

CHELAN COUNTY WASHINGTON



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

Prepared by:

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

CHELAN COUNTY, WASHINGTON

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2015

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CHELAN COUNTY ~ AUDITOR ~

Skip Moore

July 25, 2016

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, 2015. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by independent auditors from the Washington State Auditor's Office. The auditor's opinion included in this CAFR is unqualified, which means they believe the financial statements fairly present the financial position of Chelan County in all material respects.

Chelan County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Chelan County's financial statements in conformity with GAAP. As management, we are responsible for the contents of this CAFR and we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Chelan County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Incorporated in 1899, Chelan County is located in the north-central part of the state with the Columbia River forming the eastern border and the crest of the Cascade Mountains forming the western border. Chelan County occupies a land area of 2920 square miles, of which, approximately 90 percent of the geographic area is Wenatchee National Forest. The County's population is approximately 75,030.

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

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

Chelan County Courthouse, 350 Orondo Avenue, 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 to a major project at the Holden Mine. While this project greatly helps the General fund financial condition, the increased sales tax revenue will be temporary. Sales tax is also expected to slow in 2016 and beyond as the City of Wenatchee is expected to annex a section 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 24% of expenditures. The 2016 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 annual by the Board of County Commissioners at the recommendation of the Financial Policies Committee. This document includes budgetary, revenue receipting, expenditure, travel, and capital asset policies.

Awards and Acknowledgements


The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Chelan County for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2014. This was the eleventh 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



Bradley J. Posenjak, CPA
Chief Deputy Auditor



Government Finance Officers Association

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

Presented to

**Chelan County
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

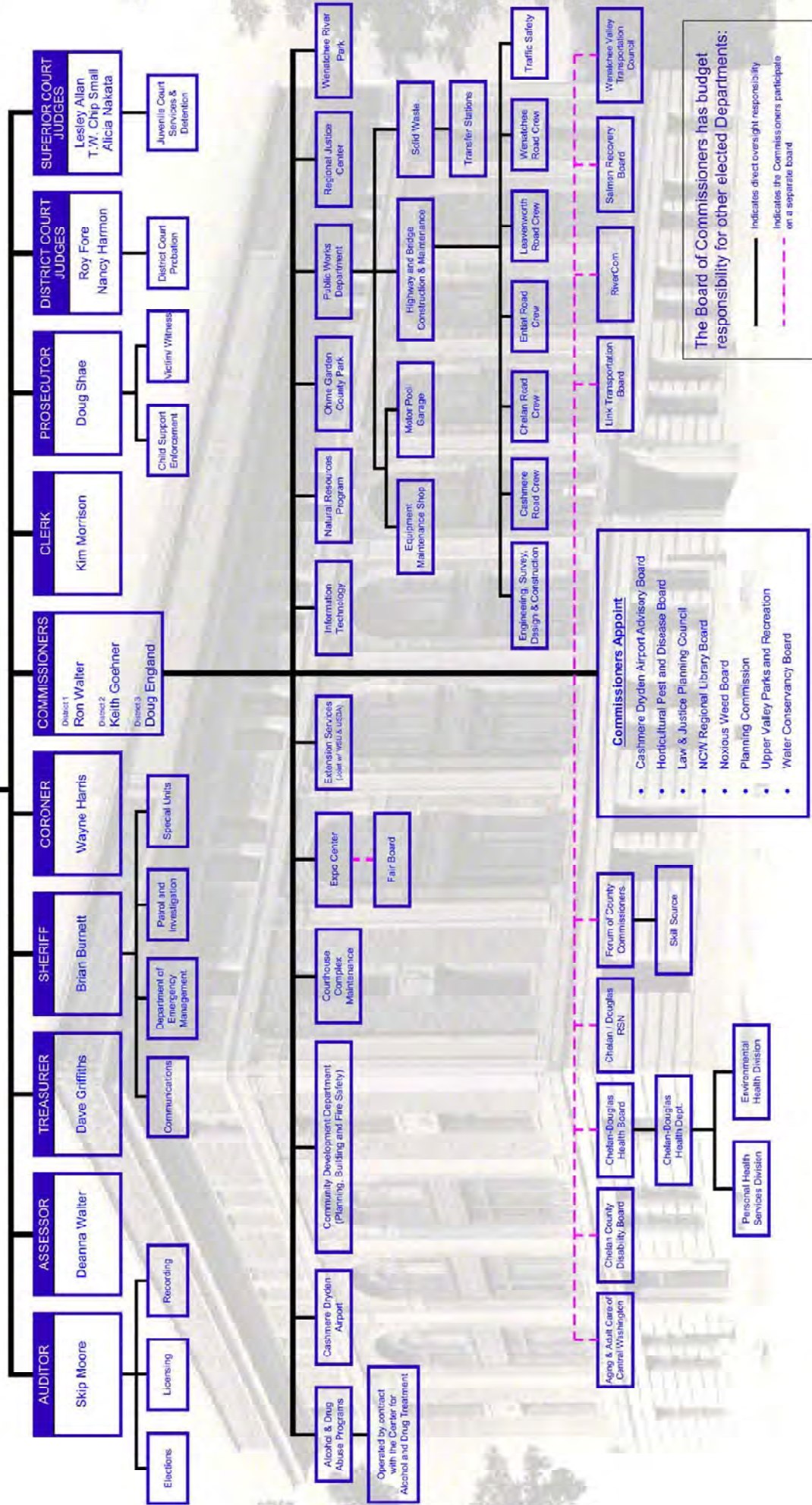
Executive Director/CEO



COUNTY OF CHELAN GOVERNMENTAL ORGANIZATION



CITIZENS OF CHELAN COUNTY (Electorate)



The Board of Commissioners has budget responsibility for other elected Departments:

— Indicates direct oversight responsibility

- - - Indicates the Commissioners participate on a separate board

CHELAN COUNTY ELECTED OFFICIALS

		<u>Term</u>	<u>Expiration</u>
Board of Commissioners			
District 1	Ron Walter	4	December 31, 2016
District 2	Keith Goehner	4	December 31, 2018
District 3	Doug England	4	December 31, 2016
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, 2017
	Lesley Allan	4	January 8, 2017
	Alicia Nakata	4	January 8, 2017



Washington State Auditor's Office

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

July 18, 2016

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, 2015, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, County Roads and Regional Justice Center funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As described in Note 14 to the financial statements, during the year ended December 31, 2015, the County has implemented the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, the County reclassified approximately \$9 million of internal service fund revenues as charges for services in 2015. These revenues were reported as miscellaneous revenues in prior years. 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 14 through 17, information on postemployment benefits other than pensions on page 52, pension plan information on pages 53 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying information listed as combining financial statements and supplementary information on pages 55 through 107 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

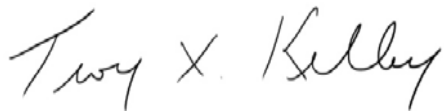
other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other 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 July 18, 2016, 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 "Troy X. Kelley". The signature is written in a cursive, flowing style.

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

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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, 2015. 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 funds 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 \$88,209,994 at the close of the most recent fiscal year. This decreased by \$5,916,032 over the previous year. The implementation of GASB 68 added pension assets, liabilities and deferred resources that required a \$15,761,125 reduction of beginning net position. While the changes in accounting principle reduced the total net position, there was a partially offsetting increase in net position from regular operations. The largest contribution to this fiscal year growth was the purchase and capitalization of Public

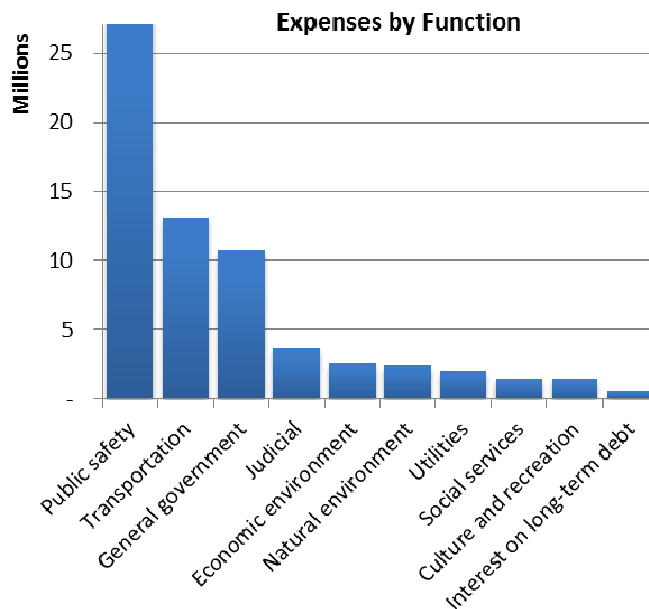
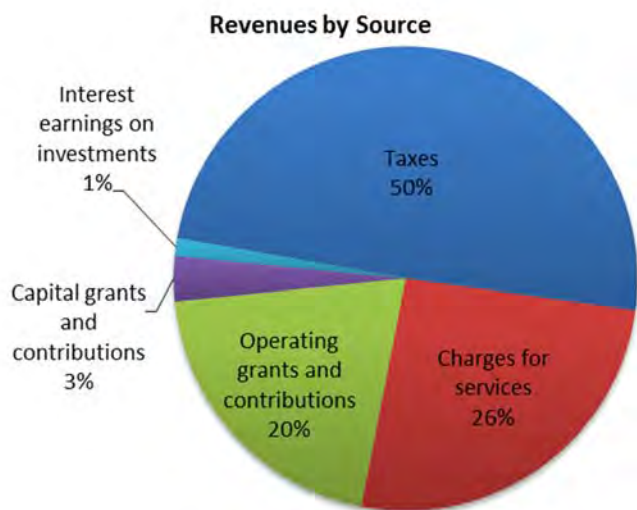
Chelan County's Changes in Net Position			
Revenues			
Program revenues:	2015	2014	
Charges for services	18,516,974	19,006,582	
Operating grants and contrib.	14,552,515	14,298,573	
Capital grants and contributions	2,223,322	3,806,554	
General revenues:			
Taxes	35,284,159	34,235,749	
Interest earnings on invest.	876,720	838,571	
Total revenues	71,453,690	72,186,029	
Program Expenses			
General government	10,794,604	8,100,052	
Judicial	3,682,693	3,489,911	
Public safety	27,540,791	26,043,568	
Utilities	2,030,413	2,410,244	
Transportation	13,124,102	15,774,299	
Natural environment	2,397,473	4,414,562	
Social services	1,411,139	1,945,330	
Economic environment	2,594,136	2,476,334	
Culture and recreation	1,411,628	1,619,255	
Interest on long term debt	550,679	717,991	
Total expenses	65,537,658	66,991,546	
Change in net position	5,916,032	5,194,483	
Net position as of Jan 1	96,914,765	91,720,283	
Change in accounting principle	(14,620,803)	-	
Net position as of Dec 31	88,209,994	96,914,765	

Chelan County's Net Position		
	2015	2014
Current & other assets	42,994,319	37,955,290
Capital assets (net of depr.)	85,610,396	82,119,496
Total assets	128,604,715	120,074,786
Deferred outflow s of resources	2,495,586	-
Long-term liabilities	33,506,613	18,335,804
Other liabilities	5,915,782	4,824,217
Total liabilities	39,422,395	23,160,021
Deferred inflow s of resources	3,467,912	-
Net position:		
Net investment in capital assets	73,895,396	69,087,607
Restricted	16,308,657	14,517,215
Unrestricted	(1,994,059)	13,309,943
Total net position	88,209,994	96,914,765

Works infrastructure. 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 2009 recession.

A large portion of the County's net position (84%) 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 (18%) represents resources that are subject to external restrictions on how they may be used. The resulting negative balance of unrestricted net position (-2%) 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, and Regional Justice Center funds were the County's major governmental funds. Together these four funds account for 51% 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 \$7,999,728, which represents 24% of total General fund expenditures. The fund balance of General fund increased by \$382,115 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 a one-time projects within the County. The Holden Mine project, which has generated unprecedented sales tax for the General fund, is not expected to bring in nearly the same amount of sales tax after 2016. 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 7 years and may even decrease the fund balance over the coming years.

The fund balance of the County Roads special revenue fund decreased by \$1,950,827 during the current fiscal year. The County is working on a major infrastructure update that is spending its current 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 increased by \$1,011,480, giving it a positive ending fund balance of \$21,809. This fund balance had been reduced over the past few years due to fewer contracted inmates being housed, which reduced 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 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.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Differences between the original and the final amended expenditure budget amounted to increases of \$1,605,185. Of this budget increase, \$446,931 was to be funded out of unexpected grants and increased reimbursements. The remaining \$1,158,254 was to be spent from the available fund balance.

Department	Amount	Explanation
Civil Service	2,000	For increased office supplies and testing. From available fund balance.
Commissioners	44,000	For increased wages and labor relations services. From available fund balance.
Facilities Maintenance	22,000	For increased capital outlay. From available fund balance.
District Court	11,525	For increased salaries. From available fund balance.
Juvenile	2,341	To increase training services. From available fund balance.
Non-Departmental	1,010,000	For a transfer to the Regional Justice Center. From available fund balance.
Prosecuting Attorney	56,388	For increased wages and small equipment. From available fund balance.
Sheriff	446,931	For overtime, extra help, small equipment and motor pool. From increased grant revenue.
Superior Court	10,000	For additional interpreter services. From available fund balance.
Total	1,605,185	

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Chelan County's investment in capital assets as of December 31, 2015, amounts to \$85,610,395 (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 Increased by 4%. The increase was mostly due to infrastructure projects such as \$4.5 million for the countywide pavement preservation project and \$1.75 million for the bridge repairs. There was also a \$331,448 upgrade to the cooling system on the main County campus and the construction of a \$278,091 moderate risk waste facility.

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

Chelan County's Capital Assets (net of depreciation)		
	2015	2014
Land	5,637,769	5,553,017
Construction in progress	8,161,602	1,562,262
Other improvements	607,110	646,429
Buildings	26,779,674	27,613,200
Equipment	6,302,081	5,743,540
Infrastructure	38,122,159	41,001,047
Total	85,610,395	82,119,495

Long-term Debt. At the end of the current fiscal year, Chelan County had total bonded debt outstanding of \$12,880,000. 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 \$805,000 (6%) during the current fiscal year. This was due solely to the 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

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

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.

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 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, 2015

Assets

Cash and cash equivalents	25,777,646
Deposits with fiscal agents	57,902
Investments	8,392,155
Accounts receivable	130,028
Property tax receivable	798,894
Court judgements receivable	1,225,821
Due from other governments	1,692,199
Inventory	977,944
Equity interest in joint venture	1,732,577
Net pension asset	2,209,153
Capital assets not being depreciated:	
Land	5,637,769
Construction in progress	8,161,602
Capital assets, net of accumulated depreciation:	
Other improvements	607,110
Buildings	26,779,674
Equipment	6,302,081
Infrastructure	38,122,160
Total assets	<u>128,604,715</u>

Deferred Outflows of Resources

Deferred outflows related to pensions	<u>2,495,586</u>
Total deferred outflows of resources	<u>2,495,586</u>

Liabilities

Accounts payable	1,450,155
Due to other governments	125,345
Accrued payroll liabilities	2,985,539
Deposits payable	17,902
Noncurrent liabilities:	
Due within one year	1,336,841
Due in more than one year	33,506,613
Total liabilities	<u>39,422,395</u>

Deferred Inflows of Resources

Deferred inflows related to debt refunding	298,592
Deferred inflows related to pensions	<u>3,169,320</u>
Total deferred inflows of resources	<u>3,467,912</u>

Net Position

Net investment in capital assets	73,895,396
Restricted for:	
Capital projects	4,755,000
Transportation	1,410,959
Public safety	4,661,602
Natural environment	2,654,469
Economic environment	1,503,459
General government technology	785,047
Judicial improvements	381,056
Health services	157,065
Unrestricted	<u>(1,994,059)</u>
Total net position	<u>88,209,994</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, 2015

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
General government	10,794,604	3,198,570	4,743,598	-	(2,852,436)
Judicial	3,682,693	1,677,437	319,510	-	(1,685,746)
Public safety	27,540,791	7,900,951	3,486,266	-	(16,153,574)
Utilities	2,030,413	2,169,513	487,223	-	626,323
Transportation	13,124,102	151,458	2,930,206	2,223,322	(7,819,116)
Natural environment	2,397,473	361,426	1,836,735	-	(199,312)
Social services	1,411,139	120,440	527,282	-	(763,417)
Economic environment	2,594,136	2,102,605	121,850	-	(369,681)
Culture and recreation	1,411,628	834,574	99,845	-	(477,209)
Interest on long-term debt	550,679	-	-	-	(550,679)
Total primary government	65,537,658	18,516,974	14,552,515	2,223,322	(30,244,847)
General revenues					
Taxes:					
Property					19,384,615
Sales and use					10,224,278
Emergency communication tax					2,548,786
Other taxes					3,126,480
Interest and investment earnings					876,720
Total general revenues					36,160,879
Change in net position					5,916,032
Net position - beginning					96,914,765
Prior period adjustment - GASB 65					(347,214)
Change in accounting principle - joint venture interest					1,487,536
Change in accounting principle - GASB 68					(15,761,125)
Net position - ending					88,209,994

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

CHELAN COUNTY, WASHINGTON

Balance Sheet

Governmental Funds

December 31, 2015

	General Fund	County Roads	Regional Justice Center	Nonmajor Governmental Funds	Total
Assets					
Cash and cash equivalents	9,268,407	3,179,213	307,365	8,218,558	20,973,543
Deposits with fiscal agents	-	-	-	17,902	17,902
Investments	376,251	-	-	5,762,625	6,138,876
Accounts receivable	20,260	630	187	108,951	130,028
Property tax receivable	441,036	332,493	-	25,365	798,894
Court judgements receivable	1,225,821	-	-	-	1,225,821
Due from other funds	46,503	-	425	10,285	57,213
Interfund loan receivable	-	-	-	416,000	416,000
Due from other governments	585,271	3,645	269,622	833,661	1,692,199
Total assets	<u>11,963,549</u>	<u>3,515,981</u>	<u>577,599</u>	<u>15,393,347</u>	<u>31,450,476</u>
Liabilities					
Accounts payable	256,323	477,018	49,829	445,583	1,228,753
Due to other funds	132,746	621,531	3,500	34,943	792,720
Interfund loan payable	-	-	-	459,350	459,350
Due to other governments	72,817	10,355	2,756	38,764	124,692
Accrued payroll	1,835,078	447,631	499,705	119,907	2,902,321
Deposits payable	-	-	-	17,902	17,902
Total liabilities	<u>2,296,964</u>	<u>1,556,535</u>	<u>555,790</u>	<u>1,116,449</u>	<u>5,525,738</u>
Deferred Inflows of Resources					
Unavailable revenue - property tax	441,036	332,493	-	25,365	798,894
Unavailable revenue - court judgements	1,225,821	-	-	-	1,225,821
Total deferred inflows of resources	<u>1,666,857</u>	<u>332,493</u>	<u>-</u>	<u>25,365</u>	<u>2,024,715</u>
Fund Balances					
Restricted	-	1,626,953	-	12,933,169	14,560,122
Committed	-	-	21,809	1,318,364	1,340,173
Unassigned	7,999,728	-	-	-	7,999,728
Total fund balances	<u>7,999,728</u>	<u>1,626,953</u>	<u>21,809</u>	<u>14,251,533</u>	<u>23,900,023</u>
Total liabilities, fund balances, and deferred inflows of resources	<u>11,963,549</u>	<u>3,515,981</u>	<u>577,599</u>	<u>15,393,347</u>	<u>31,450,476</u>

The notes to 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, 2015

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

Fund balances of governmental funds:		23,900,023
Capital assets are not financial resources, and therefore not reported in the fund financial statements.		
Capital assets	156,458,940	
Depreciation	(75,249,852)	
Capital assets net of depreciation		81,209,088
Deferred inflows of resources that are not available to finance current liabilities are excluded from the government-wide statements.		
Property tax	798,894	
Court judgements	1,225,821	
Deferred inflows of resources		2,024,715
Assets that are not available financial resources are not reported in the fund financial statements.		
Equity interest in joint venture		1,732,577
Long-term liabilities that have not been included in governmental fund activity		
Bonds payable	(12,880,000)	
Plus: Deferred charge on refunding	(298,592)	
Compensated absences	(2,289,681)	
OPEB benefit for LEOFF	(2,350,250)	
Working capital loan for Substance Abuse	(110,394)	
Pension related debt	(15,106,132)	
Long-term liabilities		(33,035,049)
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	13,256,193	
Deferred outflows of resources - pensions	56,899	
Liabilities	(857,805)	
Deferred intflows of resources - pensions	(76,647)	
Internal service net position		12,378,640
Net position		<u>88,209,994</u>

