revenues	7,550,606	7,996,070	9,653,115	11,054,828	12,236,458	10,913,281	11,070,053	10,104,580	9,791,018
Total primary government program revenues	32,509,037	33,258,925	43,648,214	45,995,554	46,893,309	33,550,181	33,164,771	32,595,095	32,213,017
Net (expense)/revenue:									
Governmental activities	(23,834,609)	(28,630,953)	(31,145,133)	(29,070,797)	(29,332,632)	(29,411,253)	(30,114,369)	(30,072,164)	(32,222,299)
Business-type activities	28,446	(824,790)	(5,098)	117,737	978,000	202,086	3,413	(426,225)	(692,998)
Total primary government net expense	(23,806,163)	(29,455,743)	(31,150,231)	(28,953,060)	(28,354,632)	(29,209,168)	(30,110,955)	(30,498,389)	(32,915,296)
General Revenues and Other Changes in Net Position									
Governmental activities:									
Taxes									
Property taxes	14,437,672	14,079,978	14,706,768	15,036,880	16,745,569	17,442,036	18,364,467	18,976,216	18,089,545
Sales and use taxes	5,611,908	6,230,355	7,059,665	8,034,200	6,929,205	6,727,803	6,783,250	7,200,137	7,825,514
Motor vehicle fuel tax	2,162,824	2,238,789	2,290,340	2,247,026	2,161,528	2,172,656	2,169,193	2,125,370	2,183,380
Emergency communication tax	-	-	-	-	-	-	-	2,107,753	2,180,071
Federal land PILT	-	-	-	-	-	-	-	2,313,538	2,342,695
Other taxes	5,806,352	6,535,512	7,088,030	5,502,341	4,883,796	5,471,408	6,918,320	3,582,820	4,189,732
Interest and investment earnings	888,244	1,541,264	1,586,330	941,965	314,081	328,537	158,001	227,235	868,742
Miscellaneous	794,711	5,606	-	-	-	-	270,320	-	-
Transfers	4,476	(55,835)	(70,000)	(402,453)	(20,000)	30,000	(20,000)	10,000	-
Total governmental activities	29,706,187	30,575,669	32,661,133	31,359,959	31,014,180	32,172,440	34,643,550	36,543,069	37,679,679
Business-type activities:									
Other taxes	46,768	46,001	52,306	12,441	9,413	8,925	9,420	10,138	-
Interest and investment earnings	11,210	27,501	30,479	16,621	4,054	1,548	969	975	622
Miscellaneous	291,352	41,565	-	-	-	-	-	-	-
Transfers	(4,476)	55,835	70,000	402,453	20,000	(30,000)	20,000	(10,000)	-
Total business-type activities	344,854	170,901	152,785	431,515	33,467	(19,527)	30,389	1,113	622
Total primary government	30,051,041	30,746,570	32,813,918	31,791,473	31,047,647	32,152,913	34,673,939	36,544,182	37,680,301
Change in Net Position									
Governmental activities	5,871,578	1,944,716	1,516,000	2,289,162	1,681,548	2,761,187	4,529,181	6,470,906	5,457,380
Business-type activities	373,300	(653,889)	147,687	549,251	1,011,467	182,558	33,802	(425,113)	(692,376)
Total primary government	6,244,878	1,290,827	1,663,687	2,838,413	2,693,015	2,943,745	4,562,983	6,045,793	4,765,005

Notes: The "Emergency Communication Tax" and the "Federal Land PILT" were included in "Other Taxes" until 2012.

