

CHELAN COUNTY WASHINGTON



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

Prepared by:

Skip Moore – Chelan County Auditor
Shawn Hunstock, CPA – Financial Services Manager



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CHELAN COUNTY, WASHINGTON

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2016

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June 26, 2017

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, 2016. 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 2,920 square miles, of which, approximately 90 percent of the geographic area is Wenatchee National Forest. The County's population is approximately 75,910.

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 heads 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, Wenatchee, WA 98801
Phone (509) 667-6800 Fax (509) 667-6818 Website: 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. This industry has shown positive signs of growth in the past couple years. Other major industries located within the county's boundaries consist mainly of agricultural related packing and processing plants and health care facilities. Sales tax revenues have performed at record levels due continued growth in the regional economy. Construction sales tax by nature is temporary, one-time funding and growth in that sector is not expected to continue at the current rate of growth. Sales tax is also expected to slow in 2017 and beyond due to annexations by the City of Wenatchee of unincorporated Chelan County.

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 a fund balance above the 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 30% of expenditures. The 2017 General fund budget has been designed 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 annually 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, 2015. This was the twelfth 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.

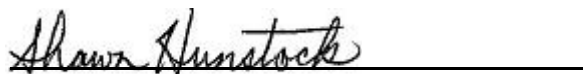
We express our appreciation to those who have devoted their time to the preparation of this report; especially the accounting staff in the Treasurer's and Auditor's offices.

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



Shawn Hunstock, CPA
Financial Services Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Chelan County
Washington**

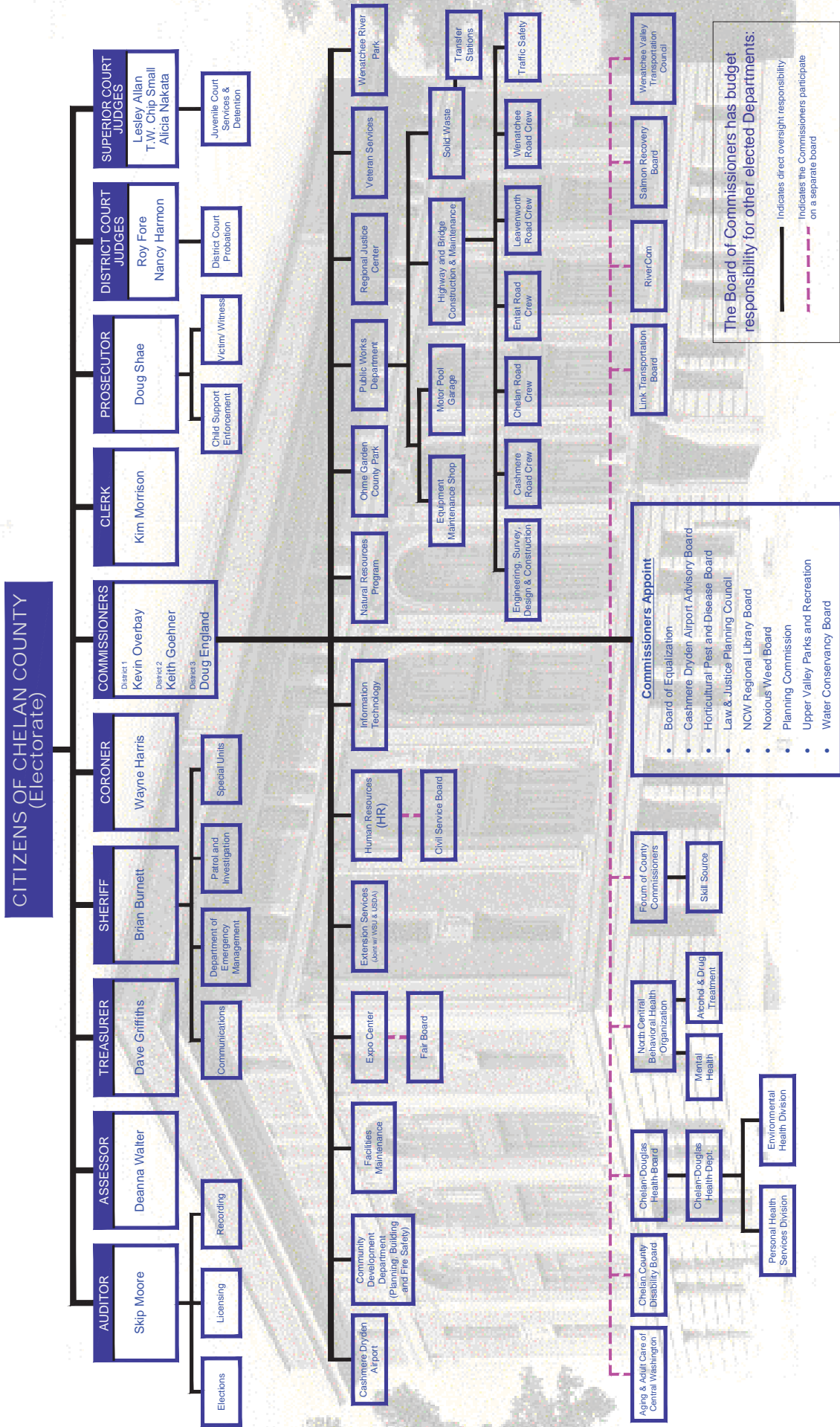
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO



COUNTY OF CHELAN GOVERNMENTAL ORGANIZATION



CHELAN COUNTY, WASHINGTON

List of Elected Officials

CHELAN COUNTY ELECTED OFFICIALS

		<u>Term</u>	<u>Expiration</u>
Board of Commissioners			
District 1	Kevin Overbay	4	December 31, 2020
District 2	Keith Goehner	4	December 31, 2018
District 3	Doug England	4	December 31, 2020
Assessor	Deanna Walter	4	December 31, 2018
Auditor	Skip Moore	4	December 31, 2018
Clerk	Kim Morrison	4	December 31, 2018
Coroner	Wayne Harris	4	December 31, 2018
Prosecuting Attorney	Douglas Shae	4	December 31, 2018
Sheriff	Brian Burnett	4	December 31, 2018
Treasurer	David Griffiths	4	December 31, 2018
District Court Judges	Nancy Harmon	4	January 13, 2019
	Roy Fore	4	January 13, 2019
Superior Court Judges	T.W. "Chip" Small	4	January 8, 2020
	Lesley Allan	4	January 8, 2020
	Alicia Nakata	4	January 8, 2020



Office of the Washington State Auditor Pat McCarthy

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

June 26, 2017

Board of Commissioners
Chelan County
Wenatchee, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Chelan County, Washington, as of and for the year ended December 31, 2016, 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, each major fund and the aggregate remaining fund information of Chelan County, Washington, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, County Roads, Regional Justice Center and Natural Resources funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 1 to the financial statements, the County has elected to change its method of presenting judicial expenses by separating it from general government expenses on the Statement of Revenues, Expenditures and Changes in Fund Balance. In prior years, the County combined these judicial and general government expenses. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, the County has elected to change its method of presenting the elimination of internal service charges of approximately \$11.3 million by allocating those charges to the specific related functions on the Statement of Activities. In prior years, the County allocated these eliminations entirely to the general government function. 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 16, information on postemployment benefits other than pensions on page 60 and pension plan information on pages 61 through 62 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 and individual fund statements and schedules on pages 63 through 117 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 Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we 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 26, 2017, 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 black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy

State Auditor

Olympia, WA

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, 2016. 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 is 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. 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 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. Chelan County's proprietary funds include only internal service funds, which support the county government by accounting for the accumulation of assets for vehicle/equipment replacement and insurance functions. Because these services predominately benefit governmental functions, they have been included with the governmental funds in the government-wide financial statements. Individual fund data for each of the internal service funds is provided in the form of combining statements after the notes to the financial statements.

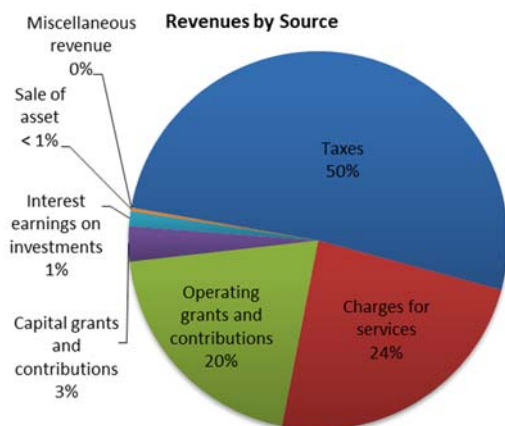
Fiduciary fund are used to account for resources held for the benefit of parties outside the government, which consists mostly of special purpose districts within Chelan County. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available 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 as well as information regarding pension liabilities. 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 \$92,321,508 at the close of the most recent fiscal year. This increased by \$4,162,395 over the previous year. Sales tax continues to grow with improvements in the economy. This improved overall economic condition is also reflected in real estate excise tax receipts, hotel/motel tax revenue and other miscellaneous taxes and fees that typically follow cyclical changes in the overall economy. Local sales tax and the building permits continued to show strong signs of recovery. These continue to provide increased revenues and general county expenses have been held low ever since the

Chelan County's Changes in Net Position			
Revenues			
Program revenues:	2016	2015	
Charges for services	17,716,797	18,516,974	
Operating grants and contrib.	14,947,904	14,552,515	
Capital grants and contributions	2,225,868	2,223,322	
General revenues:			
Taxes	38,184,029	35,284,159	
Interest earnings on invest.	960,556	876,720	
Gain on sale of capital assets	188,278	-	
Miscellaneous revenue	19,906	-	
Total revenues	74,243,338	71,453,690	
Program Expenses			
General government	18,833,204	10,794,604	
Judicial	3,893,534	3,682,693	
Public safety	25,017,130	27,540,791	
Utilities	2,129,575	2,030,413	
Transportation	10,779,600	13,124,102	
Natural & economic environment	6,392,887	4,991,609	
Social services	1,384,630	1,411,139	
Culture and recreation	1,174,779	1,411,628	
Interest on long term debt	475,604	550,679	
Total expenses	70,080,943	65,537,658	
Change in net position	4,162,395	5,916,032	
Net position as of Jan 1	88,159,113	96,914,765	
Change in accounting principle	-	(14,620,803)	
Prior period adjustment	-	(50,881)	
Net position as of Dec 31	92,321,508	88,159,113	

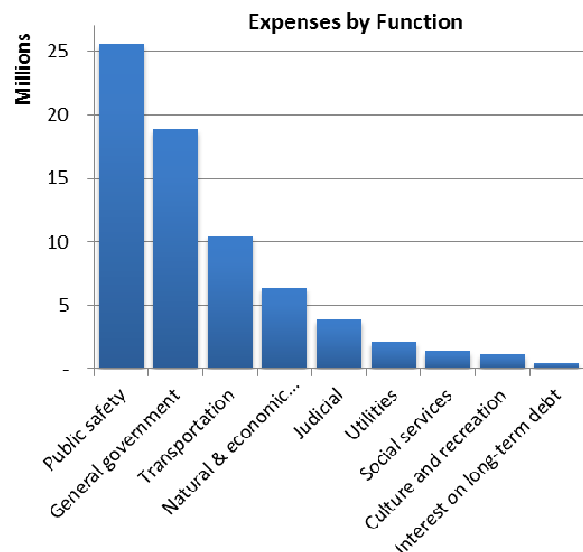


Chelan County's Net Position		
	2016	2015
Current & other assets	49,324,596	42,943,438
Capital assets (net of depr.)	83,624,757	85,610,396
Total assets	132,949,353	128,553,834
Deferred outflow s of resources	4,578,442	2,495,586
Long-term liabilities	37,651,569	33,506,613
Other liabilities	6,779,685	5,915,782
Total liabilities	44,431,254	39,422,395
Deferred inflow s of resources	775,033	3,467,912
Net position:		
Net investment in capital assets	72,699,757	73,895,396
Restricted	18,451,257	16,308,657
Unrestricted	1,170,494	(2,044,940)
Total net position	92,321,508	88,159,113

2009 recession.

A large portion of the County's net position (79%) 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 (20%) represents resources that are subject to external restrictions on how they may be used. The resulting relatively small balance of unrestricted net position (1%) is due to the implementation of GASB 68 recognizing a large pension liability.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental funds. The General fund, County Roads, Regional Justice Center and Natural Resources funds were the County's major governmental funds. Together these four funds account for 44% 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 \$10,619,553, which represents 30% of total General fund expenditures. The fund balance of General fund increased by \$2,670,706 during the current fiscal year and is larger than it has been since Chelan County has had comparable financial statements. The tremendous growth is primarily due to an increase in sales tax revenue driven by one-time projects within the County. Sales tax generated from construction are by nature one-time revenue sources. These continue to grow year-over-year, along with retail sales tax, as there are improvements in the overall economy of the region. The housing industry has also picked up and helped bring in more building permit revenue. These revenue increases combined with holding expenditures tight has built a healthy fund balance for the General fund. At the beginning of 2016, the City of Wenatchee annexed a portion of Chelan County, which is expected to decrease sales tax by \$1 million annually. This will certainly slow the growth of the past 8 years and may even decrease the fund balance over the coming years.

The fund balance of the County Roads special revenue fund increased by \$761,622 during the current fiscal year. The County working has several major infrastructure updates in the works that it is accumulating resources for, and will soon be spending down its fund balance. However, the present infrastructure should reap benefits to future maintenance and future cost savings should grow the fund balance again. 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 Regional Justice Center fund balance decreased by \$25,002, giving it a negative ending fund balance of (\$3,193). This negative fund balance is considered temporary in nature. Fund balance has been reduced over the past few years due to fewer contracted inmates being housed, which reduces the revenue brought in by this fund. Until the end of 2015, the Regional Justice Center had been borrowing from other funds to meet cash flow needs. It was determined that this fund would not be able to pay off the loans so the General fund transferred \$992,000 in 2015 to help the Regional Justice Center pay off its loans. Increased contributions by the General fund and increased contract rates should help the Regional Justice Center maintain a positive cash flow.

The Natural Resources fund balance increased by \$58,296 during the current fiscal year. The majority of revenue and expenses relate to grant funded transactions of the department. The General Fund transferred \$50,000 to the Natural Resources fund in 2016 to help pay for program related expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual expenditures are generally less than final budgeted expenditures. The main reason for this is 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 continued improvement in the local economy and generally conservative budgeting. Sales tax, building and planning fees, and election reimbursements all came in greater than budgeted.

Differences between the original and the final amended expenditure budget amounted to increases of \$434,280. Of this budget increase, \$8,280 was to be funded out of unexpected grants and increased reimbursements. The remaining \$426,000 was to be spent from the available fund balance.

Department	Amount	Explanation
Clerk	26,000	For increased salaries. From available fund balance.
Commissioners	44,000	For labor relations. From available fund balance.
Non-Departmental	56,000	For contractual services and capital outlay. From available fund balance.
Non-Departmental	150,000	Transfer to Regional Justice Center. From available fund balance.
Non-Departmental	150,000	For indigent defense. From available fund balance.
Sheriff	8,280	For small tools. From increased grant revenue.
Total	434,280	

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Chelan County's investment in capital assets as of December 31, 2016, amounts to \$83,624,757 (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 decreased by 2%. The decrease was mostly due to depreciation of \$4.9 million on existing capital assets. There was also a transfer of \$6.9 million from construction in progress to infrastructure due to the completion of a number of projects throughout the County.

Chelan County's Capital Assets (net of depreciation)		
	2016	2015
Land	5,937,110	5,637,769
Construction in progress	3,132,227	8,161,602
Other improvements	549,951	607,110
Buildings	25,816,194	26,779,674
Equipment	6,261,282	6,302,081
Infrastructure	41,927,993	38,122,159
Total	83,624,757	85,610,395

Additional information on the County's capital assets can be found in note 4.

Long-term Debt. At the end of the current fiscal year, Chelan County had total bonded debt outstanding of \$11,905,000. 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 decreased by \$975,000 (8%) during the current fiscal year. This was due to advance refunding of the 2002 and 2003A bonds, and partial refunding of the 2009 G.O. bonds. The refunding resulted in a reduction of \$120,000 of the principal amount of bonds outstanding, the difference between the principal amount of the refunded debt and the new debt that replaced it. Outstanding debt was also reduced by \$855,000 of regularly scheduled bond payments. See note 7 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, 350 Orondo Avenue, Suite 306, Wenatchee, WA 98801. Financial information requests can also be emailed to accounting@co.chelan.wa.us



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CHELAN COUNTY, WASHINGTON

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 assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position.

Government-wide Statement of Activities - presents information on all County 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 aggregated information on all internal service fund assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as change in net position.

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds - presents aggregated information for all internal service funds.

Statement of Cash Flows - Proprietary Funds - presents aggregated information on the sources and uses of cash for the 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, 2016

Assets

Cash and cash equivalents	29,762,061
Deposits with fiscal agents	233,330
Investments	10,663,910
Accounts receivable	111,656
Property tax receivable	702,880
Court judgements receivable	1,129,496
Due from other governments	2,181,678
Inventory	927,413
Equity interest in joint venture	2,251,180
Net pension asset	1,360,993
Capital assets not being depreciated:	
Land	5,937,110
Construction in progress	3,132,227
Capital assets, net of accumulated depreciation:	
Other improvements	549,951
Buildings	25,816,194
Equipment	6,261,282
Infrastructure	41,927,993
Total assets	<u>132,949,353</u>

Deferred Outflows of Resources

Deferred outflows related to pensions	<u>4,578,442</u>
Total deferred outflows of resources	<u>4,578,442</u>

Liabilities

Accounts payable	2,090,070
Due to other governments	140,510
Accrued payroll liabilities	3,110,119
Deposits payable	18,330
Noncurrent liabilities:	
Due within one year	1,420,656
Due in more than one year	<u>37,651,569</u>
Total liabilities	<u>44,431,254</u>

Deferred Inflows of Resources

Deferred inflows related to debt refunding	362,853
Deferred inflows related to pensions	<u>412,180</u>
Total deferred inflows of resources	<u>775,033</u>

Net Position

Net investment in capital assets	72,699,757
Restricted for:	
Capital projects	6,407,182
Transportation	2,171,831
Public safety	4,233,410
Natural & economic environment	4,621,191
General government technology	737,967
Judicial improvements	362,597
Health services	(82,922)
Unrestricted	<u>1,170,494</u>
Total net position	<u>92,321,508</u>

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

CHELAN COUNTY, WASHINGTON

Statement of Activities

For the Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
General government	18,833,204	1,788,197	5,739,604	-	(11,305,404)
Judicial	3,893,534	1,594,562	267,679	-	(2,031,294)
Public safety	25,017,130	7,565,537	2,073,385	-	(15,378,208)
Utilities	2,129,575	2,464,712	298,997	-	634,135
Transportation	10,779,600	192,595	3,255,541	2,225,868	(5,105,596)
Natural & economic environi	6,392,887	2,549,556	3,037,243	-	(806,089)
Social services	1,384,630	579,041	236,426	-	(569,163)
Culture and recreation	1,174,779	982,598	39,030	-	(153,151)
Interest on long-term debt	475,604	-	-	-	(475,604)
Total primary government	70,080,944	17,716,797	14,947,904	2,225,868	(35,190,375)
General revenues					
Taxes:					
Property					19,979,006
Sales and use					11,966,336
Emergency communication tax					2,831,664
Other taxes					3,407,025
Interest and investment earnings					960,556
Gain on sale of capital assets					188,278
Miscellaneous revenue					19,907
Total general revenues					39,352,770
Change in net position					4,162,395
Net position - beginning (restated - see Note 14)					88,159,113
Net position - ending					92,321,508

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

CHELAN COUNTY, WASHINGTON

Balance Sheet
Governmental Funds
December 31, 2016

	General Fund	County Roads	Regional Justice Center	Natural Resources	Nonmajor Governmental Funds	Total
Assets						
Cash and cash equivalents	12,112,295	3,290,594	392,586	82,830	8,734,847	24,613,152
Deposits with fiscal agents	-	-	-	175,000	18,330	193,330
Investments	425,845	-	-	-	7,975,322	8,401,167
Accounts receivable	23,569	1,350	75	5,495	81,168	111,656
Property tax receivable	391,458	284,539	-	-	26,883	702,880
Court judgements receivable	1,129,496	-	-	-	-	1,129,496
Due from other funds	37,893	55,593	417	22,927	2,242	119,073
Interfund loan receivable	-	-	-	-	540,000	540,000
Due from other governments	352,197	485,313	193,332	963,229	187,606	2,181,678
Total assets	<u>14,472,753</u>	<u>4,117,390</u>	<u>586,411</u>	<u>1,249,481</u>	<u>17,566,398</u>	<u>37,992,432</u>
Liabilities						
Accounts payable	275,383	287,263	32,758	528,873	742,241	1,866,517
Due to other funds	110,301	717,598	1,827	3,201	25,654	858,581
Interfund loan payable	-	-	-	540,000	-	540,000
Due to other governments	72,535	5,195	3,347	17,835	40,003	138,916
Accrued payroll	1,874,027	434,219	551,672	71,361	83,810	3,015,089
Deposits payable	-	-	-	-	18,330	18,330
Total liabilities	<u>2,332,246</u>	<u>1,444,274</u>	<u>589,604</u>	<u>1,161,270</u>	<u>910,038</u>	<u>6,437,432</u>
Deferred Inflows of Resources						
Unavailable revenue - property tax	391,458	284,539	-	-	26,883	702,880
Unavailable revenue - court judgements	1,129,496	-	-	-	-	1,129,496
Total deferred inflows of resources	<u>1,520,954</u>	<u>284,539</u>	<u>-</u>	<u>-</u>	<u>26,883</u>	<u>1,832,376</u>
Fund Balances						
Restricted	-	2,388,576	-	88,211	15,082,605	17,559,392
Committed	-	-	-	-	1,546,872	1,546,872
Unassigned	10,619,553	-	(3,193)	-	-	10,616,360
Total fund balances	<u>10,619,553</u>	<u>2,388,576</u>	<u>(3,193)</u>	<u>88,211</u>	<u>16,629,477</u>	<u>29,722,624</u>
Total liabilities, fund balances, and deferred inflows of resources	<u>14,472,753</u>	<u>4,117,390</u>	<u>586,411</u>	<u>1,249,481</u>	<u>17,566,398</u>	<u>37,992,432</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, 2016

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

Fund balances of governmental funds:		29,722,624
Capital assets are not financial resources, and therefore not reported in the fund financial statements.		
Capital assets	159,152,808	
Depreciation	(80,072,270)	
Capital assets net of depreciation		79,080,538
Deferred inflows of resources that are not available to finance current liabilities are excluded from the government-wide statements.		
Property tax	702,880	
Court judgements	1,129,496	
Deferred inflows of resources		1,832,376
Assets that are not available financial resources are not reported in the fund financial statements.		
Equity interest in joint venture		2,251,180
Long-term liabilities that have not been included in governmental fund activity		
Bonds payable	(11,905,000)	
Plus: Deferred charge on refunding	(362,853)	
Compensated absences	(2,389,040)	
OPEB benefit for LEOFF	(2,796,735)	
Working capital loan for Substance Abuse	(110,394)	
Pension related debt (net)	(15,757,907)	
Long-term liabilities		(33,321,929)
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 the statement of net position.		
Assets	13,663,282	
Deferred outflows of resources - pensions	99,630	
Liabilities	(988,539)	
Deferred inflows of resources - pensions	(17,653)	
Internal service net position		12,756,719
Net position		<u>92,321,508</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, 2016