The notes to 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, 2015

	General Fund	County Roads	Regional Justice Center	Nonmajor Governmental Funds	Total
Revenues					
Taxes	19,275,712	7,268,325	-	8,740,122	35,284,159
Licenses and permits	1,182,405	-	-	-	1,182,405
Intergovernmental revenues	6,941,903	5,142,332	45,018	4,302,389	16,431,642
Charges for services	5,463,321	97,957	8,026,327	3,382,749	16,970,354
Fees and fines	1,446,274	-	15,775	25,220	1,487,269
Miscellaneous	952,650	11,160	87,084	1,227,669	2,278,563
Total revenues	35,262,265	12,519,774	8,174,204	17,678,149	73,634,392
Expenditures					
Current:					
General government	13,212,185	26,212	-	311,247	13,549,644
Public safety	18,455,633	-	8,091,976	3,760,834	30,308,443
Utilities	-	-	-	1,928,311	1,928,311
Transportation	-	9,396,804	-	30,129	9,426,933
Natural environment	-	-	-	2,240,617	2,240,617
Social services	546,740	-	-	805,972	1,352,712
Economic environment	1,208,508	-	-	1,758,547	2,967,055
Culture and recreation	282,802	-	-	877,943	1,160,745
Debt service:					
Principal	85,004	-	-	719,996	805,000
Interest and other charges	27,208	-	42,710	599,720	669,638
Capital outlay	139,764	7,332,949	20,038	1,280,047	8,772,798
Total expenditures	33,957,844	16,755,965	8,154,724	14,313,363	73,181,896
Excess (deficiency) of revenues over (under) expenditures	1,304,421	(4,236,191)	19,480	3,364,786	452,496
Other Financing Sources (Uses)					
Sale of capital assets	-	5,364	-	-	5,364
Transfers in	149,694	2,400,000	992,000	746,520	4,288,214
Transfers out	(1,072,000)	(120,000)	-	(3,096,214)	(4,288,214)
Total other financing sources and uses	(922,306)	2,285,364	992,000	(2,349,694)	5,364
Net change in fund balances	382,115	(1,950,827)	1,011,480	1,015,092	457,860
Fund balances - beginning	7,617,613	3,577,780	(989,671)	13,236,441	23,442,163
Fund balances - ending	7,999,728	1,626,953	21,809	14,251,533	23,900,023

The notes to 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, 2015

Amounts reported in the statement of activities are different because:

Net change in fund balances - total governmental funds		457,860
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	8,681,722	
Disposition of capital assets	(768,956)	
Depreciation expense	<u>(4,468,151)</u>	3,444,615
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	(17,733)	
Increases in governmental fund taxes receivable	75,104	
Increase in Rivercom joint venture equity interest	<u>245,040</u>	302,411
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	<u>805,000</u>	805,000
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	(726,468)	
Contributions toward OPEB benefit for LEOFF	293,814	
Increases in governmental fund compensated absences payable	(533,365)	
Decreases in governmental fund compensated absences payable	512,820	
Amortization of deferred charge on bond refunding	48,622	
Decrease in pension expense	<u>347,252</u>	(57,325)
The net revenue of certain activities of internal service funds is reported on the statement of activities		
		<u>963,471</u>
Change in net position		<u><u>5,916,032</u></u>

The notes to 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, 2015

Revenues	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Assessor	1,170	1,170	5,152	3,982
Auditor	885,171	885,171	1,094,292	209,121
Community Development	1,438,807	1,438,807	1,589,926	151,119
Clerk	802,995	802,995	827,898	24,903
Commissioners	11,442,725	11,442,725	12,717,300	1,274,575
Coroner	15,000	15,000	24,298	9,298
Information Technology	128,094	128,094	128,094	-
Facilities Maintenance	601,848	601,848	608,258	6,410
District Court	1,317,460	1,317,460	1,243,029	(74,431)
District Court Probation	366,285	366,285	386,417	20,132
Extension	35,500	35,500	22,172	(13,328)
Juvenile	646,370	646,370	656,004	9,634
Non-Departmental	381,808	381,808	398,437	16,629
Child Support Enforcement	397,098	397,098	359,469	(37,629)
Prosecuting Attorney	500,032	500,032	509,111	9,079
Sheriff	2,954,372	3,401,303	3,497,430	96,127
Superior Court	97,139	97,139	87,457	(9,682)
Treasurer	1,354,341	1,354,341	1,317,764	(36,577)
Taxes	11,381,564	11,381,564	11,360,958	(20,606)
Traffic Safety	170,380	170,380	178,258	7,878
Total revenues	34,918,159	35,365,090	37,011,724	1,646,634
Expenditures				
Assessor	1,269,374	1,269,374	1,218,905	(50,469)
Auditor	1,250,792	1,250,792	1,200,357	(50,435)
Community Development	1,678,432	1,678,432	1,524,566	(153,866)
Civil Service Commission	11,097	13,097	13,192	95
Clerk	1,197,575	1,197,575	1,179,610	(17,965)
Commissioners	740,420	784,420	772,625	(11,795)
Coroner	232,508	232,508	226,149	(6,359)
Information Technology	826,791	826,791	834,931	8,140
Facilities Maintenance	1,595,692	1,617,692	1,571,850	(45,842)
District Court	1,297,825	1,309,350	1,258,266	(51,084)
District Court Probation	454,820	454,820	449,065	(5,755)
Extension	342,803	342,803	272,305	(70,498)
Juvenile	2,761,080	2,763,421	2,734,043	(29,378)
Non-Departmental	8,101,840	9,111,840	9,079,032	(32,808)
Child Support Enforcement	346,564	346,564	328,339	(18,225)
Prosecuting Attorney	1,974,775	2,031,163	2,016,308	(14,855)
Sheriff	9,786,593	10,233,524	10,109,518	(124,006)
Superior Court	1,121,780	1,131,780	1,091,261	(40,519)
Treasurer	621,185	621,185	598,100	(23,085)
Taxes	30,000	30,000	30,000	-
Traffic Safety	125,687	125,687	121,187	(4,500)
Total expenditures	35,767,633	37,372,818	36,629,609	(743,209)
Excess (deficiency) of revenues over (under) expenditures	(849,474)	(2,007,728)	382,115	2,389,843
Fund balances - beginning	6,703,456	6,703,456	7,617,613	914,157
Fund balances - ending	5,853,982	4,695,728	7,999,728	3,304,000

The notes to 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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	7,262,891	7,262,891	7,268,325	5,434
Intergovernmental revenues	4,937,010	4,937,010	5,142,332	205,322
Charges for services	116,600	116,600	127,850	11,250
Miscellaneous	5,000	5,000	11,160	6,160
Total revenues	12,321,501	12,321,501	12,549,667	228,166
Expenditures				
Current:				
General government	51,219	51,219	26,212	(25,007)
Transportation	9,672,095	9,672,095	9,426,697	(245,398)
Capital outlay	6,871,807	6,871,807	7,332,949	461,142
Total expenditures	16,595,121	16,595,121	16,785,858	190,737
Excess (deficiency) of revenues over (under) expenditures	(4,273,620)	(4,273,620)	(4,236,191)	37,429
Other Financing Sources (Uses)				
Sale of capital assets	-	-	5,364	5,364
Intergovernmental loan proceeds	3,000,000	3,000,000	-	(3,000,000)
Transfers in	520,000	520,000	2,400,000	1,880,000
Transfers out	(120,000)	(120,000)	(120,000)	-
Total other financing sources and uses	3,400,000	3,400,000	2,285,364	(1,114,636)
Net change in fund balances	(873,620)	(873,620)	(1,950,827)	(1,077,207)
Fund balances - beginning	4,780,746	4,780,746	3,577,780	(1,202,966)
Fund balances - ending	3,907,126	3,907,126	1,626,953	(2,280,173)

The notes to 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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental revenues	63,000	63,000	45,018	(17,982)
Charges for services	8,277,809	8,277,809	8,026,327	(251,482)
Fees and fines	12,200	12,200	15,775	3,575
Miscellaneous	90,805	90,805	87,084	(3,721)
Total revenues	8,443,814	8,443,814	8,174,204	(269,610)
Expenditures				
Current:				
Public safety	7,909,258	8,216,548	8,091,976	(124,572)
Debt service:				
Interest and other charges	-	42,710	42,710	-
Capital outlay	50,000	50,000	20,038	(29,962)
Total expenditures	7,959,258	8,309,258	8,154,724	(154,534)
Excess (deficiency) of revenues over (under) expenditures	484,556	134,556	19,480	(115,076)
Other Financing Sources (Uses)				
Transfers in	-	-	992,000	992,000
Total other financing sources and uses	-	-	992,000	992,000
Net change in fund balances	484,556	134,556	1,011,480	876,924
Fund balances - beginning	-	-	(989,671)	(989,671)
Fund balances - ending	484,556	134,556	21,809	(112,747)

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

CHELAN COUNTY, WASHINGTON

Statement of Net Position
Proprietary Funds
December 31, 2015

	<u>Internal Service Funds</u>
Assets	
Current assets:	
Cash and cash equivalents	4,804,103
Deposits with fiscal agents	40,000
Investments	2,253,279
Due from other funds	736,209
Interfund loan receivable	43,350
Inventory	977,944
Total current assets	<u>8,854,885</u>
Noncurrent assets:	
Capital assets: net of accumulated depreciation)	
Buildings	24,353
Equipment	4,376,955
Total noncurrent assets	<u>4,401,308</u>
Total assets	<u>13,256,193</u>
Deferred Outflows of Resources - Pensions	<u>56,899</u>
Liabilities	
Current liabilities:	
Accounts payable	221,406
Due to other funds	701
Due to other governments	653
Accrued payroll liability	83,218
Compensated absences	8,395
Total current liabilities	<u>314,373</u>
Noncurrent liabilities:	
Compensated absences	30,559
Claims reserve	225,754
Net pension liability	287,119
Total noncurrent liabilities	<u>543,432</u>
Total liabilities	<u>857,805</u>
Deferred Inflows of Resources - Pensions	<u>76,647</u>
Net Position	
Investment in capital assets	4,401,308
Unrestricted	7,977,332
Total net position	<u>12,378,640</u>

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

CHELAN COUNTY, WASHINGTON

Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds For the Year Ending December 31, 2015

	<u>Internal Service Funds</u>
Operating Revenues	
Charges for services	11,075,913
Total operating revenues	<u>11,075,913</u>
Operating Expenses	
Salaries	652,556
Personnel benefits	283,405
Supplies	1,917,055
Other services & charges	6,179,210
Interfund payments for services	135,575
Depreciation	895,901
Total operating expenses	<u>10,063,702</u>
Operating income (loss)	1,012,211
Nonoperating Revenues (Expenses)	
Gain (loss) on disposal of capital assets	<u>(48,740)</u>
Total nonoperating revenues (expenses)	<u>(48,740)</u>
Change in net position	963,471
Net position - beginning	11,722,912
Change in accounting principles-GASB 68	<u>(307,743)</u>
Net position - ending	<u><u>12,378,640</u></u>

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

CHELAN COUNTY, WASHINGTON

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2015

	Internal Service Funds
Cash Flows From Operating Activities:	
Cash received from customers and users	10,887,343
Cash payments to suppliers	(8,512,551)
Cash payments to employees and retirees	(933,620)
Net cash provided (used) by operating activities	<u>1,441,172</u>
Cash Flows From Noncapital Financing Activities	
Interfund loan payment received	129,586
Interfund loan provided	(172,936)
Net cash provided (used) by noncapital financing activities	<u>(43,350)</u>
Cash Flows From Capital Financing Activities	
Proceeds from sale of capital assets	181,195
Acquisition and construction of capital assets	(1,172,123)
Net cash provided (used) by capital financing activities	<u>(990,928)</u>
Cash Flows From Investing Activities	
Purchase of investments	(3,241)
Net cash provided (used) by investing activities	<u>(3,241)</u>
Net increase (decrease) in cash and cash equivalents	403,653
Cash and cash equivalents, January 1	<u>4,400,450</u>
Cash and cash equivalents, December 31	<u><u>4,804,103</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	<u>1,012,211</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities:	
Depreciation	895,901
(Increase) decrease in accounts receivable	360
(Increase) decrease in due from other funds/gov	(188,930)
(Increase) decrease in inventory	23,360
Increase (decrease) in vouchers/contracts payable	(239,172)
Increase (decrease) in due to other funds/gov	(64,899)
Increase (decrease) in accrued payroll liabilities	4,039
Increase (decrease) in accrued employee leave benefits	(1,698)
Total adjustments	<u>428,961</u>
Net cash provided (used) by operating activities	<u><u>1,441,172</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, 2015

	<u>Agency Funds</u>
Assets	
Cash	17,125,351
Investments	152,704,500
External trust deposits	1,823,836
Accounts receivable	863
Taxes receivable	<u>2,968,128</u>
Total assets	<u>174,622,678</u>
Liabilities	
Accounts payable	488,108
ccrued liabilities	706,978
Custodial accounts	<u>173,427,592</u>
Total liabilities	<u>174,622,678</u>

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

CHELAN COUNTY, WASHINGTON

Notes to the Financial Statements
December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Chelan County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. Reporting Entity

Chelan County, Washington, was incorporated in 1899 and operates under the laws of the State of Washington applicable to third-class counties with commissioner form of government. As required by the generally accepted accounting principles the financial statements present Chelan County, the primary government.

Chelan County is a general purpose government and provides the following services: law enforcement and public safety; juvenile, superior and district court systems; legal prosecution and indigent defense; jails and corrections; construction and maintenance of county roads, bridges, and drainage systems; community planning, development, and code compliance; and parks and recreation activities management. In addition, the County provides general government services such as property assessment, tax services, issuance of permits and licenses, and elections.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government.

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.

Additionally, Chelan County reports the following fund types:

- Internal service funds account for equipment and fleet management as well as insurance management services to other departments or funds of the County or to other governmental units on a cost-reimbursement basis.
- Agency funds account for the cash balances maintained by the local taxing districts. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

As a general rule the effect of the interfund activity has been eliminated for the government-wide financial statements. An exception to this rule is that interfund charges for services are not excluded when elimination would distort the direct costs and program revenues reported for the various functions.

Amounts reported as program revenues include 1) charges to customers, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. 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 nonoperating 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 2015 budget and the expenditures occurred late in 2015 after any supplemental budget appropriations could be legally made. In each instance, the funds had sufficient cash balances to cover their expenditures.

The Civil Service Commission department of the General fund had expenditures that exceeded appropriation by \$95. This department has a very small budget and incurred civil service testing expenses at the end of the year that sent it over budget.

The Information Technology department of the General fund had expenditures that exceeded appropriation by \$8,140 due to unbudgeted salary increases for several employees in the department.

The Solid Waste fund expenses exceeded appropriations by \$30,232 higher waste disposal costs and under budgeted B&O taxes.

The County Roads fund expenses exceeded appropriations by \$190,737 due to larger road project costs than originally budgeted.

The Law Library fund expenditures exceeded appropriations by \$284 due to reference material purchases that were greater than what was budgeted.

The Mental Health fund expenditures exceeded appropriations by \$42. This fund operates as a pass-through fund, so the excess expenditures were covered with corresponding revenues received.

The RJC Prisoner fund expenditures exceeded appropriation by \$4,661 due to unbudgeted interfund postage expenditures.

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	37,011,724	36,629,609	12,549,667	16,785,858
Interfund activity	(1,599,765)	(1,599,765)	(29,893)	(29,893)
Transfers	(149,694)	(1,072,000)		
GAAP basis	35,262,265	33,957,844	12,519,774	16,755,965

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, 2015, the Treasurer was holding \$21,275,006 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 estimated fair market value at the date of donation.

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset. The cost for normal maintenance and repairs are not capitalized.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives: Buildings for 31.5 years, land improvements over 10 years, equipment varies between 3 and 10 years; infrastructure between 20 and 45 years.

6. 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. 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.

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 Revenue Classification

Recent changes to the statewide accounting manual changed internal service fund revenue classifications from miscellaneous revenue to charges for services. Although total internal service fund revenues between years will be comparable, the charges for services classification is not comparable to prior year financial statements.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Note 1.D.2 describes budgetary violations that occurred for the year ended December 31, 2015. It also 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

As of December 31, 2015 the County had the following investments:

Investments	Weighted average maturity of Chelan County's own investments	Fair value of Chelan County's own investments	Fair value of investments held by Chelan County as an agent for other local governments	Total
State investment pool	less than 90 days	402,492	123,465,538	123,868,030
U.S. government securities	16 months	7,989,663	27,425,266	35,414,929
Certificate of deposit	N/A	-	1,753,556	1,753,556
Municipal money market	N/A	-	60,140	60,140
Total		8,392,155	152,704,500	161,096,655

Surplus cash pooled and invested, listed as cash and cash equivalents in the financial statements See Note 1(E)

Municipal money market	less than 90 days	1,003,448
Certificate of deposit	4 months	254,282
U.S. government securities	16 months	20,017,276
		21,275,006

State investment pool. The Local Government Investment Pool (LGIP) is an unrated 2a-7 like pool, as defined by GASB 31. Accordingly, participants' balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 90 days. Per GASB 40 guidelines the balances are also not subject to custodial credit risk. The credit risk of the LGIP is limited as most investments are either obligations of the US government, government sponsored enterprises, or insured demand deposit accounts and certificates of deposit.

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Through its investment policy, the County manages its exposure to the risk that the market value of securities in the portfolio will fall due to changes in market interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter-term securities. The policy also states that no single security will be purchased with a maturity date of more than five years from the date of purchase.

Credit risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The state investment pool does not have a credit rating. Chelan County holds municipal bonds with Moody's ratings of 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, 2015 was as follows:

	Beginning Balance 01/01/2015	Increases	Decreases	Ending Balance 12/31/2015
Capital assets, not being depreciated:				
Land	5,553,017	84,752	-	5,637,769
Construction in progress	1,562,262	7,019,727	420,388	8,161,602
Total capital assets, not being depreciated	7,115,279	7,104,479	420,388	13,799,371
Capital assets, being depreciated:				
Other improvements	2,319,061	49,750	157,378	2,211,433
Buildings and structures	54,363,501	278,091	-	54,641,592
Machinery and equipment	23,756,958	1,981,619	1,612,436	24,126,142
Infrastructure	79,376,195	597,282	-	79,973,477
Total capital assets being depreciated	159,815,716	2,906,742	1,769,814	160,952,645
Less accumulated depreciation for:				
Other improvements	1,515,255	89,068	-	1,604,323
Buildings and structures	26,750,301	1,111,617	-	27,861,918
Machinery and equipment	18,013,418	1,260,088	1,449,445	17,824,061
Infrastructure	38,532,526	3,318,793	-	41,851,318
Total accumulated depreciation	84,811,500	5,779,566	1,449,445	89,141,620
Total capital assets, being depreciated, net	75,004,216	(2,872,823)	320,369	71,811,024
Total capital assets, net	82,119,495	4,231,656	740,756	85,610,395

Depreciation expense was charged to functions as follows:

General Government	804,848
Public Safety	585,530
Utilities	111,035
Transportation	4,030,539
Natural Environment	14,406
Economic environment	53,583
Culture and recreation	179,624
Total depreciation	5,779,566

NOTE 5 - PENSION PLANS

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 downloaded from the DRS website at www.drs.wa.gov or obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98540-8380.

The table to the right presents 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 2015.

Aggregate Pension Amounts – All Plans	
Pension liabilities	\$ 16,948,421
Pension assets	\$ 2,209,153
Deferred outflows of resources	\$ 2,495,586
Deferred inflows of resources	\$ 3,169,320
Pension expense/expenditures	\$ 2,172,595

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.

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 2015 are displayed on the chart to the right. The County's actual contributions to the plan were \$80,133 for the year ended December 31, 2015.

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee*
January through June 2015	9.21%	6.00%
July through December 2015	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.

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

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2*
January through June 2015	9.21%	4.92%
July through December 2015	11.18%	6.12%
Employee PERS Plan 3		varies

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

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 2015 are presented on the chart above. The County's actual contributions to the plan were \$1,775,315 for the year ended December 31, 2015.

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), and 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.

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 2015 are displayed on the chart to the right. The County's actual contributions to the plan were \$225,142 for the year ended December 31, 2015.

PSERS Plan 2		
Actual Contribution Rates:	Employer	Employee
January through June 2015	10.54%	6.36%
July through December 2015	11.54%	6.59%

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.

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 2015. 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.

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 2015 are presented on the chart to the right.

LEOFF Plan 2		
Actual Contribution Rates:	Employer	Employee
State and local governments	5.23%	8.41%
Ports and Universities	8.59%	8.41%

The County's actual contributions to the plan were \$268,014 for the year ended December 31, 2015.

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, 2015, the state contributed \$58,339,032 to LEOFF Plan 2. Chelan County share of the special funding contribution was \$172,116. This amount was recognized as revenue in the government-wide financial statements.

E. Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2015 with a valuation date of June 30, 2014. 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 2014 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2015. Plan liabilities were rolled forward from June 30, 2014, to June 30, 2015, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

Inflation: 3% 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.