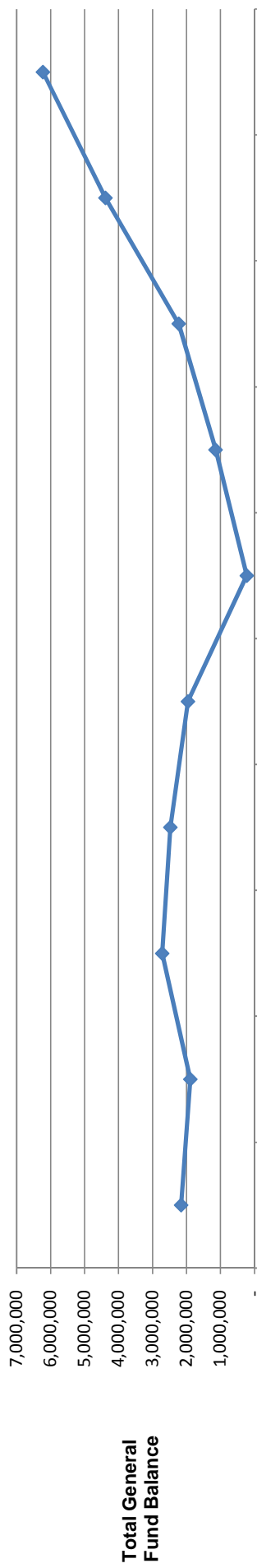
## CHELAN COUNTY, WASHINGTON

### Fund Balances of Governmental Funds

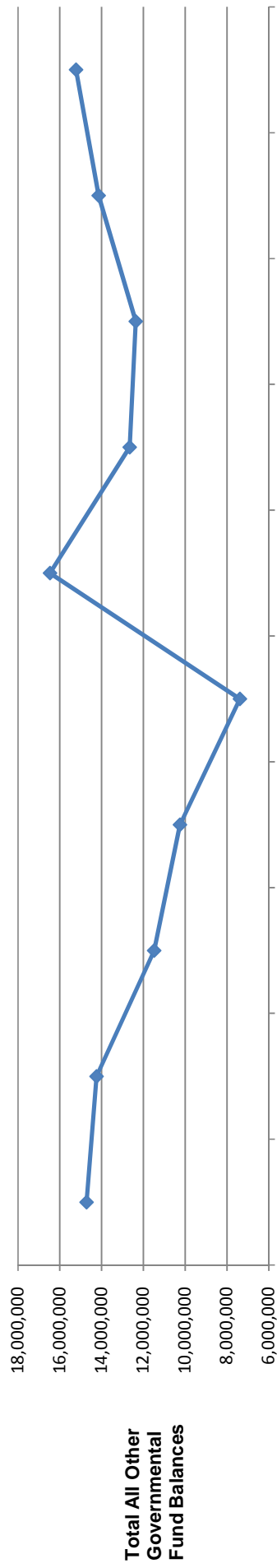
#### Last Ten Fiscal Years

(modified accrual basis of accounting)

General fund	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Restricted	120,000	-	-	-	-	-	-	-	-	-
Unassigned	2,040,710	1,893,826	2,717,995	2,480,438	1,960,442	230,294	1,144,302	2,231,455	4,386,965	6,225,947
Total General fund	2,160,710	1,893,826	2,717,995	2,480,438	1,960,442	230,294	1,144,302	2,231,455	4,386,965	6,225,947



All other governmental funds	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Restricted	-	-	-	-	-	-	-	12,099,789	13,850,519	14,946,467
Committed	-	-	-	-	-	-	-	261,346	293,744	280,603
Reserved	2,138,054	2,503,099	3,116,727	100,000	-	-	110,394	-	-	-
Unreserved, reported in:										
Special revenue funds	8,865,378	9,995,517	7,086,530	7,408,546	4,949,269	6,959,552	9,228,394	-	-	-
Capital project funds	3,713,732	1,743,007	1,279,830	2,741,570	2,435,897	9,512,911	3,319,115	-	-	-
Total all other governmental funds	14,717,165	14,241,623	11,483,088	10,250,116	7,385,167	16,472,463	12,657,903	12,361,135	14,144,263	15,227,070



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, and the following decrease in 2010, is due to receiving proceeds of bonds issued for the L&J mechanical improvement and spending a large portion of these proceeds in the following year. Chelan County implemented GASB Statement 54 beginning with the 2011 financial statements. This statement changed fund balance terminology, and rather than applying retrospective changes for "all other governmental funds," the fund balances have been reported using the historical terminology.