	General Fund	County Roads	Regional Justice Center	Natural Resources	Nonmajor Governmental Funds	Total
Revenues						
Taxes	21,240,457	7,333,661	-	-	9,705,926	38,280,044
Licenses and permits	1,296,315	-	-	-	-	1,296,315
Intergovernmental revenues	6,861,862	5,418,396	40,962	2,726,611	1,947,656	16,995,487
Charges for services	5,654,552	91,883	8,184,230	223,846	3,748,910	17,903,420
Fees and fines	1,356,198	-	8,272	-	28,536	1,393,006
Miscellaneous	1,153,736	60,238	77,507	15,510	1,282,545	2,589,536
Total revenues	<u>37,563,121</u>	<u>12,904,178</u>	<u>8,310,971</u>	<u>2,965,967</u>	<u>16,713,572</u>	<u>78,457,809</u>
Expenditures						
Current:						
General government	10,086,908	35,677	-	-	196,974	10,319,559
Judicial	3,664,311	-	-	-	190,837	3,855,148
Public safety	19,140,744	-	8,335,831	-	4,037,714	31,514,289
Utilities	-	-	-	-	2,190,223	2,190,223
Transportation	-	10,134,581	-	-	20,235	10,154,816
Natural and economic environment	1,284,607	-	-	2,940,754	2,511,986	6,737,347
Social services	305,845	-	-	-	1,092,385	1,398,229
Culture and recreation	270,390	-	-	-	853,279	1,123,670
Debt service:						
Principal	89,364	-	-	-	765,636	855,000
Interest and other charges	22,957	-	143	16,916	600,586	640,603
Capital outlay	67,288	2,256,202	-	-	1,600,556	3,924,046
Total expenditures	<u>34,932,415</u>	<u>12,426,460</u>	<u>8,335,973</u>	<u>2,957,671</u>	<u>14,060,412</u>	<u>72,712,931</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,630,706</u>	<u>477,718</u>	<u>(25,002)</u>	<u>8,296</u>	<u>2,653,161</u>	<u>5,744,879</u>
Other Financing Sources (Uses)						
Sale of capital assets	-	3,905	-	-	15,438	19,342
Transfers in	120,000	400,000	-	50,000	30,000	600,000
Transfers out	(80,000)	(120,000)	-	-	(400,000)	(600,000)
Refunding bonds issued	-	-	-	-	8,955,000	8,955,000
Premium on bonds issued	-	-	-	-	1,044,091	1,044,091
Payment to refunding escrow agent	-	-	-	-	(9,889,831)	(9,889,831)
Total other financing sources and uses	<u>40,000</u>	<u>283,905</u>	<u>-</u>	<u>50,000</u>	<u>(245,303)</u>	<u>128,602</u>
Net change in fund balances	2,670,706	761,622	(25,002)	58,296	2,407,858	5,873,481
Fund balances - beginning (restated)	<u>7,948,847</u>	<u>1,626,953</u>	<u>21,809</u>	<u>29,915</u>	<u>14,221,619</u>	<u>23,849,143</u>
Fund balances - ending	<u><u>10,619,553</u></u>	<u><u>2,388,576</u></u>	<u><u>(3,193)</u></u>	<u><u>88,211</u></u>	<u><u>16,629,477</u></u>	<u><u>29,722,624</u></u>

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

CHELAN COUNTY, WASHINGTON

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, 2016

Amounts reported in the statement of activities are different because:

Net change in fund balances - total governmental funds 5,873,481

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	2,814,791	
Capital contributions	4,442	
Disposition of capital assets	(34,342)	
Depreciation expense	<u>(4,913,441)</u>	
		(2,128,550)

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	(96,325)	
Increases in governmental fund taxes receivable	(96,014)	
Increase in Rivercom joint venture equity interest	<u>518,603</u>	
		326,264

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	855,000	
Refunding debt issuance costs	109,260	
Refunding bonds issued	(8,955,000)	
Premium on refunding bonds issued	(1,044,091)	
Payment to refunding escrow agent	<u>9,889,831</u>	
		855,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Increase in liability for OPEB benefit for LEOFF	(727,967)	
Contributions toward OPEB benefit for LEOFF	281,482	
Increases in governmental fund compensated absences payable	(608,382)	
Decreases in governmental fund compensated absences payable	509,023	
Amortization of deferred charge on bond refunding	55,739	
Increase in pension expense	<u>(651,773)</u>	
		(1,141,878)

The net revenue of certain activities of internal service funds is reported on the statement of activities

378,078

Change in net position

4,162,395

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, 2016

Revenues	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Assessor	1,170	1,170	2,530	1,360
Auditor	923,003	923,003	1,042,178	119,175
Community Development	1,636,907	1,636,907	1,831,128	194,221
Clerk	645,900	645,900	832,631	186,731
Commissioners	12,447,626	12,447,626	14,130,664	1,683,038
Coroner	15,000	15,000	16,550	1,550
Information Technology	134,005	134,005	134,004	(1)
Facilities Maintenance	673,946	673,946	675,615	1,669
District Court	1,391,275	1,391,275	1,143,998	(247,277)
District Court Probation	378,100	378,100	458,991	80,891
Extension	33,000	33,000	32,273	(727)
Juvenile	659,516	659,516	720,264	60,748
Non-Departmental	406,736	406,736	569,960	163,224
Child Support Enforcement	397,098	397,098	364,945	(32,153)
Prosecuting Attorney	518,742	518,742	553,786	35,044
Sheriff	3,223,272	3,231,552	3,228,295	(3,257)
Superior Court	97,139	97,139	98,866	1,727
Treasurer	1,400,957	1,400,957	1,448,024	47,067
Taxes	11,660,444	11,660,444	11,942,035	281,591
Traffic Safety	172,820	172,820	173,357	537
Total revenues	36,816,656	36,824,936	39,400,215	2,575,279
Expenditures				
Assessor	1,308,057	1,308,057	1,258,845	(49,212)
Auditor	1,227,850	1,227,850	1,213,312	(14,538)
Community Development	1,739,175	1,739,175	1,631,038	(108,137)
Human Resources	127,165	127,165	114,754	(12,411)
Clerk	1,202,889	1,228,889	1,214,263	(14,626)
Commissioners	678,195	722,195	690,677	(31,518)
Coroner	241,271	241,271	218,604	(22,667)
Information Technology	884,388	884,388	870,678	(13,710)
Facilities Maintenance	1,628,226	1,628,226	1,532,235	(95,991)
District Court	1,380,491	1,380,491	1,308,229	(72,262)
District Court Probation	471,031	471,031	422,980	(48,051)
Extension	343,429	343,429	259,788	(83,641)
Juvenile	2,856,027	2,856,027	2,836,836	(19,191)
Non-Departmental	8,558,665	8,914,665	8,773,713	(140,952)
Child Support Enforcement	353,156	353,156	336,535	(16,621)
Prosecuting Attorney	2,137,988	2,137,988	2,081,958	(56,030)
Sheriff	10,027,496	10,035,776	10,025,571	(10,205)
Superior Court	1,187,073	1,187,073	1,172,434	(14,639)
Treasurer	630,854	630,854	615,502	(15,352)
Taxes	30,000	30,000	30,000	-
Traffic Safety	122,054	122,054	121,554	(500)
Total expenditures	37,135,480	37,569,760	36,729,509	(840,251)
Excess (deficiency) of revenues over (under) expenditures	(318,824)	(744,824)	2,670,706	3,415,530
Fund balances - beginning (restated)	7,070,000	7,070,000	7,948,847	878,847
Fund balances - ending	6,751,176	6,325,176	10,619,553	4,294,377

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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	7,099,151	7,099,151	7,333,661	234,510
Intergovernmental revenues	5,725,470	5,725,470	5,418,396	(307,074)
Charges for services	83,500	83,500	91,883	8,383
Miscellaneous	5,000	5,000	60,238	55,238
Total revenues	12,913,121	12,913,121	12,904,178	(8,943)
Expenditures				
Current:				
General government	51,219	51,219	35,677	(15,542)
Transportation	10,497,665	10,497,665	10,134,581	(363,084)
Capital outlay	3,515,000	3,515,000	2,256,202	(1,258,798)
Total expenditures	14,063,884	14,063,884	12,426,460	(1,637,424)
Excess (deficiency) of revenues over (under) expenditures	(1,150,763)	(1,150,763)	477,718	1,628,481
Other Financing Sources (Uses)				
Sale of capital assets	5,000	5,000	3,905	(1,095)
Transfers in	400,000	400,000	400,000	-
Transfers out	(120,000)	(120,000)	(120,000)	-
Total other financing sources and uses	285,000	285,000	283,905	(1,095)
Net change in fund balances	(865,763)	(865,763)	761,622	1,627,385
Fund balances - beginning	1,803,480	1,803,480	1,626,953	(176,527)
Fund balances - ending	937,717	937,717	2,388,576	1,450,859

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

CHELAN COUNTY, WASHINGTON**Regional Justice Center Special Revenue Fund****Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	48,000	48,000	40,962	(7,038)
Charges for services	8,339,293	8,339,293	8,184,230	(155,063)
Fees and fines	17,700	17,700	8,272	(9,428)
Miscellaneous	90,100	90,100	77,507	(12,593)
Total revenues	8,495,093	8,495,093	8,310,971	(184,122)
Expenditures				
Current:				
Public safety	8,364,160	8,364,160	8,335,831	(28,329)
Debt service:				
Interest and other charges	-	-	143	143
Capital outlay	50,000	50,000	-	(50,000)
Total expenditures	8,414,160	8,414,160	8,335,973	(78,187)
Excess (deficiency) of revenues over (under) expenditures	80,933	80,933	(25,002)	(105,935)
Fund balances - beginning	-	-	21,809	21,809
Fund balances - ending	80,933	80,933	(3,193)	(84,126)

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

CHELAN COUNTY, WASHINGTON

Natural Resources Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental revenues	3,964,192	3,964,192	2,726,611	(1,237,581)
Charges for services	5,500	5,500	223,846	218,346
Miscellaneous	-	-	15,510	15,510
Total revenues	<u>3,969,692</u>	<u>3,969,692</u>	<u>2,965,967</u>	<u>(1,003,725)</u>
Expenditures				
Current:				
Natural environment	4,013,947	4,013,947	2,940,754	(1,073,193)
Debt service				
Interest and other charges	2,500	2,500	16,916	14,416
Total expenditures	<u>4,016,447</u>	<u>4,016,447</u>	<u>2,957,671</u>	<u>(1,058,776)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,755)</u>	<u>(46,755)</u>	<u>8,296</u>	<u>55,051</u>
Other Financing Sources (Uses)				
Transfers in	50,000	50,000	50,000	-
Total other financing sources and uses	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balances	3,245	3,245	58,296	55,051
Fund balances - beginning	-	-	29,915	29,915
Fund balances - ending	<u>3,245</u>	<u>3,245</u>	<u>88,211</u>	<u>84,966</u>

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



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CHELAN COUNTY, WASHINGTON

Statement of Net Position Proprietary Funds December 31, 2016

	Internal Service Funds
Assets	
Current assets:	
Cash and cash equivalents	5,148,908
Deposits with fiscal agents	40,000
Investments	2,262,743
Due from other funds	739,999
Inventory	927,413
Total current assets	<u>9,119,063</u>
Noncurrent assets:	
Capital assets: net of accumulated depreciation)	
Buildings	22,806
Equipment	4,521,413
Total noncurrent assets	<u>4,544,219</u>
Total assets	<u>13,663,282</u>
Deferred Outflows of Resources - Pensions	<u>99,630</u>
Liabilities	
Current liabilities:	
Accounts payable	223,553
Due to other funds	491
Due to other governments	1,594
Accrued payroll liability	95,031
Compensated absences	10,050
Total current liabilities	<u>330,718</u>
Noncurrent liabilities:	
Compensated absences	35,630
Claims reserve	263,518
Net pension liability	358,673
Total noncurrent liabilities	<u>657,821</u>
Total liabilities	<u>988,539</u>
Deferred Inflows of Resources - Pensions	<u>17,653</u>
Net Position	
Investment in capital assets	4,544,219
Unrestricted	8,212,500
Total net position	<u><u>12,756,719</u></u>

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

CHELAN COUNTY, WASHINGTON

Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds For the Year Ended December 31, 2016

	<u>Internal Service Funds</u>
Operating Revenues	
Charges for services	11,287,450
Total operating revenues	<u>11,287,450</u>
Operating Expenses	
Salaries	710,363
Personnel benefits	285,857
Supplies	2,041,355
Other services & charges	7,070,349
Interfund payments for services	169,085
Depreciation	838,837
Total operating expenses	<u>11,115,846</u>
Operating income (loss)	171,604
Nonoperating Revenues (Expenses)	
Gain (loss) on disposal of capital assets	206,474
Total nonoperating revenues (expenses)	<u>206,474</u>
Change in net position	378,078
Net position - beginning	12,378,641
Net position - ending	<u><u>12,756,719</u></u>

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

CHELAN COUNTY, WASHINGTON

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2016

	Internal Service Funds
Cash Flows From Operating Activities:	
Cash received from customers and users	11,291,123
Cash payments to suppliers	(9,231,449)
Cash payments to employees and retirees	(973,480)
Net cash provided (used) by operating activities	<u>1,086,194</u>
Cash Flows From Noncapital Financing Activities	
Interfund loan payment received	84,957
Interfund loan provided	(41,607)
Net cash provided (used) by noncapital financing activities	<u>43,350</u>
Cash Flows From Capital Financing Activities	
Proceeds from sale of capital assets	206,474
Acquisition and construction of capital assets	(981,749)
Net cash provided (used) by capital financing activities	<u>(775,275)</u>
Cash Flows From Investing Activities	
Purchase of investments	(9,463)
Net cash provided (used) by investing activities	<u>(9,463)</u>
Net increase (decrease) in cash and cash equivalents	344,806
Cash and cash equivalents, January 1	<u>4,804,103</u>
Cash and cash equivalents, December 31	<u><u>5,148,908</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	<u>171,604</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities:	
Depreciation	838,837
(Increase) decrease in due from other funds/gov	(3,789)
(Increase) decrease in inventory	50,531
(Increase) decrease in pension related deferred outflows	(42,731)
Increase (decrease) in vouchers/contracts payable	49,800
Increase (decrease) in due to other funds/gov	731
Increase (decrease) in accrued payroll liabilities	1,926
Increase (decrease) in accrued employee leave benefits	19,286
Total adjustments	<u>914,590</u>
Net cash provided (used) by operating activities	<u><u>1,086,194</u></u>

The County did not have any material noncash transactions.

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

CHELAN COUNTY, WASHINGTON

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2016

	<u>Agency Funds</u>
Assets	
Cash	15,882,412
Investments	181,176,547
External trust deposits	1,231,422
Taxes receivable	<u>2,661,579</u>
Total assets	<u>200,951,960</u>
Liabilities	
Accounts payable	568,248
Other accrued liabilities	776,930
Custodial accounts	<u>199,606,782</u>
Total liabilities	<u>200,951,960</u>

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

CHELAN COUNTY, WASHINGTON

Notes to the Financial Statements
December 31, 2016

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.

Joint Venture – A joint venture is an organization that results from a contractual arrangement and is owned, operated, or governed by two or more participants as a separate activity. In addition to joint control, each participant must have either an on-going financial interest or an on-going financial responsibility. Chelan County participates in a joint venture with Douglas County, the City of Wenatchee and the City of East Wenatchee in the RiverCom 911 multi-jurisdictional public safety dispatch center. See Note 12 for additional information about the joint venture.

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 non-fiduciary activities of the primary government.

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 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 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.
- The Natural Resources fund accounts for resources from federal, state, and local grants to address environmental issues including water resources, timber, fish, wildlife, and agriculture within Chelan County.

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.

Prior to 2016 program expenses for the Judicial function were included with General Government program expenses. Because the judicial related expenses are accounted for separately from other general government type activities, consistent with State requirements, these amounts were reported separately beginning with the 2016 financial statements.

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 non-operating 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. Operating expenses for 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 non-operating revenues and expenses.

D. Budgetary Data

1. Budgetary Basis of Accounting

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 1(D)(3) 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. Excess of Expenditures Over Appropriations

The following excess of expenditures over appropriations were not anticipated in the original 2016 budget and the expenditures occurred late in 2016 after any supplemental budget appropriations could be legally made. In each instance, the funds had sufficient cash balances to cover their expenditures.

The Auditor O&M fund had expenditures for software and systems upgrades, one of the purposes for which the fund was created, occur late enough in the year that there was not sufficient time at year-end, and total costs were not known until very late in the year, not allowing enough time for a budget amendment before all costs were incurred and expenses paid. The fund expenditures exceeded appropriations by \$14,039 for software and system upgrades.

The Mental Health fund expenditures exceeded appropriations by \$1,046. This fund operates as a pass-through fund, so the excess expenditures were covered with corresponding revenues received.

The Tourist & Convention fund collects the county portion of hotel motel bed taxes and disburses these funds for tourism promotion expenses and activities. The fund experienced successful growth in 2016 bringing in \$1,416,004 in revenue compared to \$1,100,020 in budgeted revenue, resulting in \$315,984 of revenue over budget. With the increased level of activity, expenses increased as well. The fund expenses exceeded appropriations by \$216,055 due to more activities and projects occurring during the year as the economy grew and opportunities to promote and expand tourism increased. Many of these expenses and some of the projects occurred late enough in the year that there was not sufficient time at year-end to accurately project revenue and expenses and prepare a budget amendment. The excess expenditures, however, were more than offset by revenue received in excess of budgeted revenue. The fund will be monitored closely in the future to identify trends that might need to be addressed earlier, before year-end, while there is still time to prepare budget amendments.

3. Reconciliation of Budgetary and Actual Statements

The total revenues and expenditures of the General fund 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.

	General Fund		County Roads	
	Revenues	Expenditures	Revenues	Expenditures
Budgetary basis	39,400,215	36,729,509	13,319,680	12,558,057
Interfund activity	(1,717,094)	(1,717,094)	(11,597)	(11,597)
Transfers	(120,000)	(80,000)	(400,000)	(120,000)
GAAP basis	37,563,121	34,932,415	12,908,083	12,426,460

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

It is the County's policy to invest all temporary cash surpluses. At December 31, 2016, the Treasurer was holding \$24,811,031 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. 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." 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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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.

See Note 4 for additional information on capital assets.

6. Other Accrued Liabilities

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

7. Deferred Inflows of Resources

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

8. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Fund Balance Policies

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's policy varies by fund type. In the General fund, the county uses restricted resources first, committed resources second, assigned resources third, and unassigned resources last. In the special revenue and capital projects funds, the county uses assigned resources first, committed resources second, and restricted 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.

F. Revenues and Expenditures/Expense

1. Property Taxes

The County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Property taxes are levied and become an enforceable lien against properties on January 1st. Tax bills are mailed on February 14th, and the first of two equal installment payments is due on April 30. Assessed value of property is established at 100% of market value for next year's levy on May 31. The second installment payment is due on October 31st.

In governmental funds, property taxes are recorded as a receivable when levied, offset by unavailable 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.

Property tax is recorded as a receivable and revenue when levied. Property tax collected in advance of the fiscal year to which it applies is recorded as a deferred inflow and recognized as revenue of the period to which it applies. The balance of taxes receivable includes related interest and penalties. No allowance for uncollectible tax is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principal, and delinquent taxes are evaluated annually.

The Washington State Constitution and Washington State law (RCW 84.55.010) allow counties to limit the rate of property taxes. A county may levy taxes at a maximum rate of \$1.80 per \$1,000 of assessed value against all real and personal property subject to taxation for general county purposes. This includes payment of principal and interest on bonds issued by the County without a vote of the people, including limited tax general bond obligations (RCW 84.52). The County's regular levy for 2016 was \$1.23 per \$1,000 on an assessed valuation of \$9.7 billion for a total regular tax levy of \$11,952,385.

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 2016 was \$1.32 per \$1,000 on assessed valuation of \$5.6 billion for a total road levy of \$7,434,042. The diverted road levy for 2016 was \$400,000, which equates to \$0.04120 per \$1,000 of assessed valuation on total valuation of \$9.7 billion.

The County assesses a mental health levy of \$0.025 per \$1,000 on assessed valuation of \$9.7 billion for a total tax levy of \$242,731. The County also assesses a flood control zone levy of \$0.068 per \$1,000 on assessed valuation of \$9.7 billion for a total tax levy of \$657,041.

A county may increase its levy from \$1.80 to \$2.475 for general county purposes if the total levies for both county and road purposes do not exceed \$4.05 per \$1,000 of assessed value and no other taxing district has had its levy reduced as a result of the increased county levy.

The \$1.80 per \$1,000 limitation on the general purposes levy is exclusive of certain regular property taxes: (i) a voted levy for emergency medical services, limited to \$0.50 per \$1,000 (authorized by RCW 84.52.069); (ii) a voted levy to finance affordable housing for very low income households, limited to \$0.50 per \$1,000 (authorized by RCW 84.52.105); and (iii) a non-voted levy for conservation futures, limited to \$0.0625 per \$1,000 (authorized by RCW 84.34.230).

Aggregate regular property tax levies by the State and all taxing districts except port districts and public utility districts are subject to a rate limitation of one percent of the true and fair value of property (or \$10.00 per \$1,000) by Article VII, Section 2 of the State Constitution and by RCW 84.52.050. Within the one percent limitation, aggregate regular property tax levies by all taxing districts except the State, port districts and public utility districts are subject to a rate limitation of \$5.90 per \$1,000 of assessed value (or 0.59%) by RCW 84.52.043(2). This limitation is exclusive of levies for emergency medical services, affordable housing for very low-income households and acquiring conservation futures. If aggregate regular property tax levies exceed the one percent or \$5.90 per \$1,000 limitations, levies requested by "junior" taxing districts within the area affected are reduced or eliminated according to a detailed prioritized list (RCW 84.52.010), in order to bring the aggregate levy into

compliance. Junior taxing districts are defined by RCW 84.52.043 as all taxing districts other than the State, counties, cities, towns, road districts, port districts, and public utility districts.

2. 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 and proprietary 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.

3. Internal Service Expense Classification

Internal service charges to departments, which are eliminated from program expenses on the government wide financial statements to prevent double counting the same expense, were previously eliminated primarily from the general government program function prior to 2016. With the 2016 financial statements, specific functions were identified for elimination of internal service charges of \$11,287,450 from program expenses. Management believes this gives a more accurate accounting of program expenses after the elimination of the internal service charges.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Note 1.D.2 describes budgetary violations that occurred for the year ended December 31, 2016. It also the addresses the action taken to cover the expenses.

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

Investments Measured at Amortized Cost

As of December 31, 2016, the County held the following investments at amortized cost:

Type of Investment	Maturities	City's own investments	Investments held by County as an agent for others	Total
Certificate of deposit	N/A	256,006	1,826,995	2,083,001
Municipal money market	N/A	5,461,329	-	5,461,329
State investment pool	less than 90 days	17,268,726	177,623,848	194,892,574
Total		22,986,061	179,450,843	202,436,904

Investments Measured at Fair Value

The County measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable;

Level 3: Unobservable inputs for an asset or liability.

As of December 31, 2016 the County had the following investments measured at fair value:

Investments	Weighted average maturity of Chelan County's own investments	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)

Fair Value of County Investments:

U.S. government securities	16 months	-	19,112,592	-
Total		-	19,112,592	-

Fair value of investments held by Chelan County as an agent for other local governments:

U.S. government securities	16 months	-	1,714,475	-
Total		-	1,714,475	-

Fair value of investments held by Chelan County and as an agent for other local governments:

U.S. government securities		-	20,827,067	-
Total		-	20,827,067	-

Surplus cash pooled and invested, listed as cash and cash equivalents in the financial statements

Municipal money market	less than 90 days	2,447,432
Interest bearing checking	less than 90 days	3,006,226
Certificate of deposit	4 months	260,784
U.S. government securities	16 months	19,096,589
		<u>24,811,031</u>

State investment pool. The Local Government Investment Pool (LGIP) is an unrated investment pool, as defined by GASB 79. 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 value of an investment. Through its investment policy, the County manages its exposure to the risk that the fair 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 A3. The County also holds federal securities all holding a Moody's rating of Aaa and Aa1 and S&P rating of AA+ and AA-. Chelan County does not have a policy related to credit risk.