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, 2015, are summarized in the table to the right. 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 NPL.

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.

Pension Plan	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	\$ 11,870,821	\$ 9,750,140	\$ 7,926,548
PERS 2/3	\$ 20,696,368	\$ 7,077,976	\$ (3,349,117)
PSERS 2	\$ 914,153	\$ 120,305	\$ (444,395)
LEOFF 1	\$ (245,531)	\$ (383,791)	\$ (501,631)
LEOFF 2	\$ 1,827,982	\$ (1,825,362)	\$ (4,574,643)

There were minor changes in methods and assumptions since the last valuation. The OSA updated demographic assumptions, consistent with the changes from the *2007-2012 Experience Study Report*, used when valuing the PERS 1 and TERS 1 Basic Minimum COLA. The OSA corrected how valuation software calculates a member's entry age under the entry age normal actuarial cost method. Previously, the funding age was rounded, resulting in an entry age one year higher in some cases. For purposes of calculating the Plan 2/3 Entry Age Normal Cost contribution rates, the OSA now uses the current blend of Plan 2 and Plan 3 salaries rather than using a long-term membership assumption of two-thirds Plan 2 members and one-third Plan 3 members. The OSA changed the way it applies salary limits, as described in the *2007-2012 Experience Study Report*.

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, 2015, the County reported a total pension liability of \$16,948,421 and a total pension asset of \$2,209,153. The proportionate share of its net pension liabilities/(assets) for each plan is presented in the chart to the right.

Pension Plan	Liability (or Asset)
PERS 1	\$ 9,750,140
PERS 2/3	\$ 7,077,976
PSERS 2	\$ 120,305
LEOFF 1	\$ (383,791)
LEOFF 2	\$ (1,825,362)

The amount of the liability/(asset) reported above for LEOFF Plan 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 liability/(asset), the related State support, and the total portion of the net pension liability/(asset) that was associated with the County are displayed in the chart to the right.

	Liability (or Asset)
LEOFF 2 – employer's proportionate share	\$ (1,825,362)
LEOFF 2 – State's proportionate share of the net pension liability/(asset) associated with the employer	\$ (1,206,930)
TOTAL	\$ (3,032,292)

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

Pension Plan	Proportionate Share 6/30/14	Proportionate Share 6/30/15	Change in Proportion
PERS 1	0.180347%	0.186394%	3.35%
PERS 2/3	0.192221%	0.198093%	3.05%
PSERS 2	0.662335%	0.659134%	(0.48%)
LEOFF 1	0.034190%	0.031844%	(6.86%)
LEOFF 2	0.164498%	0.177599%	7.96%

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 2015. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2015, 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 2015, the state of Washington contributed 39.80 percent of LEOFF 2 employer contributions pursuant to RCW 41.27.726 and all other employers contributed the remaining 60.20 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2015, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2014, with update procedures used to roll forward the total pension liability to the measurement date.

H. Pension Expense

For the year ended December 31, 2015, the County recognized pension expense as displayed on the chart to the right.

I. Deferred Outflows of Resources and Deferred Inflows of Resources

Pension Plan	Pension Expense
PERS 1	\$ 122,717
PERS 2/3	\$ 1,741,204
PSERS 2	\$ 244,701
LEOFF 1	\$ (57,986)
LEOFF 2	\$ 121,959
TOTAL	\$ 2,172,595

At December 31, 2015, 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		\$ 533,439
Contributions subsequent to the measurement date	\$ 512,725	
TOTAL	\$ 512,725	\$ 533,439

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 752,391	
Net difference between projected and actual investment earnings on pension plan investments		\$ 1,889,484
Changes of assumptions	\$ 11,404	
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 188,940	
Contributions subsequent to the measurement date	\$ 548,687	
TOTAL	\$ 1,501,422	\$ 1,889,484

PSERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 112,712	
Net difference between projected and actual investment earnings on pension plan investments		\$ 59,671
Changes of assumptions	\$ 744	
Changes in proportion and differences between contributions and proportionate share of contributions		\$ 195
Contributions subsequent to the measurement date	\$ 70,701	
TOTAL	\$ 184,157	\$ 59,866

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments		\$ 64,791
TOTAL		\$ 64,791

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 159,841	
Net difference between projected and actual investment earnings on pension plan investments		\$ 553,075
Changes of assumptions	\$ 4,815	
Changes in proportion and differences between contributions and proportionate share of contributions		\$ 68,665
Contributions subsequent to the measurement date	\$ 132,626	
TOTAL	\$ 297,282	\$ 621,740

Deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. 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	PERS 2/3	PSERS	LEOFF 1	LEOFF 2
2016	(206,743)	(457,432)	(4,937)	(25,141)	(197,746)
2017	(206,743)	(457,432)	(4,937)	(25,141)	(197,746)
2018	(206,743)	(457,432)	(4,937)	(25,141)	(197,746)
2019	86,789	435,550	30,657	10,633	114,002
2020			18,879		18,461
Thereafter			18,872		3,692

NOTE 6 - RISK MANAGEMENT

A. Liability Insurance - Risk Pool

The County maintains insurance against most normal hazards such as torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Claim settlements and loss expenses are accrued in the Insurance Admin & Purchasing Fund for the estimated settlement value of both reported and unreported claims (up to the aggregate stop-loss). This fund is responsible for collecting interfund premiums from insured funds and departments, for paying claim settlements and for purchasing certain insurance policies. Interfund premiums are assessed on the basis of claims experience and are reported as revenues and expenses or expenditures. Settlements have not exceeded insurance coverage during the past three years.

Chelan County was one of the twenty-six county members of the Washington Counties Risk Pool ("Pool") during 2015. The Pool was formed August 18, 1988 when several Washington counties signed an Interlocal (Cooperative) Agreement. It was established to provide its member counties with "joint" programs and services including self-insurance, purchasing of insurance, and contracting for or hiring of personnel to provide administrative services, claims handling and risk management. The Pool operates under Washington's "pooling" laws, more specifically Chapters 48.62 RCW and 82.60 WAC and implemented via Chapter 39.34 RCW. It is overseen by the State Risk Manager and is subject to fiscal audits performed annually by the State Auditor.

New members may be required to pay the Pool modest admittance fees to cover the members' share of organizational expenses and the costs to analyze their loss data and risk profile. Members contract initially to remain in the Pool for at least five years. Counties may terminate their memberships at the conclusion of any Pool fiscal year following the initial term if the county timely files its required advance written notice. Otherwise, the Interlocal Agreement is renewed automatically for another year. Even after termination, a former member remains responsible for reassessments from the Pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

The Pool is governed by a board of directors consisting of one director (and at least one alternate director) designated by each member county. The Pool's board of directors, made up of both elected and appointed county officials, meets three times each year with the summer meeting being the Annual Meeting. The board of directors is responsible for determining the 3rd-party liability coverage to be offered (approving the insuring agreement or coverage document), the reinsurance program to acquire, the excess insurances to be jointly purchased or offered for optional purchase, and approving the Pool's annual operating budgets and work programs, and the member deposit assessment formulas.

Pool member counties presently acquire \$20 million (with another \$5 million optional) of joint liability coverage on a "per occurrence" basis for 3rd-party bodily injury, personal injury, property damage, errors and omissions, and advertising injury, and includes public officials' errors and omissions. Annually, members select a per occurrence deductible amount of \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. The initial \$10 million of coverage, less the retention (the greater of the member's deductible or \$100,000), is fully reinsured by superior-rated commercial carriers. The remaining insurance, up to \$15 million, is acquired from superior-rated commercial carriers as "following form" excess insurance. There are no aggregate limits to the payments made for any one member county or all member counties combined.

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

The Washington Counties Risk Pool is a cooperative program, so there is joint liability amongst its participating members. Contingent liabilities occur when assets are not sufficient to cover liabilities. Pool member counties are required to timely submit their 3rd party liability claims which are handled by the Pool's staff. This includes establishing reserves for both reported and unreported covered events, as well as estimates of the undiscounted future cash payments for losses and related claims adjustment expenses. Deficits resulting from any Pool fiscal year are financed by proportional reassessments against that year's membership. The Pool's reassessments receivable balance as of December 31, 2015 was zero, as no contingent liabilities were known to exist at that time.

B. Self-Insurance

1. Unemployment Compensation

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

<u>Unemployment Compensation</u>	
Claims liability at 12/31/2013	\$ 0
Claims incurred	\$ 31,718
Claims paid	\$ (31,718)
Claims liability at 12/31/2014	\$ 0
Claims incurred	\$ 32,113
Claims paid	\$ (32,113)
Claims liability at 12/31/2015	\$ 0

2. Workers Compensation

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

<u>Workers Compensation</u>	
Claims liability at 12/31/2013	\$ 761,622
Claims incurred	\$ 278,044
Claims paid	\$ (585,839)
Claims adjustments	\$ (139,927)
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

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 \$100,000 stop-loss policy to mitigate risk of large individual claims. It also maintained an annual aggregate claims limit of \$4,486,956. Per the Washington Administrative Code, the County must maintain a reserve equal to 16 weeks of program expenses. Based on 2015's average weekly medical plan costs, this amount equals \$1,222,417. As of 12/31/2015, the Health Insurance fund was adequately funded with an ending net position of \$3,448,581.

<u>Medical Insurance</u>	
Claims liability at 12/31/2013	\$ 0
Claims incurred	\$ 3,627,989
Claims paid	\$ (3,627,989)
Claims liability at 12/31/2014	\$ 0
Claims incurred	\$ 3,075,117
Claims paid	\$ (3,075,117)
Claims liability at 12/31/2015	\$ 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
2002 LTGO E911 bonds for acquisition and construction of a multi-jurisdictional public safety answering point for use by the county and other governmental agencies, original issue \$2,560,000	Not to exceed 5.0%	1,165,000
2003 LTGO 2003A bonds to make improvements to certain county facilities, original issue \$3,445,000	2.0% - 4.5%	1,670,000
2007 LTGO and refunding bonds to advance refund the county's 1998 and 2000 G.O. bonds and \$1,200,000 for technology projects, original issue \$5,735,000	4.0% - 5.0%	2,395,000
2009 LTGO bonds for the law and justice facility renovation, original issue \$8,150,000	2.0% - 5.0%	7,650,000
Total		12,880,000

The annual debt service requirements to maturity are as follows:

Year Ending December 31	Principal	Interest
2016	835,000	585,859
2017	870,000	548,852
2018	920,000	509,731
2019	740,000	472,447
2020	765,000	441,700
2021-2025	2,795,000	1,749,908
2026-2030	2,335,000	1,210,475
2031-2035	2,945,000	588,508
2036	675,000	31,725
Total	12,880,000	6,139,205

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.

NOTE 8 – CHANGES IN LONG TERM LIABILITIES

During the year ended December 31, 2015, the following changes occurred in long-term liabilities:

	Beginning Balance 01/01/15	Additions	Reductions	Ending Balance 12/31/15	Due Within One Year
Bonds payable	13,685,000	-	805,000	12,880,000	835,000
Net pension liability	12,970,545	3,977,876	-	16,948,421	
OPEB benefit for LEOFF	1,917,596	726,468	293,814	2,350,250	-
DSHS Working capital advance	110,394	-	-	110,394	-
Claims reserve	313,900	217,233	305,379	225,754	-
Compensated absences	2,308,914	541,531	521,810	2,328,635	501,841
Long-term liabilities:	31,306,349	5,463,108	1,926,003	34,843,454	1,336,841

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, \$38,954 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, 2015 was \$206,187.

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

Fund Balances:	Special Revenue Funds				Nonmajor Capital Projects Funds	Total
	General Fund	County Roads	Regional Justice Center	Nonmajor Special Revenue Funds		
Restricted for:						
Roads & transportation	-	1,626,953	-	85,145	-	1,712,098
Drug enforcement	-	-	-	303,407	-	303,407
Law enforcement	-	-	-	2,149,042	-	2,149,042
Archiving	-	-	-	426,610	-	426,610
Housing	-	-	-	397,122	-	397,122
Pest control	-	-	-	70,488	-	70,488
Technology	-	-	-	224,261	-	224,261
Weed control	-	-	-	3,615	-	3,615
Courts	-	-	-	381,056	-	381,056
Veterans	-	-	-	108,208	-	108,208
Foreclosure costs	-	-	-	134,176	-	134,176
Tourism	-	-	-	1,107,721	-	1,107,721
Natural resources	-	-	-	151,746	-	151,746
Flood control	-	-	-	2,476,321	-	2,476,321
Substance abuse	-	-	-	159,251	-	159,251
Capital projects	-	-	-	2,211,768	2,543,232	4,755,000
Committed to:						
Drug enforcement	-	-	-	18,775	-	18,775
Prison	-	-	21,809	61,228	-	83,037
Parks & recreation	-	-	-	621,904	-	621,904
Education	-	-	-	118,434	-	118,434
Airport	-	-	-	46,799	-	46,799
Utilities	-	-	-	444,339	-	444,339
Elections	-	-	-	6,885	-	6,885
Unassigned	7,999,728	-	-	-	-	7,999,728
	7,999,728	1,626,953	21,809	11,708,301	2,543,232	23,900,023

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, 2015 are as follows:

Due To	Due From					Total
	General Fund	County Roads	Regional Justice Center	Nonmajor govern- mental	Internal service	
General Fund		29,766	2,812	13,925		46,503
Regional Justice Center	314			7	103	424
Nonmajor governmental				10,285		10,285
Internal service	132,432	591,765	688	10,726	598	736,209
Total	132,746	621,531	3,500	34,943	701	793,421

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 2015:

Borrowing Fund	Lending Fund	Interfund Loans and Advances Payable			
		1/1/2015	New Loans	Repayments	12/31/2015
Flood Control	General Fund	2,068	1,858	3,926	-
Solid Waste Planning	ER&R	-	172,936	129,586	43,350
Noxious Weeds	General Fund	-	17,000	17,000	-
Natural Resources	REET I	600,000	266,000	450,000	416,000
Regional Justice Center	Distressed Counties Tax	464,000	28,000	492,000	-
Regional Justice Center	Criminal Justice Sales Tax	500,000	-	500,000	-
Total		1,566,068	485,794	1,592,512	459,350

C. Interfund Transfers

During 2015, interfund transfers were used to move General funds property tax revenues to support Law Library and Natural Resources operations. The General fund also transferred cash to the Regional Justice Center so it could pay off its interfund loans. 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. Distressed Counties Tax fund also transferred funds to County Roads to support a large project. County Roads transferred funds to the General fund to support county road traffic safety initiatives by the Sheriff. A couple capital projects funds were closed and the proceeds went to the funds paying the debt. The following table displays interfund transfers during 2015:

	Transfers Out			
	General	County Roads	Nonmajor Governmental	Total
Transfers In				
General	-	120,000	29,694	149,694
County Roads	-	-	2,400,000	2,400,000
Regional Justice Center	992,000	-	-	992,000
Nonmajor governmental	80,000	-	666,520	746,520
Total transfers	1,072,000	120,000	3,096,214	4,288,214

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 2015, Rivercom received total revenues of \$6,918,768 and incurred total expenses of \$5,938,606 resulting in an increase in fund balance of \$980,162, and ending fund balance of \$6,930,308. Rivercom produces financial statements using a cash basis of accounting. One-quarter of these cash basis 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. See note 14 for further information regarding a prior period adjustment related to reporting this joint venture.

NOTE 13 – RELATED ORGANIZATIONS

A. Mosquito Districts

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

NOTE 14 – PRIOR PERIOD ADJUSTMENT/CHANGE IN ACCOUNTING PRINCIPLES

A. Refunding of Debt - GASB 65

Statement 65 of the Governmental Accounting Standards Board requires that the difference between the reacquisition price of the new debt and the net carrying amount of the refunded debt should be reported as a deferred outflow or inflow of resources and amortized as an adjustment to interest expense over the remaining life of the debt. The implementation of this standard resulted in a \$347,214 reduction of net position on the government-wide statement of activities.

B. Pensions - GASB 68

Statement 68 of the Governmental Accounting Standards Board requires the County to reports its share of the state retirement plan's net pension liability or asset. It also requires reporting deferred outflows and inflows of resources related to pensions as well as adjustments to pension expense. The implementation of this standard resulted in a \$15,761,125 reduction in net position on the government-wide statement of activities and a \$307,743 reduction in net position on the propriety funds statement of revenues, expenses, and changes in net position.

C. Rivercom Joint Venture Equity Interest

A measureable equity interest in the Rivercom joint venture was identified in 2015 and should have been reflected on prior financial statements. Rivercom produces financial statements using a cash basis of accounting. Therefore, amounts used to calculate the joint venture equity interest in the government wide financial statements were prepared on a cash basis. The prior period adjustment increased the beginning net position by 1,487,536 on the government-wide statement of activities.

NOTE 15 – SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

During March 2016 the City of Wenatchee was presented with a petition to annex the Old Station area of unincorporated Chelan County. This annexation is likely to be completed during 2016 and is estimated to reduce General fund sales tax revenues by \$500,000 in 2016 and \$1 million annual starting in 2017.

NOTE 16 – 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 from the General fund. For the fiscal year ending December 31, 2015, the County's combined plan contributions were \$293,814.

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, 2015, the amount actually contributed to the plans, and changes in the County's net OPEB obligation:

Annual required contribution	822,235
Interest on net OPEB contribution	76,704
Adjustments to the annual required contribution	<u>(172,471)</u>
Annual OPEB cost/expense	726,468
Contributions made	<u>(293,814)</u>
Increase in the net OPEB obligation	432,654
Net OPEB obligation, beginning of year	<u>1,917,596</u>
Net OPEB obligation, end of year	2,350,250

The County's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 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
12/31/2015	\$726,468	\$293,814	40%	\$2,350,250
12/31/2014	\$604,217	\$277,588	46%	\$1,917,596
12/31/2013	\$645,415	\$311,650	48%	\$1,590,967

D. Funding Status and Funding Progress

The funded status of the plan as of December 31, 2015, was as follows:

Actuarial accrued liability (AAL)	9,141,925
Actuarial value of plan assets	0
Unfunded actuarial accrued liability	9,141,925
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.

