



# - CHELAN COUNTY - MONTHLY FINANCIAL REPORT

## MAY 2016

The General fund is Chelan County's major operating fund. It has a budget of \$37 million and is comprised of administrative functions, building and planning permits, Sheriff's operations, juvenile housing, criminal prosecution, and the courts. The revenue and expenditure charts below display the 2016 General fund projected budget contrasted with actual expenditures and revenues.

**General Fund 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.

| Revenue Category             | Year-To-Date      |                   |                  |
|------------------------------|-------------------|-------------------|------------------|
|                              | Projected         | Actual            | Variance         |
| Property Tax                 | 6,351,847         | 6,584,356         | 232,508          |
| Sales Tax                    | 2,729,259         | 3,701,843         | 972,584          |
| Prop. Tax Penalty & Interest | 488,263           | 406,201           | (82,062)         |
| Building and Planning Fees   | 639,055           | 686,707           | 47,653           |
| Liquor X & P                 | 40,428            | 61,365            | 20,937           |
| Wenatchee Court              | 77,954            | 70,428            | (7,526)          |
| Law Enforcement Contracts    | 682,097           | 1,191,128         | 509,031          |
| Recording Fees               | 59,665            | 58,315            | (1,350)          |
| Motor Vehicle Licensing      | 169,194           | 179,143           | 9,949            |
| Probation Services           | 142,096           | 182,548           | 40,452           |
| Interfund Payments           | 567,037           | 605,014           | 37,976           |
| Court Fines                  | 283,924           | 264,854           | (19,070)         |
| Treasury Interest            | 46,901            | 90,326            | 43,425           |
| Grants\Entitlements          | 932,890           | 1,094,399         | 161,509          |
| Other                        | 678,368           | 942,106           | 263,738          |
| <b>Total</b>                 | <b>13,888,979</b> | <b>16,118,733</b> | <b>2,229,754</b> |

The Old Station area was officially annexed by the City of Wenatchee on May 30. This is estimated to have a negative impact to Chelan County's general fund by approximately \$500,000 in 2016 and \$1 million in 2017. Fortunately, 2016 sales tax revenue is exceeding expectations and should easily fill the gap that will be generated during the second half of this year.

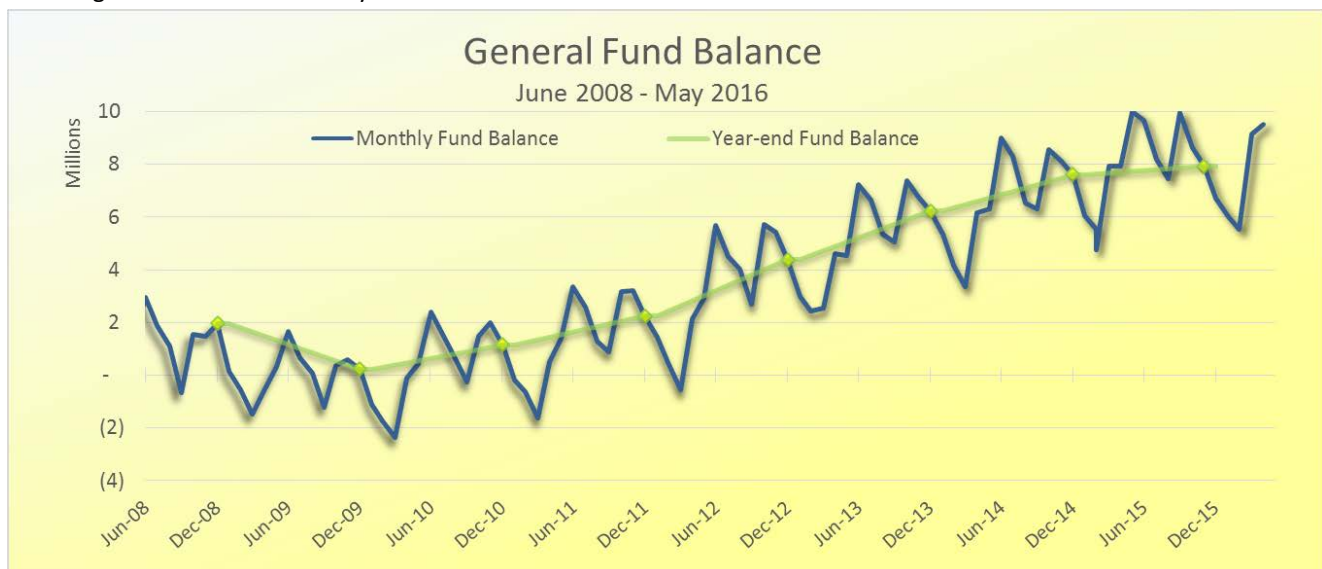
The second quarter billing for law enforcement contract were billed earlier than projected making these revenues appear very strong through May. These revenues should fall back in line with the projected figures next month.

**General Fund Expenditures:** Expenditures are projected in a similar way as revenues, but expenditures are spent more evenly than revenues are received. The variances below reflect current 2016 expenditures in relation to the original budget.