NOTE 4 - CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended December 31, 2016 was as follows:

	Beginning Balance 01/01/2016	Increases	Decreases	Ending Balance 12/31/2016
Capital assets, not being depreciated:				
Land	5,637,769	299,341	-	5,937,110
Construction in progress	8,161,602	1,940,536	6,969,911	3,132,227
Total capital assets, not being depreciated	13,799,371	2,239,877	6,969,911	9,069,338
Capital assets, being depreciated:				
Other improvements	2,211,433	-	-	2,211,433
Buildings and structures	54,641,592	160,689	-	54,802,281
Machinery and equipment	24,126,142	1,314,973	823,084	24,618,031
Infrastructure	79,973,477	7,099,514	-	87,072,992
Total capital assets being depreciated	160,952,644	8,575,176	823,084	168,704,737
Less accumulated depreciation for:				
Other improvements	1,604,323	57,159	-	1,661,482
Buildings and structures	27,861,918	1,124,169	-	28,986,088
Machinery and equipment	17,824,061	1,277,269	744,580	18,356,750
Infrastructure	41,851,318	3,293,680	-	45,144,999
Total accumulated depreciation	89,141,620	5,752,278	744,580	94,149,318
Total capital assets, being depreciated, net	71,811,024	2,822,898	78,504	74,555,419
Total capital assets, net	85,610,395	5,062,775	7,048,415	83,624,757

Depreciation expense was charged to functions as follows:

General Government	842,306
Judicial	38,386
Public Safety	612,865
Utilities	128,928
Transportation	3,904,987
Natural Environment	20,653
Economic environment	53,583
Culture and recreation	150,570
Total depreciation	5,752,278

NOTE 5 - PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2016:

Aggregate Pension Amounts – All Plans	
Net Pension liabilities	\$ 21,561,858
Net Pension assets	\$ 1,360,995
Deferred outflows of resources	\$ 4,578,442
Deferred inflows of resources	\$ 412,180
Pension expense/expenditures	\$ 3,433,935

A. State Sponsored Pension Plans

Substantially all Chelan County's full-time and qualifying part-time employees participate in one of the following statewide 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 state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

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 by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Or the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

B. Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee*
PERS Plan 1	6.23%	6.00%
PERS Plan 1 UAAL	4.77%	6.00%
Administrative Fee	0.18%	
Total	11.18%	6.00%

* For employees participating in JBM, the contribution rate was 12.26%.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 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 benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or

- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. 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 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2*
PERS Plan 2/3	6.23%	6.12%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
Total	11.18%	6.12%

* For employees participating in JBM, the contribution rate was 15.30%.

The County's actual PERS plan contributions were \$1,062,903 for PERS Plan 1 and \$1,146,892 to PERS Plan 2/3 for the year ended December 31, 2016.

C. Public Safety Employees' Retirement System (PSERS)

PSERS Plan 2 was created by the 2004 Legislature and became effective July 1, 2006. To be eligible for membership, 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 membership includes:

- PERS 2 or 3 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

- Employees hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

PSERS covered employers include:

- Certain 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, Spokane, and Tacoma),
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the average final compensation (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. Members are eligible for retirement at the age of 65 with five years of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years of service. Retirement before age 60 is considered an early retirement. 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 three percent per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PSERS Plan 2 members are vested after completing five years of eligible service.

Contributions

The **PSERS Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The Plan 2 employer rates include components to address the PERS Plan 1 unfunded actuarial accrued liability and administrative expense currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates.

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2016 were as follows:

PSERS Plan 2		
Actual Contribution Rates:	Employer	Employee
PSERS Plan 2	6.59%	6.59%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Total	11.54%	6.59%

The County's actual plan contributions, not including funding of the PERS Plan 1 UAAL, were \$152,798 to PSERS Plan 2 for the year ended December 31, 2016.

D. Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF is comprised of two separate defined benefit plans.

LEOFF Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

- 20+ years of service – 2.0% of FAS

- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2016. Employers paid only the administrative expense of 0.18 percent of covered payroll.

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. 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 three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

Contributions

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

LEOFF Plan 2		
Actual Contribution Rates:	Employer	Employee
State and local governments	5.05%	8.41%
Administrative Fee	0.18%	
Total	5.23%	8.41%
Ports and Universities	8.41%	8.41%
Administrative Fee	0.18%	
Total	8.59%	8.41%

The County's actual contributions to the plan were \$253,572 for the year ended December 31, 2016.

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. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2016, the state contributed \$60,375,158 to LEOFF Plan 2. The amount recognized by the County as its proportionate share of this amount is \$178,285.

E. Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2016 with a valuation date of June 30, 2015. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2015 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2016. Plan liabilities were rolled forward from June 30, 2015, to June 30, 2016, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 3.0% total economic inflation; 3.75% salary inflation
- **Salary increases:** In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5%

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were minor changes in methods and assumptions since the last valuation.

- For all systems, except LEOFF Plan 2, the assumed valuation interest rate was lowered from 7.8% to 7.7%. Assumed administrative factors were updated.
- Valuation software was corrected on how the nonduty disability benefits for LEOFF Plan 2 active members is calculated.
- New LEOFF Plan 2 benefit definitions were added within the OSA valuation software to model legislation signed into law during the 2015 legislative session.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.5 percent.

To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.7 percent except LEOFF 2, which has assumed 7.5 percent). Consistent with the long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.5 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.5 percent was determined using a building-block-method. The Washington State Investment Board (WSIB) used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of WSIB's capital market assumptions. The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various future times. The long-term expected rate of return of 7.5 percent approximately equals the median of the simulated investment returns over a 50-year time horizon.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	5%	4.40%
Real Estate	15%	5.80%
Global Equity	37%	6.60%
Private Equity	23%	9.60%
	100%	

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the County's proportionate share* of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	\$12,888,122	\$ 10,687,560	\$ 8,793,840
PERS 2/3	\$19,450,816	\$ 10,564,322	\$(5,499,339)
PSERS 2	\$ 1,345,969	\$ 309,977	\$ (427,963)
LEOFF 1	\$ (190,856)	\$ (321,284)	\$ (432,772)
LEOFF 2	\$ 2,915,634	\$ (1,039,710)	\$(4,020,891)

F. Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

G. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the County reported a total pension liability of \$21,561,858 and total pension asset of \$1,360,994 for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	\$ 10,687,560
PERS 2/3	\$ 10,564,322
PSERS 2	\$ 309,977
LEOFF 1	\$ (321,284)
LEOFF 2	\$ (1,039,710)

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the County. The amount recognized by the County as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the County were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	\$ (321,284)	\$ (1,039,710)
State's proportionate share of the net pension asset associated with the employer	\$(2,173,160)	\$ (677,815)
TOTAL	\$(2,494,444)	\$ (1,717,526)

At June 30, the County's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/15	Proportionate Share 6/30/16	Change in Proportion
PERS 1	0.186394%	0.199006%	0.012612%
PERS 2/3	0.198093%	0.209821%	0.011728%
PSERS 2	0.659134%	0.729392%	0.070258%
LEOFF 1	0.031844%	0.031184%	(0.000660%)
LEOFF 2	0.177599%	0.178758%	0.001159%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2016. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2016, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2016, the state of Washington contributed 39.46 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 60.54 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2016, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2015, with update procedures used to roll forward the total pension liability to the measurement date.

H. Pension Expense

For the year ended December 31, 2016, the County recognized pension expense as follows:

	Pension Expense
PERS 1	\$ 1,320,924
PERS 2/3	\$ 1,612,401
PSERS 2	\$ 212,954
LEOFF 1	\$ (34,943)
LEOFF 2	\$ 322,599
TOTAL	\$ 3,433,935

I. Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ 269,096	\$
Contributions subsequent to the measurement date	\$ 447,073	\$
TOTAL	\$ 716,169	\$

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 562,543	\$ (348,746)

Net difference between projected and actual investment earnings on pension plan investments	\$ 1,292,768	\$
Changes of assumptions	\$ 109,191	\$
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 503,422	\$
Contributions subsequent to the measurement date	\$ 484,300	\$
TOTAL	\$ 2,952,223	\$ (378,746)

PSERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 105,587	\$
Net difference between projected and actual investment earnings on pension plan investments	\$ 63,931	\$
Changes of assumptions	\$ 1,203	\$
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 6,048	\$(162)
Contributions subsequent to the measurement date	\$ 67,899	\$
TOTAL	\$ 244,669	\$(162)

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ 32,658	\$
TOTAL	\$ 32,658	\$

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 142,468	\$
Net difference between projected and actual investment earnings on pension plan investments	\$ 373,610	\$
Changes of assumptions	\$ 3,920	\$
Changes in proportion and differences between contributions and proportionate share of contributions	\$	\$(63,272)
Contributions subsequent to the measurement date	\$ 112,725	\$
TOTAL	\$ 632,723	\$(63,272)

Total-All Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 810,598	\$ (348,746)
Net difference between projected and actual investment earnings on pension plan investments	\$ 2,032,063	\$
Changes of assumptions	\$ 114,315	\$

Changes in proportion and differences between contributions and proportionate share of contributions	\$ 509,469	\$ (63,434)
Contributions subsequent to the measurement date	\$ 1,111,997	\$
TOTAL	\$ 4,578,442	\$ (412,180)

Deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS 1 Outflows	PERS 2/3 Inflows	PERS 2/3 Outflows	PSERS Inflows	PSERS Outflows	LEOFF 1 Outflows	LEOFF 2 Inflows	LEOFF 2 Outflows
2017	(66,257)	(108,983)	287,493	(33)	21,889	(6,749)	(14,768)	(5,071)
2018	(66,257)	(108,983)	287,493	(33)	21,889	(6,749)	(14,768)	(5,071)
2019	247,136	(108,983)	1,235,318	(32)	61,276	28,284	(14,768)	308,713
2020	154,474	(21,796)	657,619	(32)	48,242	17,872	(14,768)	212,547
2021				(32)	22,341		(4,201)	8,881
Thereafter					1,133			

K. Volunteer Fire Fighters and Reserve Officers' Relief and Pension Fund (VFFRPF)

VFFRPF is a cost-sharing, multiple-employer defined benefit plan administered by the State Board for Volunteer Fire Fighters and Reserve Officers. The Board is appointed by the Governor and is comprised of five members of fire departments covered by Chapter 41.24 RCW. Administration costs of the VFFRPF are funded through legislative appropriation. Approximately 500 local governments, consisting of fire departments, emergency medical service districts and law enforcement agencies, contribute to the plan. In addition, the state contributes 40 percent of the fire insurance premium tax. Retirement benefits are established in Chapter 41.24 RCW and may be amended only the Legislature.

The VFFRPF plan does not issue a stand-alone financial report, but is included in the comprehensive annual financial report (CAFR) of the State of Washington. The State CAFR may be downloaded from the Office of Financial Management (OFM) website at www.ofm.wa.gov.

Membership in the VFFRPF includes volunteer firefighters, emergency medical technicians, and commissioned reserve law enforcement officers of participating employers. After 25 years of active membership, members having reached the age of 65 and who have paid their annual retirement fee for 25 years are entitled to receive a monthly benefit of \$50 plus \$10 per year of service, for a maximum monthly benefit of \$300. Reduced pensions are available for members under the age of 65 or with less than 25 years of service.

Members are vested after ten years of service. The VFFRPF members earn no interest on contributions and may elect to withdraw their contributions upon termination. Death and active duty disability benefits are provided at no cost to the member. Death benefits in the line of duty consist of a lump sum of \$214,000 and funeral and burial expenses of \$2,000. Members receiving disability benefits at the time of death shall be paid \$500.

The County contributed \$420 in 2016 to the VFFRPF for four reserve Sheriff's Office positions. The County's proportionate share of Net Pension Asset is \$31,626.

NOTE 6 - RISK MANAGEMENT

A. Liability Insurance - Risk Pool

Chelan County is a participating member of the Washington Counties Risk Pool (WCRP). Chapter 48.62 RCW authorizes the governing body of one or more governmental entities to join together for the joint purchasing of

insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in August of 1988 when 15 counties in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2016, 26 counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management and claims administration. Members enjoy occurrence-based, jointly purchased and/or jointly self-insured liability coverage for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by a covered occurrence during an eligible period and occurring anywhere in the world. Total coverage limits are \$20 million per occurrence and each member selects its occurrence deductible amount for the ensuing coverage year from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. For losses occurring in 2016, Chelan County selects a per-occurrence deductible of \$100,000.

Members make an annual contribution to fund the Pool. The Pool acquires reinsurance for further protection from larger losses, direct protection for the Pool and indirect for the member counties due to the contingent liabilities they would otherwise incur from risk-sharing those losses. The reinsurance agreements are written with self-insured retentions ("SIRs") equal to the greater of the deductible for the member with the claim or \$100,000. More recent years' reinsurance programs have included "corridor deductibles" with aggregated stop losses which have the effect of increasing the Pool's SIR. For 2015-16, this "corridor" increased the SIR to \$2 million, but with an aggregated stop loss of \$3.45 million. Other reinsurance agreements respond to the applicable policy limits. Those reinsurance agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$40 million (lowest reinsured layer), \$20 million, (second layer), \$30 million (third layer) and \$50 million (final reinsured layer). Since the Pool is a cooperative program, there is a joint liability among the participating members.

New members may be asked to pay modest fees to cover the costs to analyze their loss data and risk profiles, and for their proportional shares of the entry year's assessments. New members contract under the Interlocal Agreement to remain in the Pool for at least five years. Following its initial 60-month term, any member may terminate its membership at the conclusion of any Pool fiscal year, provided the county timely files the required advance written notice. Otherwise, the Interlocal Agreement and membership automatically renews for another year. Even after termination, former members remain responsible for reassessments by the Pool for the members' proportional shares of any unresolved, unreported, and in-process claims for the periods that the former members were signatories to the Interlocal Agreement.

The Pool is fully funded by its member participants. Claims are filed directly with the Pool by members and adjusted by one of the six staff members responsible for evaluating each claim for coverage, establishing reserves, and investigating for any risk-shared liability. The Pool does not contract with any third party administrators for claims adjustment or loss prevention services.

During 2015-16, Chelan County was also one of twenty-six (26) counties which participated in the Washington Counties Property Program (WCPP). Property losses are covered under the WCPP to the participating counties' buildings and contents, vehicles, mobile/contractor equipment, EDP and communication equipment, etc. that have been scheduled. The WCPP includes 'All Other Perils ("AOP")' coverage limits of \$500 million per occurrence as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. There are no AOP annual aggregate limits, but the flood and earthquake coverages include annual aggregate limits of \$200 million each. Each participating county is solely responsible for paying their selected deductible, ranging between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

Chelan County also participates in the jointly purchased cyber risk and security coverage from a highly-rated commercial insurer.

The Pool is governed by a board of directors which is comprised of one designated representative from each participating member. The Board of Directors generally meets three-times each year with the Annual Meeting of the Pool' being held in summer. The Board approves the extent of risk-sharing, approves the Pool's self-insuring coverage documents, approves the selection of reinsurance and excess agreements, and approves the Pool's annual operating budget.

An 11-member executive committee is elected by and from the WCRP Board for staggered, 3-year terms. Authority has been delegated to the Committee by the Board of Directors to, a) approve all disbursements and reviews the Pool's financial health, b) approve case settlements exceeding the applicable member's deductible by at least \$50,000, c) review all claims with incurred loss estimates exceeding \$100,000, and d) evaluate the Pool's operations, program deliverables, and the Executive Director's performance. Committee members are expected to participate in the Board's standing committees (finance, personnel, risk management, and underwriting) which develop or review/revise proposals for and/or recommendations to the association's policies and its coverages for the Board to consider and act upon.

During 2015-16, the WCRP's assets decrease 4% to \$46.8 million while its liabilities increased slightly to \$29 million. The Pool's net position decreased slightly from \$18.9 million to \$17.9 million. The Pool more than satisfies the State Risk Manager's solvency requirements (WAC 200.100.03001). The Pool is a cooperative program with joint liability amongst its participating members.

Deficits of the Pool resulting from any fiscal year are financed by reassessments of the deficient year's membership in proportion with the initially levied and collected deposit assessments. The Pool's reassessments receivable balance as of December 31, 2016 was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

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.

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.

3. Medical Insurance

Chelan County is self-insured for medical insurance. Premera provides the administration of the medical insurance claims for the County. The County has a \$110,000 stop-loss policy to mitigate risk of large individual claims. It also maintained an annual aggregate claims limit of \$5,107,064. Per the Washington Administrative Code, the County must maintain a reserve equal to 16 weeks of program expenses. Based on 2016's average weekly medical plan costs, this amount equals \$1,690,912. As of 12/31/2016, the Health Insurance fund was adequately funded with an ending net position of \$3,521,260.

<u>Unemployment Compensation</u>	
Claims liability at 12/31/2014	\$ 0
Claims incurred	\$ 32,113
Claims paid	\$ (32,113)
Claims liability at 12/31/2015	\$ 0
Claims incurred	\$ 51,050
Claims paid	\$ (51,050)
Claims liability at 12/31/2016	\$ 0

<u>Workers Compensation</u>	
Claims liability at 12/31/2014	\$ 313,900
Claims incurred	\$ 20,007
Claims paid	\$ (305,379)
Claims adjustments	\$ 197,226
Claims liability at 12/31/2015	\$ 225,754
Claims incurred	\$ 108,519
Claims paid	\$ (175,956)
Claims adjustments	\$ 105,201
Claims liability at 12/31/2016	\$ 263,518

<u>Medical Insurance</u>	
Claims liability at 12/31/2014	\$ 0
Claims incurred	\$ 3,075,117
Claims paid	\$ (3,075,117)
Claims liability at 12/31/2015	\$ 0
Claims incurred	\$ 4,017,964
Claims paid	\$ (4,017,964)
Claims liability at 12/31/2016	\$ 0

NOTE 7 - 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 General, Criminal Justice Sales Tax, Distressed Counties Tax funds. These bonds are set to mature between 2022 and 2036. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount Outstanding
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%	1,985,000
2009 LTGO bonds for the law and justice facility renovation, original issue \$8,150,000	2.0% - 5.0%	1,310,000
2016 Refunding bonds to advance refund the county's 2002 and 2003A bonds and partially refund the 2009 G.O. bonds, original issue \$8,955,000	2.0% - 5.0%	8,610,000
Total		11,905,000

The annual debt service requirements to maturity are as follows:

Year Ending December 31	Principal	Interest
2017	885,000	434,867
2018	935,000	399,467
2019	750,000	366,454
2020	765,000	340,693
2021	795,000	313,967
2022-2026	2,440,000	1,239,336
2027-2031	2,425,000	850,500
2032-2036	2,910,000	358,600
Total	11,905,000	4,303,884

B. Refunded Debt

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.

The reacquisition price was less than the carrying amount of the old debt by \$715,000. This difference has been classified as a deferred inflow of resources on the Statement of Net Position and is being amortized as a component of interest expense over the remaining life of the refunding debt. See note 14 for additional information on the prior period adjustment related to the amortization.

In 2016 Chelan County issued the 2016 LTGO refunding bonds to defease the 2002 and 2003A G.O bonds, as well as partially refunding the outstanding 2009 G.O. bonds. The proceeds of the new bonds were placed in an irrevocable trust to provide for 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.

The reacquisition price was less than the carrying amount of the old debt by \$120,000. This difference has been classified as a deferred inflow of resources on the Statement of Net Position and is being amortized as a component of interest expense over the remaining life of the refunding debt.

NOTE 8 – CHANGES IN LONG TERM LIABILITIES

During the year ended December 31, 2016, the following changes occurred in long-term liabilities:

	Beginning Balance 01/01/16	Additions	Reductions	Ending Balance 12/31/16	Due Within One Year
Bonds payable	12,880,000	8,955,000	9,930,000	11,905,000	885,000
Net pension liability	16,948,421	4,613,437	-	21,561,858	-
OPEB benefit for LEOFF	2,350,250	727,967	281,482	2,796,735	-
DSHS Working capital advance	110,394	-	-	110,394	-
Claims reserve	225,754	213,720	175,956	263,518	-
Compensated absences	2,328,635	618,432	512,347	2,434,720	535,656
Long-term liabilities:	34,843,454	15,128,556	10,899,785	39,072,225	1,420,656

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals. At year end, \$45,680 of internal service funds compensated absences are included in the above amounts. The majority of the compensated absences above are liquidated by the General, County Roads, and Regional Justice Center funds. The OPEB benefit for LEOFF is liquidated by the General fund. The net pension liability will be liquidated by funds that have personnel costs, which are predominately the major governmental funds.

NOTE 9 – CONTINGENCIES AND LITIGATIONS

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

Chelan County participates in several federal and state grant programs. These grants are subject to an annual audit examination which includes compliance with granting agency terms and provisions, and with pertinent federal and state regulations. Failure to adequately comply with these provisions could result in a requirement to repay funds to the granting agency. Disallowed expenditures cannot be determined at this time, although it is expected that such amounts, if any, 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 1/15th per year over the first 5 year period, and a rate of 2/15th 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, 2016 was \$103,094.

NOTE 10 – FUND BALANCE

A. Minimum Fund Balance Policy

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

The General fund shall maintain a minimum year-end unassigned 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 General fund's long-term fund balance target is a year-end unassigned fund balance of 15% of annual expenditures.

B. Detailed Fund Balance Constraints

	Special Revenue Funds					Nonmajor Capital Projects Funds	Total
	General Fund	County Roads	Regional Justice Center	Natural Resources	Nonmajor Special Revenue Funds		
Fund Balances:							
Restricted for:							
Roads & transportation	-	2,388,576	-	-	96,790	-	2,485,366
Drug enforcement	-	-	-	-	302,268	-	302,268
Law enforcement	-	-	-	-	2,570,150	-	2,570,150
Archiving	-	-	-	-	350,748	-	350,748
Housing	-	-	-	-	410,692	-	410,692
Pest control	-	-	-	-	20,717	-	20,717
Technology	-	-	-	-	247,404	-	247,404
Weed control	-	-	-	-	56,975	-	56,975
Courts	-	-	-	-	362,597	-	362,597
Veterans	-	-	-	-	27,191	-	27,191
Foreclosure costs	-	-	-	-	139,815	-	139,815
Tourism	-	-	-	-	1,232,132	-	1,232,132
Natural resources	-	-	-	88,211	95,770	-	183,981
Flood control	-	-	-	-	2,761,894	-	2,761,894
Substance abuse	-	-	-	-	282	-	282
Capital projects	-	-	-	-	3,477,357	2,929,823	6,407,180
Committed to:							
Drug enforcement	-	-	-	-	8,590	-	8,590
Prison	-	-	-	-	76,338	-	76,338
Parks & recreation	-	-	-	-	790,459	-	790,459
Education	-	-	-	-	104,950	-	104,950
Airport	-	-	-	-	53,822	-	53,822
Utilities	-	-	-	-	479,401	-	479,401
Elections	-	-	-	-	33,313	-	33,313
Unassigned	10,619,553	-	(3,193)	-	-	-	10,616,360
	10,619,553	2,388,576	(3,193)	88,211	13,699,655	2,929,823	29,722,625

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, 2016 are as follows:

	Due From						Total
	General Fund	County Roads	Regional Justice Center	Natural Resources	Nonmajor govern- mental	Internal service	
Due To							
General Fund	-	29,874	1,366	-	6,653	-	37,893
County Roads	-	55,593	-	-	-	-	55,593
Regional Justice Center	153	190	-	-	57	17	417
Natural Resources	14,000	-	-	-	8,927	-	22,927
Nonmajor governmental	-	42	-	-	2,200	-	2,242
Internal service	96,148	631,899	460	3,201	7,817	474	739,999
Total	110,301	717,598	1,826	3,201	25,654	491	859,071

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 2016:

Borrowing Fund	Lending Fund	Interfund Loans and Advances Payable			
		1/1/2016	New Loans	Repayments	12/31/2016
Solid Waste Planning	ER&R	43,350	41,607	84,957	-
Noxious Weeds	General Fund	-	7,000	7,000	-
Horticulture, Pest & Disease	General Fund	-	10,000	10,000	-
Natural Resources	REET I	416,000	914,000	790,000	540,000
Regional Justice Center	Distressed Counties Tax	-	15,000	15,000	-
Total		459,350	987,607	906,957	540,000

C. Interfund Transfers

During 2016, interfund transfers were used to move General fund property tax revenue to support the 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 2016:

Transfers In	Transfers Out			
	General	County Roads	Nonmajor governmental	Total
General	-	120,000	-	120,000
County Roads	-	-	400,000	400,000
Natural Resources	50,000	-	-	50,000
Nonmajor governmental	30,000	-	-	30,000
Total transfers	80,000	120,000	400,000	600,000

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. Based on the interlocal agreement, Chelan County has a 25% equity interest in Rivercom. During 2016, Rivercom reported total revenues and other increases in fund resources of \$8,304,116 and incurred total expenditures and other decreases in fund resources of \$6,229,704 resulting in an increase in cash and investment of \$2,074,412, and ending cash and investment of \$9,004,720. Rivercom produces financial statements using a cash basis of accounting. One-quarter of revenues, expenses, and fund balance are included in the full accrual government-wide financial statements. 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.