CHELAN COUNTY, WASHINGTON

Required Supplementary Information

Schedule of Funding Progress

December 31, 2015

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
12/31/2015	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, 2015

PERS 1	2015	2014
County's proportion of the net pension liability	0.186394%	0.180347%
County's proportionate share of the net pension liability	9,750,140	9,085,065
County's covered employee payroll	839,085	782,374
County's proportionate share of the net pension liability as a percentage of covered employee payroll	1162.00%	1161.22%
Plan fiduciary net position as a percentage of the total pension liability	59.10%	61.19%

PERS 2/3	2015	2014
County's proportion of the net pension liability	0.198093%	0.192221%
County's proportionate share of the net pension liability	7,077,976	3,885,480
County's covered employee payroll	17,600,742	16,606,855
County's proportionate share of the net pension liability as a percentage of covered employee payroll	40.21%	23.40%
Plan fiduciary net position as a percentage of the total pension liability	89.20%	93.29%

PSERS	2015	2014
County's proportion of the net pension liability	0.659134%	0.662335%
County's proportionate share of the net pension liability	120,305	(95,913)
County's covered employee payroll	1,929,680	1,785,782
County's proportionate share of the net pension liability as a percentage of covered employee payroll	6.23%	-5.37%
Plan fiduciary net position as a percentage of the total pension liability	95.08%	105.01%

LEOFF 1	2015	2014
County's proportion of the net pension liability	0.031844%	0.034190%
County's proportionate share of the net pension liability	(383,791)	(414,653)
County's covered employee payroll	-	-
County's proportionate share of the net pension liability as a percentage of covered employee payroll	-	-
Plan fiduciary net position as a percentage of the total pension liability	127.36%	126.91%

LEOFF 2	2015	2014
County's proportion of the net pension liability	0.177599%	0.164498%
County's proportionate share of the net pension liability	(1,825,362)	(2,182,959)
State's proportionate share of the net pension liability (asset) associated with the county	(1,206,930)	(1,426,307)
Total proportionate share of the net pension liability (asset)	(3,032,292)	(3,609,266)
County's covered employee payroll	5,155,068	4,576,780
County's proportionate share of the net pension liability as a percentage of covered employee payroll	-35.41%	-47.70%
Plan fiduciary net position as a percentage of the total pension liability	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, 2015

PERS 1	2015	2014
Statutorily or contractually required contributions	80,133	75,094
Contributions in relation to the statutorily or contractually required contributions	80,133	75,094
Contribution deficiency (excess)	-	-
Covered County payroll	839,085	782,374
Contributions as a percentage of covered County payroll	9.55%	9.60%
PERS 2/3	2015	2014
Statutorily or contractually required contributions	1,775,315	1,536,898
Contributions in relation to the statutorily or contractually required contributions	1,775,315	1,536,898
Contribution deficiency (excess)	-	-
Covered County payroll	17,600,742	16,606,855
Contributions as a percentage of covered County payroll	10.09%	9.25%
PSERS	2015	2014
Statutorily or contractually required contributions	225,142	196,819
Contributions in relation to the statutorily or contractually required contributions	225,142	196,819
Contribution deficiency (excess)	-	-
Covered County payroll	1,929,680	1,785,782
Contributions as a percentage of covered County payroll	11.67%	11.02%
LEOFF 1	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	2015	2014
Statutorily or contractually required contributions	268,014	260,369
Contributions in relation to the statutorily or contractually required contributions	268,014	260,369
Contribution deficiency (excess)	-	-
Covered County payroll	5,155,068	4,576,780
Contributions as a percentage of covered County payroll	5.20%	5.69%

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, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Assets			
Cash and cash equivalents	6,306,465	1,912,093	8,218,558
Deposits with fiscal agents	17,902	-	17,902
Investments	5,538,947	223,678	5,762,625
Accounts receivable	108,951	-	108,951
Property tax receivable	25,365	-	25,365
Due from other funds	10,285	-	10,285
Interfund loan receivable	-	416,000	416,000
Due from other governments	833,661	-	833,661
Total assets	12,841,576	2,551,771	15,393,347
Liabilities			
Accounts payable	437,044	8,539	445,583
Due to other funds	34,943	-	34,943
Interfund loan payable	459,350	-	459,350
Due to other governments	38,764	-	38,764
Accrued payroll	119,907	-	119,907
Deposits payable	17,902	-	17,902
Total liabilities	1,107,910	8,539	1,116,449
Deferred Inflows of Resources			
Unavailable revenue - property tax	25,365	-	25,365
Total deferred inflows of resources	25,365	-	25,365
Fund Balances			
Restricted	10,389,937	2,543,232	12,933,169
Committed	1,318,364	-	1,318,364
Total fund balances	11,708,301	2,543,232	14,251,533
Total liabilities, fund balances, and deferred inflows of resources	12,841,576	2,551,771	15,393,347

CHELAN COUNTY, WASHINGTON

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total
Revenues			
Taxes	7,153,324	1,586,798	8,740,122
Intergovernmental	4,302,389	-	4,302,389
Charges for services	3,382,749	-	3,382,749
Fees and fines	25,220	-	25,220
Miscellaneous	1,221,826	5,843	1,227,669
Total revenues	16,085,508	1,592,641	17,678,149
Expenditures			
Current:			
General government	311,247	-	311,247
Public safety	3,760,834	-	3,760,834
Utilities	1,928,311	-	1,928,311
Transportation	30,129	-	30,129
Natural environment	2,240,617	-	2,240,617
Social services	805,972	-	805,972
Economic environment	1,758,547	-	1,758,547
Culture and recreation	877,943	-	877,943
Debt service:			
Principal	719,996	-	719,996
Interest and other charges	599,720	-	599,720
Capital outlay	948,661	331,386	1,280,047
Total expenditures	13,981,977	331,386	14,313,363
Excess (deficiency) of revenues over (under) expenditures	2,103,531	1,261,255	3,364,786
Other Financing Sources (Uses)			
Transfers in	733,303	13,217	746,520
Transfers out	(2,000,000)	(1,096,214)	(3,096,214)
Total other financing sources and uses	(1,266,697)	(1,082,997)	(2,349,694)
Net change in fund balances	836,834	178,258	1,015,092
Fund balances - beginning	10,871,467	2,364,974	13,236,441
Fund balances - ending	11,708,301	2,543,232	14,251,533

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.

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.

ORV Educational & Enforcement: accounts for the portion vehicle license revenue designated for the maintenance and law enforcement of Off Road Vehicle recreational activities.

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

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.

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

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

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

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

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

CHELAN COUNTY, WASHINGTON

Description of Nonmajor Special Revenue Funds (continued)

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

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

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

Parent Education: accounts for the operation of a divorce support program that is court mandated if children are 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 a specific fee that is to be used for the operation and maintenance of low-income housing projects.

Treasurer's Operation & Maintenance: accounts for the Treasurer's fees and costs from sale of foreclosed properties.

Tourist & Convention: accounts for the sales and excise tax on the hotel and motel revenues within Chelan County.

Election Reserve: accounts for the financing of the election equipment replacement as mandated by the state statute.

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

RJC Prisoner: accounts for the grant received from the state for the education of the prisoners.

Forest Title III: accounts for the Forest Title III grant funds received from the state and disbursed to other county funds.

Criminal Justice Sales Tax: accounts for monies collected from the sales and use tax allocated for "criminal justice" purposes.

CASA: accounts for the funding from the state to the Court Appointed Special Advocates (CASA) program.

Substance Abuse: accounts for funds received from the state Department of Social and Health Services and passed through to The Center for Alcohol and Drug Treatment.

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

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Solid Waste	Solid Waste Planning	Storm Water	Flood Control	Paths & Trails	Drug Enforce- ment Reserve	Felony Seizure & Forfeiture
Assets							
Cash and cash equivalents	318,479	-	1,989,723	-	59,826	6,000	36,862
Deposits with fiscal agents	17,902	-	-	-	-	-	-
Investments	111,767	-	-	495,915	25,319	12,775	-
Accounts receivable	88,868	-	-	-	-	-	-
Property tax receivable	-	-	-	16,592	-	-	-
Due from other funds	-	-	-	5,137	-	-	-
Due from other governments	24,239	97,247	-	-	-	-	-
Total assets	<u>561,255</u>	<u>97,247</u>	<u>1,989,723</u>	<u>517,644</u>	<u>85,145</u>	<u>18,775</u>	<u>36,862</u>
Liabilities							
Accounts payable	100,566	24,810	3,540	5,954	-	-	86
Due to other funds	4,841	-	-	-	-	-	-
Interfund loan payable	-	43,350	-	-	-	-	-
Due to other governments	310	-	-	-	-	-	-
Accrued payroll	17,179	5,205	3,933	1,027	-	-	-
Deposits payable	17,902	-	-	-	-	-	-
Total liabilities	<u>140,798</u>	<u>73,365</u>	<u>7,473</u>	<u>6,981</u>	<u>-</u>	<u>-</u>	<u>86</u>
Deferred Inflows of Resources							
Unavailable revenue - property tax	-	-	-	16,592	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,592</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances							
Restricted	-	-	1,982,250	494,071	85,145	-	36,776
Committed	420,457	23,882	-	-	-	18,775	-
Total fund balances	<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>
Total liabilities, fund balances, and deferred inflows of resources	<u>561,255</u>	<u>97,247</u>	<u>1,989,723</u>	<u>517,644</u>	<u>85,145</u>	<u>18,775</u>	<u>36,862</u>

CHELAN COUNTY, WASHINGTON

Page 2 of 5

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Auditor O&M	ORV Educ. & Enforce- ment	Boating Safety	Wenatchee River County Park	Ohme Gardens	Expo Center	Fair
Assets							
Cash and cash equivalents	295,352	-	121,057	62,469	12,530	269,373	276,761
Deposits with fiscal agents	-	-	-	-	-	-	-
Investments	131,355	-	-	-	30,457	-	-
Accounts receivable	-	-	-	-	-	-	-
Property tax receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Total assets	<u>426,707</u>	<u>-</u>	<u>121,057</u>	<u>62,469</u>	<u>42,987</u>	<u>269,373</u>	<u>276,761</u>
Liabilities							
Accounts payable	13	-	-	1,785	257	1,166	1,345
Due to other funds	-	-	-	-	141	-	3,049
Interfund loan payable	-	-	-	-	-	-	-
Due to other governments	84	-	-	669	272	1,235	133
Accrued payroll	-	-	-	3,705	6,169	8,557	1,203
Deposits payable	-	-	-	-	-	-	-
Total liabilities	<u>97</u>	<u>-</u>	<u>-</u>	<u>6,159</u>	<u>6,839</u>	<u>10,958</u>	<u>5,730</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	426,610	-	121,057	-	-	-	-
Committed	-	-	-	56,310	36,148	258,415	271,031
Total fund balances	<u>426,610</u>	<u>-</u>	<u>121,057</u>	<u>56,310</u>	<u>36,148</u>	<u>258,415</u>	<u>271,031</u>
Total liabilities, fund balances, and deferred inflows of resources	<u>426,707</u>	<u>-</u>	<u>121,057</u>	<u>62,469</u>	<u>42,987</u>	<u>269,373</u>	<u>276,761</u>

Sheriff Donation	Farm Worker Housing	Horti- culture Pest & Disease	R.E.E.T. Tech- nology	Juvenile Donation	Noxious Weeds	Trial Court Improve- ment	911 Comm.	Parent Education	Public Education
20,078	122,020	30,757	224,261	907	49,772	264,421	10,297	3,519	118,550
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	460	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,200	-	398	-	-	-	-	-	-	-
1,879	-	52,639	-	-	117	-	-	-	-
<u>24,157</u>	<u>122,020</u>	<u>84,254</u>	<u>224,261</u>	<u>907</u>	<u>49,889</u>	<u>264,421</u>	<u>10,297</u>	<u>3,519</u>	<u>118,550</u>
478	321	2,855	-	-	28,248	300	-	489	2,388
-	-	5,202	-	-	1,547	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	549	-	-	-	119	-	-	-	110
-	2,206	5,709	-	-	16,360	-	-	648	-
-	-	-	-	-	-	-	-	-	-
<u>478</u>	<u>3,076</u>	<u>13,766</u>	<u>-</u>	<u>-</u>	<u>46,274</u>	<u>300</u>	<u>-</u>	<u>1,137</u>	<u>2,498</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
23,679	118,944	70,488	224,261	907	3,615	264,121	10,297	-	-
-	-	-	-	-	-	-	-	2,382	116,052
<u>23,679</u>	<u>118,944</u>	<u>70,488</u>	<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>
<u>24,157</u>	<u>122,020</u>	<u>84,254</u>	<u>224,261</u>	<u>907</u>	<u>49,889</u>	<u>264,421</u>	<u>10,297</u>	<u>3,519</u>	<u>118,550</u>

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Cashmere Dryden Airport	Drug Task Force	Law Library	Veterans Relief	Mental Health	Comm. Services and Housing	Treasurer O&M
Assets							
Cash and cash equivalents	-	600	112,795	83,477	1,446	295,667	26,374
Deposits with fiscal agents	-	-	-	-	-	-	-
Investments	47,786	313,630	-	27,038	-	-	108,547
Accounts receivable	-	-	-	-	-	-	-
Property tax receivable	-	-	-	15	8,758	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Total assets	<u>47,786</u>	<u>314,230</u>	<u>112,795</u>	<u>110,530</u>	<u>10,204</u>	<u>295,667</u>	<u>134,921</u>
Liabilities							
Accounts payable	217	1,106	1,530	2,307	-	3,865	745
Due to other funds	-	6,158	-	-	-	-	-
Interfund loan payable	-	-	-	-	-	-	-
Due to other governments	230	3,559	-	-	1,446	13,624	-
Accrued payroll	540	-	-	-	-	-	-
Deposits payable	-	-	-	-	-	-	-
Total liabilities	<u>987</u>	<u>10,823</u>	<u>1,530</u>	<u>2,307</u>	<u>1,446</u>	<u>17,489</u>	<u>745</u>
Deferred Inflows of Resources							
Unavailable revenue - property tax	-	-	-	15	8,758	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>8,758</u>	<u>-</u>	<u>-</u>
Fund Balances							
Restricted	-	303,407	111,265	108,208	-	278,178	134,176
Committed	46,799	-	-	-	-	-	-
Total fund balances	<u>46,799</u>	<u>303,407</u>	<u>111,265</u>	<u>108,208</u>	<u>-</u>	<u>278,178</u>	<u>134,176</u>
Total liabilities, fund balances, and deferred inflows of resources	<u>47,786</u>	<u>314,230</u>	<u>112,795</u>	<u>110,530</u>	<u>10,204</u>	<u>295,667</u>	<u>134,921</u>

Tourist & Convention	Election Reserve	Natural Resources	RJC Prisoner	Forest Title III	Criminal Justice Sales Tax	CASA	Sub-stance Abuse	Distressed Counties Tax	Total
1,287,554	18,182	828	8,000	130,391	-	14,832	33,305	-	6,306,465
-	-	-	-	-	-	-	-	-	17,902
7,997	4,284	-	53,983	-	1,956,326	-	-	2,211,768	5,538,947
-	-	19,623	-	-	-	-	-	-	108,951
-	-	-	-	-	-	-	-	-	25,365
-	-	2,550	-	-	-	-	-	-	10,285
-	8,064	508,394	9,955	-	-	4,581	126,546	-	833,661
<u>1,295,551</u>	<u>30,530</u>	<u>531,395</u>	<u>71,938</u>	<u>130,391</u>	<u>1,956,326</u>	<u>19,413</u>	<u>159,851</u>	<u>2,211,768</u>	<u>12,841,576</u>
171,580	23,645	37,597	5,508	-	-	13,743	600	-	437,044
-	-	5,445	-	8,560	-	-	-	-	34,943
-	-	416,000	-	-	-	-	-	-	459,350
16,250	-	174	-	-	-	-	-	-	38,764
-	-	42,264	5,202	-	-	-	-	-	119,907
-	-	-	-	-	-	-	-	-	17,902
<u>187,830</u>	<u>23,645</u>	<u>501,480</u>	<u>10,710</u>	<u>8,560</u>	<u>-</u>	<u>13,743</u>	<u>600</u>	<u>-</u>	<u>1,107,910</u>
-	-	-	-	-	-	-	-	-	25,365
-	-	-	-	-	-	-	-	-	25,365
1,107,721	-	29,915	-	121,831	1,956,326	5,670	159,251	2,211,768	10,389,937
-	6,885	-	61,228	-	-	-	-	-	1,318,364
<u>1,107,721</u>	<u>6,885</u>	<u>29,915</u>	<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>11,708,301</u>
<u>1,295,551</u>	<u>30,530</u>	<u>531,395</u>	<u>71,938</u>	<u>130,391</u>	<u>1,956,326</u>	<u>19,413</u>	<u>159,851</u>	<u>2,211,768</u>	<u>12,841,576</u>

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

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2015

	Solid Waste	Solid Waste Planning	Storm Water	Flood Control	Paths & Trails	Drug Enforce- ment Reserve	Felony Seizure & Forfeiture
Revenues							
Taxes	-	-	-	624,062	-	-	-
Intergovernmental	634	439,447	47,142	227	11,196	-	-
Charges for services	1,634,264	126,303	427,788	-	-	-	-
Fees and fines	-	-	-	-	-	4,332	-
Miscellaneous	2,389	9,268	-	5,458	37	17	28,467
Total revenues	<u>1,637,287</u>	<u>575,018</u>	<u>474,930</u>	<u>629,747</u>	<u>11,233</u>	<u>4,349</u>	<u>28,467</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	3,340	1,123
Utilities	1,465,909	302,153	160,249	-	-	-	-
Transportation	-	-	-	-	8	-	-
Natural environment	-	-	-	131,610	-	-	-
Social services	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay	-	380,418	4,067	-	-	-	-
Total expenditures	<u>1,465,909</u>	<u>682,571</u>	<u>164,316</u>	<u>131,610</u>	<u>8</u>	<u>3,340</u>	<u>1,123</u>
Excess (deficiency) of revenues over (under) expenditures	<u>171,378</u>	<u>(107,553)</u>	<u>310,614</u>	<u>498,137</u>	<u>11,225</u>	<u>1,009</u>	<u>27,344</u>
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>171,378</u>	<u>(107,553)</u>	<u>310,614</u>	<u>498,137</u>	<u>11,225</u>	<u>1,009</u>	<u>27,344</u>
Fund balances - beginning	<u>249,079</u>	<u>131,435</u>	<u>1,671,636</u>	<u>(4,066)</u>	<u>73,920</u>	<u>17,766</u>	<u>9,432</u>
Fund balances - ending	<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>

Auditor O&M	ORV Ed. & Enforce- ment	Boating Safety	Wenatchee River County Park	Ohme Gardens	Expo Center	Fair	Sheriff Donation	Farm Worker Housing	Horti- culture Pest & Disease
-	-	-	-	-	-	-	-	-	-
54,331	-	59,469	-	-	-	36,365	-	121,850	33,489
48,536	-	-	2,143	93,644	-	136,278	-	-	61,262
-	-	-	-	-	-	-	-	-	-
189	-	-	207,859	68,588	205,108	64,134	7,955	95,352	71,921
103,056	-	59,469	210,002	162,232	205,108	236,777	7,955	217,202	166,672
69,266	-	-	-	-	-	-	-	-	-
-	88	38,718	-	-	-	-	12,153	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	176,525
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	272,791	-
-	-	-	208,433	190,100	130,114	164,518	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
69,266	88	38,718	208,433	190,100	130,114	164,518	12,153	272,791	176,525
33,790	(88)	20,751	1,569	(27,868)	74,994	72,259	(4,198)	(55,589)	(9,853)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
33,790	(88)	20,751	1,569	(27,868)	74,994	72,259	(4,198)	(55,589)	(9,853)
392,820	88	100,306	54,741	64,016	183,421	198,772	27,877	174,533	80,341
426,610	-	121,057	56,310	36,148	258,415	271,031	23,679	118,944	70,488

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

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2015

	R.E.E.T. Tech- nology	Juvenile Donation	Noxious Weeds	Trial Court Improve- ment	911 Comm.	Parent Educ.	Public Educ.
Revenues							
Taxes	-	-	-	-	2,548,786	-	-
Intergovernmental revenues	11,827	-	77,492	45,807	797,685	3,400	39,442
Charges for services	10,180	-	7,417	-	-	18,869	80,311
Fees and fines	-	-	-	-	-	-	-
Miscellaneous	-	-	212,159	-	362	65	2,639
Total revenues	<u>22,007</u>	<u>-</u>	<u>297,068</u>	<u>45,807</u>	<u>3,346,833</u>	<u>22,334</u>	<u>122,392</u>
Expenditures							
Current:							
General government	15,321	-	-	38,416	-	-	-
Public safety	-	-	-	-	3,136,299	-	-
Utilities	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Natural environment	-	-	302,894	-	-	-	-
Social services	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	24,313	160,465
Debt service							
Principal	-	-	-	-	140,000	-	-
Interest and other charges	-	-	-	-	60,237	-	-
Capital Outlay	43,844	-	-	-	-	-	-
Total expenditures	<u>59,165</u>	<u>-</u>	<u>302,894</u>	<u>38,416</u>	<u>3,336,536</u>	<u>24,313</u>	<u>160,465</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(37,158)</u>	<u>-</u>	<u>(5,826)</u>	<u>7,391</u>	<u>10,297</u>	<u>(1,979)</u>	<u>(38,073)</u>
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(37,158)</u>	<u>-</u>	<u>(5,826)</u>	<u>7,391</u>	<u>10,297</u>	<u>(1,979)</u>	<u>(38,073)</u>
Fund balances - beginning	<u>261,419</u>	<u>907</u>	<u>9,441</u>	<u>256,730</u>	<u>-</u>	<u>4,361</u>	<u>154,125</u>
Fund balances - ending	<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>

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	Natural Resources
-	-	-	36	229,045	-	-	1,223,731	-	-
-	138,797	-	-	81	56,761	-	-	-	1,592,772
-	-	27,502	-	-	512,544	16,328	-	24,997	5,930
-	20,888	-	-	-	-	-	-	-	-
36,978	106,368	-	39	-	450	156	12	1,300	40,806
36,978	266,053	27,502	75	229,126	569,755	16,484	1,223,743	26,297	1,639,508
-	-	66,491	-	-	13,820	15,867	-	26,558	-
-	288,190	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
30,121	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	1,609,049
-	-	-	51,015	229,126	103,830	-	-	-	-
-	-	-	-	-	388,856	-	1,089,989	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	5,194
-	11,995	-	-	-	-	-	-	101,280	-
30,121	300,185	66,491	51,015	229,126	506,506	15,867	1,089,989	127,838	1,614,243
6,857	(34,132)	(38,989)	(50,940)	-	63,249	617	133,754	(101,541)	25,265
-	-	30,000	-	-	-	-	-	-	50,000
-	-	-	-	-	-	-	-	-	-
-	-	30,000	-	-	-	-	-	-	50,000
6,857	(34,132)	(8,989)	(50,940)	-	63,249	617	133,754	(101,541)	75,265
39,942	337,539	120,254	159,148	-	214,929	133,559	973,967	108,426	(45,350)
46,799	303,407	111,265	108,208	-	278,178	134,176	1,107,721	6,885	29,915