# CHELAN COUNTY, WASHINGTON

## Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

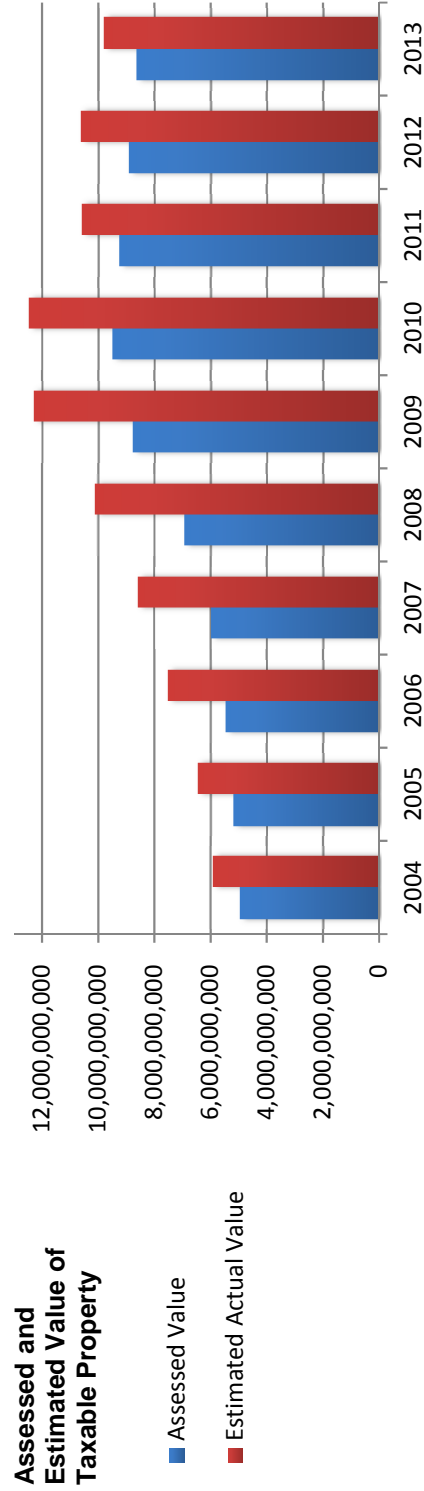
(accrual basis of accounting)

Revenues	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Taxes	21,682,449	23,537,843	24,885,151	26,761,084	25,869,996	25,735,639	26,566,332	28,931,203	30,475,600	30,952,910
Licenses and permits	659,499	749,512	832,002	883,035	828,632	606,938	606,264	632,712	686,805	982,410
Intergovernmental revenues	12,196,873	13,915,923	11,861,297	17,855,898	21,150,213	19,170,335	18,773,252	19,707,676	21,174,100	17,730,436
Charges for services	4,342,974	4,650,320	5,383,426	5,591,290	5,244,527	4,950,032	4,996,154	4,908,162	3,522,935	5,998,685
Fees and fines	1,218,182	1,133,455	1,303,721	1,377,250	1,271,913	1,339,310	1,260,675	1,122,267	1,101,984	1,468,854
Miscellaneous	2,323,893	2,018,459	2,286,489	2,858,423	2,517,035	5,645,276	1,898,068	941,162	943,347	1,741,960
Total revenues	42,423,870	46,005,512	46,552,086	55,326,979	56,882,317	57,447,530	54,100,746	56,243,183	57,904,771	58,875,254
Expenditures										
General government	10,868,927	11,414,253	11,744,332	13,142,930	13,966,147	13,815,248	12,665,634	12,729,161	12,007,638	12,072,780
Public safety	13,438,209	15,058,453	14,249,525	15,913,411	16,516,677	17,556,196	17,082,276	18,075,481	18,335,576	19,484,360
Natural environment	1,467,956	2,297,620	2,217,838	3,925,161	3,343,268	5,893,729	3,466,888	2,598,373	2,153,312	3,705,331
Transportation	6,258,446	6,206,477	7,987,502	9,643,443	8,331,859	8,661,917	8,243,621	8,552,229	8,758,999	9,861,622
Social services	573,150	595,995	552,469	555,406	571,622	1,566,606	1,707,674	1,671,555	1,711,758	2,305,559
Economic environment	1,998,431	2,198,298	2,819,565	3,589,407	6,511,228	3,372,013	2,939,392	3,062,297	2,973,945	1,935,079
Culture and recreation	640,847	639,202	655,953	732,406	723,409	579,866	477,722	512,163	505,164	516,217
Debt service:										
Principal	924,893	1,279,978	1,330,543	1,507,020	697,697	729,512	751,403	878,375	860,000	755,000
Interest and other charges	631,657	594,889	549,479	538,550	427,180	368,039	523,795	672,434	639,677	682,129
Bond issuance costs	-	-	-	-	-	98,720	-	-	-	-
Capital outlay	8,049,832	6,621,306	6,316,599	6,089,249	9,686,066	5,601,264	9,291,852	6,978,055	6,039,704	4,641,417
Total expenditures	44,852,348	46,906,471	48,423,804	55,636,982	60,775,152	58,243,110	57,150,256	55,730,123	53,985,774	55,959,495
Excess of revenues over (under) expenditures.	(2,428,478)	(900,959)	(1,871,719)	(310,003)	(3,892,835)	(795,580)	(3,049,510)	513,060	3,918,997	2,915,759
Other financing sources (uses)										
Sale of capital assets	13,074	17,097	15,188	29,256	7,825	16,864	118,958	297,324	9,642	6,031
Transfers in	272,369	466,287	2,606,568	894,892	2,009,029	845,801	1,240,400	467,158	705,158	535,000
Transfers out	(384,454)	(324,850)	(2,684,402)	(964,892)	(1,508,965)	(865,801)	(1,210,400)	(487,158)	(695,158)	(535,000)
Other	84,278	-	-	-	-	-	-	-	-	-
General obligation bonds issued	-	-	-	1,210,000	-	8,150,000	-	-	-	-
Refunding bonds issued	-	-	-	4,525,000	-	-	-	-	-	-
Premium (discount) on bonds issued	-	-	-	57,726	-	5,865	-	-	-	-
Payment to refunding escrow agent	-	-	-	(6,912,508)	-	-	-	-	-	-
Total other financing sources (uses)	(14,733)	158,534	(62,647)	(1,160,526)	507,890	8,152,729	148,958	277,324	19,642	6,031
Net change in fund balances	(2,443,211)	(742,425)	(1,934,366)	(1,470,529)	(3,384,946)	7,357,149	(2,900,552)	790,384	3,938,639	2,921,790
Debt service as a percentage of noncapital expenditures	3.63%	4.46%	4.37%	4.02%	2.03%	2.55%	2.50%	3.34%	3.51%	2.88%