B. Water Conservation Board

The Chelan County Board of Commissioners appoint the majority of board members for the Chelan County Water Conservation Board. After appointment, the district is not accountable to Chelan County. Their combined financial information is included with the agency fund combining financial statements.

NOTE 14 – PRIOR PERIOD ADJUSTMENT

Accounts receivable of \$217,352 for revenue recorded in the General Fund was accrued back to 2015 during the preparation of the 2015 Comprehensive Annual Financial Report (CAFR). This adjustment was based on the dates the work occurred or invoices paid, which was in 2015. In June 2016, prior to issuance of the 2015 CAFR, the accounts receivable was corrected to \$171,165. The difference, \$50,881, represents accounts receivable and revenue recorded in 2015 above the actual amount later received. Because the amount was known before the finalization and issuance of the 2015 CAFR, the item is being treated as the correction of an error and the beginning net position of the County is being restated by the net adjustment of \$50,881. Ending net position of the County previously reported was \$88,209,994, offset by the prior period adjustment of \$50,881, results in a restated ending net position of \$88,159,113.

NOTE 15 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

A. Plan Description

In addition to the pension benefits described in Note 5, 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 20 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. from the General fund. For the fiscal year ending December 31, 2016, the County's combined plan contributions were \$281,482.

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, 2016, the amount actually contributed to the plans, and changes in the County's net OPEB obligation:

Annual required contribution	845,341
Interest on net OPEB contribution	94,010
Adjustments to the annual required contribution	<u>(211,384)</u>
Annual OPEB cost/expense	727,967
Contributions made	<u>(281,482)</u>
Increase in the net OPEB obligation	446,485
Net OPEB obligation, beginning of year	<u>2,350,250</u>
Net OPEB obligation, end of year	2,796,735

The County's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Costs	Actual Plan Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2016	\$727,967	\$281,482	39%	\$2,796,735
12/31/2015	\$726,468	\$293,814	40%	\$2,350,250
12/31/2014	\$604,217	\$277,588	46%	\$1,917,596

D. Funding Status and Funding Progress

The funded status of the plan as of December 31, 2016, was as follows:

Actuarial accrued liability (AAL)	9,398,828
Actuarial value of plan assets	0
Unfunded actuarial accrued liability	9,398,828
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 55.3 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, 2014 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 four active groupings and four 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 4.9% in 2100. 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.



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CHELAN COUNTY, WASHINGTON

Required Supplementary Information

Schedule of Funding Progress

December 31, 2016

LEOFF 1 Other Post Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2016	0	9,398,828	9,398,828	0%	0	N/A
12/31/2015	0	9,141,925	9,141,925	0%	0	N/A
12/31/2014	0	7,601,327	7,601,327	0%	0	N/A
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
12/31/2010	0	6,227,653	6,227,653	0%	0	N/A
12/31/2009	0	6,472,713	6,472,713	0%	0	N/A
12/31/2008	0	6,844,736	6,844,736	0%	0	N/A

CHELAN COUNTY, WASHINGTON**Required Supplementary Information****Schedule of Proportionate Share of the Net Pension Liability**

June 30, 2016

PERS 1	2016	2015	2014
County's proportion of the net pension liability	0.199006%	0.186394%	0.180347%
County's proportionate share of the net pension liability	10,687,560	9,750,140	9,085,065
County's covered employee payroll	22,928,349	20,369,507	19,175,010
County's proportionate share of the net pension liability as a percentage of covered employee payroll	46.61%	47.87%	47.38%
Plan fiduciary net position as a percentage of the total pension liability	57.03%	59.10%	61.19%
PERS 2/3	2016	2015	2014
County's proportion of the net pension liability	0.209821%	0.198093%	0.192221%
County's proportionate share of the net pension liability	10,564,322	7,077,976	3,885,480
County's covered employee payroll	19,752,838	17,600,742	16,606,855
County's proportionate share of the net pension liability as a percentage of covered employee payroll	53.48%	40.21%	23.40%
Plan fiduciary net position as a percentage of the total pension liability	85.82%	89.20%	93.29%
PSERS	2016	2015	2014
County's proportion of the net pension liability	0.729392%	0.659134%	0.662335%
County's proportionate share of the net pension liability	309,977	120,305	(95,913)
County's covered employee payroll	2,368,244	1,929,680	1,785,782
County's proportionate share of the net pension liability as a percentage of covered employee payroll	13.09%	6.23%	-5.37%
Plan fiduciary net position as a percentage of the total pension liability	90.41%	95.08%	105.01%
LEOFF 1	2016	2015	2014
County's proportion of the net pension liability (asset)	0.031184%	0.031844%	0.034190%
County's proportionate share of the net pension liability (asset)	(321,284)	(383,791)	(414,653)
State's proportionate share of the net pension liability (asset) associated with the county	(2,173,160)	(2,595,950)	(2,804,704)
Total proportionate share of the net pension liability (asset)	(2,494,444)	(2,979,740)	(3,219,357)
County's covered employee payroll	-	-	-
County's proportionate share of the net pension asset as a percentage of covered employee payroll	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	123.74%	127.36%	126.91%
LEOFF 2	2016	2015	2014
County's proportion of the net pension liability (asset)	0.178758%	0.177599%	0.164498%
County's proportionate share of the net pension liability (asset)	(1,039,710)	(1,825,362)	(2,182,959)
State's proportionate share of the net pension liability (asset) associated with the county	(677,815)	(1,206,930)	(1,426,307)
Total proportionate share of the net pension liability (asset)	(1,717,526)	(3,032,292)	(3,609,266)
County's covered employee payroll	5,415,332	5,155,068	4,576,780
County's proportionate share of the net pension asset as a percentage of covered employee payroll	-19.20%	-35.41%	-47.70%
Plan fiduciary net position as a percentage of the total pension liability	106.04%	111.67%	116.75%

Notes: GASB 68 was implemented for the 2015 financial statements so only two years of data is available.

Up to ten years of history will be presented over time as the data is generated.

CHELAN COUNTY, WASHINGTON

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2016

PERS 1	2016	2015	2014
Statutorily or contractually required contributions	1,062,903	876,552	905,944
Contributions in relation to the statutorily or contractually required contributions	1,062,903	876,552	905,944
Contribution deficiency (excess)	-	-	-
Covered County payroll	21,413,272	19,282,248	21,360,389
Contributions as a percentage of covered County payroll	4.96%	4.55%	4.24%
PERS 2/3	2016	2015	2014
Statutorily or contractually required contributions	1,146,892	927,123	921,038
Contributions in relation to the statutorily or contractually required contributions	1,146,892	927,123	921,038
Contribution deficiency (excess)	-	-	-
Covered County payroll	18,417,336	16,654,601	18,437,888
Contributions as a percentage of covered County payroll	6.23%	5.57%	5.00%
PSERS	2016	2015	2014
Statutorily or contractually required contributions	152,798	122,821	128,742
Contributions in relation to the statutorily or contractually required contributions	152,798	122,821	128,742
Contribution deficiency (excess)	-	-	-
Covered County payroll	2,318,543	1,898,929	2,031,092
Contributions as a percentage of covered County payroll	6.59%	6.47%	6.34%
LEOFF 1	2016	2015	2014
Statutorily or contractually required contributions	-	-	-
Contributions in relation to the statutorily or contractually required contributions	-	-	-
Contribution deficiency (excess)	-	-	-
Covered County payroll	-	-	-
Contributions as a percentage of covered County payroll	-	-	-
LEOFF 2	2016	2015	2014
Statutorily or contractually required contributions	253,572	238,152	272,999
Contributions in relation to the statutorily or contractually required contributions	253,572	238,152	272,999
Contribution deficiency (excess)	-	-	-
Covered County payroll	5,021,262	4,716,403	5,405,815
Contributions as a percentage of covered County payroll	5.05%	5.05%	5.05%

Notes: GASB 68 was implemented for the 2015 financial statements so only two years of data is available.

Up to ten years of history will be presented over time as the data is generated.

CHELAN COUNTY, WASHINGTON

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Assets			
Cash and cash equivalents	6,527,569	2,207,278	8,734,847
Deposits with fiscal agents	18,330	-	18,330
Investments	7,750,705	224,617	7,975,322
Accounts receivable	81,168	-	81,168
Property tax receivable	26,883	-	26,883
Due from other funds	2,242	-	2,242
Interfund loan receivable	-	540,000	540,000
Due from other governments	187,606	-	187,606
Total assets	<u>14,594,502</u>	<u>2,971,896</u>	<u>17,566,398</u>
Liabilities			
Accounts payable	700,169	42,072	742,241
Due to other funds	25,654	-	25,654
Due to other governments	40,003	-	40,003
Accrued payroll	83,810	-	83,810
Deposits payable	18,330	-	18,330
Total liabilities	<u>867,966</u>	<u>42,072</u>	<u>910,038</u>
Deferred Inflows of Resources			
Unavailable revenue - property tax	26,883	-	26,883
Total deferred inflows of resources	<u>26,883</u>	<u>-</u>	<u>26,883</u>
Fund Balances			
Restricted	12,152,782	2,929,823	15,082,605
Committed	1,546,872	-	1,546,872
Total fund balances	<u>13,699,654</u>	<u>2,929,823</u>	<u>16,629,477</u>
Total liabilities, fund balances, and deferred inflows of resources	<u>14,594,502</u>	<u>2,971,896</u>	<u>17,566,398</u>

CHELAN COUNTY, WASHINGTON

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total
Revenues			
Taxes	8,046,013	1,659,913	9,705,926
Intergovernmental	1,896,265	51,390	1,947,656
Charges for services	3,748,910	-	3,748,910
Fees and fines	28,536	-	28,536
Miscellaneous	1,264,679	17,866	1,282,545
Total revenues	14,984,403	1,729,169	16,713,572
Expenditures			
Current:			
General government	196,974	-	196,974
Judicial	190,837	-	190,837
Public safety	4,037,714	-	4,037,714
Utilities	2,190,223	-	2,190,223
Transportation	20,235	-	20,235
Natural and economic environment	2,511,986	-	2,511,986
Social services	1,092,385	-	1,092,385
Culture and recreation	853,279	-	853,279
Debt service:			
Principal	765,636	-	765,636
Interest and other charges	600,586	-	600,586
Capital outlay	657,978	942,578	1,600,556
Total expenditures	13,117,833	942,578	14,060,412
Excess (deficiency) of revenues over (under) expenditures	1,866,570	786,591	2,653,161
Other Financing Sources (Uses)			
Sale of capital assets	15,438	-	15,438
Transfers in	30,000	-	30,000
Transfers out	-	(400,000)	(400,000)
Refunding bonds issued	8,955,000	-	8,955,000
Premium on bonds issued	1,044,091	-	1,044,091
Payment to refunding escrow agent	(9,889,831)	-	(9,889,831)
Total other financing sources and uses	154,698	(400,000)	(245,303)
Net change in fund balances	2,021,267	386,591	2,407,858
Fund balances - beginning	11,678,387	2,543,232	14,221,619
Fund balances - ending	13,699,654	2,929,823	16,629,477

CHELAN COUNTY, WASHINGTON

Description of Nonmajor Special Revenue Funds

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes, or have been committed through legislation by the Board of County Commissioners for a specific purpose.

Solid Waste: accounts for the operations of solid waste disposal and management

Solid Waste Planning: accounts for the grants received from the state for the planning of waste disposal.

Storm Water: receives 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.

Flood Control: accounts for property tax levy funds used to operate and maintain flood control and storm water projects within Chelan County.

Paths & Trails: 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.

Boating Safety: accounts for the Chelan County portion of state allocation of vessel registration fees for boating safety program.

Wenatchee River County Park: accounts for the operations of the Wenatchee River County Park.

Ohme Gardens: accounts for the operation of Ohme Gardens, a recreational park facility owned by the State of Washington and operated by Chelan County.

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 and the fairgrounds themselves including related facilities.

Sheriff Donation: accounts for donations to the Sheriff's department.

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

Horticulture Pest & Disease: accounts for the financing of the pest and disease 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.

CHELAN COUNTY, WASHINGTON

Description of Nonmajor Special Revenue Funds (continued)

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

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

Parent Education: accounts for the operation of a divorce support program that is court mandated if children are involved.

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

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

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 specific fees that are to be used for the operation and maintenance of low-income housing projects; and projects to reduce homelessness.

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: the fund provides academics, cognitive restructuring, workforce development, anger management, and re-entry education and support to offenders.

Forest Title III: accounts for the Forest Title III grant funds received from the federal government 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.



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Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016

	Solid Waste	Solid Waste Planning	Storm Water	Flood Control	Paths & Trails	Drug Enforce- ment Reserve	Felony Seizure & Forfeiture
Assets							
Cash and cash equivalents	271,790	38,669	1,855,994	300	71,366	6,000	22,357
Deposits with fiscal agents	18,330	-	-	-	-	-	-
Investments	212,485	-	-	922,202	25,425	2,590	-
Accounts receivable	80,858	-	-	-	-	-	-
Property tax receivable	-	-	-	18,988	-	-	-
Due from other funds	42	-	-	-	-	-	-
Due from other governments	36,739	-	-	-	-	-	-
Total assets	<u>620,243</u>	<u>38,669</u>	<u>1,855,994</u>	<u>941,490</u>	<u>96,790</u>	<u>8,590</u>	<u>22,357</u>
Liabilities							
Accounts payable	133,634	66	9,320	2,508	-	-	-
Due to other funds	5,006	-	-	-	-	-	-
Due to other governments	405	-	245	-	-	-	-
Accrued payroll	21,074	997	1,918	2,610	-	-	-
Deposits payable	18,330	-	-	-	-	-	-
Total liabilities	<u>178,449</u>	<u>1,063</u>	<u>11,484</u>	<u>5,118</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources							
Unavailable revenue - property tax	-	-	-	18,988	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,988</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances							
Restricted	-	-	1,844,510	917,384	96,790	-	22,357
Committed	441,794	37,606	-	-	-	8,590	-
Total fund balances	<u>441,794</u>	<u>37,606</u>	<u>1,844,510</u>	<u>917,384</u>	<u>96,790</u>	<u>8,590</u>	<u>22,357</u>
Total liabilities, fund balances, and deferred inflows of resources	<u>620,243</u>	<u>38,669</u>	<u>1,855,994</u>	<u>941,490</u>	<u>96,790</u>	<u>8,590</u>	<u>22,357</u>

Auditor O&M	Boating Safety	Wenatchee River County Park	Ohme Gardens	Expo Center	Fair	Sheriff Donation	Farm Worker Housing	Horti- culture Pest & Disease
261,539	113,770	82,163	32,509	354,897	336,171	59,688	46,876	36,950
-	-	-	-	-	-	-	-	-
131,906	-	-	16,495	-	-	-	-	-
-	-	-	-	-	-	-	-	310
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,200	-	-
-	-	-	-	-	-	-	80,339	-
<u>393,445</u>	<u>113,770</u>	<u>82,163</u>	<u>49,004</u>	<u>354,897</u>	<u>336,171</u>	<u>61,888</u>	<u>127,215</u>	<u>37,260</u>
42,319	27,999	1,559	535	1,490	1,052	800	529	4,297
-	-	-	44	-	2,553	-	58	2,104
378	-	1,204	306	1,858	141	-	342	1,290
-	-	4,330	6,240	10,462	-	28	2,933	8,852
-	-	-	-	-	-	-	-	-
<u>42,697</u>	<u>27,999</u>	<u>7,093</u>	<u>7,125</u>	<u>13,810</u>	<u>3,747</u>	<u>829</u>	<u>3,862</u>	<u>16,543</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
350,748	85,771	-	-	-	-	61,060	123,353	20,717
-	-	75,070	41,879	341,086	332,424	-	-	-
<u>350,748</u>	<u>85,771</u>	<u>75,070</u>	<u>41,879</u>	<u>341,086</u>	<u>332,424</u>	<u>61,060</u>	<u>123,353</u>	<u>20,717</u>
<u>393,445</u>	<u>113,770</u>	<u>82,163</u>	<u>49,004</u>	<u>354,897</u>	<u>336,171</u>	<u>61,888</u>	<u>127,215</u>	<u>37,260</u>

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016

	R.E.E.T. Tech- nology	Juvenile Donation	Noxious Weeds	Trial Court Improve- ment	911 Comm.	Parent Education	Public Education
Assets							
Cash and cash equivalents	247,404	692	64,737	297,598	11,238	8,900	99,323
Deposits with fiscal agents	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Property tax receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	9,477	-	-	-	-
Total assets	<u>247,404</u>	<u>692</u>	<u>74,213</u>	<u>297,598</u>	<u>11,238</u>	<u>8,900</u>	<u>99,323</u>
Liabilities							
Accounts payable	-	-	160	47,969	-	819	117
Due to other funds	-	-	309	-	-	-	2,093
Due to other governments	-	-	-	-	-	-	-
Accrued payroll	-	-	16,770	-	-	243	-
Deposits payable	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>17,239</u>	<u>47,969</u>	<u>-</u>	<u>1,062</u>	<u>2,211</u>
Deferred Inflows of Resources							
Unavailable revenue - property tax	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances							
Restricted	247,404	692	56,975	249,629	11,238	-	-
Committed	-	-	-	-	-	7,838	97,112
Total fund balances	<u>247,404</u>	<u>692</u>	<u>56,975</u>	<u>249,629</u>	<u>11,238</u>	<u>7,838</u>	<u>97,112</u>
Total liabilities, fund balances, and deferred inflows of resources	<u>247,404</u>	<u>692</u>	<u>74,213</u>	<u>297,598</u>	<u>11,238</u>	<u>8,900</u>	<u>99,323</u>

Cashmere Dryden Airport	Drug Task Force	Law Library	Veterans Relief	Mental Health	Comm. Services and Housing	Treasurer O&M	Tourist & Convention	Election Reserve
2,509	600	103,777	4,746	1,467	302,439	30,813	1,621,794	10,860
-	-	-	-	-	-	-	-	-
53,584	275,814	-	27,152	-	-	109,002	8,031	3,930
-	-	-	-	-	-	-	-	-
-	-	-	9	7,886	-	-	-	-
-	-	-	-	-	-	-	-	-
-	31,956	-	-	-	-	-	-	18,523
56,094	308,370	103,777	31,907	9,353	302,439	139,815	1,629,825	33,313
1,472	784	1,279	1,124	-	-	-	381,443	-
-	4,560	-	-	-	-	-	-	-
259	758	-	-	1,467	15,101	-	16,250	-
541	-	-	3,583	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,271	6,102	1,279	4,708	1,467	15,101	-	397,693	-
-	-	-	9	7,886	-	-	-	-
-	-	-	9	7,886	-	-	-	-
-	302,268	102,498	27,191	-	287,339	139,815	1,232,132	-
53,822	-	-	-	-	-	-	-	33,313
53,822	302,268	102,498	27,191	-	287,339	139,815	1,232,132	33,313
56,094	308,370	103,777	31,907	9,353	302,439	139,815	1,629,825	33,313

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016

	RJC Prisoner	Forest Title III	Criminal Justice Sales Tax	CASA	Sub- stance Abuse	Distressed Counties Tax	Total
Assets							
Cash and cash equivalents	8,000	104,697	3,840	10,470	628	-	6,527,569
Deposits with fiscal agents	-	-	-	-	-	-	18,330
Investments	66,621	-	2,418,108	-	-	3,477,359	7,750,705
Accounts receivable	-	-	-	-	-	-	81,168
Property tax receivable	-	-	-	-	-	-	26,883
Due from other funds	-	-	-	-	-	-	2,242
Due from other governments	5,773	-	-	4,800	-	-	187,606
Total assets	<u>80,394</u>	<u>104,697</u>	<u>2,421,948</u>	<u>15,270</u>	<u>628</u>	<u>3,477,359</u>	<u>14,594,502</u>
Liabilities							
Accounts payable	829	-	32,917	4,800	347	-	700,169
Due to other funds	-	8,927	-	-	-	-	25,654
Due to other governments	-	-	-	-	-	-	40,003
Accrued payroll	3,227	-	-	-	-	-	83,810
Deposits payable	-	-	-	-	-	-	18,330
Total liabilities	<u>4,056</u>	<u>8,927</u>	<u>32,917</u>	<u>4,800</u>	<u>347</u>	<u>-</u>	<u>867,966</u>
Deferred Inflows of Resources							
Unavailable revenue - property tax	-	-	-	-	-	-	26,883
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,883</u>
Fund Balances							
Restricted	-	95,770	2,389,032	10,470	282	3,477,359	12,152,782
Committed	76,338	-	-	-	-	-	1,546,872
Total fund balances	<u>76,338</u>	<u>95,770</u>	<u>2,389,032</u>	<u>10,470</u>	<u>282</u>	<u>3,477,359</u>	<u>13,699,654</u>
Total liabilities, fund balances, and deferred inflows of resources	<u>80,394</u>	<u>104,697</u>	<u>2,421,948</u>	<u>15,270</u>	<u>628</u>	<u>3,477,359</u>	<u>14,594,502</u>



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Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016

	Solid Waste	Solid Waste Planning	Storm Water	Flood Control	Paths & Trails	Drug Enforce- ment Reserve	Felony Seizure & Forfeiture
Revenues							
Taxes	-	-	-	653,938	-	-	-
Intergovernmental	55,994	64,718	-	224	11,622	-	-
Charges for services	1,917,115	154,188	380,847	-	-	-	-
Fees and fines	-	-	-	-	-	5,254	-
Miscellaneous	7,946	5,335	-	2,775	106	1,162	22,347
Total revenues	<u>1,981,055</u>	<u>224,240</u>	<u>380,847</u>	<u>656,937</u>	<u>11,729</u>	<u>6,416</u>	<u>22,347</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	16,602	29,331
Utilities	1,929,343	57,386	203,494	-	-	-	-
Transportation	-	-	-	-	83	-	-
Natural and economic environmer	-	-	-	233,623	-	-	-
Social services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	93	-	-	-	-	-
Capital Outlay	30,375	168,474	315,092	-	-	-	7,435
Total expenditures	<u>1,959,718</u>	<u>225,953</u>	<u>518,587</u>	<u>233,623</u>	<u>83</u>	<u>16,602</u>	<u>36,766</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,337</u>	<u>(1,713)</u>	<u>(137,740)</u>	<u>423,314</u>	<u>11,646</u>	<u>(10,186)</u>	<u>(14,418)</u>
Other Financing Sources (Uses)							
Sale of capital assets	-	15,438	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-
Pmt to refunding escrow agent	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>15,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>21,337</u>	<u>13,724</u>	<u>(137,740)</u>	<u>423,314</u>	<u>11,646</u>	<u>(10,186)</u>	<u>(14,418)</u>
Fund balances - beginning	<u>420,457</u>	<u>23,882</u>	<u>1,982,250</u>	<u>494,071</u>	<u>85,145</u>	<u>18,775</u>	<u>36,776</u>
Fund balances - ending	<u>441,794</u>	<u>37,606</u>	<u>1,844,510</u>	<u>917,384</u>	<u>96,790</u>	<u>8,590</u>	<u>22,357</u>