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015

	RJC Prisoner	Forest Title III	Criminal Justice Sales Tax	CASA	Substance Abuse	Distressed Counties Tax	Total
Revenues							
Taxes	-	-	872,834	-	-	1,654,830	7,153,324
Intergovernmental revenues	111,491	92,099	-	60,064	470,521	-	4,302,389
Charges for services	143,606	-	-	-	4,847	-	3,382,749
Fees and fines	-	-	-	-	-	-	25,220
Miscellaneous	6,611	-	27,415	-	-	19,724	1,221,826
Total revenues	<u>261,708</u>	<u>92,099</u>	<u>900,249</u>	<u>60,064</u>	<u>475,368</u>	<u>1,674,554</u>	<u>16,085,508</u>
Expenditures							
Current:							
General government	-	-	-	65,508	-	-	311,247
Public safety	240,853	-	40,070	-	-	-	3,760,834
Utilities	-	-	-	-	-	-	1,928,311
Transportation	-	-	-	-	-	-	30,129
Natural environment	-	20,539	-	-	-	-	2,240,617
Social services	-	-	-	-	422,001	-	805,972
Economic environment	-	-	-	-	-	6,911	1,758,547
Culture and recreation	-	-	-	-	-	-	877,943
Debt service							
Principal	-	-	100,000	-	-	479,996	719,996
Interest and other charges	-	-	357,684	-	-	176,605	599,720
Capital outlay	-	-	407,057	-	-	-	948,661
Total expenditures	<u>240,853</u>	<u>20,539</u>	<u>904,811</u>	<u>65,508</u>	<u>422,001</u>	<u>663,512</u>	<u>13,981,977</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,855</u>	<u>71,560</u>	<u>(4,562)</u>	<u>(5,444)</u>	<u>53,367</u>	<u>1,011,042</u>	<u>2,103,531</u>
Other Financing Sources (Uses)							
Transfers in	-	-	653,303	-	-	-	733,303
Transfers out	-	-	-	-	-	(2,000,000)	(2,000,000)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>653,303</u>	<u>-</u>	<u>-</u>	<u>(2,000,000)</u>	<u>(1,266,697)</u>
Net change in fund balances	<u>20,855</u>	<u>71,560</u>	<u>648,741</u>	<u>(5,444)</u>	<u>53,367</u>	<u>(988,958)</u>	<u>836,834</u>
Fund balances - beginning	<u>40,373</u>	<u>50,271</u>	<u>1,307,585</u>	<u>11,114</u>	<u>105,884</u>	<u>3,200,726</u>	<u>10,871,467</u>
Fund balances - ending	<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>11,708,301</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, 2015**

Solid Waste	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	13,340	634	(12,706)
Charges for services	1,218,945	1,634,264	415,319
Miscellaneous	8,214	2,389	(5,825)
Total revenues	<u>1,240,499</u>	<u>1,637,287</u>	<u>396,788</u>
Expenditures			
Current:			
Utilities	1,435,677	1,465,909	30,232
Total expenditures	<u>1,435,677</u>	<u>1,465,909</u>	<u>30,232</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(195,178)</u>	<u>171,378</u>	<u>366,556</u>
Fund balances - beginning	205,840	249,079	43,239
Fund balances - ending	<u>10,662</u>	<u>420,457</u>	<u>409,795</u>

Solid Waste Planning	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	597,500	439,447	(158,053)
Charges for services	104,500	126,303	21,803
Miscellaneous	340	9,268	8,928
Total revenues	<u>702,340</u>	<u>575,018</u>	<u>(127,322)</u>
Expenditures			
Current:			
Utilities	546,316	302,153	(244,163)
Capital outlay	222,000	380,418	158,418
Total expenditures	<u>768,316</u>	<u>682,571</u>	<u>(85,745)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(65,976)</u>	<u>(107,553)</u>	<u>(41,577)</u>
Fund balances - beginning	122,353	131,435	9,082
Fund balances - ending	<u>56,377</u>	<u>23,882</u>	<u>(32,495)</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, 2015

Storm Water	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	-	47,142	47,142
Charges for services	340,500	427,788	87,288
Total revenues	340,500	474,930	134,430
Expenditures			
Current:			
Utilities	480,388	160,249	(320,139)
Capital outlay	390,000	4,067	(385,933)
Total expenditures	870,388	164,316	(706,072)
Excess (deficiency) of revenues over (under) expenditures	(529,888)	310,614	840,502
Fund balances - beginning	1,897,080	1,671,636	(225,444)
Fund balances - ending	1,367,192	1,982,250	615,058

Flood Control	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Taxes	620,000	624,062	4,062
Intergovernmental	-	227	227
Miscellaneous	-	5,458	5,458
Total revenues	620,000	629,747	9,747
Expenditures			
Current:			
Natural environment	438,862	131,610	(307,252)
Capital outlay	50,000	-	(50,000)
Total expenditures	488,862	131,610	(357,252)
Excess (deficiency) of revenues over (under) expenditures	131,138	498,137	366,999
Fund balances - beginning	45,000	(4,066)	(49,066)
Fund balances - ending	176,138	494,071	317,933

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

Paths & Trails	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	10,000	11,196	1,196
Miscellaneous	20	37	17
Total revenues	<u>10,020</u>	<u>11,233</u>	<u>1,213</u>
Expenditures			
Current:			
Transportation	52,040	8	(52,032)
Total expenditures	<u>52,040</u>	<u>8</u>	<u>(52,032)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,020)</u>	<u>11,225</u>	<u>53,245</u>
Fund balances - beginning	88,061	73,920	(14,141)
Fund balances - ending	<u>46,041</u>	<u>85,145</u>	<u>39,104</u>

Drug Enforcement Reserve	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Fees and fines	20,000	4,332	(15,668)
Miscellaneous	-	17	17
Total revenues	<u>20,000</u>	<u>4,349</u>	<u>(15,651)</u>
Expenditures			
Current:			
Public safety	20,000	3,340	(16,660)
Total expenditures	<u>20,000</u>	<u>3,340</u>	<u>(16,660)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,009</u>	<u>1,009</u>
Fund balances - beginning	371	17,766	17,395
Fund balances - ending	<u>371</u>	<u>18,775</u>	<u>18,404</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, 2015

Felony Seizure & Forfeiture	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Miscellaneous	5,000	28,467	23,467
Total revenues	5,000	28,467	23,467
Expenditures			
Public safety	10,012	1,123	(8,889)
Total expenditures	10,012	1,123	(8,889)
Excess (deficiency) of revenues over (under) expenditures	(5,012)	27,344	32,356
Fund balances - beginning	10,000	9,432	(568)
Fund balances - ending	4,988	36,776	31,788

Auditor's O&M	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental revenues	55,000	54,331	(669)
Charges for services	39,100	48,536	9,436
Miscellaneous	150	189	39
Total revenues	94,250	103,056	8,806
Expenditures			
Current:			
General government	70,205	69,266	(939)
Capital outlay	10,000	-	(10,000)
Total expenditures	80,205	69,266	(10,939)
Excess (deficiency) of revenues over (under) expenditures	14,045	33,790	19,745
Fund balances - beginning	370,000	392,820	22,820
Fund balances - ending	384,045	426,610	42,565

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

ORV Educational & Enforcement	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Total revenues	-	-	-
Expenditures			
Current:			
Public safety	100	88	(12)
Total expenditures	100	88	(12)
Excess (deficiency) of revenues over (under) expenditures	(100)	(88)	12
Fund balances - beginning	100	88	(12)
Fund balances - ending	-	-	-

Boating Safety	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	69,300	59,469	(9,831)
Total revenues	69,300	59,469	(9,831)
Expenditures			
Current:			
Public safety	86,935	38,718	(48,217)
Total expenditures	86,935	38,718	(48,217)
Excess (deficiency) of revenues over (under) expenditures	(17,635)	20,751	38,386
Fund balances - beginning	72,000	100,306	28,306
Fund balances - ending	54,365	121,057	66,692

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

Wenatchee River County Park	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Charges for services	5,750	2,143	(3,607)
Miscellaneous	186,500	207,859	21,359
Total revenues	192,250	210,002	17,752
Expenditures			
Current:			
Culture and recreation	239,443	208,433	(31,010)
Total expenditures	239,443	208,433	(31,010)
Excess (deficiency) of revenues over (under) expenditures	(47,193)	1,569	48,762
Fund balances - beginning	100,000	54,741	(45,259)
Fund balances - ending	52,807	56,310	3,503

Ohme Gardens	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Charges for services	124,560	93,644	(30,916)
Miscellaneous	88,445	68,588	(19,857)
Total revenues	213,005	162,232	(50,773)
Expenditures			
Current:			
Culture and recreation	246,284	190,100	(56,184)
Total expenditures	246,284	190,100	(56,184)
Excess (deficiency) of revenues over (under) expenditures	(33,279)	(27,868)	5,411
Fund balances - beginning	76,825	64,016	(12,809)
Fund balances - ending	43,546	36,148	(7,398)

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

Expo Center	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Miscellaneous	170,000	205,108	35,108
Total revenues	170,000	205,108	35,108
Expenditures			
Current:			
Culture and recreation	152,930	130,114	(22,816)
Total expenditures	152,930	130,114	(22,816)
Excess (deficiency) of revenues over (under) expenditures	17,070	74,994	57,924
Fund balances - beginning	15,000	183,421	168,421
Fund balances - ending	32,070	258,415	226,345

Fair	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	30,000	36,365	6,365
Charges for services	104,100	136,278	32,178
Miscellaneous	52,000	64,134	12,134
Total revenues	186,100	236,777	50,677
Expenditures			
Current:			
Culture and recreation	186,503	164,518	(21,985)
Total expenditures	186,503	164,518	(21,985)
Excess (deficiency) of revenues over (under) expenditures	(403)	72,259	72,662
Fund balances - beginning	10,000	198,772	188,772
Fund balances - ending	9,597	271,031	261,434

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

Sheriff Donation	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Miscellaneous	12,000	7,955	(4,045)
Total revenues	12,000	7,955	(4,045)
Expenditures			
Current:			
Public safety	32,099	12,153	(19,946)
Total expenditures	32,099	12,153	(19,946)
Excess (deficiency) of revenues over (under) expenditures	(20,099)	(4,198)	15,901
Fund balances - beginning	30,000	27,877	(2,123)
Fund balances - ending	9,901	23,679	13,778

Farm Worker Housing	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental revenues	131,850	121,850	(10,000)
Miscellaneous	100,000	95,352	(4,648)
Total revenues	231,850	217,202	(14,648)
Expenditures			
Current:			
Economic environment	289,627	272,791	(16,836)
Total expenditures	289,627	272,791	(16,836)
Excess (deficiency) of revenues over (under) expenditures	(57,777)	(55,589)	2,188
Fund balances - beginning	200,400	174,533	(25,867)
Fund balances - ending	142,623	118,944	(23,679)

CHELAN COUNTY, WASHINGTON**Special Revenue Funds****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015**

Horticulture Pest & Disease	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental revenues	14,350	33,489	19,139
Charges for services	78,500	61,262	(17,238)
Miscellaneous	60,879	71,921	11,042
Total revenues	153,729	166,672	12,943
Expenditures			
Current:			
Natural environment	183,781	176,525	(7,256)
Total expenditures	183,781	176,525	(7,256)
Excess (deficiency) of revenues over (under) expenditures	(30,052)	(9,853)	20,199
Fund balances - beginning	42,597	80,341	37,744
Fund balances - ending	12,545	70,488	57,943

R.E.E.T. Technology	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental revenues	8,000	11,827	3,827
Charges for services	7,800	10,180	2,380
Total revenues	15,800	22,007	6,207
Expenditures			
Current:			
General government	-	15,321	15,321
Capital outlay	262,319	43,844	(218,475)
Total expenditures	262,319	59,165	(203,154)
Excess (deficiency) of revenues over (under) expenditures	(246,519)	(37,158)	209,361
Fund balances - beginning	262,319	261,419	(900)
Fund balances - ending	15,800	224,261	208,461

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

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

Noxious Weed	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	98,993	77,492	(21,501)
Charges for services	34,009	7,417	(26,592)
Miscellaneous	217,451	212,159	(5,292)
Total revenues	350,453	297,068	(48,093)
Expenditures			
Current:			
Natural environment	364,391	302,894	(61,497)
Total expenditures	364,391	302,894	(61,497)
Excess (deficiency) of revenues over (under) expenditures	(13,938)	(5,826)	8,112
Fund balances - beginning	36,110	9,441	(26,669)
Fund balances - ending	22,172	3,615	(18,557)

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

Trial Court Improvement	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	47,648	45,807	(1,841)
Total revenues	47,648	45,807	(1,841)
Expenditures			
Current:			
General government	309,197	38,416	(270,781)
Total expenditures	309,197	38,416	(270,781)
Excess (deficiency) of revenues over (under) expenditures	(261,549)	7,391	268,940
Fund balances - beginning	261,549	256,730	(4,819)
Fund balances - ending	-	264,121	264,121

911 Communications	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Taxes	2,400,000	2,548,786	148,786
Intergovernmental revenues	800,000	797,685	(2,315)
Miscellaneous	-	362	362
Total revenues	3,200,000	3,346,833	146,833
Expenditures			
Current:			
Public safety	3,600,000	3,136,299	(463,701)
Debt service			
Principal	-	140,000	140,000
Interest and other charges	-	60,237	60,237
Total expenditures	3,600,000	3,336,536	(263,464)
Excess (deficiency) of revenues over (under) expenditures	(400,000)	10,297	410,297
Fund balances - beginning	-	-	-
Fund balances - ending	(400,000)	10,297	410,297

CHELAN COUNTY, WASHINGTON**Special Revenue Funds****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015**

Parent Education	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	22,589	3,400	(19,189)
Charges for services	36,588	18,869	(17,719)
Miscellaneous	3,095	65	(3,030)
Total revenues	<u>62,272</u>	<u>22,334</u>	<u>(39,938)</u>
Expenditures			
Current:			
Culture and recreation	63,250	24,313	(38,937)
Total expenditures	<u>63,250</u>	<u>24,313</u>	<u>(38,937)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(978)</u>	<u>(1,979)</u>	<u>(1,001)</u>
Fund balances - beginning	29,000	4,361	(24,639)
Fund balances - ending	<u>28,022</u>	<u>2,382</u>	<u>(25,640)</u>

Public Education	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	62,800	39,442	(23,358)
Charges for services	120,674	80,311	(40,363)
Miscellaneous	14,500	2,639	(11,861)
Total revenues	<u>197,974</u>	<u>122,392</u>	<u>(75,582)</u>
Expenditures			
Current:			
Culture and recreation	218,680	160,465	(58,215)
Total expenditures	<u>218,680</u>	<u>160,465</u>	<u>(58,215)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,706)</u>	<u>(38,073)</u>	<u>(17,367)</u>
Fund balances - beginning	96,999	154,125	57,126
Fund balances - ending	<u>76,293</u>	<u>116,052</u>	<u>39,759</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, 2015

Cashmere-Dryden Airport	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Miscellaneous	37,000	36,978	(22)
Total revenues	37,000	36,978	(22)
Expenditures			
Current:			
Transportation	34,311	30,121	(4,190)
Total expenditures	34,311	30,121	(4,190)
Excess (deficiency) of revenues over (under) expenditures	2,689	6,857	4,168
Fund balances - beginning	-	39,942	39,942
Fund balances - ending	2,689	46,799	44,110

Columbia River Drug Task Force	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	162,697	138,797	(23,900)
Fees and fines	23,000	20,888	(2,112)
Miscellaneous	31,500	106,368	74,868
Total revenues	217,197	266,053	48,856
Expenditures			
Current:			
Public safety	318,000	288,190	(29,810)
Capital outlay	20,000	11,995	(8,005)
Total expenditures	338,000	300,185	(37,815)
Excess (deficiency) of revenues over (under) expenditures	(120,803)	(34,132)	86,671
Fund balances - beginning	282,000	337,539	55,539
Fund balances - ending	161,197	303,407	142,210

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

Law Library	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Charges for services	31,450	27,502	(3,948)
Total revenues	31,450	27,502	(3,948)
Expenditures			
Current:			
General government	66,207	66,491	284
Total expenditures	66,207	66,491	284
Excess (deficiency) of revenues over (under) expenditures	(34,757)	(38,989)	(4,232)
Other Financing Sources (Uses)			
Transfers in	30,000	30,000	-
Total other financing sources and uses	30,000	30,000	-
Net change in fund balances	(4,757)	(8,989)	(4,232)
Fund balances - beginning	128,000	120,254	(7,746)
Fund balances - ending	123,243	111,265	(11,978)

Veteran's Relief	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Taxes	525	36	(489)
Miscellaneous	175	39	(136)
Total revenues	700	75	(625)
Expenditures			
Current:			
Economic environment	124,271	51,015	(73,256)
Total expenditures	124,271	51,015	(73,256)
Excess (deficiency) of revenues over (under) expenditures	(123,571)	(50,940)	72,631
Fund balances - beginning	150,000	159,148	9,148
Fund balances - ending	26,429	108,208	81,779

CHELAN COUNTY, WASHINGTON**Special Revenue Funds****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015**

Mental Health	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Taxes	228,897	229,045	148
Intergovernmental	200	81	(119)
Total revenues	<u>229,097</u>	<u>229,126</u>	<u>29</u>
Expenditures			
Current:			
Social services	229,084	229,126	42
Total expenditures	<u>229,084</u>	<u>229,126</u>	<u>42</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13</u>	<u>-</u>	<u>(13)</u>
Fund balances - beginning	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Fund balances - ending	<u><u>1,013</u></u>	<u><u>-</u></u>	<u><u>(1,013)</u></u>

Community Services & Housing	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	58,000	56,761	(1,239)
Charges for services	535,000	512,544	(22,456)
Miscellaneous	-	450	450
Total revenues	<u>593,000</u>	<u>569,755</u>	<u>(23,245)</u>
Expenditures			
Current:			
General government	20,000	13,820	(6,180)
Social services	412,000	103,830	(308,170)
Economic environment	209,000	388,856	179,856
Total expenditures	<u>641,000</u>	<u>506,506</u>	<u>(134,494)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(48,000)</u>	<u>63,249</u>	<u>111,249</u>
Fund balances - beginning	<u>90,000</u>	<u>214,929</u>	<u>124,929</u>
Fund balances - ending	<u><u>42,000</u></u>	<u><u>278,178</u></u>	<u><u>236,178</u></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, 2015

Treasurer's O&M	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Charges for services	25,000	16,328	(8,672)
Miscellaneous	200	156	(44)
Total revenues	25,200	16,484	(8,716)
Expenditures			
Current:			
General government	158,200	15,867	(142,333)
Total expenditures	158,200	15,867	(142,333)
Excess (deficiency) of revenues over (under) expenditures	(133,000)	617	133,617
Fund balances - beginning	133,000	133,559	559
Fund balances - ending	-	134,176	134,176

Tourist & Convention	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Taxes	1,100,000	1,223,731	123,731
Miscellaneous	20	12	(8)
Total revenues	1,100,020	1,223,743	123,723
Expenditures			
Current:			
Economic environment	1,100,020	1,089,989	(10,031)
Total expenditures	1,100,020	1,089,989	(10,031)
Excess (deficiency) of revenues over (under) expenditures	-	133,754	133,754
Fund balances - beginning	520,000	973,967	453,967
Fund balances - ending	520,000	1,107,721	587,721

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

Election Reserve	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Charges for services	13,000	24,997	11,997
Miscellaneous	50	1,300	1,250
Total revenues	13,050	26,297	13,247
Expenditures			
Current:			
General government	30,106	26,558	(3,548)
Capital outlay	103,000	101,280	(1,720)
Total expenditures	133,106	127,838	(5,268)
Excess (deficiency) of revenues over (under) expenditures	(120,056)	(101,541)	18,515
Fund balances - beginning	120,056	108,426	(11,630)
Fund balances - ending	-	6,885	6,885

Natural Resources	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental revenues	4,212,203	1,592,772	(2,619,431)
Charges for services	5,500	5,930	430
Miscellaneous	-	40,806	40,806
Total revenues	4,217,703	1,639,508	(2,578,195)
Expenditures			
Current:			
Natural environment	4,318,498	1,609,049	(2,709,449)
Debt service			
Interest and other charges	2,500	5,194	(2,694)
Total expenditures	4,320,998	1,614,243	(2,712,143)
Excess (deficiency) of revenues over (under) expenditures	(103,295)	25,265	128,560
Other Financing Sources (Uses)			
Transfers in	50,000	50,000	-
Total other financing sources and use	50,000	50,000	-
Net change in fund balances	(53,295)	75,265	128,560
Fund balances - beginning	173,912	(45,350)	(219,262)
Fund balances - ending	120,617	29,915	(90,702)

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

RJC Prisoner	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	97,000	111,491	14,491
Charges for services	130,501	143,606	13,105
Miscellaneous	10,110	6,611	(3,499)
Total revenues	<u>237,611</u>	<u>261,708</u>	<u>24,097</u>
Expenditures			
Current:			
Public safety	236,192	240,853	4,661
Total expenditures	<u>236,192</u>	<u>240,853</u>	<u>4,661</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,419</u>	<u>20,855</u>	<u>19,436</u>
Fund balances - beginning	30,000	40,373	10,373
Fund balances - ending	<u>31,419</u>	<u>61,228</u>	<u>29,809</u>