## 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
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	12,300,516,113	71.4%
2010	9,288,503,785	308,803,648	84,762,148	9,512,545,285	2.2583	12,483,655,230	76.2%
2011	9,056,290,699	306,332,610	97,793,465	9,264,829,844	2.3959	10,600,491,812	87.4%
2012	8,748,579,943	289,843,144	109,823,182	8,928,599,905	2.5370	10,616,646,736	84.1%
2013	8,381,706,052	372,745,664	108,292,800	8,646,158,916	2.6438	9,814,028,281	88.1%



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		Hospital Districts	Fire Districts	Cemetery Districts	School Districts	Miscellaneous Districts	Cities and Towns		
		Revenue Funds	Total County								
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	
2010	1.0638	1.1944	2.2583	0.6841	0.6854	0.0568	2.8680	0.2441	1.8913	8.6879	
2011	1.1183	1.2776	2.3959	0.7586	0.7503	0.0562	2.9586	0.2529	1.8119	8.9845	
2012	1.2631	1.3807	2.6438	0.8121	0.8056	0.0606	3.5267	0.2951	2.0984	10.2422	

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 Nine Years Ago

<b>Taxpayer</b>	<b>2013</b>			<b>2004</b>		
	<b>2013 Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Valuation</b>	<b>2004 Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Valuation</b>
Stemilt Growers Inc	61,746,563	1	0.71%	54,573,256	1	1.12%
Wenatchee Valley Clinic	47,716,610	2	0.55%	26,739,360	5	0.55%
BNSF Railway Company	47,222,587	3	0.55%	25,307,332	6	0.52%
Frontier Communication NW	46,597,537	4	0.54%			-
ALCOA Inc	46,114,170	5	0.53%	54,268,838	2	1.12%
Trout Blue Chelan Inc	44,556,214	6	0.52%	38,763,707	4	0.80%
Stemilt Growers LLC	23,334,796	7	0.27%			-
Blue Bird Inc	20,725,453	8	0.24%	15,667,227	9	0.32%
Campbell's Lodge Inc	15,747,123	9	0.18%			-
Cascadian Fruit Shippers Inc	14,989,396	10	0.17%			0.00%
Verizon Northwest Inc	-	-	-	47,901,496	3	0.99%
Dovex Fruit Company	-	-	-	21,702,088	7	0.45%
Tree Top Inc	-	-	-	20,820,230	8	0.43%
North Wenatchee Property LLC	-	-	-	14,158,230	10	0.29%
Totals	<u>368,750,449</u>		<u>4.26%</u>	<u>319,901,764</u>		<u>6.58%</u>
Total Taxable Value:	8,646,158,916			4,862,619,692		