Auditor O&M	Boating Safety	Wenatchee River County Park	Ohme Gardens	Expo Center	Fair	Sheriff Donation	Farm Worker Housing	Horti- culture Pest & Disease
-	-	-	-	-	-	-	-	-
58,067	51,363	-	-	-	37,350	-	182,102	4,420
49,935	-	2,026	114,950	40,000	137,398	-	-	103,955
-	-	-	-	-	-	-	-	-
552	-	240,633	84,129	195,106	64,504	57,670	100,833	94,988
108,553	51,363	242,659	199,079	235,106	239,252	57,670	282,935	203,363
184,416	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	58,179	-	-	-	-	14,290	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	278,527	201,037
-	-	-	-	-	-	-	-	-
-	-	223,899	193,348	152,435	177,860	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	28,470	-	-	-	-	6,000	-	52,096
184,416	86,649	223,899	193,348	152,435	177,860	20,290	278,527	253,134
(75,862)	(35,286)	18,760	5,731	82,671	61,392	37,380	4,409	(49,770)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(75,862)	(35,286)	18,760	5,731	82,671	61,392	37,380	4,409	(49,770)
426,610	121,057	56,310	36,148	258,415	271,032	23,679	118,944	70,488
350,748	85,771	75,070	41,879	341,086	332,424	61,060	123,353	20,717

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2016

	R.E.E.T. Tech- nology	Juvenile Donation	Noxious Weeds	Trial Court Improve- ment	911 Comm.	Parent Educ.	Public Educ.
Revenues							
Taxes	-	-	-	-	2,831,664	-	-
Intergovernmental revenues	12,740	-	34,051	45,339	507,010	1,680	-
Charges for services	10,403	-	2,356	-	-	21,133	67,245
Fees and fines	-	-	-	-	-	-	-
Miscellaneous	-	-	274,347	-	524	201	1,995
Total revenues	<u>23,143</u>	<u>-</u>	<u>310,754</u>	<u>45,339</u>	<u>3,339,198</u>	<u>23,014</u>	<u>69,240</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Judicial	-	-	-	59,784	-	-	-
Public safety	-	215	-	47	3,146,446	-	-
Utilities	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Natural and economic environr	-	-	257,394	-	-	-	-
Social services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	17,557	88,180
Debt service							
Principal	-	-	-	-	150,000	-	-
Interest and other charges	-	-	-	-	55,841	-	-
Capital Outlay	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>215</u>	<u>257,394</u>	<u>59,831</u>	<u>3,352,286</u>	<u>17,557</u>	<u>88,180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,143</u>	<u>(215)</u>	<u>53,360</u>	<u>(14,492)</u>	<u>(13,088)</u>	<u>5,456</u>	<u>(18,940)</u>
Other Financing Sources (Uses)							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	1,149,822	-	-
Premium on bonds issued	-	-	-	-	134,061	-	-
Pmt to refunding escrow agent	-	-	-	-	(1,269,854)	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,029</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>23,143</u>	<u>(215)</u>	<u>53,360</u>	<u>(14,492)</u>	<u>941</u>	<u>5,456</u>	<u>(18,940)</u>
Fund balances - beginning	<u>224,261</u>	<u>907</u>	<u>3,615</u>	<u>264,121</u>	<u>10,297</u>	<u>2,382</u>	<u>116,052</u>
Fund balances - ending	<u>247,404</u>	<u>692</u>	<u>56,975</u>	<u>249,629</u>	<u>11,238</u>	<u>7,838</u>	<u>97,112</u>

Cashmere Dryden Airport	Drug Task Force	Law Library	Veterans Relief	Mental Health	Comm. Services and Housing	Treas- urer's O&M	Tourist & Convention	Election Reserve
-	-	-	12	244,083	-	-	1,411,376	-
-	104,051	-	-	83	79,529	-	-	13,980
-	-	27,339	-	-	534,120	12,023	-	18,148
-	23,281	-	-	-	-	-	-	-
35,305	41,674	-	114	-	-	456	4,629	17
35,305	169,006	27,339	126	244,166	613,649	12,479	1,416,004	32,146
-	-	-	-	-	-	6,840	-	5,718
-	-	66,106	-	-	13,215	-	-	-
-	170,145	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
20,152	-	-	-	-	-	-	-	-
-	-	-	-	-	130,267	-	1,291,594	-
-	-	-	81,144	244,166	461,007	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
8,130	-	-	-	-	-	-	-	-
28,282	170,145	66,106	81,144	244,166	604,488	6,840	1,291,594	5,718
7,023	(1,139)	(38,767)	(81,018)	-	9,161	5,639	124,410	26,428
-	-	-	-	-	-	-	-	-
-	-	30,000	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	30,000	-	-	-	-	-	-
7,023	(1,139)	(8,767)	(81,018)	-	9,161	5,639	124,410	26,428
46,799	303,407	111,264	108,208	-	278,178	134,176	1,107,721	6,885
53,822	302,268	102,498	27,191	-	287,339	139,815	1,232,132	33,313

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016

	RJC Prisoner	Forest Title III	Criminal Justice Sales Tax	CASA	Substance Abuse	Distressed Counties Tax	Total
Revenues							
Taxes	-	-	1,007,346	-	-	1,897,595	8,046,013
Intergovernmental revenues	74,511	89,834	270,800	56,532	140,264	-	1,896,265
Charges for services	148,893	-	-	-	6,836	-	3,748,910
Fees and fines	-	-	-	-	-	-	28,536
Miscellaneous	5,155	-	9,745	-	-	12,432	1,264,679
Total revenues	<u>228,559</u>	<u>89,834</u>	<u>1,287,891</u>	<u>56,532</u>	<u>147,099</u>	<u>1,910,028</u>	<u>14,984,403</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	196,974
Judicial	-	-	-	51,732	-	-	190,837
Public safety	213,449	-	389,011	-	-	-	4,037,714
Utilities	-	-	-	-	-	-	2,190,223
Transportation	-	-	-	-	-	-	20,235
Natural and economic environr	-	115,895	-	-	-	3,648	2,511,986
Social services	-	-	-	-	306,069	-	1,092,385
Culture and recreation	-	-	-	-	-	-	853,279
Debt service							
Principal	-	-	115,000	-	-	500,636	765,636
Interest and other charges	-	-	384,397	-	-	160,256	600,586
Capital outlay	-	-	41,905	-	-	-	657,978
Total expenditures	<u>213,449</u>	<u>115,895</u>	<u>930,312</u>	<u>51,732</u>	<u>306,069</u>	<u>664,540</u>	<u>13,117,833</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,110</u>	<u>(26,062)</u>	<u>357,578</u>	<u>4,800</u>	<u>(158,969)</u>	<u>1,245,487</u>	<u>1,866,570</u>
Other Financing Sources (Uses)							
Sale of capital assets	-	-	-	-	-	-	15,438
Transfers in	-	-	-	-	-	-	30,000
Refunding bonds issued	-	-	6,157,458	-	-	1,647,720	8,955,000
Premium on bonds issued	-	-	717,917	-	-	192,113	1,044,091
Pmt to refunding escrow agent	-	-	(6,800,248)	-	-	(1,819,729)	(9,889,831)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>75,127</u>	<u>-</u>	<u>-</u>	<u>20,104</u>	<u>154,698</u>
Net change in fund balances	<u>15,110</u>	<u>(26,062)</u>	<u>432,705</u>	<u>4,800</u>	<u>(158,969)</u>	<u>1,265,591</u>	<u>2,021,267</u>
Fund balances - beginning	<u>61,228</u>	<u>121,831</u>	<u>1,956,326</u>	<u>5,670</u>	<u>159,251</u>	<u>2,211,768</u>	<u>11,678,387</u>
Fund balances - ending	<u>76,338</u>	<u>95,770</u>	<u>2,389,032</u>	<u>10,470</u>	<u>282</u>	<u>3,477,359</u>	<u>13,699,654</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, 2016

Solid Waste	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	46,020	58,020	55,994	(2,026)
Charges for services	1,507,038	2,087,827	1,917,115	(170,712)
Miscellaneous	1,402	1,402	7,946	6,544
Total revenues	1,554,460	2,147,249	1,981,055	(166,194)
Expenditures				
Current:				
Utilities	1,495,309	2,096,311	1,929,343	(166,968)
Capital outlay	65,500	65,500	30,375	(35,125)
Total expenditures	1,560,809	2,161,811	1,959,718	(202,093)
Other Financing Sources (Uses)				
Sale of capital assets	12,400	12,400	-	(12,400)
Total financing sources/(uses)	12,400	12,400	-	(12,400)
Excess (deficiency) of revenues over (under) expenditures	6,051	(2,162)	21,337	23,499
Fund balances - beginning	375,640	375,640	420,457	44,817
Fund balances - ending	381,691	373,478	441,794	68,316

Solid Waste Planning	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	168,000	168,000	64,718	(103,282)
Charges for services	134,340	134,340	154,188	19,848
Miscellaneous	1,616	1,616	5,335	3,719
Total revenues	303,956	303,956	224,240	(79,716)
Expenditures				
Current:				
Utilities	141,359	141,359	57,386	(83,973)
Debt service				
Interest and other charges	-	-	93	93
Capital outlay	88,165	88,165	168,474	80,309
Total expenditures	229,524	229,524	225,953	(3,571)
Other Financing Sources (Uses)				
Sale of capital assets	-	-	15,438	15,438
Total financing sources/(uses)	-	-	15,438	15,438
Excess (deficiency) of revenues over (under) expenditures	74,432	74,432	13,724	(60,708)
Fund balances - beginning	30,152	30,152	23,882	(6,270)
Fund balances - ending	104,584	104,584	37,606	(66,978)

CHELAN COUNTY, WASHINGTON**Special Revenue Funds****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**

For the Year Ended December 31, 2016

Storm Water	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	400,000	400,000	380,847	(19,153)
Total revenues	400,000	400,000	380,847	(19,153)
Expenditures				
Current:				
Utilities	305,507	305,507	203,494	(102,013)
Capital outlay	480,000	480,000	315,092	(164,908)
Total expenditures	785,507	785,507	518,587	(266,920)
Excess (deficiency) of revenues over (under) expenditures	(385,507)	(385,507)	(137,740)	247,767
Fund balances - beginning	2,010,000	2,010,000	1,982,250	(27,750)
Fund balances - ending	1,624,493	1,624,493	1,844,510	220,017

Flood Control	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	639,500	639,500	653,938	14,438
Intergovernmental	200	200	224	24
Miscellaneous	-	-	2,775	2,775
Total revenues	639,700	639,700	656,937	17,237
Expenditures				
Current:				
Natural environment	393,647	393,647	233,623	(160,024)
Capital outlay	200,000	200,000	-	(200,000)
Total expenditures	593,647	593,647	233,623	(360,024)
Excess (deficiency) of revenues over (under) expenditures	46,053	46,053	423,314	377,261
Fund balances - beginning	448,620	448,620	494,071	45,451
Fund balances - ending	494,673	494,673	917,384	422,711

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

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

For the Year Ended December 31, 2016

Paths & Trails

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	10,000	10,000	11,622	1,622
Miscellaneous	20	20	106	86
Total revenues	10,020	10,020	11,729	1,709
Expenditures				
Current:				
Transportation	37,023	37,023	83	(36,940)
Total expenditures	37,023	37,023	83	(36,940)
Excess (deficiency) of revenues over (under) expenditures	(27,003)	(27,003)	11,646	38,649
Fund balances - beginning	85,000	85,000	85,145	145
Fund balances - ending	57,997	57,997	96,790	38,793

Drug Enforcement Reserve

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Fees and fines	10,000	10,000	5,254	(4,746)
Miscellaneous	-	-	1,162	1,162
Total revenues	10,000	10,000	6,416	(3,584)
Expenditures				
Current:				
Public safety	19,054	19,054	16,602	(2,452)
Total expenditures	19,054	19,054	16,602	(2,452)
Excess (deficiency) of revenues over (under) expenditures	(9,054)	(9,054)	(10,186)	(1,132)
Fund balances - beginning	18,000	18,000	18,775	775
Fund balances - ending	8,946	8,946	8,590	(356)

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

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

For the Year Ended December 31, 2016

Felony Seizure & Forfeiture

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Miscellaneous	5,000	5,000	22,347	17,347
Total revenues	5,000	5,000	22,347	17,347
Expenditures				
Current:				
Public safety	10,069	47,069	29,331	(17,738)
Capital outlay	-	-	7,435	7,435
Total expenditures	10,069	47,069	36,766	(10,303)
Excess (deficiency) of revenues over (under) expenditures	(5,069)	(42,069)	(14,418)	27,651
Fund balances - beginning	9,000	9,000	36,776	27,776
Fund balances - ending	3,931	(33,069)	22,357	55,426

Auditor's O&M

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	55,000	55,000	58,067	3,067
Charges for services	45,100	45,100	49,935	4,835
Miscellaneous	150	150	552	402
Total revenues	100,250	100,250	108,553	8,303
Expenditures				
Current:				
General government	60,377	160,377	184,416	24,039
Capital outlay	10,000	10,000	-	(10,000)
Total expenditures	70,377	170,377	184,416	14,039
Excess (deficiency) of revenues over (under) expenditures	29,873	(70,127)	(75,862)	(5,735)
Fund balances - beginning	460,000	460,000	426,610	(33,390)
Fund balances - ending	489,873	389,873	350,748	(39,125)

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

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

For the Year Ended December 31, 2016

Boating Safety

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	43,041	43,041	51,363	8,322
Total revenues	43,041	43,041	51,363	8,322
Expenditures				
Current:				
Public safety	88,301	88,301	58,179	(30,122)
Capital outlay	-	-	28,470	28,470
Total expenditures	88,301	88,301	86,649	(1,652)
Excess (deficiency) of revenues over (under) expenditures	(45,260)	(45,260)	(35,286)	9,974
Fund balances - beginning	100,000	100,000	121,057	21,057
Fund balances - ending	54,740	54,740	85,771	31,031

Wenatchee River County Park

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	5,750	5,750	2,026	(3,724)
Miscellaneous	186,500	186,500	240,633	54,133
Total revenues	192,250	192,250	242,659	50,409
Expenditures				
Current:				
Culture and recreation	240,776	240,776	223,899	(16,877)
Total expenditures	240,776	240,776	223,899	(16,877)
Excess (deficiency) of revenues over (under) expenditures	(48,526)	(48,526)	18,760	67,286
Fund balances - beginning	70,000	70,000	56,310	(13,690)
Fund balances - ending	21,474	21,474	75,070	53,596

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

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

For the Year Ended December 31, 2016

Ohme Gardens

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	135,373	135,373	114,950	(20,423)
Miscellaneous	73,145	73,145	84,129	10,984
Total revenues	208,518	208,518	199,079	(9,439)
Expenditures				
Current:				
Culture and recreation	249,171	249,171	193,348	(55,823)
Total expenditures	249,171	249,171	193,348	(55,823)
Excess (deficiency) of revenues over (under) expenditures	(40,653)	(40,653)	5,731	46,384
Fund balances - beginning	75,347	75,347	36,148	(39,199)
Fund balances - ending	34,694	34,694	41,879	7,185

Expo Center

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	40,000	40,000	40,000	-
Miscellaneous	131,000	141,000	195,106	54,106
Total revenues	171,000	181,000	235,106	54,106
Expenditures				
Current:				
Culture and recreation	162,326	172,326	152,435	(19,891)
Total expenditures	162,326	172,326	152,435	(19,891)
Excess (deficiency) of revenues over (under) expenditures	8,674	8,674	82,671	73,997
Fund balances - beginning	45,000	45,000	258,415	213,415
Fund balances - ending	53,674	53,674	341,086	287,412

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

Fair	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	33,000	33,000	37,350	4,350
Charges for services	109,100	109,100	137,398	28,298
Miscellaneous	52,000	52,000	64,504	12,504
Total revenues	194,100	194,100	239,252	45,152
Expenditures				
Current:				
Culture and recreation	199,431	199,431	177,860	(21,571)
Total expenditures	199,431	199,431	177,860	(21,571)
Excess (deficiency) of revenues over (under) expenditures	(5,331)	(5,331)	61,392	66,723
Fund balances - beginning	21,269	21,269	271,032	249,763
Fund balances - ending	15,938	15,938	332,424	316,486

Sheriff Donation	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Miscellaneous	10,000	10,000	57,670	47,670
Total revenues	10,000	10,000	57,670	47,670
Expenditures				
Current:				
Public safety	21,228	21,228	14,290	(6,938)
Capital outlay	-	-	6,000	6,000
Total expenditures	21,228	21,228	20,290	(938)
Excess (deficiency) of revenues over (under) expenditures	(11,228)	(11,228)	37,380	48,608
Fund balances - beginning	18,000	18,000	23,679	5,679
Fund balances - ending	6,772	6,772	61,060	54,288

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

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

For the Year Ended December 31, 2016

Farm Worker Housing	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	200,000	200,000	182,102	(17,898)
Miscellaneous	100,000	100,000	100,833	833
Total revenues	300,000	300,000	282,935	(17,065)
Expenditures				
Current:				
Economic environment	356,350	356,350	278,527	(77,823)
Total expenditures	356,350	356,350	278,527	(77,823)
Excess (deficiency) of revenues over (under) expenditures	(56,350)	(56,350)	4,409	60,759
Fund balances - beginning	175,000	175,000	118,944	(56,056)
Fund balances - ending	118,650	118,650	123,353	4,703

Horticulture Pest & Disease	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	14,350	14,350	4,420	(9,930)
Charges for services	98,748	98,748	103,955	5,207
Miscellaneous	98,747	98,747	94,988	(3,759)
Total revenues	211,845	211,845	203,363	(8,482)
Expenditures				
Current:				
Natural environment	211,844	211,844	201,037	(10,807)
Capital outlay	-	45,000	52,096	7,096
Total expenditures	211,844	256,844	253,134	(3,710)
Excess (deficiency) of revenues over (under) expenditures	1	(44,999)	(49,770)	(4,771)
Fund balances - beginning	24,606	24,606	70,488	45,882
Fund balances - ending	24,607	(20,393)	20,717	41,110

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

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

For the Year Ended December 31, 2016

R.E.E.T. Technology

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	10,500	10,500	12,740	2,240
Charges for services	9,500	9,500	10,403	903
Total revenues	20,000	20,000	23,143	3,143
Expenditures				
Capital outlay	241,000	241,000	-	(241,000)
Total expenditures	241,000	241,000	-	(241,000)
Excess (deficiency) of revenues over (under) expenditures	(221,000)	(221,000)	23,143	244,143
Fund balances - beginning	221,800	221,800	224,261	2,461
Fund balances - ending	800	800	247,404	246,604

Juvenile Donation

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Total revenues	-	-	-	-
Expenditures				
Current:				
Public safety	972	972	215	(757)
Total expenditures	972	972	215	(757)
Excess (deficiency) of revenues over (under) expenditures	(972)	(972)	(215)	757
Fund balances - beginning	972	972	907	(65)
Fund balances - ending	-	-	692	692

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

Noxious Weed	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	40,741	40,741	34,051	(6,690)
Charges for services	11,250	11,250	2,356	(8,895)
Miscellaneous	260,035	260,035	274,347	14,312
Total revenues	312,026	312,026	310,754	(1,272)
Expenditures				
Current:				
Natural environment	290,153	290,153	257,394	(32,759)
Total expenditures	290,153	290,153	257,394	(32,759)
Excess (deficiency) of revenues over (under) expenditures	21,873	21,873	53,360	31,487
Fund balances - beginning	-	-	3,615	3,615
Fund balances - ending	21,873	21,873	56,975	35,102

Trial Court Improvement	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	46,200	46,200	45,339	(861)
Total revenues	46,200	46,200	45,339	(861)
Expenditures				
Current:				
Judicial	315,394	315,394	59,784	(255,610)
Public safety	47	47	47	-
Total expenditures	315,441	315,441	59,831	(255,610)
Excess (deficiency) of revenues over (under) expenditures	(269,241)	(269,241)	(14,492)	254,749
Fund balances - beginning	269,241	269,241	264,121	(5,120)
Fund balances - ending	-	-	249,629	249,629

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

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

For the Year Ended December 31, 2016

911 Communications	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	2,700,000	2,700,000	2,831,664	131,664
Intergovernmental revenues	800,000	800,000	507,010	(292,990)
Miscellaneous	-	-	524	524
Total revenues	3,500,000	3,500,000	3,339,198	(160,802)
Expenditures				
Current:				
Public safety	3,500,000	3,500,000	3,146,446	(353,554)
Debt service				
Principal	-	-	150,000	150,000
Interest and other charges	-	-	55,841	55,841
Total expenditures	3,500,000	3,500,000	3,352,286	(147,714)
Other Financing Sources (Uses)				
Refunding bonds issued	-	-	1,149,822	1,149,822
Premium on bonds issued	-	-	134,061	134,061
Pmt to refunding escrow agent	-	-	(1,269,854)	(1,269,854)
Total financing sources/(uses)	-	-	14,029	14,029
Excess (deficiency) of revenues over (under) expenditures	-	-	941	941
Fund balances - beginning	-	-	10,297	10,297
Fund balances - ending	-	-	11,238	11,238

Parent Education	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	8,709	8,709	1,680	(7,029)
Charges for services	22,781	22,781	21,133	(1,648)
Miscellaneous	-	-	201	201
Total revenues	31,490	31,490	23,014	(8,476)
Expenditures				
Current:				
Culture and recreation	31,211	31,211	17,557	(13,654)
Total expenditures	31,211	31,211	17,557	(13,654)
Excess (deficiency) of revenues over (under) expenditures	279	279	5,456	5,177
Fund balances - beginning	1,000	1,000	2,382	1,382
Fund balances - ending	1,279	1,279	7,838	6,559

CHELAN COUNTY, WASHINGTON**Special Revenue Funds****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**

For the Year Ended December 31, 2016

Public Education	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	-	-	-	-
Charges for services	106,500	106,500	67,245	(39,255)
Miscellaneous	5,500	5,500	1,995	(3,505)
Total revenues	112,000	112,000	69,240	(42,760)
Expenditures				
Current:				
Culture and recreation	110,487	110,487	88,180	(22,307)
Total expenditures	110,487	110,487	88,180	(22,307)
Excess (deficiency) of revenues over (under) expenditures	1,513	1,513	(18,940)	(20,453)
Fund balances - beginning	123,681	123,681	116,052	(7,629)
Fund balances - ending	125,194	125,194	97,112	(28,082)

Cashmere-Dryden Airport	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Miscellaneous	37,000	37,000	35,305	(1,695)
Total revenues	37,000	37,000	35,305	(1,695)
Expenditures				
Current:				
Transportation	26,240	26,240	20,152	(6,088)
Capital outlay	-	7,500	8,130	630
Total expenditures	26,240	33,740	28,282	(5,458)
Excess (deficiency) of revenues over (under) expenditures	10,760	3,260	7,023	3,763
Fund balances - beginning	-	-	46,799	46,799
Fund balances - ending	10,760	3,260	53,822	50,562

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

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

For the Year Ended December 31, 2016

Columbia River Drug Task Force

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	136,555	136,555	104,051	(32,504)
Fees and fines	23,000	23,000	23,281	281
Miscellaneous	31,500	31,500	41,674	10,174
Total revenues	191,055	191,055	169,006	(22,049)
Expenditures				
Current:				
Public safety	259,055	259,055	170,145	(88,910)
Capital outlay	20,000	20,000	-	(20,000)
Total expenditures	279,055	279,055	170,145	(108,910)
Excess (deficiency) of revenues over (under) expenditures	(88,000)	(88,000)	(1,139)	86,861
Fund balances - beginning	290,000	290,000	303,407	13,407
Fund balances - ending	202,000	202,000	302,268	100,268

Law Library

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	27,500	27,500	27,339	(161)
Total revenues	27,500	27,500	27,339	(161)
Expenditures				
Current:				
Judicial	69,580	69,580	66,106	(3,474)
Total expenditures	69,580	69,580	66,106	(3,474)
Excess (deficiency) of revenues over (under) expenditures	(42,080)	(42,080)	(38,767)	3,313
Other Financing Sources (Uses)				
Transfers in	30,000	30,000	30,000	-
Total financing sources/(uses)	30,000	30,000	30,000	-
Net change in fund balances	(12,080)	(12,080)	(8,767)	3,313
Fund balances - beginning	104,971	104,971	111,264	6,293
Fund balances - ending	92,891	92,891	102,498	9,607