Forest Title III	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	102,249	92,099	(10,150)
Total revenues	<u>102,249</u>	<u>92,099</u>	<u>(10,150)</u>
Expenditures			
Current:			
Natural environment	102,249	20,539	(81,710)
Total expenditures	<u>102,249</u>	<u>20,539</u>	<u>(81,710)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>71,560</u>	<u>71,560</u>
Fund balances - beginning	13,145	50,271	37,126
Fund balances - ending	<u>13,145</u>	<u>121,831</u>	<u>108,686</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, 2015

Criminal Justice Sales Tax	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Taxes	700,000	872,834	172,834
Miscellaneous	1,000	27,415	26,415
Total revenues	701,000	900,249	199,249
Expenditures			
Current:			
Public safety	703,655	40,070	(663,585)
Debt service			
Principal	100,000	100,000	-
Interest and other charges	357,684	357,684	-
Capital outlay	-	407,057	407,057
Total expenditures	1,161,339	904,811	(256,528)
Excess (deficiency) of revenues over (under) expenditures	(460,339)	(4,562)	455,777
Other Financing Sources (Uses)			
Transfers in	-	653,303	653,303
Total other financing sources and uses	-	653,303	653,303
Net change in fund balances	(460,339)	648,741	1,109,080
Fund balances - beginning	1,100,000	1,307,585	207,585
Fund balances - ending	639,661	1,956,326	1,316,665

CASA	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	70,896	60,064	(10,832)
Total revenues	70,896	60,064	(10,832)
Expenditures			
Current:			
General government	70,896	65,508	(5,388)
Total expenditures	70,896	65,508	(5,388)
Excess (deficiency) of revenues over (under) expenditures	-	(5,444)	(5,444)
Fund balances - beginning	-	11,114	11,114
Fund balances - ending	-	5,670	5,670

CHELAN COUNTY, WASHINGTON

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

Substance Abuse	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	1,174,500	470,521	(703,979)
Charges for services	8,500	4,847	(3,653)
Total revenues	1,183,000	475,368	(707,632)
Expenditures			
Current:			
Social services	1,178,405	422,001	(756,404)
Total expenditures	1,178,405	422,001	(756,404)
Excess (deficiency) of revenues over (under) expenditures	4,595	53,367	48,772
Fund balances - beginning	115,000	105,884	(9,116)
Fund balances - ending	119,595	159,251	39,656

Distressed Counties Tax	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Taxes	1,420,000	1,654,830	234,830
Miscellaneous	5,000	19,724	14,724
Total revenues	1,425,000	1,674,554	249,554
Expenditures			
Current:			
Economic environment	506,911	6,911	(500,000)
Debt service			
Principal	390,000	479,996	89,996
Interest and other charges	125,089	176,605	51,516
Total expenditures	1,022,000	663,512	(358,488)
Excess (deficiency) of revenues over (under) expenditures	403,000	1,011,042	608,042
Other Financing Sources (Uses)			
Transfers out	(2,000,000)	(2,000,000)	-
Total other financing sources and uses	(2,000,000)	(2,000,000)	-
Net change in fund balances	(1,597,000)	(988,958)	608,042
Fund balances - beginning	3,200,000	3,200,726	726
Fund balances - ending	1,603,000	2,211,768	608,768

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.

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

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

CHELAN COUNTY, WASHINGTON

Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2015

	R.E.E.T. 1 Capital Improvement	R.E.E.T. 2 Capital Improvement	Technology Bond Projects	L&J Construction	Total
Assets					
Cash and cash equivalents	1,078,458	833,635	-	-	1,912,093
Investments	113,034	110,644	-	-	223,678
Interfund loan receivable	416,000	-	-	-	416,000
Total assets	<u>1,607,492</u>	<u>944,279</u>	<u>-</u>	<u>-</u>	<u>2,551,771</u>
Liabilities					
Accounts payable	6,572	1,967	-	-	8,539
Total liabilities	<u>6,572</u>	<u>1,967</u>	<u>-</u>	<u>-</u>	<u>8,539</u>
Fund Balances					
Restricted	1,600,920	942,312	-	-	2,543,232
Total fund balances	<u>1,600,920</u>	<u>942,312</u>	<u>-</u>	<u>-</u>	<u>2,543,232</u>
Total liabilities and fund balances	<u>1,607,492</u>	<u>944,279</u>	<u>-</u>	<u>-</u>	<u>2,551,771</u>

CHELAN COUNTY, WASHINGTON

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

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2015

	R.E.E.T. 1 Capital Improvement	R.E.E.T. 2 Capital Improvement	Technology Bond Projects	L&J Construction	Total
Revenues					
Taxes	804,818	781,980	-	-	1,586,798
Miscellaneous	5,399	201	53	190	5,843
Total revenues	810,217	782,181	53	190	1,592,641
Expenditures					
Capital outlay	158,056	172,881	449	-	331,386
Total expenditures	158,056	172,881	449	-	331,386
Excess (deficiency) of revenues over (under) expenditures	652,161	609,300	(396)	190	1,261,255
Other Financing Sources (Uses)					
Transfers in	13,217	-	-	-	13,217
Transfers out	-	(400,000)	(42,911)	(653,303)	(1,096,214)
Total other financing sources and uses	13,217	(400,000)	(42,911)	(653,303)	(1,082,997)
Net change in fund balances	665,378	209,300	(43,307)	(653,113)	178,258
Fund balances - beginning	935,542	733,012	43,307	653,113	2,364,974
Fund balances - ending	1,600,920	942,312	-	-	2,543,232

CHELAN COUNTY, WASHINGTON

Capital Projects Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

R.E.E.T. 1 Capital Improvement	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Taxes	500,000	804,818	304,818
Miscellaneous	2,000	5,399	3,399
Total revenues	502,000	810,217	308,217
Expenditures			
Capital outlay	1,003,421	158,056	(845,365)
Total expenditures	1,003,421	158,056	(845,365)
Excess (deficiency) of revenues over (under) expenditures	(501,421)	652,161	1,153,582
Other Financing Sources (Uses)			
Transfers in	-	13,217	13,217
Total other financing sources and uses	-	13,217	13,217
Net change in fund balances	(501,421)	665,378	1,166,799
Fund balances - beginning	900,000	935,542	35,542
Fund balances - ending	398,579	1,600,920	1,202,341

R.E.E.T. 2 Capital Improvement	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Taxes	500,000	781,980	281,980
Miscellaneous	300	201	(99)
Total revenues	500,300	782,181	281,881
Expenditures			
Capital outlay	258,335	172,881	(85,454)
Total expenditures	258,335	172,881	(85,454)
Excess (deficiency) of revenues over (under) expenditures	241,965	609,300	367,335
Other Financing Sources (Uses)			
Transfers out	(400,000)	(400,000)	-
Total other financing sources and uses	(400,000)	(400,000)	-
Net change in fund balances	(158,035)	209,300	367,335
Fund balances - beginning	599,700	733,012	133,312
Fund balances - ending	441,665	942,312	500,647

CHELAN COUNTY, WASHINGTON

Capital Projects Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

Technology Bond Projects	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Miscellaneous	6	53	47
Total revenues	6	53	47
Expenditures			
Capital outlay	43,360	449	(42,911)
Total expenditures	43,360	449	(42,911)
Excess (deficiency) of revenues over (under) expenditures	(43,354)	(396)	42,958
Other Financing Sources (Uses)			
Transfers out	-	(42,911)	(42,911)
Total other financing sources and uses	-	(42,911)	(42,911)
Net change in fund balances	(43,354)	(43,307)	47
Fund balances - beginning	43,354	43,307	(47)
Fund balances - ending	-	-	-

L&J Construction	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Miscellaneous	-	190	190
Total revenues	-	190	190
Expenditures			
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	190	190
Other Financing Sources (Uses)			
Transfers out	(654,000)	(653,303)	697
Total other financing sources and uses	(654,000)	(653,303)	697
Net change in fund balances	(654,000)	(653,113)	887
Fund balances - beginning	-	653,113	653,113
Fund balances - ending	(654,000)	-	654,000

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 the Public Works Department.

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, 2015

	Equipment Rental & Revolving	Industrial Insurance	Health Insurance	Motor Pool	Unemploy. Comp.	Insurance Admin & Purchasing	Total
Assets							
Current assets:							
Cash and cash equivalents	1,217,599	517,619	1,398,183	555,830	278,505	836,367	4,804,103
Deposits with fiscal agents	-	40,000	-	-	-	-	40,000
Investments	-	179,321	2,058,031	-	15,927	-	2,253,279
Due from other funds	598,815	-	-	137,394	-	-	736,209
Interfund loan receivable	43,350	-	-	-	-	-	43,350
Inventory	961,559	-	-	16,385	-	-	977,944
Total current assets	2,821,323	736,940	3,456,214	709,609	294,432	836,367	8,854,885
Noncurrent assets:							
Capital assets: (net of accumulated depreciation)							
Buildings	24,353	-	-	-	-	-	24,353
Equipment	3,259,567	-	-	1,087,098	-	30,290	4,376,955
Total noncurrent assets	3,283,920	-	-	1,087,098	-	30,290	4,401,308
Total assets	6,105,243	736,940	3,456,214	1,796,707	294,432	866,657	13,256,193
Deferred Outflows of Resources - Pensions	43,209	3,273	569	9,848	-	-	56,899
Liabilities							
Current liabilities:							
Accounts payable	134,647	2,214	4,566	47,816	-	32,163	221,406
Due to other funds	-	-	-	701	-	-	701
Due to other governments	413	-	-	-	-	240	653
Accrued payroll liability	61,808	5,193	-	16,217	-	-	83,218
Compensated absences	4,713	-	-	3,682	-	-	8,395
Total current liabilities	201,581	7,407	4,566	68,416	-	32,403	314,373
Noncurrent liabilities:							
Compensated absences	17,156	-	-	13,403	-	-	30,559
Claims reserve	-	225,754	-	-	-	-	225,754
Net pension liability	218,039	16,517	2,870	49,693	-	-	287,119
Total noncurrent liabilities	235,195	242,271	2,870	63,096	-	-	543,432
Total liabilities	436,776	249,678	7,436	131,512	-	32,403	857,805
Deferred Inflows of Resources - Pensions	58,206	4,409	766	13,266	-	-	76,647
Net Position							
Investment in capital assets	3,283,920	-	-	1,087,098	-	30,290	4,401,308
Unrestricted	2,369,550	486,126	3,448,581	574,679	294,432	803,964	7,977,332
Total net position	5,653,470	486,126	3,448,581	1,661,777	294,432	834,254	12,378,640

CHELAN COUNTY, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ending December 31, 2015

	Equipment Rental & Revolving	Industrial Insurance	Health Insurance	Motor Pool	Unemploy. Comp.	Insurance Admin & Purchasing	Total
Operating Revenues							
Charges for services	3,134,603	446,197	5,500,615	890,588	53,695	1,050,215	11,075,913
Total operating revenues	3,134,603	446,197	5,500,615	890,588	53,695	1,050,215	11,075,913
Operating Expenses							
Salaries	492,487	36,321	7,125	116,623	-	-	652,556
Personnel benefits	181,439	14,835	45,610	41,521	-	-	283,405
Supplies	1,596,564	-	-	320,491	-	-	1,917,055
Other services and charges	54,721	330,618	4,668,700	50,370	32,113	1,042,688	6,179,210
Interfund payments for services	78,519	3,088	21,766	27,483	248	4,471	135,575
Depreciation	588,887	-	-	304,733	-	2,281	895,901
Total operating expenses	2,992,617	384,862	4,743,201	861,221	32,361	1,049,440	10,063,702
Operating income (loss)	141,986	61,335	757,414	29,367	21,334	775	1,012,211
Nonoperating Revenues (Expenses)							
Gain (loss) on disposal of capital assets	(77,577)	-	-	28,837	-	-	(48,740)
Total nonoperating revenues (expenses)	(77,577)	-	-	28,837	-	-	(48,740)
Change in net position	64,409	61,335	757,414	58,204	21,334	775	963,471
Total net position - beginning	5,822,761	442,495	2,694,243	1,656,836	273,098	833,479	11,722,912
Change in accounting principles-GASB 68	(233,700)	(17,704)	(3,076)	(53,263)	-	-	(307,743)
Total net position - ending	5,653,470	486,126	3,448,581	1,661,777	294,432	834,254	12,378,640

CHELAN COUNTY, WASHINGTON

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2015

Cash Flows From Operating Activities:

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

Cash Flows From Noncapital Financing Activities

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

Cash Flows From Capital Financing Activities

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

Cash Flows From Investing Activities

Purchase of investments
Net cash provided (used) by investing activities

Net increase (decrease) in cash and cash equivalents

Cash and cash equivalents, January 1

Cash and cash equivalents, December 31

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

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

Net cash provided (used) by operating activities

	Equipment Rental & Revolving	Industrial Insurance	Health Insurance	Motor Pool	Unemploy. Comp.	Insurance Admin & Purchasing	Total
Cash received from customers and users	2,929,248	446,197	5,500,615	907,373	53,695	1,050,215	10,887,343
Cash payments to suppliers	(1,734,650)	(571,470)	(4,725,085)	(376,246)	(32,361)	(1,072,739)	(8,512,551)
Cash payments to employees and retirees	(674,677)	(48,440)	(55,171)	(155,332)	-	-	(933,620)
Net cash provided (used) by operating activities	519,921	(173,713)	720,359	375,795	21,334	(22,524)	1,441,172
Interfund loan payment received	129,586	-	-	-	-	-	129,586
Interfund loan provided	(172,936)	-	-	-	-	-	(172,936)
Net cash provided (used) by noncapital financing activities	(43,350)	-	-	-	-	-	(43,350)
Proceeds from disposition of capital assets	103,455	-	-	77,740	-	-	181,195
Acquisition and construction of capital assets	(614,035)	-	-	(525,517)	-	(32,571)	(1,172,123)
Net cash provided (used) by capital financing activities	(510,580)	-	-	(447,777)	-	(32,571)	(990,928)
Purchase of investments	-	(258)	(2,960)	-	(23)	-	(3,241)
Net cash provided (used) by investing activities	-	(258)	(2,960)	-	(23)	-	(3,241)
Net increase (decrease) in cash and cash equivalents	(34,009)	(173,971)	717,399	(71,982)	21,311	(55,095)	403,653
Cash and cash equivalents, January 1	1,251,608	691,590	680,784	627,812	257,194	891,462	4,400,450
Cash and cash equivalents, December 31	1,217,599	517,619	1,398,183	555,830	278,505	836,367	4,804,103
Operating income (loss)	141,986	61,335	757,414	29,367	21,334	775	1,012,211
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities:							
Depreciation	588,887	-	-	304,733	-	2,281	895,901
(Increase) decrease in accounts receivable	-	-	-	360	-	-	360
(Increase) decrease in due from other funds/gov	(205,355)	-	-	16,425	-	-	(188,930)
(Increase) decrease in inventory	39,745	-	-	(16,385)	-	-	23,360
Increase (decrease) in vouchers/contracts payable	(44,591)	(172,008)	(34,619)	37,866	-	(25,820)	(239,172)
Increase (decrease) in due to other funds/gov	-	(65,756)	-	617	-	240	(64,899)
Increase (decrease) in accrued payroll liabilities	2,644	2,766	(2,427)	1,056	-	-	4,039
Increase (decrease) in accrued employee leave benefits	(3,395)	(50)	(9)	1,756	-	-	(1,698)
Total adjustments	377,935	(235,048)	(37,055)	346,428	-	(23,299)	428,961
Net cash provided (used) by operating activities	519,921	(173,713)	720,359	375,795	21,334	(22,524)	1,441,172

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

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

Combining Statement of Fiduciary Net Position

Agency Funds

December 31, 2015

	County Roads Retainage	LID 85-1	Chelan/ Douglas Health Dist	NCR Library	Link	State	NCESD
Assets							
Cash	-	61	19,368	126	1,726,301	423,796	849,670
Investments	521,084	27,896	952,350	19,944,027	6,616,698	-	14,329,158
External trust deposits	-	-	-	-	-	-	-
Accounts receivable	863	-	-	-	-	-	-
Taxes receivable	-	-	-	158,134	-	889,514	-
Total assets	<u>521,947</u>	<u>27,957</u>	<u>971,718</u>	<u>20,102,287</u>	<u>8,342,999</u>	<u>1,313,310</u>	<u>15,178,828</u>
Liabilities							
Accounts payable	-	-	815	443,667	-	-	-
Accrued payroll liabilities	-	-	179,343	35,810	-	-	-
Custodial accounts	521,947	27,957	791,560	19,622,810	8,342,999	1,313,310	15,178,828
Total liabilities	<u>521,947</u>	<u>27,957</u>	<u>971,718</u>	<u>20,102,287</u>	<u>8,342,999</u>	<u>1,313,310</u>	<u>15,178,828</u>

Combining Statement of Fiduciary Net Position

Agency Funds

December 31, 2015

	School Districts	Fire Districts	Cemetery Districts	Port of Chelan County	Pangborn Field	Lake Chelan Sewer Rev Bond	Park Districts
Assets							
Cash	6,193,661	1,848,174	344,340	1,237,665	291,049	-	85,163
Investments	85,804,296	4,024,215	685,159	5,389,666	108,455	860,803	131,483
External trust deposits	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Taxes receivable	1,150,597	246,838	11,706	97,970	-	-	18,288
Total assets	<u>93,148,554</u>	<u>6,119,227</u>	<u>1,041,205</u>	<u>6,725,301</u>	<u>399,504</u>	<u>860,803</u>	<u>234,934</u>
Liabilities							
Accounts payable	-	13,060	-	-	-	-	11,016
Accrued payroll liabilities	-	448,532	9,316	-	-	-	6,620
Custodial accounts	93,148,554	5,657,635	1,031,889	6,725,301	399,504	860,803	217,298
Total liabilities	<u>93,148,554</u>	<u>6,119,227</u>	<u>1,041,205</u>	<u>6,725,301</u>	<u>399,504</u>	<u>860,803</u>	<u>234,934</u>

Mosquito Districts	Water Districts	Irrigation Districts	Water Cons. Board	Hospital Districts	Cities	County	Total
101,640	357,798	697,278	7,087	1,377,737	197,118	1,367,319	17,125,351
-	1,747,807	5,772,177	-	5,789,226	-	-	152,704,500
-	-	-	-	-	-	1,823,836	1,823,836
-	-	-	-	-	-	-	863
-	-	-	-	161,553	233,528	-	2,968,128
<u>101,640</u>	<u>2,105,605</u>	<u>6,469,455</u>	<u>7,087</u>	<u>7,328,516</u>	<u>430,646</u>	<u>3,191,155</u>	<u>174,622,678</u>
-	10,752	5,751	-	-	-	3,047	488,108
865	15,289	11,203	-	-	-	-	706,978
100,775	2,079,564	6,452,501	7,087	7,328,516	430,646	3,188,108	173,427,592
<u>101,640</u>	<u>2,105,605</u>	<u>6,469,455</u>	<u>7,087</u>	<u>7,328,516</u>	<u>430,646</u>	<u>3,191,155</u>	<u>174,622,678</u>

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2015

County Roads Retainage	Balance January 1	Additions	Deductions	Balance December 31
Assets				
Cash	-	529,138	529,138	-
Investments	238,346	406,231	123,493	521,084
Accounts receivable	38,630	248,032	285,799	863
Total assets	276,976	1,183,401	938,430	521,947
Liabilities				
Custodial accounts	276,976	368,464	123,493	521,947
Total liabilities	276,976	368,464	123,493	521,947

LID 85-1

Assets				
Cash	61	-	-	61
Investments	27,855	41	-	27,896
Total assets	27,916	41	-	27,957
Liabilities				
Custodial accounts	27,916	41	-	27,957
Total liabilities	27,916	41	-	27,957

Chelan/Douglas Health District

Assets				
Cash	5,344	4,990,549	4,976,525	19,368
Investments	945,070	1,500,468	1,493,188	952,350
Total assets	950,414	6,491,017	6,469,713	971,718
Liabilities				
Accounts payable	4,564	1,746,776	1,750,525	815
Accrued payroll liabilities	171,771	2,687,463	2,679,891	179,343
Custodial accounts	774,079	3,038,040	3,020,559	791,560
Total liabilities	950,414	7,472,279	7,450,975	971,718

NCR Library

Assets				
Cash	2,449,187	16,934,962	19,384,023	126
Investments	16,412,383	6,078,092	2,546,448	19,944,027
Taxes receivable	151,933	158,134	151,933	158,134
Total assets	19,013,503	23,171,188	22,082,404	20,102,287
Liabilities				
Accounts payable	389,210	8,710,082	8,655,625	443,667
Accrued payroll liabilities	40,465	5,675,361	5,680,016	35,810
Custodial accounts	18,583,828	12,908,360	11,869,378	19,622,810
Total liabilities	19,013,503	27,293,803	26,205,019	20,102,287