Source: Chelan County Assessor

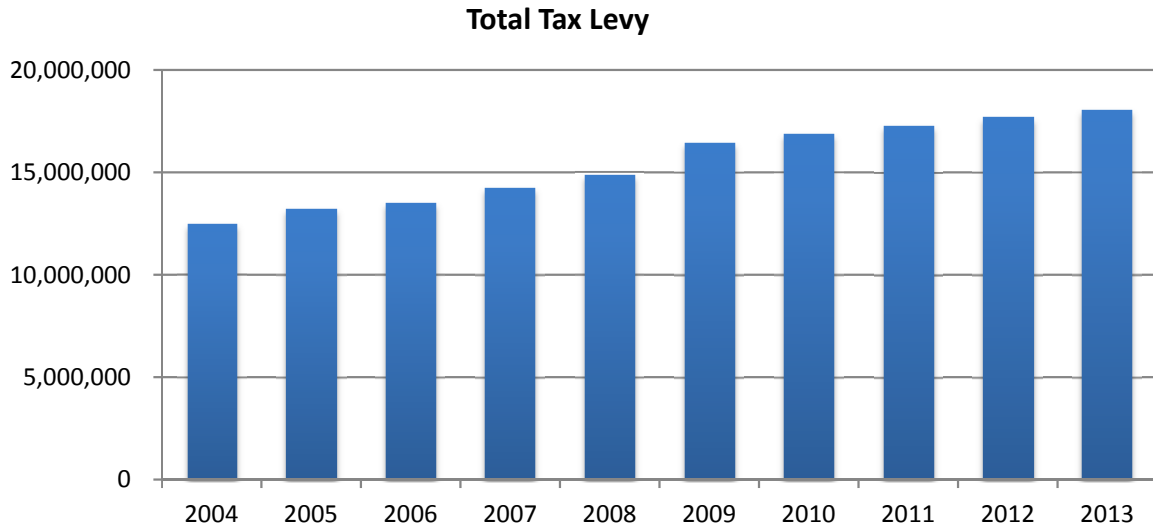
This list does not include lending institutions who are taxed on behalf of individual mortgages they are holding.



## 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
2004	12,469,748	12,198,777	97.83%	270,679	12,469,456	100.00%
2005	13,233,355	12,982,188	98.10%	251,024	13,233,211	100.00%
2006	13,476,608	13,218,345	98.08%	257,730	13,476,075	100.00%
2007	14,230,327	13,976,296	98.21%	253,502	14,229,798	100.00%
2008	14,838,833	14,415,873	97.15%	422,296	14,838,169	100.00%
2009	16,449,753	15,792,831	96.01%	655,941	16,448,773	99.99%
2010	16,886,851	16,215,755	96.03%	665,455	16,881,210	99.97%
2011	17,287,025	16,672,588	96.45%	516,630	17,189,218	99.43%
2012	17,687,534	17,152,393	96.97%	342,209	17,152,393	96.97%
2013	18,037,920	17,545,988	97.27%	Not applicable	17,545,988	97.27%



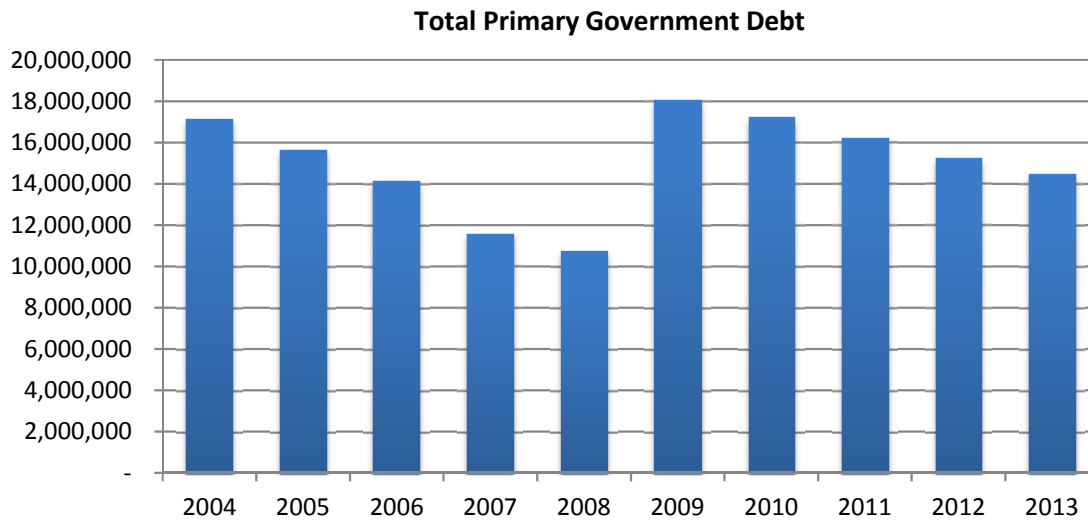
Source: Chelan County Treasurer, tax distribution report  
Levy and collections include those of Chelan County's general and special revenue funds.

