- CHELAN COUNTY -

MONTHLY FINANCIAL REPORT

OCTOBER 2014

CHELAN COUNTY GENERAL FUND

The General fund is Chelan County's major operating fund. It has an adjusted budget of $35 million and is comprised of administrative functions, building and planning permits, Sheriff's operations, juvenile housing, criminal prosecution, and the courts.

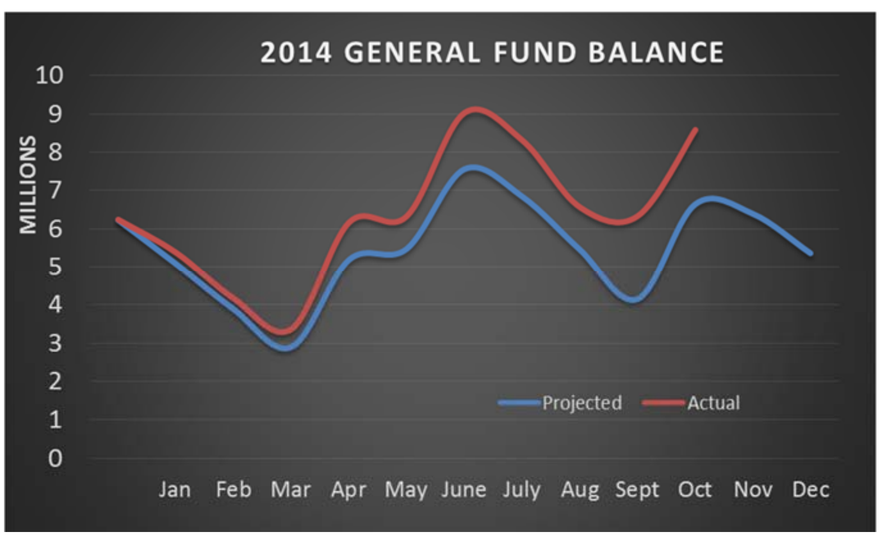
REVENUE: To get a picture of the economic and operational functions that drive revenue, the General fund revenues have been categorized by major revenue source and projected based on a five-year history. Current revenues are compared with projections to determine how major revenue sources are being received in light of their 2014 budget. As noted in recent months, sales tax and building permits are exceeding expectations. The property tax and law enforcement contracts categories are artificially high due to the timing of receipts are not following prior history. These revenues should balance out by the end of the year. Strong revenues have been the success of the 2014 General Fund budget. Looking forward to 2015 and beyond, many questions remain regarding the strength of the sales tax. With discussion of losing an auto dealership to Douglas County, annexation speculation, and one-time large projects coming to an end, the sales tax revenues are expected to take a hit in the coming years.

Revenue Category	Year-To-Date Projected	Year-To-Date Actual	Year-To-Date Variance
Property Tax	9,633,774	10,080,904	447,130
Sales Tax	4,788,443	5,512,472	724,029
Prop. Tax Penalty & Interest	787,035	740,326	**(46,709)**
Building and Planning Fees	1,020,259	1,258,630	238,371
PILT	2,313,500	2,608,906	295,406
PUD Privilege Tax	1,100,000	1,246,269	146,269
Liquor X & P	62,297	110,381	48,085
Wenatchee Court	193,079	162,173	**(30,905)**
Law Enforcement Contracts	2,239,229	2,550,564	311,335
Recording Fees	133,006	103,458	**(29,549)**
Motor Vehicle Licensing	364,841	360,494	**(4,347)**
Probation Services	205,124	290,196	85,073
Interfund Payments	1,384,949	1,312,074	**(72,875)**
Court Fines	620,680	634,917	14,237
Treasury Interest	134,854	128,175	**(6,679)**
Grants\Entitlements	1,877,681	1,806,827	**(70,854)**
Other	1,493,606	1,749,982	256,375
Total	**28,352,357**	**30,656,750**	**2,304,393**

EXPENDITURES: Expenditures are projected in a similar way as revenues, but expenditures are spent more evenly than revenues are received. Salaries and wages are exceeding projection, primarily due to reimbursable Sheriff's Office overtime incurred during the summer fires and at the PUD during October. Interfund payments are high from a one-time transfer of $500,000 from the General fund to the Motor Pool fund to solve cash flow and billing cycle issues. The total General fund expenditures are tracking to exceed the original budget, but supplemental appropriations have been made to keep the fund under budget.