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

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

For the Year Ended December 31, 2016

Veteran's Relief

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	525	525	12	(513)
Miscellaneous	175	175	114	(61)
Total revenues	700	700	126	(574)
Expenditures				
Current:				
Social services	100,400	100,400	81,144	(19,256)
Total expenditures	100,400	100,400	81,144	(19,256)
Excess (deficiency) of revenues over (under) expenditures	(99,700)	(99,700)	(81,018)	18,682
Fund balances - beginning	99,700	99,700	108,208	8,508
Fund balances - ending	-	-	27,191	27,191

Mental Health

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	230,570	230,570	244,083	13,513
Intergovernmental	200	200	83	(117)
Total revenues	230,770	230,770	244,166	13,396
Expenditures				
Current:				
Social services	231,120	243,120	244,166	1,046
Total expenditures	231,120	243,120	244,166	1,046
Excess (deficiency) of revenues over (under) expenditures	(350)	(12,350)	-	12,350
Fund balances - beginning	1,000	1,000	-	(1,000)
Fund balances - ending	650	(11,350)	-	11,350

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

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

For the Year Ended December 31, 2016

Community Services & Housing

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	60,000	60,000	79,529	19,529
Charges for services	535,000	535,000	534,120	(880)
Total revenues	595,000	595,000	613,649	18,649
Expenditures				
Current:				
Judicial	20,000	20,000	13,215	(6,785)
Social services	412,000	412,000	461,007	49,007
Economic environment	211,000	211,000	130,267	(80,733)
Total expenditures	643,000	643,000	604,488	(38,512)
Excess (deficiency) of revenues over (under) expenditures	(48,000)	(48,000)	9,161	57,161
Fund balances - beginning	145,000	145,000	278,178	133,178
Fund balances - ending	97,000	97,000	287,339	190,339

Treasurer's O&M

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	15,000	15,000	12,023	(2,977)
Miscellaneous	200	200	456	256
Total revenues	15,200	15,200	12,479	(2,721)
Expenditures				
Current:				
General government	160,200	160,200	6,840	(153,360)
Total expenditures	160,200	160,200	6,840	(153,360)
Excess (deficiency) of revenues over (under) expenditures	(145,000)	(145,000)	5,639	150,639
Fund balances - beginning	145,000	145,000	134,176	(10,824)
Fund balances - ending	-	-	139,815	139,815

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

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

For the Year Ended December 31, 2016

Tourist & Convention	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	1,100,000	1,100,000	1,411,376	311,376
Miscellaneous	20	20	4,629	4,609
Total revenues	1,100,020	1,100,020	1,416,004	315,984
Expenditures				
Current:				
Economic environment	1,075,539	1,075,539	1,291,594	216,055
Total expenditures	1,075,539	1,075,539	1,291,594	216,055
Excess (deficiency) of revenues over (under) expenditures	24,481	24,481	124,410	99,929
Fund balances - beginning	500,000	500,000	1,107,721	607,721
Fund balances - ending	524,481	524,481	1,232,132	707,651

Election Reserve	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	-	-	13,980	13,980
Charges for services	10,000	10,000	18,148	8,148
Miscellaneous	-	-	17	17
Total revenues	10,000	10,000	32,146	22,146
Expenditures				
Current:				
General government	9,956	9,956	5,718	(4,238)
Total expenditures	9,956	9,956	5,718	(4,238)
Excess (deficiency) of revenues over (under) expenditures	44	44	26,428	26,384
Fund balances - beginning	-	-	6,885	6,885
Fund balances - ending	44	44	33,313	33,269

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

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

For the Year Ended December 31, 2016

RJC Prisoner	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	100,000	100,000	74,511	(25,489)
Charges for services	155,000	155,000	148,893	(6,107)
Miscellaneous	10,245	10,245	5,155	(5,090)
Total revenues	265,245	265,245	228,559	(36,686)
Expenditures				
Current:				
Public safety	265,245	265,245	213,449	(51,796)
Total expenditures	265,245	265,245	213,449	(51,796)
Excess (deficiency) of revenues over (under) expenditures	-	-	15,110	15,110
Fund balances - beginning	-	-	61,228	61,228
Fund balances - ending	-	-	76,338	76,338

Forest Title III	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	102,249	102,249	89,834	(12,415)
Total revenues	102,249	102,249	89,834	(12,415)
Expenditures				
Current:				
Natural environment	102,249	169,249	115,895	(53,354)
Total expenditures	102,249	169,249	115,895	(53,354)
Excess (deficiency) of revenues over (under) expenditures	-	(67,000)	(26,062)	40,938
Fund balances - beginning	13,145	13,145	121,831	108,686
Fund balances - ending	13,145	(53,855)	95,770	149,625

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

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

For the Year Ended December 31, 2016

Criminal Justice Sales Tax

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	700,000	700,000	1,007,346	307,346
Intergovernmental	-	-	270,800	270,800
Miscellaneous	2,000	2,000	9,745	7,745
Total revenues	702,000	702,000	1,287,891	585,891
Expenditures				
Current:				
Public safety	403,714	403,714	389,011	(14,703)
Debt service				
Principal	100,000	100,000	115,000	15,000
Interest and other charges	357,786	357,786	384,397	26,611
Capital outlay	-	-	41,905	41,905
Total expenditures	861,500	861,500	930,312	68,812
Other Financing Sources (Uses)				
Refunding bonds issued	-	-	6,157,458	6,157,458
Premium on bonds issued	-	-	717,917	717,917
Pmt to refunding escrow agent	-	-	(6,800,248)	(6,800,248)
Total financing sources/(uses)	-	-	75,127	75,127
Excess (deficiency) of revenues over (under) expenditures	(159,500)	(159,500)	432,705	592,205
Fund balances - beginning	1,100,000	1,100,000	1,956,326	856,326
Fund balances - ending	940,500	940,500	2,389,032	1,448,532

CASA

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	70,896	70,896	56,532	(14,364)
Total revenues	70,896	70,896	56,532	(14,364)
Expenditures				
Current:				
Judicial	70,896	70,896	51,732	(19,164)
Total expenditures	70,896	70,896	51,732	(19,164)
Excess (deficiency) of revenues over (under) expenditures	-	-	4,800	4,800
Fund balances - beginning	-	-	5,670	5,670
Fund balances - ending	-	-	10,470	10,470

CHELAN COUNTY, WASHINGTON**Special Revenue Funds****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**

For the Year Ended December 31, 2016

Substance Abuse	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	1,174,500	1,174,500	140,264	(1,034,236)
Charges for services	8,500	8,500	6,836	(1,664)
Total revenues	1,183,000	1,183,000	147,099	(1,035,901)
Expenditures				
Current:				
Social services	1,178,151	1,178,151	306,069	(872,082)
Total expenditures	1,178,151	1,178,151	306,069	(872,082)
Excess (deficiency) of revenues over (under) expenditures	4,849	4,849	(158,969)	(163,818)
Fund balances - beginning	105,000	105,000	159,251	54,251
Fund balances - ending	109,849	109,849	282	(109,567)

Distressed Counties Tax	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	1,420,000	1,420,000	1,897,595	477,595
Miscellaneous	5,000	5,000	12,432	7,432
Total revenues	1,425,000	1,425,000	1,910,028	485,028
Expenditures				
Current:				
Economic environment	503,648	503,648	3,648	(500,000)
Debt service				
Principal	390,000	390,000	500,636	110,636
Interest and other charges	125,089	125,089	160,256	35,167
Total expenditures	1,018,737	1,018,737	664,540	(354,197)
Other Financing Sources (Uses)				
Refunding bonds issued	-	-	1,647,720	1,647,720
Premium on bonds issued	-	-	192,113	192,113
Pmt to refunding escrow agent	-	-	(1,819,729)	(1,819,729)
Total financing sources/(uses)	-	-	20,104	20,104
Excess (deficiency) of revenues over (under) expenditures	406,263	406,263	1,265,591	859,328
Fund balances - beginning	1,800,000	1,800,000	2,211,768	411,768
Fund balances - ending	2,206,263	2,206,263	3,477,359	1,271,096

CHELAN COUNTY, WASHINGTON

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.

CHELAN COUNTY, WASHINGTON

Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2016

	R.E.E.T. 1 Capital Improvement	R.E.E.T. 2 Capital Improvement	Total
Assets			
Cash and cash equivalents	965,961	1,241,317	2,207,278
Investments	113,508	111,109	224,617
Interfund loan receivable	540,000	-	540,000
Total assets	<u>1,619,470</u>	<u>1,352,426</u>	<u>2,971,896</u>
Liabilities			
Accounts payable	42,072	-	42,072
Total liabilities	<u>42,072</u>	<u>-</u>	<u>42,072</u>
Fund Balances			
Restricted	<u>1,577,397</u>	<u>1,352,426</u>	<u>2,929,823</u>
Total fund balances	<u>1,577,397</u>	<u>1,352,426</u>	<u>2,929,823</u>
Total liabilities and fund balances	<u>1,619,470</u>	<u>1,352,426</u>	<u>2,971,896</u>

CHELAN COUNTY, WASHINGTON

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016

	R.E.E.T. 1	R.E.E.T. 2	
	Capital	Capital	
	Improvement	Improvement	Total
Revenues			
Taxes	830,854	829,059	1,659,913
Intergovernmental	51,390	-	51,390
Miscellaneous	17,396	470	17,866
Total revenues	<u>899,640</u>	<u>829,529</u>	<u>1,729,169</u>
Expenditures			
Capital outlay	923,163	19,415	942,578
Total expenditures	<u>923,163</u>	<u>19,415</u>	<u>942,578</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,523)</u>	<u>810,114</u>	<u>786,591</u>
Other Financing Sources (Uses)			
Transfers out	-	(400,000)	(400,000)
Total other financing sources and uses	<u>-</u>	<u>(400,000)</u>	<u>(400,000)</u>
Net change in fund balances	<u>(23,523)</u>	<u>410,114</u>	<u>386,591</u>
Fund balances - beginning	<u>1,600,920</u>	<u>942,312</u>	<u>2,543,232</u>
Fund balances - ending	<u><u>1,577,397</u></u>	<u><u>1,352,426</u></u>	<u><u>2,929,823</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, 2016

R.E.E.T. 1 Capital Improvement

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	700,000	700,000	830,854	130,854
Intergovernmental	-	-	51,390	51,390
Miscellaneous	7,000	7,000	17,396	10,396
Total revenues	707,000	707,000	899,640	192,640
Expenditures				
Capital outlay	1,005,918	1,005,918	923,163	(82,755)
Total expenditures	1,005,918	1,005,918	923,163	(82,755)
Excess (deficiency) of revenues over (under) expenditures	(298,918)	(298,918)	(23,523)	275,395
Fund balances - beginning	1,350,000	1,350,000	1,600,920	250,920
Fund balances - ending	1,051,082	1,051,082	1,577,397	526,315

R.E.E.T. 2 Capital Improvement

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	700,000	700,000	829,059	129,059
Miscellaneous	300	300	470	170
Total revenues	700,300	700,300	829,529	129,229
Expenditures				
Capital outlay	352,831	352,831	19,415	(333,416)
Total expenditures	352,831	352,831	19,415	(333,416)
Excess (deficiency) of revenues over (under) expenditures	347,469	347,469	810,114	462,645
Other Financing Sources (Uses)				
Transfers out	(400,000)	(400,000)	(400,000)	-
Total financing sources/(uses)	(400,000)	(400,000)	(400,000)	-
Net change in fund balances	(52,531)	(52,531)	410,114	462,645
Fund balances - beginning	699,700	699,700	942,312	242,612
Fund balances - ending	647,169	647,169	1,352,426	705,257

CHELAN COUNTY, WASHINGTON

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 all departments having equipment purchased and/or maintained by the Equipment Rental and Revolving fund.

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

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

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

Unemployment Compensation: 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, 2016

Assets	Equipment Rental & Revolving	Industrial Insurance	Health Insurance	Motor Pool	Unemploy. Comp.	Insurance Admin & Purchasing	Total
Current assets:							
Cash and cash equivalents	1,639,061	539,265	1,468,070	578,945	279,677	643,891	5,148,908
Deposits with fiscal agents	-	40,000	-	-	-	-	40,000
Investments	-	180,075	2,066,674	-	15,994	-	2,262,743
Due from other funds	637,625	-	-	102,374	-	-	739,999
Inventory	896,410	-	-	31,003	-	-	927,413
Total current assets	<u>3,173,095</u>	<u>759,340</u>	<u>3,534,744</u>	<u>712,322</u>	<u>295,671</u>	<u>643,891</u>	<u>9,119,063</u>
Noncurrent assets:							
Capital assets: (net of accumulated depreciation)							
Buildings	22,806	-	-	-	-	-	22,806
Equipment	3,347,854	-	-	1,146,310	-	27,248	4,521,413
Total noncurrent assets	<u>3,370,660</u>	<u>-</u>	<u>-</u>	<u>1,146,310</u>	<u>-</u>	<u>27,248</u>	<u>4,544,219</u>
Total assets	<u>6,543,755</u>	<u>759,340</u>	<u>3,534,744</u>	<u>1,858,632</u>	<u>295,671</u>	<u>671,139</u>	<u>13,663,282</u>
Deferred Outflows of Resources - Pensions	<u>73,487</u>	<u>6,789</u>	<u>2,556</u>	<u>16,798</u>	<u>-</u>	<u>-</u>	<u>99,630</u>
Liabilities							
Current liabilities:							
Accounts payable	153,939	7,324	2,426	25,652	-	34,212	223,553
Due to other funds	-	-	-	491	-	-	491
Due to other governments	1,594	-	-	-	-	-	1,594
Accrued payroll liability	73,102	5,549	3,959	12,420	-	-	95,031
Compensated absences	5,737	-	-	4,313	-	-	10,050
Total current liabilities	<u>234,372</u>	<u>12,873</u>	<u>6,386</u>	<u>42,875</u>	<u>-</u>	<u>34,212</u>	<u>330,718</u>
Noncurrent liabilities:							
Compensated absences	20,341	-	-	15,289	-	-	35,630
Claims reserve	-	263,518	-	-	-	-	263,518
Net pension liability	264,557	24,441	9,201	60,474	-	-	358,673
Total noncurrent liabilities	<u>284,898</u>	<u>287,959</u>	<u>9,201</u>	<u>75,763</u>	<u>-</u>	<u>-</u>	<u>657,821</u>
Total liabilities	<u>519,270</u>	<u>300,832</u>	<u>15,587</u>	<u>118,639</u>	<u>-</u>	<u>34,212</u>	<u>988,539</u>
Deferred Inflows of Resources - Pensions	<u>13,021</u>	<u>1,203</u>	<u>453</u>	<u>2,976</u>	<u>-</u>	<u>-</u>	<u>17,653</u>
Net Position							
Investment in capital assets	3,370,660	-	-	1,146,310	-	27,248	4,544,219
Unrestricted	2,714,291	464,094	3,521,260	607,505	295,671	609,678	8,212,500
Total net position	<u>6,084,951</u>	<u>464,094</u>	<u>3,521,260</u>	<u>1,753,816</u>	<u>295,671</u>	<u>636,927</u>	<u>12,756,719</u>

CHELAN COUNTY, WASHINGTON

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

Internal Service Funds

For the Year Ended December 31, 2016

	Equipment Rental & Revolving	Industrial Insurance	Health Insurance	Motor Pool	Unemploy. Comp.	Insurance Admin & Purchasing	Total
Operating Revenues							
Charges for services	3,302,782	543,640	5,568,145	941,420	52,465	878,998	11,287,450
Total operating revenues	3,302,782	543,640	5,568,145	941,420	52,465	878,998	11,287,450
Operating Expenses							
Salaries	501,441	50,580	39,485	118,856	-	-	710,363
Personnel benefits	164,643	21,221	62,761	37,232	-	-	285,857
Supplies	1,721,304	-	-	320,050	-	-	2,041,355
Other services and charges	30,988	489,363	5,364,939	65,051	51,050	1,068,957	7,070,349
Interfund payments for services	101,832	4,509	28,280	29,961	177	4,326	169,085
Depreciation	489,360	-	-	346,436	-	3,041	838,837
Total operating expenses	3,009,569	565,673	5,495,465	917,587	51,227	1,076,325	11,115,846
Operating income (loss)	293,213	(22,032)	72,680	23,833	1,238	(197,327)	171,604
Nonoperating Revenues (Expenses)							
Gain (loss) on disposal of capital assets	138,268	-	-	68,206	-	-	206,474
Total nonoperating revenues (expenses)	138,268	-	-	68,206	-	-	206,474
Change in net position	431,481	(22,032)	72,680	92,038	1,238	(197,327)	378,078
Total net position - beginning	5,653,470	486,126	3,448,581	1,661,777	294,432	834,254	12,378,641
Total net position - ending	6,084,951	464,094	3,521,260	1,753,816	295,671	636,927	12,756,719

CHELAN COUNTY, WASHINGTON

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2016

	Equipment Rental & Revolving	Industrial Insurance	Health Insurance	Motor Pool	Unemploy. Comp.	Insurance Admin & Purchasing	Total
Cash Flows From Operating Activities:							
Cash received from customers and users	3,263,973	586,123	5,568,145	941,420	52,465	878,998	11,291,123
Cash payments to suppliers	(1,755,281)	(488,762)	(5,444,336)	(420,370)	(51,227)	(1,071,474)	(9,231,449)
Cash payments to employees and retirees	(692,748)	(74,961)	(45,279)	(160,492)	-	-	(973,480)
Net cash provided (used) by operating activities	815,944	22,400	78,530	360,558	1,238	(192,476)	1,086,194
Cash Flows From Noncapital Financing Activities							
Interfund loan payment received	84,957	-	-	-	-	-	84,957
Interfund loan provided	(41,607)	-	-	-	-	-	(41,607)
Net cash provided (used) by noncapital financing activities	43,350	-	-	-	-	-	43,350
Cash Flows From Capital Financing Activities							
Proceeds from disposition of capital assets	138,268	-	-	68,206	-	-	206,474
Acquisition and construction of capital assets	(576,100)	-	-	(405,649)	-	-	(981,749)
Net cash provided (used) by capital financing activities	(437,832)	-	-	(337,443)	-	-	(775,275)
Cash Flows From Investing Activities							
Purchase of investments	-	(753)	(8,643)	-	(67)	-	(9,463)
Net cash provided (used) by investing activities	-	(753)	(8,643)	-	(67)	-	(9,463)
Net increase (decrease) in cash and cash equivalents	421,462	21,647	69,887	23,115	1,172	(192,476)	344,806
Cash and cash equivalents, January 1	1,217,599	517,619	1,398,183	555,830	278,505	836,367	4,804,103
Cash and cash equivalents, December 31	1,639,061	539,266	1,468,070	578,945	279,677	643,891	5,148,908
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	293,213	(22,032)	72,680	23,833	1,238	(197,327)	171,604
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities:							
Depreciation	489,360	-	-	346,436	-	3,041	838,837
(Increase) decrease in due from other funds/gov	(38,809)	-	-	35,020	-	-	(3,789)
(Increase) decrease in inventory	65,149	-	-	(14,618)	-	-	50,531
(Increase) decrease in pension related deferred outflows	(30,278)	(3,516)	(1,987)	(6,950)	-	-	(42,731)
Increase (decrease) in vouchers/contracts payable	32,514	42,874	(2,140)	(25,498)	-	2,049	49,800
Increase (decrease) in due to other funds/gov	1,181	-	-	(211)	-	(240)	731
Increase (decrease) in accrued payroll liabilities	(1,927)	356	3,959	(462)	-	-	1,926
Increase (decrease) in accrued employee leave benefits	5,542	4,718	6,018	3,008	-	-	19,286
Total adjustments	522,731	44,432	5,850	336,725	-	4,851	914,590
Net cash provided (used) by operating activities	815,944	22,400	78,530	360,558	1,238	(192,476)	1,086,194

The County is not aware of any material noncash transactions.

CHELAN COUNTY, WASHINGTON

Description of Agency Funds

AGENCY FUNDS

Agency Funds are established to account for assets held by Chelan County acting in the capacity of agent. Agency funds are funds over which the County has no oversight responsibility or financial interdependency. Many independent districts are required by State statute to process all monies through the County Treasurer's office. Such funds do not represent assets of Chelan County. Agency funds are custodial in nature, and therefore do not involve measurement of results of operations. Each independent district is responsible to prepare its own annual financial report.

County Road Retainage: 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: 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 inmate funds.