Link	Balance January 1	Additions	Deductions	Balance December 31
Assets				
Cash	2,098,272	14,042,891	14,414,862	1,726,301
Investments	5,107,708	1,508,990	-	6,616,698
Total assets	7,205,980	15,551,881	14,414,862	8,342,999
Liabilities				
Custodial accounts	7,205,980	13,428,269	12,291,250	8,342,999
Total liabilities	7,205,980	13,428,269	12,291,250	8,342,999

State

Assets				
Cash	449,134	32,704,700	32,730,038	423,796
Taxes receivable	916,149	889,514	916,149	889,514
Total assets	1,365,283	33,594,214	33,646,187	1,313,310
Liabilities				
Custodial accounts	1,365,283	33,501,083	33,553,056	1,313,310
Total liabilities	1,365,283	33,501,083	33,553,056	1,313,310

NCESD

Assets				
Cash	716,487	21,742,687	21,609,504	849,670
Investments	15,995,958	2,182,200	3,849,000	14,329,158
Total assets	16,712,445	23,924,887	25,458,504	15,178,828
Liabilities				
Custodial accounts	16,712,445	24,082,613	25,616,230	15,178,828
Total liabilities	16,712,445	24,082,613	25,616,230	15,178,828

School Districts

Assets				
Cash	6,529,776	288,429,747	288,765,862	6,193,661
Investments	91,037,012	81,320,084	86,552,800	85,804,296
Taxes receivable	1,086,126	1,150,597	1,086,126	1,150,597
Total assets	98,652,914	370,900,428	376,404,788	93,148,554
Liabilities				
Custodial accounts	98,652,914	230,937,051	236,441,411	93,148,554
Total liabilities	98,652,914	230,937,051	236,441,411	93,148,554

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	1,883,502	12,857,508	12,892,836	1,848,174
Investments	3,309,327	2,117,341	1,402,453	4,024,215
Taxes receivable	205,865	246,838	205,865	246,838
Total assets	5,398,694	15,221,687	14,501,154	6,119,227
Liabilities				
Accounts payable	13,675	4,972,708	4,973,323	13,060
Accrued payroll liabilities	282,259	5,592,595	5,426,322	448,532
Custodial accounts	5,102,760	10,096,000	9,541,125	5,657,635
Total liabilities	5,398,694	20,661,303	19,940,770	6,119,227

Cemetery Districts

Assets				
Cash	285,481	891,955	833,096	344,340
Investments	684,632	600,209	599,682	685,159
Taxes receivable	9,474	11,706	9,474	11,706
Total assets	979,587	1,503,870	1,442,252	1,041,205
Liabilities				
Accounts payable	54	120,990	121,044	-
Accrued payroll liabilities	7,194	158,940	156,818	9,316
Custodial accounts	972,339	302,077	242,527	1,031,889
Total liabilities	979,587	582,007	520,389	1,041,205

Port of Chelan County

Assets				
Cash	1,519,496	21,057,211	21,339,042	1,237,665
Investments	3,124,787	3,922,925	1,658,046	5,389,666
Taxes receivable	95,967	97,970	95,967	97,970
Total assets	4,740,250	25,078,106	23,093,055	6,725,301
Liabilities				
Custodial accounts	4,740,250	17,783,426	15,798,375	6,725,301
Total liabilities	4,740,250	17,783,426	15,798,375	6,725,301

Pangborn Field	Balance January 1	Additions	Deductions	Balance December 31
Assets				
Cash	451,497	16,538,923	16,699,371	291,049
Investments	202,177	21,278	115,000	108,455
Total assets	653,674	16,560,201	16,814,371	399,504
Liabilities				
Custodial accounts	653,674	14,948,448	15,202,618	399,504
Total liabilities	653,674	14,948,448	15,202,618	399,504

Lake Chelan Sewer Revenue

Assets				
Cash	18,809	142,035	160,844	-
Investments	899,131	1,266	39,594	860,803
Total assets	917,940	143,301	200,438	860,803
Liabilities				
Custodial accounts	917,940	264,551	321,688	860,803
Total liabilities	917,940	264,551	321,688	860,803

Park Districts

Assets				
Cash	73,525	1,070,933	1,059,295	85,163
Investments	142,794	136,258	147,569	131,483
Taxes receivable	17,040	18,288	17,040	18,288
Total assets	233,359	1,225,479	1,223,904	234,934
Liabilities				
Accounts payable	-	467,903	456,887	11,016
Accrued payroll liabilities	9,125	223,104	225,609	6,620
Custodial accounts	224,234	758,945	765,881	217,298
Total liabilities	233,359	1,449,952	1,448,377	234,934

Mosquito Districts

Assets				
Cash	97,177	52,684	48,221	101,640
Total assets	97,177	52,684	48,221	101,640
Liabilities				
Accounts payable	-	30,224	30,224	-
Accrued payroll liabilities	849	25,540	25,524	865
Custodial accounts	96,328	52,033	47,586	100,775
Total liabilities	97,177	107,797	103,334	101,640

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	687,496	4,565,225	4,894,923	357,798
Investments	1,791,460	332,521	376,174	1,747,807
Total assets	<u>2,478,956</u>	<u>4,897,746</u>	<u>5,271,097</u>	<u>2,105,605</u>
Liabilities				
Accounts payable	210,943	3,007,598	3,207,789	10,752
Accrued payroll liabilities	15,140	211,946	211,797	15,289
Custodial accounts	2,252,873	5,712,929	5,886,238	2,079,564
Total liabilities	<u>2,478,956</u>	<u>8,932,473</u>	<u>9,305,824</u>	<u>2,105,605</u>
Irrigation Districts				
Assets				
Cash	511,022	8,486,311	8,300,055	697,278
Investments	5,478,223	2,562,877	2,268,923	5,772,177
Total assets	<u>5,989,245</u>	<u>11,049,188</u>	<u>10,568,978</u>	<u>6,469,455</u>
Liabilities				
Accounts payable	6,672	4,198,872	4,199,793	5,751
Accrued payroll liabilities	16,355	228,316	233,468	11,203
Custodial accounts	5,966,218	6,576,897	6,090,614	6,452,501
Total liabilities	<u>5,989,245</u>	<u>11,004,085</u>	<u>10,523,875</u>	<u>6,469,455</u>
Water Conservancy District				
Assets				
Cash	1,772	20,971	15,656	7,087
Total assets	<u>1,772</u>	<u>20,971</u>	<u>15,656</u>	<u>7,087</u>
Liabilities				
Accounts payable	-	7,471	7,471	-
Custodial accounts	1,772	12,786	7,471	7,087
Total liabilities	<u>1,772</u>	<u>20,257</u>	<u>14,942</u>	<u>7,087</u>

	Balance January 1	Additions	Deductions	Balance December 31
Hospitals				
Assets				
Cash	1,126,384	52,357,524	52,106,171	1,377,737
Investments	3,072,917	5,599,256	2,882,947	5,789,226
Taxes receivable	148,971	161,553	148,971	161,553
Total assets	4,348,272	58,118,333	55,138,089	7,328,516
Liabilities				
Custodial accounts	4,348,272	43,324,954	40,344,710	7,328,516
Total liabilities	4,348,272	43,324,954	40,344,710	7,328,516
Cities				
Assets				
Cash	179,142	10,988,324	10,970,348	197,118
Taxes receivable	302,310	233,528	302,310	233,528
Total assets	481,452	11,221,852	11,272,658	430,646
Liabilities				
Custodial accounts	481,452	11,181,787	11,232,593	430,646
Total liabilities	481,452	11,181,787	11,232,593	430,646
County				
Assets				
Cash	1,028,042	70,945,178	70,605,901	1,367,319
External trust deposits	2,054,332	-	230,496	1,823,836
Total assets	3,082,374	70,945,178	70,836,397	3,191,155
Liabilities				
Accounts payable	-	17,488	14,441	3,047
Custodial accounts	3,082,374	480,811	375,077	3,188,108
Total liabilities	3,082,374	498,299	389,518	3,191,155
Total Agency Funds				
Assets				
Cash	20,111,606	579,349,456	582,335,711	17,125,351
Investments	148,469,780	108,290,037	104,055,317	152,704,500
External trust deposits	2,054,332	-	230,496	1,823,836
Accounts receivable	38,630	248,032	285,799	863
Taxes receivable	2,933,835	2,968,128	2,933,835	2,968,128
Total assets	173,608,183	690,855,653	689,841,158	174,622,678
Liabilities				
Accounts payable	625,118	23,280,112	23,417,122	488,108
Accrued payroll liabilities	543,158	14,803,265	14,639,445	706,978
Custodial accounts	172,439,907	429,759,565	428,771,880	173,427,592
Total liabilities	173,608,183	467,842,942	466,828,447	174,622,678

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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Fund Balances of Governmental Funds	111
Changes in Fund Balances of Governmental Funds	112

Revenue Capacity

These schedules contain information to help the reader assess the county's most significant local revenue source, the property tax.

Assessed Value and Estimated Actual Value of Taxable Property	113
Property Tax Rates – Direct and Overlapping Governments	114
Principal Property Taxpayers	115
Property Tax Levies and Collections	116

Debt Capacity

These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type	117
Ratios of General Bonded Debt Outstanding	118
Legal Debt Margin Information	119

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.

Demographic and Economic Statistics	120
Principal Employers	121

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the government provides and the activities it performs.

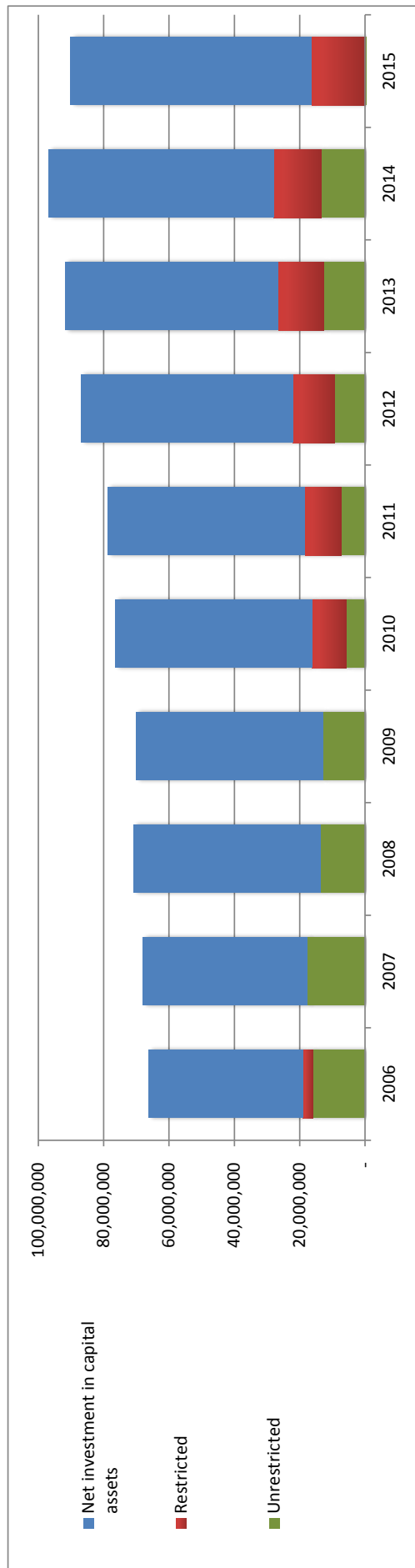
Full-time Equivalent City Government Employees by Function	122
Operating Indicators by Function	123
Capital Asset Statistics by Function	124

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net investment in capital assets	47,362,902	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
Restricted	3,016,727	-	-	-	10,345,113	10,966,825	12,769,857	13,870,565	14,517,215	16,308,657
Unrestricted	15,962,447	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)
Total net position	66,342,076	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



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.

CHELAN COUNTY, WASHINGTON

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

(accrual basis of accounting)										
Fiscal Year										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
General government	16,875,815	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
Judicial	2,878,666	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
Public safety	21,622,389	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
Utilities	1,088,631	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
Transportation	12,860,070	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
Natural environment	2,218,962	3,921,161	3,267,209	5,857,814	3,431,739	2,536,994	2,166,320	3,855,296	4,414,562	2,397,473
Social services	466,656	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
Economic environment	2,762,824	3,460,391	5,455,692	3,341,484	2,911,280	3,023,289	2,879,754	2,783,933	2,476,334	2,594,136
Culture and recreation	1,395,983	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
Interest on long-term debt	544,672	488,311	421,295	466,759	523,852	672,520	639,677	682,129	717,991	550,679
Total expenses	62,714,668	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
Program Revenues										
Charges for services:										
General government	8,268,024	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
Judicial	2,634,870	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
Public safety	8,282,349	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
Utilities	1,048,184	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
Transportation	3,659,967	3,884,330	1,063,365	276,378	363,826	333,048	84,913	95,822	161,214	151,458
Natural environment	85,411	13,373	22,640	47,771	222,926	342,901	344,126	379,941	378,543	361,426
Social services	751	495	210	-	210	198	91	35,572	102,466	120,440
Economic environment	1,771,371	1,739,092	1,802,103	1,291,662	1,275,902	1,256,726	1,325,961	1,437,351	1,892,226	2,102,605
Culture and recreation	689,761	679,375	777,241	776,358	857,325	774,520	820,037	866,126	954,429	834,574
Operating grants and contributions	9,482,028	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
Capital grants and contributions	1,551,641	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
Total program revenues	37,474,357	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
Total net (expense)/revenue	(25,240,311)	(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)
General Revenues and Other Changes in Net Position										
Taxes										
Property taxes	14,079,978	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
Sales and use taxes	6,230,355	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
Emergency communication tax	474,632	499,851	517,390	521,999	689,341	2,010,769	2,107,753	2,180,071	2,492,938	2,548,786
Other taxes	4,130,238	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
Interest and investment earnings	1,568,764	1,616,809	958,585	318,136	330,085	158,970	228,210	869,364	838,571	876,720
Sale of asset	47,171	-	-	-	-	270,319	-	-	-	-
Total general revenues and other changes	26,531,138	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
Change in Net Position										
	1,290,827	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

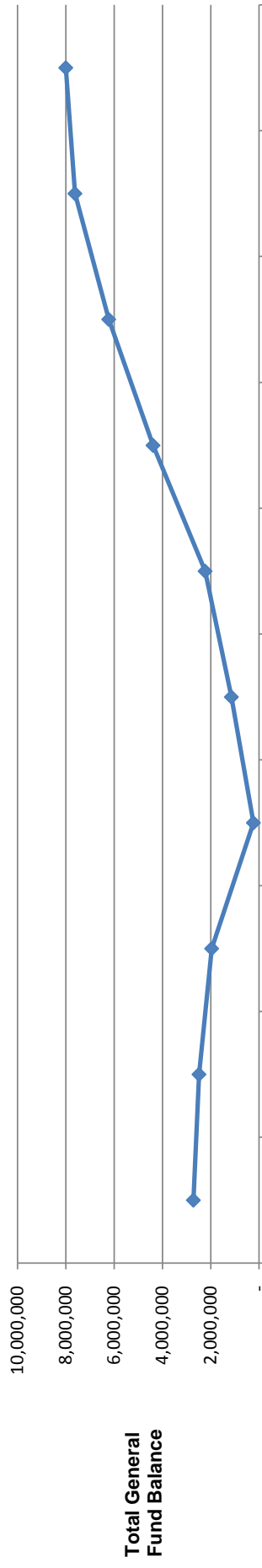
CHELAN COUNTY, WASHINGTON

Fund Balances of Governmental Funds

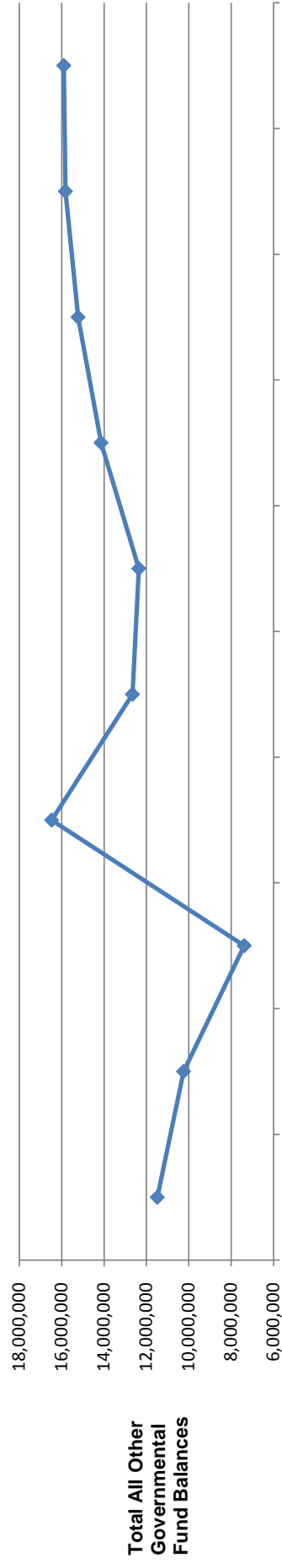
Last Ten Fiscal Years

(modified accrual basis of accounting)

General fund	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Unassigned	2,717,995	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
Total General fund	2,717,995	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



All other governmental funds	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Restricted	11,366,324	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
Committed	190,469	184,206	160,291	169,065	176,103	261,346	293,744	280,603	1,246,545	1,340,173
Unassigned	(73,705)	(46,267)	-	-	-	-	-	-	(1,039,087)	-
Total all other governmental funds	11,483,088	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



Notes: The decrease in 2009 General fund balance is due to a slowing in revenues from the recession. The increase in 2009 all other governmental funds, and the following decrease in 2010, is due to receiving proceeds of bonds issued for the L&J mechanical improvement and spending a large portion of these proceeds in the following year.

CHELAN COUNTY, WASHINGTON

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Revenues	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taxes	24,885,151	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
Licenses and permits	832,002	883,035	828,632	606,938	606,264	632,712	686,805	982,410	1,081,357	1,182,405
Intergovernmental revenues	11,861,297	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
Charges for services	5,383,426	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
Fees and fines	1,303,721	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
Miscellaneous	2,286,489	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
Total revenues	46,552,086	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

Expenditures

General government	11,744,332	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
Public safety	14,249,524	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
Utilities	-	-	-	-	-	-	-	-	2,043,949	1,928,311
Transportation	7,987,502	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
Natural environment	2,217,838	3,925,161	3,343,268	5,893,729	3,466,888	2,598,373	2,153,312	3,705,331	4,278,915	2,240,617
Social services	552,469	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
Economic environment	2,819,565	3,589,407	6,511,228	3,372,013	2,939,392	3,062,297	2,973,945	1,935,079	2,805,176	2,967,055
Culture and recreation	655,953	732,406	723,409	579,866	477,722	512,163	505,164	516,217	1,329,427	1,160,745
Debt service:										
Principal	1,330,543	1,507,020	697,697	729,512	751,403	878,375	860,000	755,000	728,796	805,000
Interest and other charges	549,479	538,550	427,180	466,759	523,795	672,434	639,677	682,129	717,952	669,638
Capital outlay	6,316,599	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
Total expenditures	48,423,804	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

Excess of revenues over

(under) expenditures.