Expenditure Category	Year-To-Date Projected	Year-To-Date Actual	Year-To-Date Variance
10 - Salaries & Wages	13,253,103	13,403,108	**150,004**
20 - Personnel Benefits	5,296,780	5,142,891	(153,890)
30 - Supplies	644,331	618,192	(26,139)
40 - Services	4,346,045	4,271,758	(74,287)
50 - Intergovernmental Svcs	318,824	321,695	**2,871**
90 - Interfund Payments	4,083,739	4,553,163	**469,424**
TOTAL	**27,942,823**	**28,310,806**	**367,983**

FUND BALANCE: The General Fund balance chart below shows the cyclical nature of the Chelan County's cash flow. Increases in April and October coincide with the due dates of the first and second half of property taxes. In June the cycle is at its highest due to the once-a-year PUD Privilege and PILT revenues. The 2014 General Fund budget was conservatively designed to lose $863K, but strong revenues have kept the actual line well above the projected budget. Even though the 2014 budget was designed to lose, the General fund should end up growing slightly by around $200K. On the graph below, the actual and projected lines are roughly $2 million apart. Because of the timing of certain revenues, the difference between these two lines are expected to close to about $1 million by the end of the year.



CHELAN COUNTY ~ AUDITOR ~

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ALL CHELAN COUNTY FUNDS

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

CASH BALANCES: The General fund has a healthy cash balance and is in better financial condition than it has ever been. However, there are several funds outside of the General fund that are currently borrowing cash to meet operational needs.

The Natural Resources fund is currently borrowing $1,500,000 from four different funds to meet cash flow needs. This fund is reimbursement driven and currently has $1,400,000 in receivables that should go toward paying down this balance when received.

The Regional Justice Center (RJC) is borrowing $964,000 from the Criminal Justice Sales Tax and Distressed Counties Tax funds. In the past, the RJC's billed bed revenues did not kept up with ongoing operating expenses. During 2014 however, the RJC increased the number of inmates housed at their facilities and the rate at which they are losing cash has slowed. Plans are being discussed to make this fund sustainable again and be able to pay off the debt.

A new line of credit was approved for the new Flood Control District fund. Only $540 was needed to be borrowed as of October, but the amount is expected to grow until the new assessment can be collected in April 2015.

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

Accounts Receivable Outstanding - Older than 60 Days			
Community Development			
010020-00151	6/12/2014	Chelan County Public Works	285.00
Clerk			
010040-00725	8/6/2014	Office of Support Enforcement	11,386.00
Facilities Maintenance			
010055-00051	8/31/2014	Regional Justice Center	1,795.86
Sheriff			
010145-01246	6/19/2014	Snohomish Co Sheriffs Office	1,488.38
010145-01268	8/22/2014	WASPC	500.00
Public Works			
110001-00685	6/9/2014	AT&T Mobility	8,446.22
401001-02668	8/11/2014	Rumann Construction	20.00
510001-00938	4/7/2014	Chelan Co ER&R	883.70
530001-00501	4/7/2014	Chelan County Coroner	159.49
530001-00581	7/18/2014	Chelan County Community Dev	616.00
Natural Resources			
180001-00916	7/31/2014	WA St Dept of Ecology	45,660.00
CASA			
191001-00136	7/15/2014	Regina McDougall, AOC	6,202.99
Substance Abuse			
193001-00221	2/4/2014	DSHS	13,701.08
193001-00232	3/28/2014	DSHS	43,143.27
193001-00234	4/8/2014	DSHS	7,241.02
Regional Justice Center			
450001-02845	5/1/2014	City of North Bend	3,290.00
450001-02888	6/30/2014	Department of Corrections	23.74
450001-02922	7/31/2014	Department of Corrections	62,504.51
450001-02950	8/31/2014	Department of Corrections	62,170.13
450001-02962	8/31/2014	YWCA	256.50
450001-02971	8/31/2014	Skagit County Sheriff	31,330.00