## 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				
2004	16,969,480	140,059	7,773	17,125,085	0.83%	250
2005	15,589,502	57,039	4,915	15,651,456	0.73%	226
2006	14,153,958	8,432	-	14,162,390	0.62%	202
2007	11,566,939	5,059	-	11,571,998	0.47%	163
2008	10,759,242	2,583	-	10,761,825	0.40%	149
2009	18,069,731	-	-	18,069,731	0.68%	250
2010	17,203,328	-	-	17,203,328	0.64%	237
2011	16,205,000	-	-	16,205,000	0.57%	223
2012	15,220,000	-	-	15,220,000	0.52%	208
2013	14,465,000	-	-	14,465,000	0.47%	197

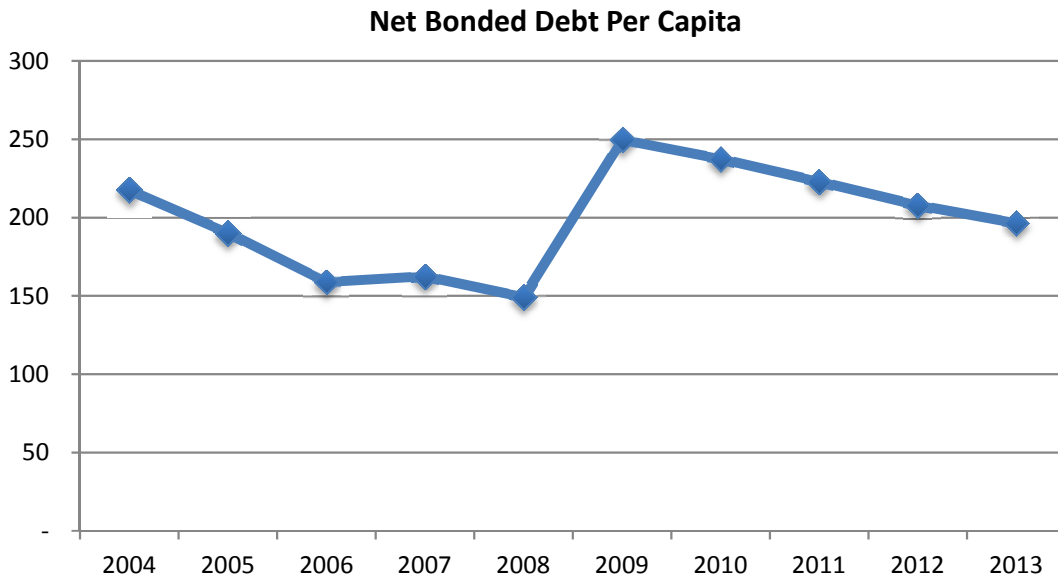


Details regarding the County's outstanding debt can be found in the notes to the financial statements. See the Schedule of Demographic and Economic Statistics for personal income and population data.

## CHELAN COUNTY, WASHINGTON

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Net Bonded Debt Per Capita
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	0.15%	250
2010	17,203,328	-	17,203,328	0.14%	237
2011	16,205,000	-	16,205,000	0.15%	223
2012	15,220,000	-	15,220,000	0.14%	208
2013	14,465,000	-	14,465,000	0.15%	197



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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Non-Voted Debt</b>										
Legal debt limit	74,431	76,368	81,791	89,684	104,030	131,739	142,688	138,972	133,929	129,692
Total net debt applicable to limit	1,884	1,547	3,013	3,972	6,535	7,577	9,438	7,963	3,940	2,152
Legal debt margin	72,547	74,821	78,778	85,712	97,496	124,161	133,250	131,009	129,989	127,540

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

	2.53%	2.03%	3.68%	4.43%	6.28%	5.75%	6.61%	5.73%	2.94%	1.66%
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<b>Voted and Non-Voted Debt</b>										
Legal debt limit	124,052	127,280	136,318	149,473	173,384	219,564	237,814	231,621	223,215	216,154
Total net debt applicable to limit	1,547	1,547	3,013	3,972	6,535	7,577	9,438	7,963	3,940	2,152
Legal debt margin	122,505	125,733	133,305	145,501	166,849	211,987	228,375	223,657	219,275	214,002

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

	1.25%	1.22%	2.21%	2.66%	3.77%	3.45%	3.97%	3.44%	1.77%	1.00%
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### Legal Debt Margin Calculation for Fiscal Year 2013