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Combining Statement of Fiduciary Net Position

Agency Funds

December 31, 2016

	County Roads Retainage	LID 85-1	Chelan/ Douglas Health Dist	NCR Library	Link	State	NCESD
Assets							
Cash	-	61	39,732	-	979,370	406,062	829,466
Investments	343,436	28,013	1,351,461	20,860,985	10,153,217	-	14,090,877
External trust deposits	-	-	-	-	-	-	-
Taxes receivable	-	-	-	137,515	-	747,376	-
Total assets	343,436	28,074	1,391,193	20,998,500	11,132,587	1,153,438	14,920,343
Liabilities							
Accounts payable	-	-	1,601	473,625	-	-	-
Accrued payroll liabilities	-	-	201,377	36,547	-	-	-
Custodial accounts	343,436	28,074	1,188,216	20,488,328	11,132,587	1,153,438	14,920,343
Total liabilities	343,436	28,074	1,391,193	20,998,500	11,132,587	1,153,438	14,920,343

Combining Statement of Fiduciary Net Position

Agency Funds

December 31, 2016

	School Districts	Fire Districts	Cemetery Districts	Port of Chelan County	Pangborn Field	Lake Chelan Sewer Rev Bond	Park Districts
Assets							
Cash	6,413,167	1,707,975	287,460	508,430	69,344	-	92,647
Investments	102,837,768	5,551,019	736,696	10,018,885	38,587	790,893	162,810
External trust deposits	-	-	-	-	-	-	-
Taxes receivable	1,100,261	262,308	9,249	85,931	-	-	14,889
Total assets	110,351,195	7,521,302	1,033,404	10,613,247	107,931	790,893	270,347
Liabilities							
Accounts payable	-	52,675	6,070	-	-	-	-
Accrued payroll liabilities	-	490,455	6,983	-	-	-	9,579
Custodial accounts	110,351,195	6,978,172	1,020,351	10,613,247	107,931	790,893	260,767
Total liabilities	110,351,195	7,521,302	1,033,404	10,613,247	107,931	790,893	270,347

Mosquito Districts	Water Districts	Irrigation Districts	Water Cons. Board	Hospital Districts	Cities	County	Total
89,824	787,993	879,134	12,543	1,091,658	206,089	1,481,456	15,882,412
-	1,501,587	6,071,584	-	6,638,731	-	-	181,176,547
-	-	-	-	-	-	1,231,422	1,231,422
-	-	-	-	137,966	166,084	-	2,661,579
<u>89,824</u>	<u>2,289,579</u>	<u>6,950,719</u>	<u>12,543</u>	<u>7,868,354</u>	<u>372,173</u>	<u>2,712,877</u>	<u>200,951,960</u>
-	21,862	11,178	-	-	-	1,238	568,248
865	15,152	15,971	-	-	-	-	776,930
<u>88,959</u>	<u>2,252,565</u>	<u>6,923,570</u>	<u>12,543</u>	<u>7,868,354</u>	<u>372,173</u>	<u>2,711,639</u>	<u>199,606,782</u>
<u>89,824</u>	<u>2,289,579</u>	<u>6,950,719</u>	<u>12,543</u>	<u>7,868,354</u>	<u>372,173</u>	<u>2,712,877</u>	<u>200,951,960</u>



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Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2016

County Roads Retainage	Balance January 1	Additions	Deductions	Balance December 31
Assets				
Cash	-	364,237	364,237	-
Investments	521,084	94,264	271,913	343,436
Accounts receivable	862	48,081	48,943	-
Total assets	521,947	506,582	685,093	343,436
Liabilities				
Custodial accounts	521,947	93,402	271,913	343,436
Total liabilities	521,947	93,402	271,913	343,436

LID 85-1

Assets				
Cash	61	-	-	61
Investments	27,895	117	-	28,013
Total assets	27,957	117	-	28,074
Liabilities				
Custodial accounts	27,957	117	-	28,074
Total liabilities	27,957	117	-	28,074

Chelan/Douglas Health District

Assets				
Cash	19,368	5,755,859	5,735,495	39,732
Investments	952,350	2,309,307	1,910,196	1,351,461
Total assets	971,718	8,065,166	7,645,690	1,391,193
Liabilities				
Accounts payable	815	1,724,205	1,723,420	1,601
Accrued payroll liabilities	179,343	2,787,643	2,765,609	201,377
Custodial accounts	791,560	3,603,245	3,206,589	1,188,216
Total liabilities	971,718	8,115,093	7,695,617	1,391,193

NCR Library

Assets				
Cash	127	18,103,368	18,103,494	-
Investments	19,944,027	6,153,474	5,236,516	20,860,985
Taxes receivable	158,134	137,515	158,134	137,515
Total assets	20,102,287	24,394,357	23,498,144	20,998,500
Liabilities				
Accounts payable	443,667	8,929,483	8,899,526	473,625
Accrued payroll liabilities	35,810	6,028,387	6,027,650	36,547
Custodial accounts	19,622,810	13,091,525	12,226,006	20,488,328
Total liabilities	20,102,287	28,049,395	27,153,182	20,998,500

Link	Balance January 1	Additions	Deductions	Balance December 31
Assets				
Cash	1,726,301	16,995,322	17,742,253	979,370
Investments	6,616,698	4,561,513	1,024,994	10,153,217
Total assets	8,342,999	21,556,836	18,767,248	11,132,587
Liabilities				
Custodial accounts	8,342,999	17,058,235	14,268,647	11,132,587
Total liabilities	8,342,999	17,058,235	14,268,647	11,132,587

State

Assets				
Cash	423,796	34,110,861	34,128,594	406,062
Taxes receivable	889,514	747,376	889,514	747,376
Total assets	1,313,310	34,858,237	35,018,108	1,153,438
Liabilities				
Custodial accounts	1,313,310	34,858,237	35,018,108	1,153,438
Total liabilities	1,313,310	34,858,237	35,018,108	1,153,438

NCESD

Assets				
Cash	849,670	24,122,938	24,143,141	829,466
Investments	14,329,158	3,892,854	4,131,135	14,090,877
Total assets	15,178,828	28,015,792	28,274,277	14,920,343
Liabilities				
Custodial accounts	15,178,828	20,136,627	20,395,112	14,920,343
Total liabilities	15,178,828	20,136,627	20,395,112	14,920,343

School Districts

Assets				
Cash	6,193,660	345,709,035	345,489,529	6,413,167
Investments	85,804,296	118,157,092	101,123,620	102,837,768
Taxes receivable	1,150,597	1,100,261	1,150,597	1,100,261
Total assets	93,148,554	464,966,387	447,763,746	110,351,195
Liabilities				
Custodial accounts	93,148,554	295,868,367	278,665,725	110,351,195
Total liabilities	93,148,554	295,868,367	278,665,725	110,351,195

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2015

Fire Districts	Balance January 1	Additions	Deductions	Balance December 31
Assets				
Cash	1,848,174	29,073,571	29,213,770	1,707,975
Investments	4,024,215	5,745,377	4,218,573	5,551,019
Taxes receivable	246,838	262,308	246,838	262,308
Total assets	6,119,227	35,081,257	33,679,182	7,521,302
Liabilities				
Accounts payable	13,060	5,980,987	5,941,372	52,675
Accrued payroll liabilities	448,532	6,944,587	6,902,664	490,455
Custodial accounts	5,657,635	12,199,112	10,878,575	6,978,172
Total liabilities	6,119,227	25,124,686	23,722,611	7,521,302
Cemetery Districts				
Assets				
Cash	344,340	1,024,017	1,080,898	287,460
Investments	685,159	453,640	402,104	736,696
Taxes receivable	11,706	9,249	11,706	9,249
Total assets	1,041,205	1,486,906	1,494,707	1,033,404
Liabilities				
Accounts payable	-	210,786	204,716	6,070
Accrued payroll liabilities	9,316	146,677	149,010	6,983
Custodial accounts	1,031,889	318,525	330,063	1,020,351
Total liabilities	1,041,205	675,989	683,789	1,033,404
Port of Chelan County				
Assets				
Cash	1,237,665	18,249,679	18,978,914	508,430
Investments	5,389,666	5,463,743	834,523	10,018,885
Taxes receivable	97,970	85,931	97,970	85,931
Total assets	6,725,301	23,799,353	19,911,407	10,613,247
Liabilities				
Custodial accounts	6,725,301	17,833,399	13,945,453	10,613,247
Total liabilities	6,725,301	17,833,399	13,945,453	10,613,247

Pangborn Field	Balance January 1	Additions	Deductions	Balance December 31
Assets				
Cash	291,049	11,039,901	11,261,605	69,344
Investments	108,455	1,020,458	1,090,327	38,587
Total assets	399,504	12,060,359	12,351,932	107,931
Liabilities				
Custodial accounts	399,504	9,950,237	10,241,810	107,931
Total liabilities	399,504	9,950,237	10,241,810	107,931

Lake Chelan Sewer Revenue

Assets				
Cash	-	171,525	171,525	-
Investments	860,803	3,422	73,332	790,893
Total assets	860,803	174,947	244,857	790,893
Liabilities				
Custodial accounts	860,803	251,778	321,688	790,893
Total liabilities	860,803	251,778	321,688	790,893

Park Districts

Assets				
Cash	85,164	1,248,640	1,241,157	92,647
Investments	131,483	114,609	83,282	162,810
Taxes receivable	18,288	14,889	18,288	14,889
Total assets	234,934	1,378,138	1,342,726	270,347
Liabilities				
Accounts payable	11,016	354,624	365,639	-
Accrued payroll liabilities	6,620	229,672	226,713	9,579
Custodial accounts	217,299	739,361	695,893	260,767
Total liabilities	234,934	1,323,657	1,288,245	270,347

Mosquito Districts

Assets				
Cash	101,640	116,800	128,616	89,824
Total assets	101,640	116,800	128,616	89,824
Liabilities				
Accounts payable	-	41,610	41,610	-
Accrued payroll liabilities	865	33,835	33,835	865
Custodial accounts	100,776	52,262	64,078	88,959
Total liabilities	101,640	127,707	139,523	89,824

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2015

Water Districts	Balance January 1	Additions	Deductions	Balance December 31
Assets				
Cash	357,798	5,315,594	4,885,400	787,993
Investments	1,747,807	480,245	726,465	1,501,587
Total assets	<u>2,105,605</u>	<u>5,795,839</u>	<u>5,611,865</u>	<u>2,289,579</u>
Liabilities				
Accounts payable	10,752	1,302,425	1,291,315	21,862
Accrued payroll liabilities	15,289	190,014	190,151	15,152
Custodial accounts	2,079,564	3,679,262	3,506,260	2,252,565
Total liabilities	<u>2,105,605</u>	<u>5,171,700</u>	<u>4,987,726</u>	<u>2,289,579</u>
Irrigation Districts				
Assets				
Cash	697,279	11,441,525	11,259,669	879,134
Investments	5,772,177	2,171,945	1,872,538	6,071,584
Total assets	<u>6,469,455</u>	<u>13,613,470</u>	<u>13,132,206</u>	<u>6,950,719</u>
Liabilities				
Accounts payable	5,751	3,553,557	3,548,131	11,178
Accrued payroll liabilities	11,203	212,604	207,835	15,971
Custodial accounts	6,452,501	5,983,433	5,512,364	6,923,570
Total liabilities	<u>6,469,455</u>	<u>9,749,594</u>	<u>9,268,331</u>	<u>6,950,719</u>
Water Conservancy District				
Assets				
Cash	7,087	38,749	33,293	12,543
Total assets	<u>7,087</u>	<u>38,749</u>	<u>33,293</u>	<u>12,543</u>
Liabilities				
Accounts payable	-	16,647	16,647	-
Custodial accounts	7,087	22,102	16,647	12,543
Total liabilities	<u>7,087</u>	<u>38,749</u>	<u>33,293</u>	<u>12,543</u>

	Balance January 1	Additions	Deductions	Balance December 31
Hospitals				
Assets				
Cash	1,377,737	48,565,432	48,851,512	1,091,658
Investments	5,789,226	2,238,666	1,389,161	6,638,731
Taxes receivable	161,553	137,966	161,553	137,966
Total assets	7,328,516	50,942,064	50,402,225	7,868,354
Liabilities				
Custodial accounts	7,328,516	43,219,759	42,679,920	7,868,354
Total liabilities	7,328,516	43,219,759	42,679,920	7,868,354
Cities				
Assets				
Cash	197,119	8,112,298	8,103,327	206,089
Taxes receivable	233,528	166,084	233,528	166,084
Total assets	430,646	8,278,382	8,336,855	372,173
Liabilities				
Custodial accounts	430,646	8,278,382	8,336,855	372,173
Total liabilities	430,646	8,278,382	8,336,855	372,173
County				
Assets				
Cash	1,367,319	65,149,831	65,035,694	1,481,456
External trust deposits	1,823,836	14,157	606,571	1,231,422
Total assets	3,191,155	65,163,988	65,642,266	2,712,877
Liabilities				
Accounts payable	3,047	52,962	54,772	1,238
Custodial accounts	3,188,107	65,094,279	65,570,747	2,711,639
Total liabilities	3,191,155	65,147,241	65,625,518	2,712,877
Total Agency Funds				
Assets				
Cash	17,125,353	644,709,183	645,952,123	15,882,412
Investments	152,704,499	152,860,727	124,388,679	181,176,547
External trust deposits	1,823,836	14,157	606,571	1,231,422
Accounts receivable	862	48,081	48,943	-
Taxes receivable	2,968,127	2,661,579	2,968,127	2,661,579
Total assets	174,622,677	800,293,727	773,964,444	200,951,960
Liabilities				
Accounts payable	488,108	22,167,287	22,087,147	568,248
Accrued payroll liabilities	706,978	16,573,419	16,503,467	776,930
Custodial accounts	173,427,590	552,331,645	526,152,453	199,606,782
Total liabilities	174,622,677	591,072,351	564,743,067	200,951,960

CHELAN COUNTY, WASHINGTON

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.

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Revenue Capacity

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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.

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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.

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

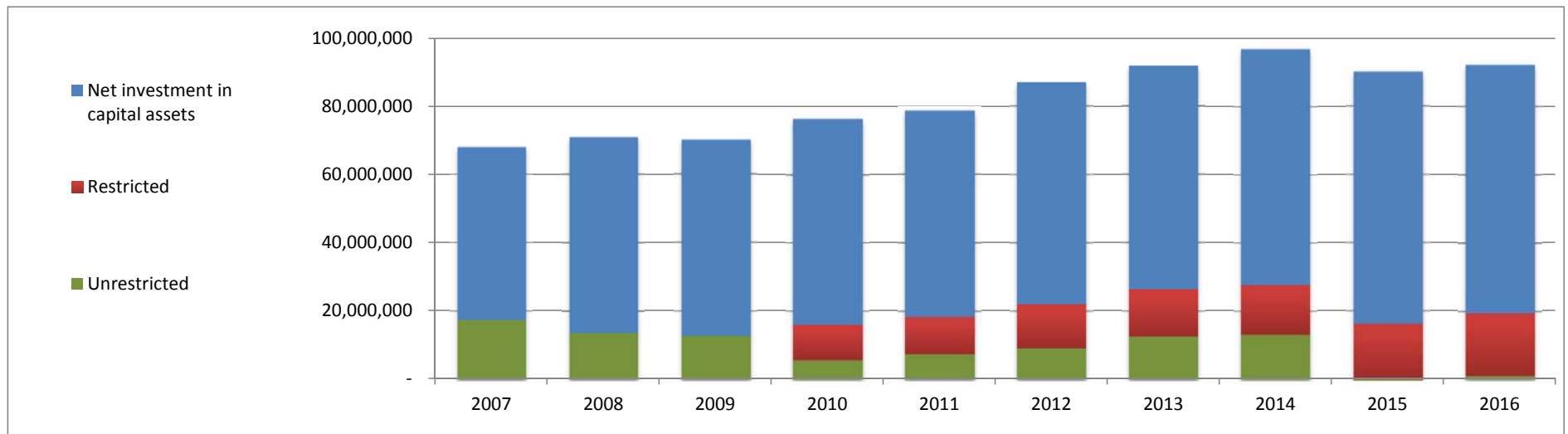
CHELAN COUNTY, WASHINGTON

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net investment in capital assets	50,471,222	57,244,737	57,244,737	60,387,094	60,387,094	64,897,018	65,232,320	69,087,607	73,895,396	72,699,757
Restricted	-	-	-	10,345,113	10,966,825	12,769,857	13,870,565	14,517,215	16,308,657	18,451,257
Unrestricted	17,534,543	13,599,231	12,851,312	5,748,520	7,386,858	9,265,251	12,617,398	13,309,943	(1,994,059)	1,170,494
Total net position	68,005,765	70,843,968	70,096,049	76,480,727	78,740,777	86,932,126	91,720,283	96,914,765	88,209,994	92,321,508



Notes:

Prior to 2010 the restricted portion of net position was not properly classified so complete historical information is not available.

The reduction in 2015 unrestricted net position was due to the recognition of pension liability when implementing GASB 68.

Data Sources:

Applicable years' comprehensive annual financial report.

CHELAN COUNTY, WASHINGTON

Changes in Net Position

Last Nine Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
General government	19,779,898	20,075,480	19,913,816	11,921,365	8,419,537	8,533,353	5,494,639	8,100,052	10,794,604	18,833,204
Judicial	3,093,301	3,330,840	3,436,578	3,055,970	4,655,371	4,771,923	3,386,871	3,489,911	3,682,693	3,893,534
Public safety	23,904,761	25,618,966	26,574,825	26,241,971	27,889,930	27,265,065	28,418,957	26,043,568	27,540,791	25,017,130
Utilities	1,357,762	1,888,505	1,381,051	1,528,671	1,414,523	1,566,644	1,962,210	2,410,244	2,030,413	2,129,575
Transportation	16,734,747	12,763,691	11,388,104	10,162,953	11,651,801	12,184,649	15,304,064	15,774,299	13,124,102	10,779,600
Natural & economic environment	7,381,552	8,722,901	9,199,298	6,343,019	5,560,283	5,046,074	6,639,229	6,890,897	4,991,609	6,392,887
Social services	530,354	501,462	1,451,089	1,624,062	1,551,060	1,659,125	1,777,641	1,945,330	1,411,139	1,384,630
Culture and recreation	1,527,759	1,625,474	1,436,421	1,357,485	1,460,702	1,426,973	1,462,575	1,619,255	1,411,628	1,174,779
Interest on long-term debt	488,311	421,295	466,759	523,852	672,520	639,677	682,129	717,991	550,679	475,604
Total expenses	74,798,445	74,948,614	75,247,941	62,759,349	63,275,727	63,093,483	65,128,314	66,991,547	65,537,658	70,080,944
Program Revenues										
Charges for services:										
General government	10,168,264	10,273,848	10,963,542	2,789,851	2,613,536	2,569,347	3,299,140	3,423,869	3,198,570	1,788,197
Judicial	2,866,511	2,761,898	2,845,137	3,061,482	3,009,945	2,938,774	2,244,207	2,034,135	1,677,437	1,594,562
Public safety	9,377,130	10,780,939	12,331,907	10,828,943	11,111,806	9,986,394	9,666,801	8,105,749	7,900,951	7,565,537
Utilities	1,568,913	1,649,101	1,555,568	1,458,488	1,239,716	1,510,191	1,819,812	1,953,953	2,169,513	2,464,712
Transportation	3,884,330	1,063,365	276,378	363,826	333,048	84,913	95,822	161,214	151,458	192,595
Natural & economic environment	1,752,465	1,824,743	1,339,433	1,498,828	1,599,627	1,670,087	1,817,292	2,270,769	2,464,031	2,549,556
Social services	495	210	-	210	198	91	35,572	102,466	120,440	579,041
Culture and recreation	679,375	777,241	776,358	857,325	774,520	820,037	866,126	954,429	834,574	982,598
Operating grants and contributions	15,410,152	15,131,994	20,434,827	16,202,036	13,462,743	12,176,360	13,451,637	14,298,573	14,552,515	14,947,904
Capital grants and contributions	2,324,298	6,682,665	1,287,484	1,717,337	4,297,107	5,277,809	3,442,683	3,806,555	2,223,322	2,225,868
Total program revenues	48,031,933	50,946,004	51,810,634	38,778,325	38,442,246	37,034,003	36,739,092	37,111,711	35,292,811	34,890,569
Total net (expense)/revenue	(26,766,512)	(24,002,610)	(23,437,307)	(23,981,024)	(24,833,480)	(26,059,480)	(28,389,222)	(29,879,836)	(30,244,847)	(35,190,375)
General Revenues and Other Changes in Net Position										
Taxes										
Property taxes	14,706,768	15,036,880	16,745,569	17,442,036	18,364,467	18,976,216	18,089,545	18,517,131	19,384,615	19,979,006
Sales and use taxes	7,059,665	8,034,200	6,929,205	6,727,803	6,783,250	7,200,137	7,825,514	9,239,616	10,224,278	11,966,336
Emergency communication tax	499,851	517,390	521,999	689,341	2,010,769	2,107,753	2,180,071	2,492,938	2,548,786	2,831,664
Other taxes	4,547,106	2,293,968	1,615,413	1,735,504	1,808,689	3,592,957	4,189,733	3,986,063	3,126,480	3,407,025
Interest and investment earnings	1,616,809	958,585	318,136	330,085	158,970	228,210	869,364	838,571	876,720	960,556
Sale of asset	-	-	-	-	270,319	-	-	-	-	188,278
Miscellaneous revenue	-	-	-	-	-	-	-	-	-	19,907
Total general revenues and other changes	28,430,199	26,841,023	26,130,322	26,924,769	29,396,464	32,105,273	33,154,227	35,074,319	36,160,879	39,352,770
Change in Net Position	1,663,687	2,838,413	2,693,015	2,943,745	4,562,984	6,045,793	4,765,005	5,194,484	5,916,032	4,162,395

Data Sources:

Applicable years' comprehensive annual financial report.

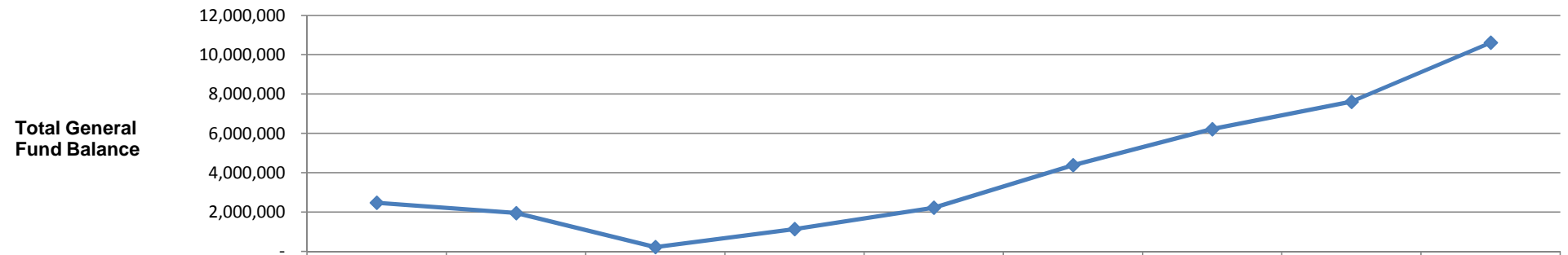
CHELAN COUNTY, WASHINGTON

Fund Balances of Governmental Funds

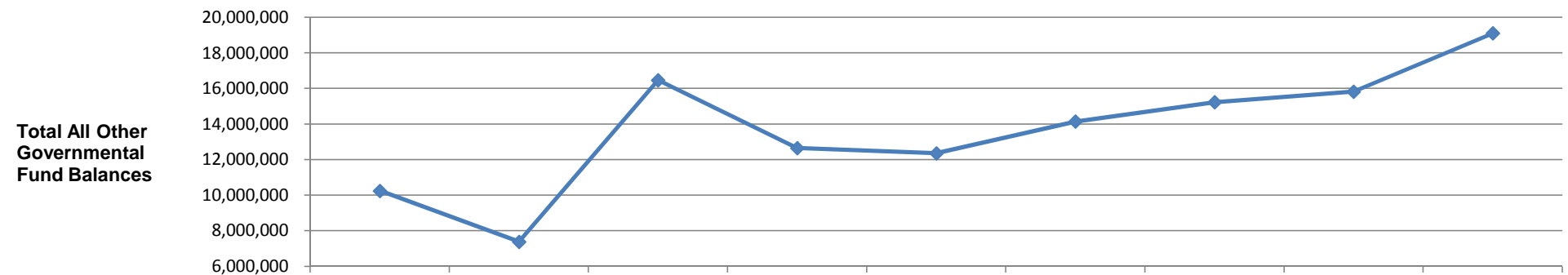
Last Ten Fiscal Years

(modified accrual basis of accounting)

General fund	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Unassigned	2,480,438	1,960,442	230,294	1,144,302	2,231,455	4,386,965	6,225,947	7,617,613	7,999,728	10,619,553
Total General fund	2,480,438	1,960,442	230,294	1,144,302	2,231,455	4,386,965	6,225,947	7,617,613	7,999,728	10,619,553



All other governmental funds	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Restricted	10,112,177	7,224,876	16,303,398	12,481,800	12,099,789	13,850,519	14,946,467	15,617,092	14,560,122	17,559,392
Committed	184,206	160,291	169,065	176,103	261,346	293,744	280,603	1,246,545	1,340,173	1,546,872
Unassigned	(46,267)	-	-	-	-	-	-	(1,039,087)	-	(3,193)
Total all other governmental funds	10,250,116	7,385,167	16,472,463	12,657,903	12,361,135	14,144,263	15,227,070	15,824,550	15,900,295	19,103,071



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.

Data Sources:

Applicable years' comprehensive annual financial report.