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

Cash Balance of Selected Funds		8/31/2014	9/30/2014	10/31/2014
010	General	8,051,690	6,885,851	9,829,958
014	Traffic Safety	(31,620)	52,329	58,748
110	County Roads	4,322,534	3,496,684	4,598,669
119	Ohme Gardens	92,372	97,149	90,418
124	Farm Worker Housing	184,187	174,366	156,060
125	Horticulture Pest & Disease	81,737	71,575	81,034
128	Noxious Weed	8,894	258	62,814
140	Cashmere-Dryden Airport	43,898	42,690	41,470
180	Natural Resources	67,576	8,828	(184,912)
190	Criminal Justice Tax	891,679	965,416	913,160
301	REET I	416,522	410,718	247,468
405	Wenatchee River Park	79,080	90,001	89,702
410	Expo Center	117,518	122,318	195,674
411	Fair	86,167	232,714	231,512
450	Regional Justice Center	409,732	243,044	270,320
510	ER&R	1,073,134	896,293	874,059
526	Health Insurance	2,782,064	2,924,791	2,855,917
530	Motor Pool	463,443	484,382	571,304
535	Unemployment Comp	251,622	257,791	260,277
540	Tort Claims & Insurance	921,487	638,597	635,727

BUDGET: September is 83.3% of the way through the calendar year. This percentage is a reasonable benchmark for departments with even expenditures throughout the year. However, many departments have one-time expenditures at the beginning of the year such as annual software contracts. Therefore, the actual verses budget chart is provided for department heads to evaluate their own budgetary progress. They should be aware of their own department's budget cycle and the reasons they are over or under the straight-line benchmark.

Actual YTD Expenditures & Revenues w/ Percent of Annual Budget					
General Fund Departments		**Expenditures**		**Revenues**	
010	Assessor	921,230	76.9%	1,103	3.2%
015	Auditor	939,595	81.7%	633,416	71.3%
020	Community Develop.	1,220,570	71.6%	1,314,359	106.6%
030	Civil Service Comm	1,912	17.2%	0	-
040	Clerk	887,039	78.5%	702,172	88.5%
045	Commissioners	569,878	80.3%	10,352,207	100.9%
050	Coroner	188,226	81.6%	15,832	105.5%
052	Information Technology	589,775	81.3%	86,295	75.0%
055	Facilities Maintenance	1,197,484	78.2%	448,699	75.3%
065	District Court	1,016,637	78.5%	1,079,186	84.4%
066	District Court Probation	366,242	82.2%	322,066	109.5%
075	Extension Services	265,725	86.6%	22,186	60.8%
085	Juvenile Services	2,215,078	80.6%	516,595	79.8%
105	Non-Departmental	6,717,544	82.9%	266,311	48.7%
139	Child Support Enf.	265,622	69.0%	204,002	48.5%
140	Prosecuting Attorney	1,534,727	80.9%	401,993	76.6%
145	Sheriff	8,084,002	82.8%	3,048,995	92.9%
155	Superior Court System	838,560	78.5%	50,725	52.2%
165	Treasurer	490,959	78.9%	1,109,696	84.7%
170	Property Tax Transfer	0	0.0%	10,080,910	91.4%
General Fund Total		28,310,806	80.8%	30,656,750	91.8%
Other Funds		**Expenditures**		**Revenues**	
014	Traffic Safety	222,187	79.3%	374,806	149.9%
110	County Roads	11,975,777	68.6%	11,293,063	69.7%
119	Ohme Gardens	187,276	74.2%	182,782	83.2%
124	Farm Worker Housing	177,560	78.9%	123,348	55.9%
125	Horticulture	92,378	63.4%	90,306	74.2%
128	Noxious Weed	228,234	67.9%	243,668	72.2%
180	Natural Resources	3,661,136	103.5%	3,143,886	89.8%
405	Wenatchee River Park	189,708	78.6%	213,200	110.9%
410	Expo Center	103,187	69.2%	189,244	108.1%
411	Fair	123,306	70.5%	243,775	137.0%
450	Regional Justice Center	6,537,293	81.3%	6,537,648	81.2%
510	ER&R	2,770,184	70.3%	2,565,676	63.8%
530	Motor Pool	864,129	84.9%	1,278,453	135.8%