Assessed Valuations	8,646,159
Limited Tax General Obligation Debt Capacity (non-voted):	
Legal limit of up to 1.5% on the assessed valuation	129,692
Less: outstanding debt	(14,465)
Add: available assets	12,313
Remaining Debt Capacity (non voted)	127,540
Total General Obligation Debt Capacity (voted and non-voted):	
Legal limit of up to 2.5% on the assessed valuation	216,154
Less: outstanding debt	(14,465)
Add: available assets	12,313
Remaining Debt Capacity (voted and non-voted)	214,002

## CHELAN COUNTY, WASHINGTON

### Demographic and Economic Statistics Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Median Age (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Income (2)</b>	<b>Public School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2004	68,400	37.5	2,067,643,000	30,459	12,874	6.9%
2005	69,200	37.8	2,146,632,000	31,255	12,901	5.9%
2006	70,100	38.0	2,278,718,000	32,770	12,911	5.1%
2007	71,200	38.2	2,465,658,000	35,116	12,883	4.9%
2008	72,100	38.5	2,721,215,000	38,428	12,868	5.6%
2009	72,372	38.8	2,662,875,000	37,150	12,833	8.0%
2010	72,453	39.3	2,683,045,000	36,896	12,726	9.0%
2011	72,700	39.8	2,821,333,000	38,513	12,957	8.5%
2012	73,200	40.1	2,932,513,000	39,797	12,863	7.8%
2013	73,600	40.3	3,048,074,000	41,124	12,996	7.3%

#### Data sources:

- (1) Washington State Office of Financial Management <http://www.ofm.wa.gov/pop/>
- (2) Bureau of Economic Analysis at <http://www.bea.gov/iTable/index.cfm>  
Current year data not available - estimated based on change over prior two years
- (3) Washington State Office of Superintendent of Public Instruction at <http://www.k12.wa.us/dataadmin/>
- (4) Washington State Employment Security Department at <https://fortress.wa.gov/esd/employmentdata/>  
average annual rate, not seasonally adjusted

## CHELAN COUNTY, WASHINGTON

### Principal Employers

Current Year and Seven Years Ago

Employer (1)	2013			2006		
	Employees	Rank	Percentile of Total County Employment	Employees	Rank	Percentile of Total County Employment
Stemilt Growers, Inc	3,024	1	8.30%	1,402	2	4.01%
Wenatchee Valley Medical Center	1,697	2	4.66%	1,420	1	4.06%
Central Washington Hospital	1,456	3	4.00%	1,352	3	3.87%
Wenatchee School District	1,027	4	2.82%	963	4	2.76%
McDougall & Sons, Inc.	900	5	2.47%	-	-	-
Chelan County PUD #1	640	6	1.76%	658	5	1.88%
Crunch Pak	500	7	1.37%	-	-	-
Custom Apple Packers	497	8	1.36%	-	-	-
Alcoa	465	9	1.28%	-	-	-
Chelan County	446	10	1.22%	590	9	1.69%
Blue Star Growers	405	-	1.11%	412	10	1.18%
Blue Bird, Inc	280	-	0.77%	600	7	1.72%
C&O Nursery	277	-	0.76%	600	8	1.72%
Chelan Fruit, Inc	-	-	0.00%	610	6	1.75%
Total County Employment (2):	36,426			34,934		

Principal Employer data is not available prior to 2006.

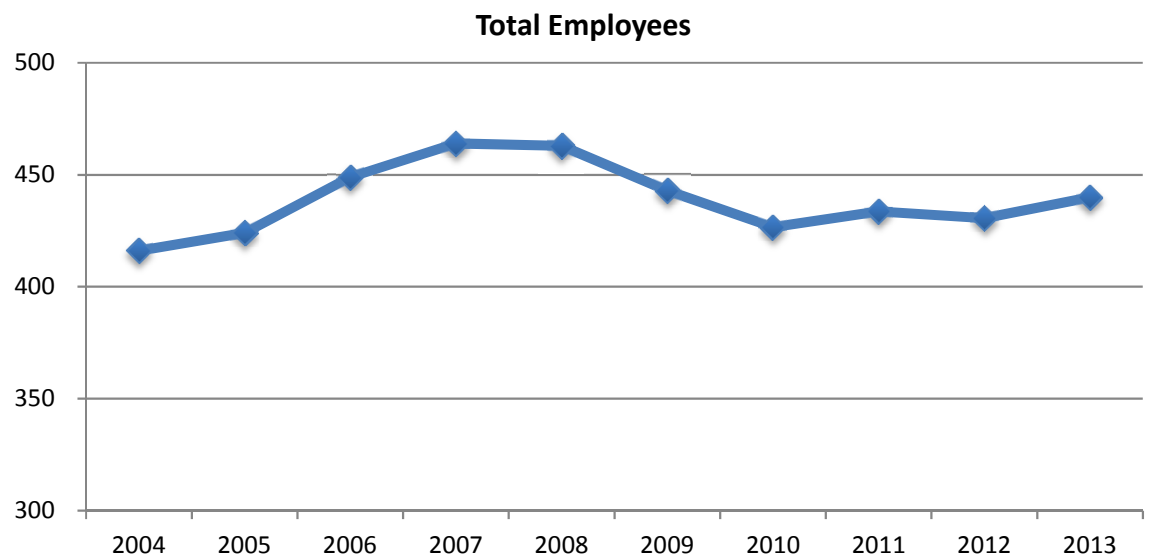
#### Data Sources:

- (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.
- (2) Total county employment uses 2nd quarter data averaged over the past year. From the US Census Bureau at [http://lehd.did.census.gov/applications/qwi\\_online/](http://lehd.did.census.gov/applications/qwi_online/)

## CHELAN COUNTY, WASHINGTON

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

Function	Full-time Equivalent Employees									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	97	102	106	106	104	102	98	97	85	90
Judicial	41	43	44	45	45	42	41	41	43	46
Public safety	181	186	196	199	201	195	189	189	185	188
Natural environment	7	8	7	9	8	11	13	12	12	11
Transportation	60	53	56	63	66	58	58	66	77	76
Economic environment	21	21	28	29	27	23	18	18	15	17
Culture and recreation	7	9	9	10	9	9	7	8	9	9
Utilities	2	2	3	3	3	3	4	4	4	3
Total	416	424	449	464	463	443	427	434	431	440



Notes: Actual paid FTE as of December 31. Obtained from payroll data in the Chelan County Auditor's Office

# CHELAN COUNTY, WASHINGTON

Operating Indicators by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Total documents recorded by Auditor	26,198	27,262	27,939	27,105	22,486	19,767	17,141	17,308	20,319	20,540
Total vehicle licensing transactions	52,699	60,003	57,462	56,119	59,656	66,494	60,917	59,141	60,132	61,024
General election:										
Number of registered voters	37,395	36,185	35,314	35,983	38,650	37,715	37,972	38,562	40,293	39,551
Number of votes	29,617	20,408	23,518	19,174	32,392	20,656	28,071	22,397	32,809	19,718
Percent of registered voters voting	79.20%	56.40%	66.60%	53.29%	83.81%	54.77%	73.93%	58.08%	81.43%	49.85%
Judicial										
Superior Court cases filed	3,961	4,101	4,095	3,920	4,119	3,762	3,607	3,529	3,600	3,580
Documents filed with Clerk	118,226	134,101	156,669	138,171	145,050	123,012	130,480	118,491	122,890	131,108
District Court filings	19,419	19,466	21,958	21,868	20,047	22,841	19,427	20,146	17,431	18,229
Public safety										
Sheriff										
Total warrants entered	1,846	1,972	2,298	2,128	1,957	1,806	1,801	1,829	1,995	2,205
Total arrests carried out	2,209	2,150	2,645	2,330	2,211	2,345	1,292	1,499	1,603	2,350
Total citations issued	4,783	4,721	5,053	5,055	4,072	3,989	3,590	3,377	3,263	3,668
Concealed weapons permits issued	392	384	591	533	767	814	765	893	1,269	1,415
Regional Justice Center										
Total bookings	6,175	6,131	7,278	7,224	7,017	6,371	5,672	5,625	4,927	5,066
Average daily population	306	332	367	357	358	322	280	303	248	221
Meals served	344,175	371,328	431,769	431,043	413,910	377,049	306,699	331,259	278,404	241,995
Juvenile average daily population	20	23	20	21	21	29	11	11	9	9
Transportation										
Miles of county road repaired/preserved	175	346	177	301	164	41	196	121	57	51
Economic environment										
Total residential building permits	369	441	504	500	375	255	243	233	257	255
Total commercial building permits	57	70	69	60	51	44	42	62	60	63

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Motor pool vehicles	N/A	N/A	48	36	26	41	38	39	30	34
Public safety										
Sheriff patrol vehicles	N/A	N/A	59	66	63	58	60	60	62	59
Transportation										
Streets (miles)	N/A	N/A	643	655	655	655	655	655	655	655
Culture and recreation										
Parks	1	1	1	1	2	2	2	2	2	2

Notes: 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.