CHELAN COUNTY, WASHINGTON

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	26,761,084	25,869,996	25,735,639	26,566,333	28,931,204	30,475,600	30,952,909	32,980,098	35,284,159	38,280,044
Licenses and permits	883,035	828,632	606,938	606,264	632,712	686,805	982,410	1,081,357	1,182,405	1,296,315
Intergovernmental revenues	17,855,898	21,150,214	19,170,335	18,773,252	19,707,676	21,174,100	17,730,436	19,475,156	16,431,642	16,995,487
Charges for services	5,591,290	5,244,527	4,950,032	4,996,154	4,908,162	3,522,935	5,998,685	16,349,717	16,970,354	17,903,420
Fees and fines	1,377,250	1,271,913	1,339,310	1,260,675	1,122,267	1,101,984	1,468,854	1,608,853	1,487,269	1,393,006
Miscellaneous	2,858,422	2,517,035	5,645,276	1,898,068	941,162	943,347	1,741,960	2,286,796	2,278,563	2,589,536
Total revenues	55,326,979	56,882,317	57,447,530	54,100,746	56,243,183	57,904,771	58,875,254	73,781,977	73,634,392	78,457,809
Expenditures										
General government	13,142,930	13,966,147	13,815,248	12,665,634	12,729,161	12,007,638	12,072,780	12,734,739	13,549,644	10,319,559
Judicial	-	-	-	-	-	-	-	-	-	3,855,148
Public safety	15,913,410	16,516,676	17,556,196	17,082,275	18,075,481	18,335,577	19,484,361	29,452,754	30,308,443	31,514,289
Utilities	-	-	-	-	-	-	-	2,043,949	1,928,311	2,190,223
Transportation	9,643,443	8,331,859	8,661,917	8,243,621	8,552,229	8,758,999	9,861,622	9,933,649	9,426,933	10,154,816
Natural & economic environment	7,514,568	9,854,496	9,265,742	6,406,280	5,660,670	5,127,257	5,640,410	7,084,091	5,207,672	6,737,347
Social services	555,406	571,622	1,566,606	1,707,674	1,671,555	1,711,758	2,305,559	1,682,281	1,352,712	1,398,229
Culture and recreation	732,406	723,409	579,866	477,722	512,163	505,164	516,217	1,329,427	1,160,745	1,123,670
Debt service:										
Principal	1,507,020	697,697	729,512	751,403	878,375	860,000	755,000	728,796	805,000	855,000
Interest and other charges	538,550	427,180	466,759	523,795	672,434	639,677	682,129	717,952	669,638	640,603
Capital outlay	6,089,249	9,686,066	5,601,264	9,291,852	6,978,055	6,039,704	4,641,417	7,491,186	8,772,798	3,924,046
Total expenditures	55,636,982	60,775,152	58,243,110	57,150,256	55,730,123	53,985,774	55,959,495	73,198,824	73,181,896	72,712,931
Other financing sources (uses)										
Sale of capital assets	29,256	7,825	16,864	118,958	297,324	9,642	6,031	25,356	5,364	19,342
Transfers in	894,892	2,009,029	845,801	1,240,400	467,158	705,158	535,000	805,000	4,288,214	600,000
Transfers out	(964,892)	(1,508,965)	(865,801)	(1,210,400)	(487,158)	(695,158)	(535,000)	(1,305,000)	(4,288,214)	(600,000)
General obligation bonds issued	1,210,000	-	8,150,000	-	-	-	-	-	-	-
Refunding bonds issued	4,525,000	-	-	-	-	-	-	-	-	8,955,000
Premium (discount) on bonds issued	57,726	-	5,865	-	-	-	-	-	-	1,044,091
Payment to refunding escrow agent	(6,912,508)	-	-	-	-	-	-	-	-	(9,889,831)
Total other financing sources (uses)	(1,160,526)	507,889	8,152,729	148,958	277,324	19,642	6,031	(474,644)	5,364	128,602
Net change in fund balances	(1,470,529)	(3,384,946)	7,357,149	(2,900,552)	790,384	3,938,639	2,921,790	108,509	457,860	5,873,481
Debt service as a percentage of noncapital expenditures	4.02%	2.03%	2.55%	2.50%	3.34%	3.51%	2.88%	2.21%	2.29%	2.14%

Notes:

The public safety and utilities expenditures increased greatly during 2014 due to the reclassification of enterprise funds as governmental funds.

The judicial expenditures prior to 2016 were included in general government expenditures.

Data Sources:

Applicable years' comprehensive annual financial report.

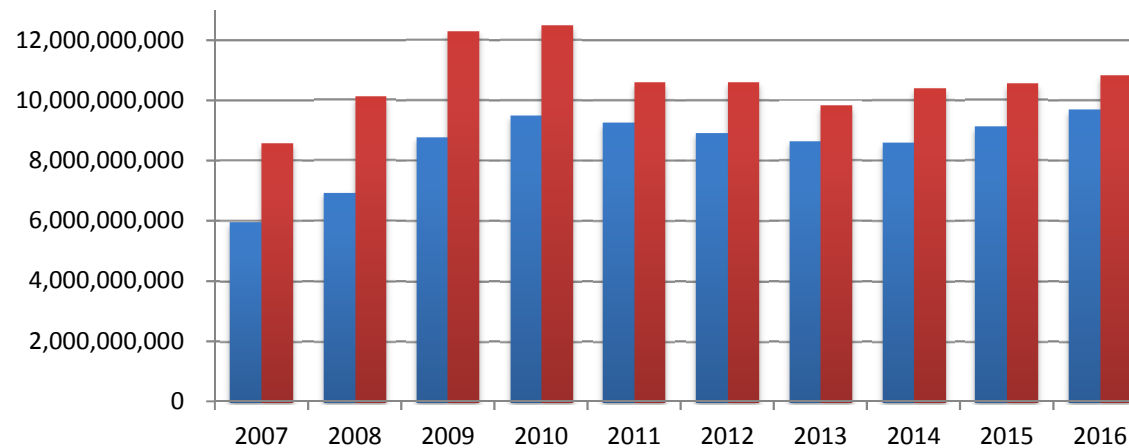
CHELAN COUNTY, WASHINGTON

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
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	8,477,642,376	276,809,340	108,292,800	8,646,158,916	2.6438	9,814,028,281	88.1%
2014	8,435,340,292	274,947,015	108,070,631	8,602,216,676	2.7145	10,414,305,903	82.6%
2015	8,955,726,214	281,897,694	115,261,675	9,122,362,233	2.6944	10,546,083,506	86.5%
2016	9,502,944,290	298,343,562	91,430,535	9,709,857,317	2.6469	10,835,264,167	87.0%

Assessed and Estimated Value of Taxable Property

■ Assessed Value
■ Estimated Actual Value



Data Sources:
Chelan County Assessor
Washington State Department of Revenue, property tax statistics

CHELAN COUNTY, WASHINGTON

Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Chelan County			Overlapping Rates - Districts						Total Direct and Overlapping Rates
	General Fund	Special Revenue Funds	Total County	Hospital Districts	Fire Districts	Cemetery Districts	School Districts	Miscellaneous Districts	Cities and Towns	
2007	1.6215	1.4872	3.1087	0.9752	0.9556	0.0813	3.7752	0.3204	2.7165	11.9330
2008	1.5370	1.5088	3.0457	1.0238	0.9993	0.0729	4.1492	0.5248	2.5696	12.3853
2009	1.3844	1.2983	2.6827	0.9024	0.8119	0.0696	3.4134	0.3140	2.1238	10.3177
2010	1.1255	1.2434	2.3689	0.6789	0.6605	0.0614	2.9814	0.2503	2.1017	9.1031
2011	1.0638	1.1944	2.2583	0.6841	0.6854	0.0568	2.8680	0.2441	1.8913	8.6879
2012	1.1183	1.2776	2.3959	0.7586	0.7503	0.0562	2.9586	0.2529	1.8119	8.9845
2013	1.2631	1.3807	2.6438	0.8121	0.8056	0.0606	3.5267	0.2951	2.0984	10.2422
2014	1.2940	1.4205	2.7145	0.8121	0.8172	0.0612	3.6469	0.2954	1.9804	10.3278
2015	1.2486	1.4458	2.6944	0.8006	0.8350	0.0608	3.9822	0.2867	1.9450	10.6047
2016	1.2310	1.4160	2.6470	0.7774	0.7369	0.0589	3.9775	0.2732	1.6193	10.0903

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

Taxpayer	2016			2007		
	2016 Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	2007 Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Stemilt Growers Inc	103,805,359	1	1.07%	52,414,581	2	0.88%
ALCOA Inc	59,429,865	2	0.61%	61,568,499	1	1.03%
Riverside and Ninth Apartments	42,357,834	3	0.44%	-	-	0.00%
Blue Bird Inc	31,187,216	4	0.32%	15,415,184	9	0.26%
Trout Blue Chelan Inc	28,871,017	5	0.30%	32,930,298	5	0.55%
Campbell's Lodge Inc	27,979,577	6	0.29%	-	-	0.00%
Crunch Pak LLC	22,127,248	7	0.23%	-	-	0.00%
Cascadian Fruit Shippers Inc	19,062,921	8	0.20%	-	-	0.00%
Columbia Fruit Packers Inc	18,775,378	9	0.19%	-	-	0.00%
Robert K Johnson	18,609,950	10	0.19%	-	-	0.00%
Verizon Northwest Inc	-	-	-	42,585,507	3	0.71%
Wenatchee Valley Clinic	-	-	-	33,930,919	4	0.57%
BNSF Railway Company	-	-	-	30,079,370	6	0.50%
Tree Top Inc	-	-	-	23,521,891	7	0.39%
Dovex Fruit Company	-	-	-	22,677,437	8	0.38%
McDougall & Sons Inc	-	-	-	12,722,202	10	0.21%
Totals	372,206,365		3.83%	327,845,888		5.48%
Total Taxable Value:	9,709,857,317			5,978,934,852		

Source: Chelan County Assessor

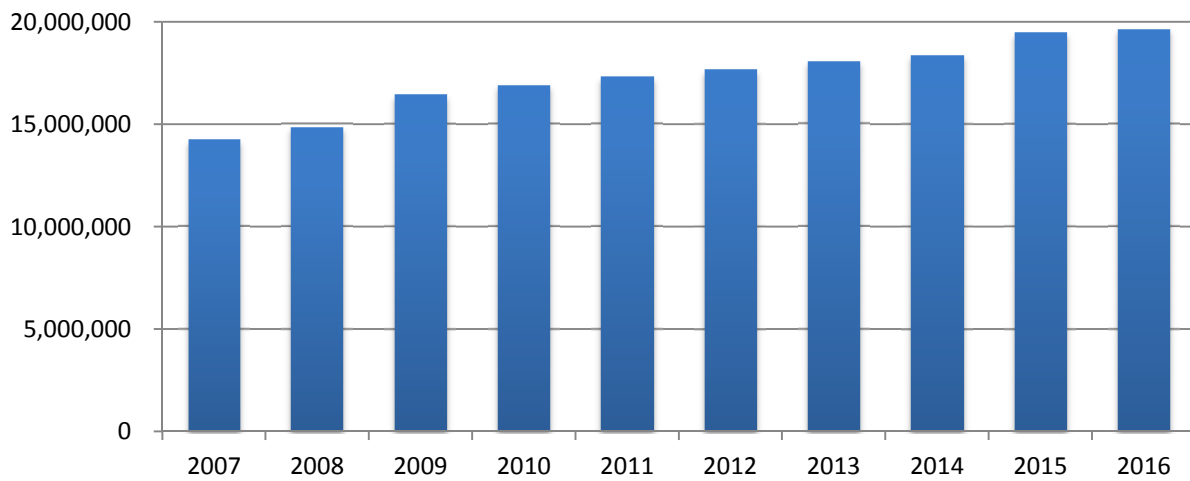
This list does not include lending institutions who are taxed on behalf of individual mortgages they are holding.

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
2007	14,230,327	13,976,296	98.21%	254,031	14,230,327	100.00%
2008	14,838,833	14,415,873	97.15%	422,797	14,838,670	100.00%
2009	16,449,753	15,792,831	96.01%	656,603	16,449,434	100.00%
2010	16,886,851	16,215,755	96.03%	670,767	16,886,523	100.00%
2011	17,287,025	16,672,588	96.45%	613,595	17,286,182	100.00%
2012	17,687,534	17,152,393	96.97%	531,063	17,683,456	99.98%
2013	18,037,920	17,545,988	97.27%	478,201	18,024,189	99.92%
2014	18,392,133	17,930,441	97.49%	399,236	18,329,677	99.66%
2015	19,475,087	18,921,830	97.16%	419,916	19,341,746	99.32%
2016	19,629,158	19,141,563	97.52%	Not applicable	19,141,563	97.52%

Total Tax Levy



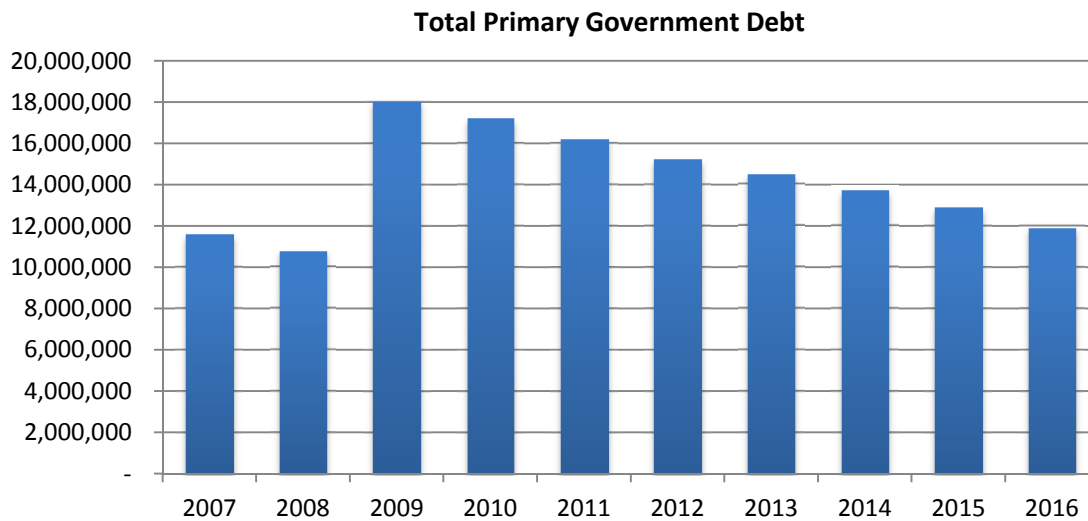
Source: Chelan County Treasurer, tax distribution report
Levy and collections include those of Chelan County's general and special revenue funds.

CHELAN COUNTY, WASHINGTON

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Capital Leases	Total Debt Outstanding	Percentage of Personal Income	Per Capita
2007	11,566,939	5,059	11,571,998	0.47%	163
2008	10,759,242	2,583	10,761,825	0.39%	149
2009	18,069,731	-	18,069,731	0.67%	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	0.49%	208
2013	14,465,000	-	14,465,000	0.46%	197
2014	13,685,000	-	13,685,000	0.42%	184
2015	12,880,000	-	12,880,000	0.40%	172
2016	11,905,000	-	11,905,000	0.35%	157

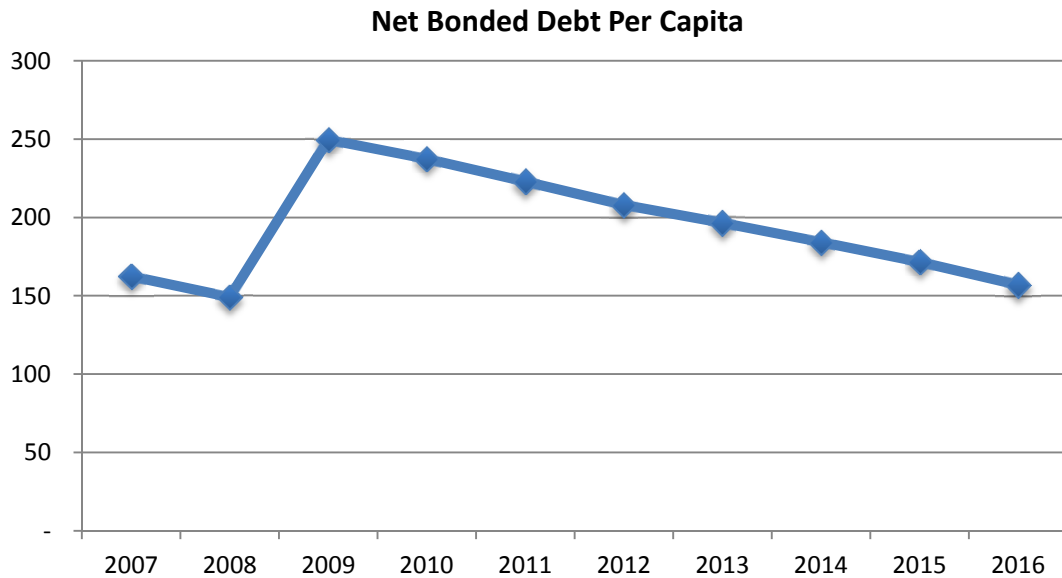


Details regarding the County's outstanding debt can be found in the notes to the financial statements. See the Schedule of Demographic and Economic Statistics for personal income and population data.

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
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
2014	13,685,000	-	13,685,000	0.13%	184
2015	12,880,000	-	12,880,000	0.12%	172
2016	11,905,000	-	11,905,000	0.11%	157



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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Non-Voted Debt										
Legal debt limit	89,684	104,030	131,739	142,688	138,972	133,929	129,692	129,033	136,835	145,648
Total net debt applicable to limit	3,972	6,535	7,577	9,438	7,963	3,940	2,152	(11)	(857)	(8,965)
Legal debt margin	<u>85,712</u>	<u>97,496</u>	<u>124,161</u>	<u>133,250</u>	<u>131,009</u>	<u>129,989</u>	<u>127,540</u>	<u>129,044</u>	<u>137,692</u>	<u>154,613</u>
 Total net debt applicable to the limit as a percentage of debt limit	 4.43%	 6.28%	 5.75%	 6.61%	 5.73%	 2.94%	 1.66%	 -0.01%	 -0.63%	 -6.16%
 Voted and Non-Voted Debt										
Legal debt limit	149,473	173,384	219,564	237,814	231,621	223,215	216,154	215,055	228,059	242,746
Total net debt applicable to limit	3,972	6,535	7,577	9,438	7,963	3,940	2,152	(11)	(857)	(8,965)
Legal debt margin	<u>145,501</u>	<u>166,849</u>	<u>211,987</u>	<u>228,375</u>	<u>223,657</u>	<u>219,275</u>	<u>214,002</u>	<u>215,066</u>	<u>228,916</u>	<u>251,711</u>
 Total net debt applicable to the limit as a percentage of debt limit	 2.66%	 3.77%	 3.45%	 3.97%	 3.44%	 1.77%	 1.00%	 -0.01%	 -0.38%	 -3.69%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed Valuations	<u>9,709,857</u>
Limited Tax General Obligation Debt Capacity (non-voted):	
Legal limit of up to 1.5% on the assessed valuation	145,648
Less: outstanding debt	(11,905)
Add: available assets	20,870
Remaining Debt Capacity (non voted)	<u>154,613</u>
Total General Obligation Debt Capacity (voted and non-voted):	
Legal limit of up to 2.5% on the assessed valuation	242,746
Less: outstanding debt	(11,905)
Add: available assets	20,870
Remaining Debt Capacity (voted and non-voted)	<u>251,711</u>

CHELAN COUNTY, WASHINGTON

Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Age (1)	Personal Income (2)	Per Capita Income (2)	Public School Enrollment (3)	Unemployment Rate (4)
2007	71,200	38.2	2,397,957,000	34,152	12,883	4.9%
2008	72,100	38.5	2,641,425,000	37,301	12,868	5.6%
2009	72,372	38.8	2,599,973,000	36,272	12,833	8.0%
2010	72,453	39.3	2,639,553,000	36,294	12,726	8.9%
2011	72,700	39.8	2,788,634,000	38,044	12,957	8.4%
2012	73,200	40.0	2,976,993,000	40,410	12,863	8.0%
2013	73,600	40.2	3,010,532,000	40,663	12,996	7.4%
2014	74,300	40.7	3,188,915,000	42,754	13,191	6.4%
2015	75,030	41.2	3,377,868,000	44,953	13,159	5.6%
2016	75,910	42.2	3,388,659,000	44,797	13,002	6.3%

Data sources:

- (1) Washington State Office of Financial Management <http://www.ofm.wa.gov/pop/>
Median age current year data not available - estimated based on change over prior two years
- (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 Nine Years Ago

Employer (1)	2016			2007		
	Employees	Rank	Percentile of Total County Employment	Employees	Rank	Percentile of Total County Employment
Stemilt Growers, Inc	6,020	1	14.66%	3,300	1	9.08%
Confluence Health	3,527	2	8.59%	-	-	-
Wenatchee School District	1,027	3	2.50%	972	4	2.67%
Crunch Pak	999	4	2.43%	-	-	-
McDougall & Sons, Inc.	900	5	2.19%	-	-	-
Chelan County PUD #1	734	6	1.79%	674	7	1.85%
Chelan County	511	7	1.24%	515	10	1.42%
Alcoa	460	8	1.12%	-	-	-
C&O Nursery	457	9	1.11%	-	-	-
Custom Apple Packers	440	10	1.07%	-	-	-
Central Washington Hospital	-	-	-	1,378	2	3.79%
Wenatchee Valley Medical Center	-	-	-	1,080	3	2.97%
Dovex Fruit Company	-	-	-	750	5	2.06%
Chelan Fruit, Inc	-	-	-	700	6	1.93%
North Central ESD	-	-	-	628	8	1.73%
Triple C Healthcare Services Inc	-	-	-	550	9	1.51%
Total County Employment (2):	<u>41,055</u>			<u>36,347</u>		

Notes:

- (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. Wenatchee Valley Medical Center and Central Washington Hospital merged to become Confluence Health.
- (2) Total county employment uses averaged quarterly data for the last four quarters available. From the US Census Bureau at <http://qwiexplorer.ces.census.gov/>

CHELAN COUNTY, WASHINGTON

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

Function	Full-time Equivalent Employees									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	151	149	144	139	138	128	136	137	138	136
Public safety	199	201	195	189	189	185	188	193	192	181
Utilities	3	3	3	4	4	4	3	4	4	4
Transportation	63	66	58	58	66	77	76	77	75	75
Natural environment	9	8	11	13	12	12	11	12	11	11
Economic environment	29	27	23	18	18	15	17	19	20	15
Social Services	-	-	-	-	-	-	-	-	-	3
Culture and recreation	10	9	9	7	8	9	9	10	6	6
Total	464	463	443	427	434	431	440	452	446	431



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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Recorded documents	27,105	22,486	19,767	17,141	17,308	20,319	20,540	16,594	19,087	19,920
Vehicle licensing transactions	56,119	59,656	66,494	60,917	59,141	60,132	61,024	61,577	53,967	51,559
General election:										
Registered voters	35,983	38,650	37,715	37,972	38,562	40,293	39,551	39,836	40,548	43,477
Ballots counted	19,174	32,392	20,656	28,071	22,397	32,809	19,718	23,364	17,823	34,974
Percent of registered voters voting	53.29%	83.81%	54.77%	73.93%	58.08%	81.43%	49.85%	58.65%	43.96%	81.00%
Property-related tax collection										
Real estate excise tax affidavits	4,488	3,862	3,038	2,874	2,897	3,415	3,506	3,365	3,966	3,978
Mobile home excise tax affidavits	-	-	92	133	148	104	111	99	108	186
Tax statements	39,937	40,532	50,118	50,690	50,886	51,032	50,990	50,847	51,151	46,349
Judicial										
Superior Court cases filed	3,920	4,119	3,762	3,607	3,529	3,600	3,580	3,562	3,660	3,695
Documents filed with Clerk	138,171	145,050	123,012	130,480	118,491	122,890	131,108	126,947	128,428	122,003
District Court filings	21,868	20,047	22,841	19,427	20,146	17,431	18,229	19,570	16,839	15,202
Public safety										
Sheriff										
Warrants entered	2,128	1,957	1,806	1,801	1,829	1,995	2,205	2,190	2,328	1,857
Arrests carried out	2,330	2,211	2,345	1,292	1,499	1,603	2,350	2,032	1,670	1,441
Citations issued	5,055	4,072	3,989	3,590	3,377	3,263	3,668	3,715	2,830	3,041
Concealed weapons permits issued	533	767	814	765	893	1,269	1,415	1,306	1,334	1,613
Regional Justice Center										
Bookings	7,224	7,017	6,371	5,672	5,625	4,927	5,066	5,628	5,922	5,685
Average daily population	357	358	322	280	303	248	221	265	280	276
Meals served	431,043	413,910	377,049	306,699	331,259	278,404	241,995	290,131	306,775	302,220
Juvenile average daily population	21	21	29	11	11	9	9	11	7	12
Transportation										
Miles of county road repaired/preserved	301	164	41	196	121	57	51	116	78	91
Economic environment										
Residential building permits	500	375	255	243	233	257	255	292	338	902
Commercial building permits	60	51	44	42	62	60	63	90	69	88

Data sources:

General government data was obtained from the Auditor's Office and Treasurer'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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Motor pool vehicles	36	26	41	38	39	30	34	37	37	37
Public safety										
Sheriff patrol vehicles	66	63	58	60	60	62	59	61	54	61
Transportation										
Streets (miles)	655	655	655	655	655	655	655	656	654	660
Bridges	51	51	51	51	51	51	51	51	51	52
Heavy machinery	117	120	131	135	135	136	142	145	149	143
Culture and recreation										
Parks	1	2	2	2	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.