	(1,871,718)	(310,003)	(3,892,835)	(795,580)	(3,049,510)	513,060	3,918,997	2,915,759	583,153	452,496
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Other financing sources (uses)

Sale of capital assets	15,188	29,256	7,825	16,864	118,958	297,324	9,642	6,031	25,356	5,364
Transfers in	2,606,568	894,892	2,009,029	845,801	1,240,400	467,158	705,158	535,000	805,000	4,288,214
Transfers out	(2,684,402)	(964,892)	(1,508,965)	(865,801)	(1,210,400)	(487,158)	(695,158)	(535,000)	(1,305,000)	(4,288,214)
General obligation bonds issued	-	1,210,000	-	8,150,000	-	-	-	-	-	-
Refunding bonds issued	-	4,525,000	-	-	-	-	-	-	-	-
Premium (discount) on bonds issued	-	57,726	-	5,865	-	-	-	-	-	-
Payment to refunding escrow agent	-	(6,912,508)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(62,646)	(1,160,526)	507,889	8,152,729	148,958	277,324	19,642	6,031	(474,644)	5,364

Net change in fund balances

	(1,934,364)	(1,470,529)	(3,384,946)	7,357,149	(2,900,552)	790,384	3,938,639	2,921,790	108,509	457,860
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Debt service as a percentage

of noncapital expenditures

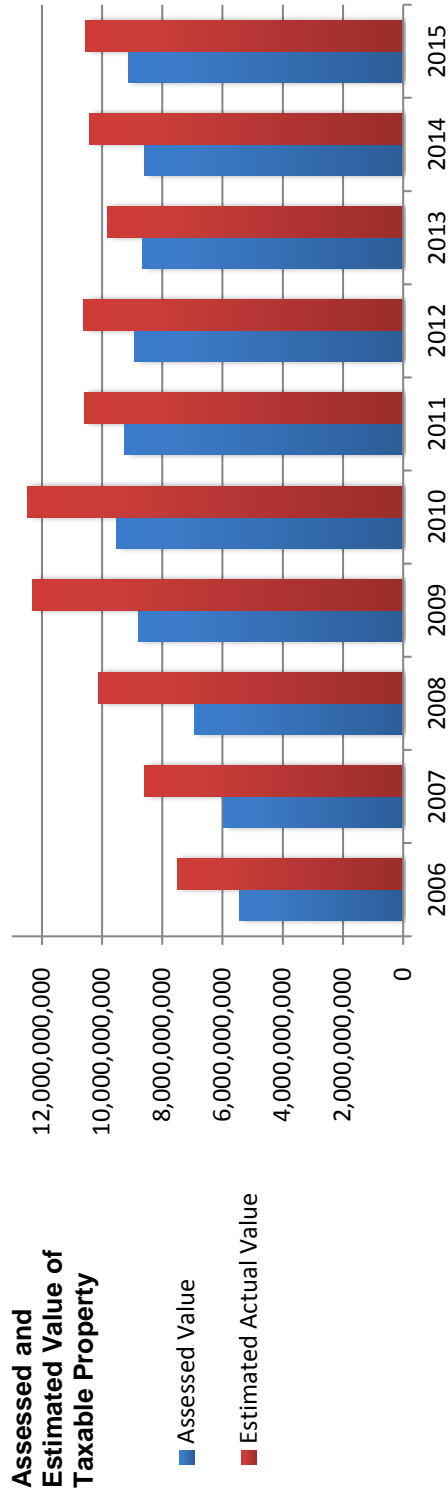
	4.37%	4.02%	2.03%	2.55%	2.50%	3.34%	3.51%	2.88%	2.21%	2.29%
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Notes: The public safety and utilities expenditures increased greatly during 2014 due to the reclassification of enterprise funds as governmental funds.

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
2006	5,375,160,737	166,997,635	89,441,177	5,452,717,195	3.1087	7,510,629,745	72.6%
2007	5,878,975,610	187,932,639	87,973,397	5,978,934,852	3.0457	8,590,423,638	69.6%
2008	6,827,144,362	195,716,362	87,499,133	6,935,361,591	2.6827	10,109,856,547	68.6%
2009	8,575,092,121	278,823,141	71,346,757	8,782,568,505	2.3692	12,300,516,113	71.4%
2010	9,288,503,785	308,803,648	84,762,148	9,512,545,285	2.2583	12,483,655,230	76.2%
2011	9,056,290,699	306,332,610	97,793,465	9,264,829,844	2.3959	10,600,491,812	87.4%
2012	8,748,579,943	289,843,144	109,823,182	8,928,599,905	2.5370	10,616,646,736	84.1%
2013	8,477,642,376	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%



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

CHELAN COUNTY, WASHINGTON

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

Fiscal Year	Chelan County			Overlapping Rates - Districts							Total Direct and Overlapping Rates
	General Fund	Special		Hospital Districts	Fire Districts	Cemetery Districts	School Districts	Miscellaneous		Cities and Towns	
		Revenue Funds	Total County					Districts	Districts		
2006	1.6114	1.6344	3.2458	0.8308	0.9424	0.0823	3.1105	0.3405	2.7863	11.3384	
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	

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	2015			2006		
	2015 Assessed	Rank	Percentage of Total Taxable Assessed Valuation	2006 Assessed	Rank	Percentage of Total Taxable Assessed Valuation
	Valuation			Valuation		
Stemilt Growers Inc	98,582,480	1	1.08%	55,551,189	2	1.02%
ALCOA Inc	59,131,449	2	0.65%	61,094,105	1	1.12%
BNSF Railway Company	55,619,162	3	0.61%	27,466,867	6	0.50%
Trout Blue Chelan Inc	45,680,817	4	0.50%	34,812,109	4	0.64%
Frontier Communication NW	29,674,114	5	0.33%	-	-	-
Blue Bird Inc	24,010,315	6	0.26%	17,998,852	9	0.33%
Riverside and Ninth Apartments	21,953,916	7	0.24%	-	-	0.00%
Blue Star Growers Inc	19,178,490	8	0.21%	-	-	-
Crunch Pack	17,651,795	9	0.19%	-	-	-
Johnson Robert K	16,068,966	10	0.18%	-	-	0.00%
Verizon Northwest Inc	-	-	-	43,631,828	3	0.80%
Wenatchee Valley Clinic	-	-	-	31,105,637	5	0.57%
Tree Top Inc	-	-	-	23,235,525	7	0.43%
Dovex Fruit Company	-	-	-	22,120,558	8	0.41%
Longview Fibre Company	-	-	-	13,916,454	10	0.26%
Totals	<u>387,551,504</u>		<u>4.25%</u>	<u>330,933,124</u>		<u>6.07%</u>
Total Taxable Value:	9,122,362,233			5,452,717,195		

Source: Chelan County Assessor

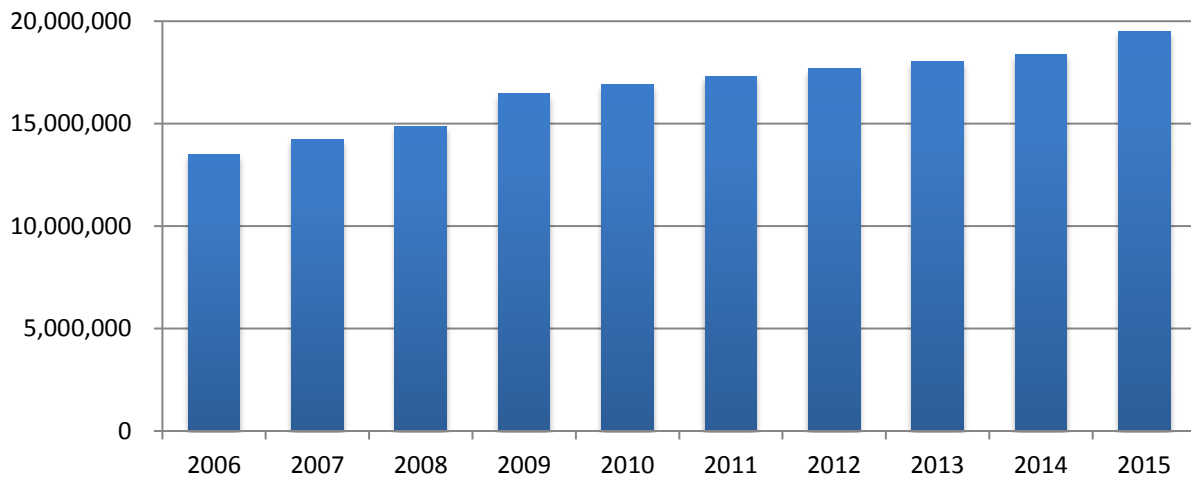
This list does not include lending institutions who are taxed on behalf of individual mortgages they are holding.

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
2006	13,476,608	13,218,345	98.08%	258,188	13,476,533	100.00%
2007	14,230,327	13,976,296	98.21%	254,007	14,230,303	100.00%
2008	14,838,833	14,415,873	97.15%	422,803	14,838,676	100.00%
2009	16,449,753	15,792,831	96.01%	656,661	16,449,492	100.00%
2010	16,886,851	16,215,755	96.03%	670,725	16,886,480	100.00%
2011	17,287,025	16,672,588	96.45%	612,675	17,285,263	99.99%
2012	17,687,534	17,152,393	96.97%	525,048	17,677,441	99.94%
2013	18,037,920	17,545,988	97.27%	414,785	17,960,774	99.57%
2014	18,392,133	17,930,441	97.49%	305,923	18,236,364	99.15%
2015	19,475,087	18,921,830	97.16%	Not applicable	18,921,830	97.16%

Total Tax Levy



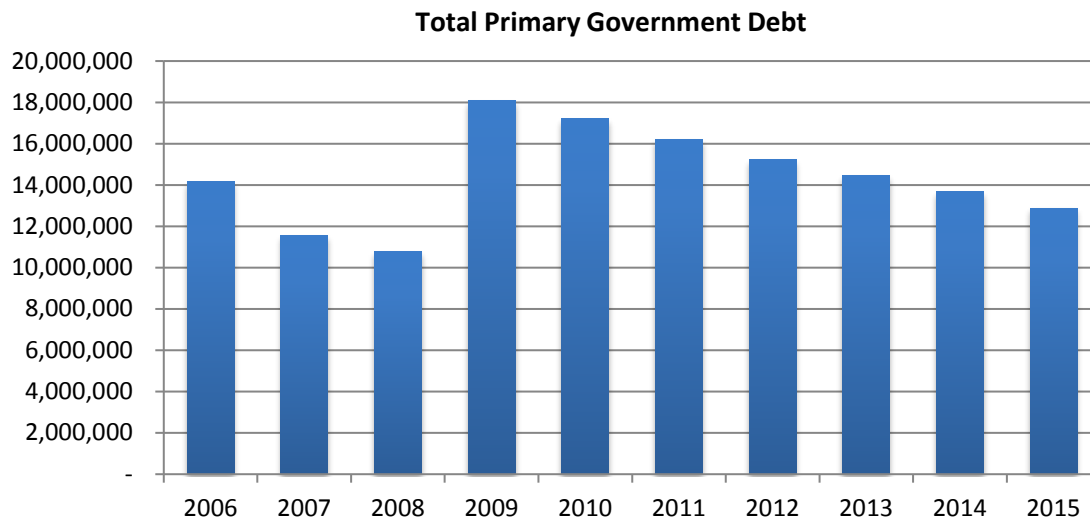
Source: Chelan County Treasurer, tax distribution report
Levy and collections include those of Chelan County's general and special revenue funds.

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
2006	14,153,958	8,432	14,162,390	0.62%	202
2007	11,566,939	5,059	11,571,998	0.47%	163
2008	10,759,242	2,583	10,761,825	0.39%	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	0.38%	172

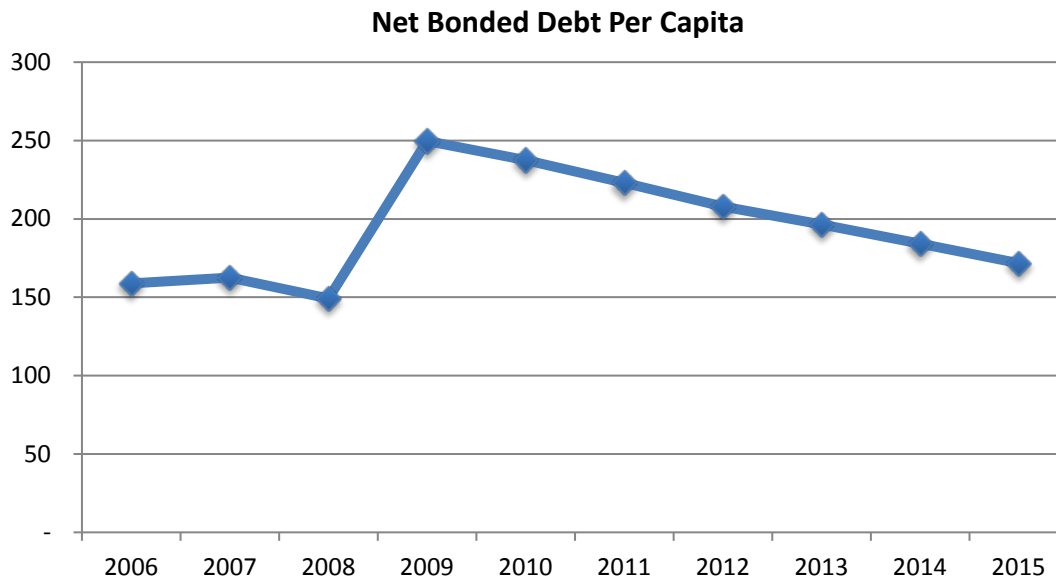


Details regarding the County's outstanding debt can be found in the notes to the financial statements. See the Schedule of Demographic and Economic Statistics for personal income and population data.

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
2006	14,153,958	3,016,727	11,137,231	0.15%	159
2007	11,566,939	-	11,566,939	0.13%	162
2008	10,759,242	-	10,759,242	0.11%	149
2009	18,069,731	-	18,069,731	0.15%	250
2010	17,203,328	-	17,203,328	0.14%	237
2011	16,205,000	-	16,205,000	0.15%	223
2012	15,220,000	-	15,220,000	0.14%	208
2013	14,465,000	-	14,465,000	0.15%	197
2014	13,685,000	-	13,685,000	0.13%	184
2015	12,880,000	-	12,880,000	0.12%	172



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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Non-Voted Debt										
Legal debt limit	81,791	89,684	104,030	131,739	142,688	138,972	133,929	129,692	129,033	136,835
Total net debt applicable to limit	3,013	3,972	6,535	7,577	9,438	7,963	3,940	2,152	(11)	(857)
Legal debt margin	<u>78,778</u>	<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>

Total net debt applicable to the limit
as a percentage of debt limit 3.68% 4.43% 6.28% 5.75% 6.61% 5.73% 2.94% 1.66% -0.01% -0.63%

Voted and Non-Voted Debt

Legal debt limit	136,318	149,473	173,384	219,564	237,814	231,621	223,215	216,154	215,055	228,059
Total net debt applicable to limit	3,013	3,972	6,535	7,577	9,438	7,963	3,940	2,152	(11)	(857)
Legal debt margin	<u>133,305</u>	<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>

Total net debt applicable to the limit
as a percentage of debt limit 2.21% 2.66% 3.77% 3.45% 3.97% 3.44% 1.77% 1.00% -0.01% -0.38%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Valuations	<u>9,122,362</u>
Limited Tax General Obligation Debt Capacity (non-voted):	
Legal limit of up to 1.5% on the assessed valuation	136,835
Less: outstanding debt	(12,880)
Add: available assets	<u>13,737</u>
Remaining Debt Capacity (non voted)	<u>137,692</u>
Total General Obligation Debt Capacity (voted and non-voted):	
Legal limit of up to 2.5% on the assessed valuation	228,059
Less: outstanding debt	(12,880)
Add: available assets	<u>13,737</u>
Remaining Debt Capacity (voted and non-voted)	<u>228,916</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)
2006	70,100	38.0	2,235,961,000	32,155	12,911	5.1%
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%

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)	2015			2006		
	Employees	Rank	Percentile of Total County Employment	Employees	Rank	Percentile of Total County Employment
Stemilt Growers, Inc	6,020	1	15.06%	1,402	2	3.82%
Confluence Health	3,527	2	8.82%	-	-	-
Wenatchee School District	1,027	3	2.57%	963	4	2.62%
Crunch Pak	999	4	2.50%	-	-	-
McDougall & Sons, Inc.	900	5	2.25%	-	-	-
Chelan County PUD #1	734	6	1.84%	658	5	1.79%
Chelan County	511	7	1.28%	590	9	1.61%
Alcoa	460	8	1.15%	-	-	-
C&O Nursery	457	9	1.14%	600	8	1.63%
Custom Apple Packers	440	10	1.10%	-	-	-
Wenatchee Valley Medical Center	-	-	-	1,420	1	3.87%
Central Washington Hospital	-	-	-	1,352	3	3.68%
Chelan Fruit, Inc	-	-	-	610	6	1.66%
Blue Bird, Inc	-	-	-	600	7	1.63%
Blue Star Growers	-	-	-	412	10	1.12%
Total County Employment (2):	39,978			36,700		

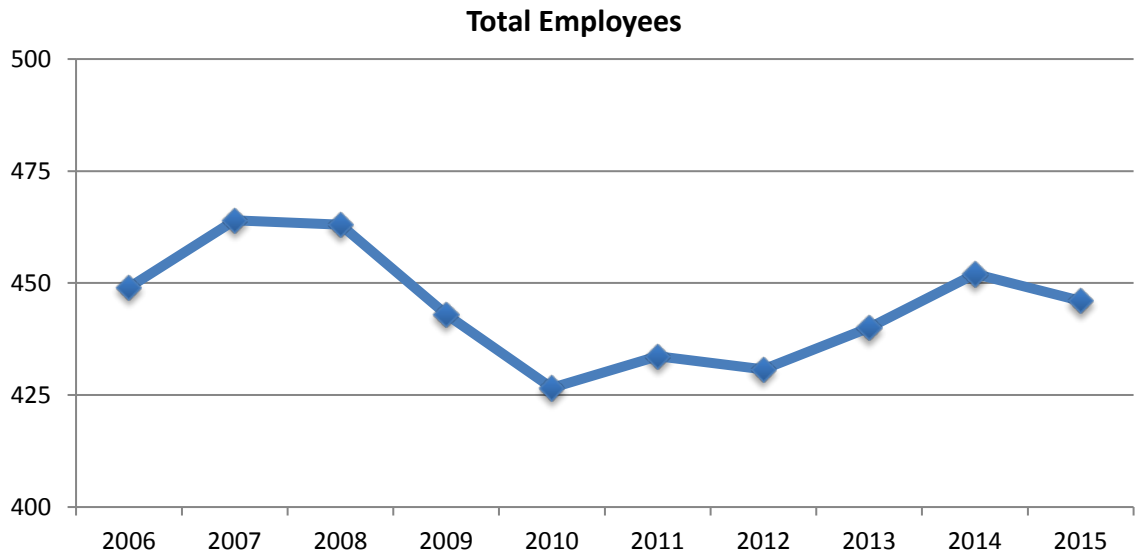
Notes:

- (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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	150	151	149	144	139	138	128	136	137	138
Public safety	196	199	201	195	189	189	185	188	193	192
Utilities	3	3	3	3	4	4	4	3	4	4
Transportation	56	63	66	58	58	66	77	76	77	75
Natural environment	7	9	8	11	13	12	12	11	12	11
Economic environment	28	29	27	23	18	18	15	17	19	20
Culture and recreation	9	10	9	9	7	8	9	9	10	6
Total	449	464	463	443	427	434	431	440	452	446



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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Recorded documents	27,939	27,105	22,486	19,767	17,141	17,308	20,319	20,540	16,594	19,087
Vehicle licensing transactions	57,462	56,119	59,656	66,494	60,917	59,141	60,132	61,024	61,577	53,967
General election:										
Registered voters	35,314	35,983	38,650	37,715	37,972	38,562	40,293	39,551	39,836	40,548
Ballots counted	23,518	19,174	32,392	20,656	28,071	22,397	32,809	19,718	23,364	17,823
Percent of registered voters voting	66.60%	53.29%	83.81%	54.77%	73.93%	58.08%	81.43%	49.85%	58.65%	43.96%
Property-related tax collection										
Real estate excise tax affidavits	5,651	4,488	3,862	3,038	2,874	2,897	3,415	3,506	3,365	3,966
Mobile home excise tax affidavits	-	-	-	92	133	148	104	111	99	108
Tax statements	39,064	39,937	40,532	50,118	50,690	50,886	51,032	50,990	50,847	51,151
Judicial										
Superior Court cases filed	4,095	3,920	4,119	3,762	3,607	3,529	3,600	3,580	3,562	3,660
Documents filed with Clerk	156,669	138,171	145,050	123,012	130,480	118,491	122,890	131,108	126,947	128,428
District Court filings	21,958	21,868	20,047	22,841	19,427	20,146	17,431	18,229	19,570	16,839
Public safety										
Sheriff										
Warrants entered	2,298	2,128	1,957	1,806	1,801	1,829	1,995	2,205	2,190	2,328
Arrests carried out	2,645	2,330	2,211	2,345	1,292	1,499	1,603	2,350	2,032	1,670
Citations issued	5,053	5,055	4,072	3,989	3,590	3,377	3,263	3,668	3,715	2,830
Concealed weapons permits issued	591	533	767	814	765	893	1,269	1,415	1,306	1,334
Regional Justice Center										
Bookings	7,278	7,224	7,017	6,371	5,672	5,625	4,927	5,066	5,628	5,922
Average daily population	367	357	358	322	280	303	248	221	265	280
Meals served	431,769	431,043	413,910	377,049	306,699	331,259	278,404	241,995	290,131	306,775
Juvenile average daily population	20	21	21	29	11	11	9	9	11	7
Transportation										
Miles of county road repaired/preserved	177	301	164	41	196	121	57	51	116	78
Economic environment										
Residential building permits	504	500	375	255	243	233	257	255	292	338
Commercial building permits	69	60	51	44	42	62	60	63	90	69

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Motor pool vehicles	48	36	26	41	38	39	30	34	37	37
Public safety										
Sheriff patrol vehicles	59	66	63	58	60	60	62	59	61	54
Transportation										
Streets (miles)	643	655	655	655	655	655	655	655	656	654
Bridges	51	51	51	51	51	51	51	51	51	51
Heavy machinery	119	117	120	131	135	135	136	142	145	149
Culture and recreation										
Parks	1	1	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.