With the exception of the supplies category, most expenditure categories are well under budget. This pattern of underspending the projection is typical since departments are not legally allowed to exceed their total budget without requesting additional appropriations from the County Commissioners.

| Expenditure Category        | Year-To-Date      |                   |                  |
|-----------------------------|-------------------|-------------------|------------------|
|                             | Projected         | Actual            | Variance         |
| 10 - Salaries & Wages       | 6,956,041         | 6,923,410         | (32,632)         |
| 20 - Personnel Benefits     | 2,846,491         | 2,695,947         | (150,544)        |
| 30 - Supplies               | 382,825           | 389,709           | 6,884            |
| 40 - Services               | 2,347,680         | 2,257,319         | (90,361)         |
| 50 - Intergovernmental Svcs | 165,993           | 124,310           | (41,683)         |
| 90 - Interfund Payments     | 2,179,508         | 2,128,579         | (50,929)         |
| <b>TOTAL</b>                | <b>14,878,539</b> | <b>14,519,274</b> | <b>(359,265)</b> |

**General Fund Balance:** The historical General Fund Balance graph (below) shows the health of the county's major operating fund going back before the recession hit in 2009. During that year, the fund balance was negative more than it was positive and therefore had to borrow large amounts of cash from other funds. The 2015 year-end General fund balance of 7.9 million was more than twice as large as it ever was before the recession. This fund balance may be needed in the future as several of Chelan County's major revenue sources face uncertain futures.



**Cash Balances:** The General fund has a healthy cash balance and is in better financial condition than it has ever been. Its cash balance trend over the past three months closely mirrors the cycle displayed in the fund balance graph on the previous page. Until property taxes are collected in April each year, the General and County Roads funds live off their accumulated cash balance.

**Interfund Loans:** Despite the healthy cash balance in the General fund, there are several funds that borrow cash from other funds to meet operational needs.

Solid Waste Planning fund is currently borrowing \$12,633 from Equipment Rental & Revolving fund to finance the Moderate Risk Waste Facility.

Regional Justice Center fund is currently borrowing \$15,000 from Distressed Counties Tax fund to meet cash flow needs due to an ongoing downturn in contract bed revenue.

Natural Resources fund is currently borrowing \$475,000 from the REET I fund to cash flow 2016 projects until grant revenues come in.

**Budget:** May is 41.7% of the way through the calendar year. This percentage is a reasonable benchmark for departments with even expenditures throughout the year. The actual expenditures and revenues chart below is provided for department heads to evaluate if 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   | 498,876           | 38.1%        | 0                 | 0.0%         |
| 015 Auditor  | 476,343           | 38.8%        | 293,323           | 31.8%        |
| 020 Community Develop.   | 625,688           | 36.0%        | 694,057           | 42.4%        |
| 030 Civil Service Comm   | 47,722            | 37.5%        | 0                 | -            |
| 040 Clerk  | 496,095           | 41.2%        | 345,242           | 53.5%        |
| 045 Commissioners  | 278,887           | 41.1%        | 4,198,043         | 33.7%        |
| 050 Coroner  | 87,095            | 36.1%        | 7,210             | 48.1%        |
| 052 Information Technology                                     | 372,962           | 42.2%        | 40,550            | 30.3%        |
| 055 Facilities Maintenance                                     | 630,189           | 38.7%        | 254,433           | 37.8%        |
| 065 District Court   | 550,276           | 39.9%        | 459,899           | 33.1%        |
| 066 District Court Probation                                   | 186,757           | 39.6%        | 190,723           | 50.4%        |
| 075 Extension Services   | 82,711            | 24.1%        | 4,358             | 13.2%        |
| 085 Juvenile Services  | 1,145,903         | 40.1%        | 225,344           | 34.2%        |
| 105 Non-Departmental   | 3,323,702         | 38.8%        | 242,549           | 59.6%        |
| 139 Child Support Enf.   | 138,056           | 39.1%        | 121,320           | 30.6%        |
| 140 Prosecuting Attorney                                       | 867,535           | 40.6%        | 173,883           | 33.5%        |
| 145 Sheriff  | 3,954,395         | 39.4%        | 1,648,907         | 51.0%        |
| 155 Superior Court System                                      | 494,933           | 41.7%        | 32,015            | 33.0%        |
| 165 Treasurer  | 261,148           | 41.4%        | 602,522           | 43.0%        |
| 170 Property Tax   | 0                 | 0.0%         | 6,584,356         | 56.5%        |
| <b>General Fund Total</b>                                      | <b>14,519,274</b> | <b>39.2%</b> | <b>16,118,733</b> | <b>44.0%</b> |
| Other Funds  | Expenditures      |              | Revenues          |              |
| 014 Traffic Safety   | 60,389            | 49.5%        | 136,874           | 79.2%        |
| 110 County Roads   | 4,458,833         | 31.4%        | 6,623,802         | 49.7%        |
| 118 Wenatchee River Park                                       | 76,321            | 31.7%        | 73,875            | 38.4%        |
| 119 Ohme Gardens   | 69,245            | 27.8%        | 56,534            | 27.1%        |
| 120 Expo Center  | 56,890            | 33.0%        | 18,381            | 10.2%        |
| 121 Fair   | 25,108            | 12.6%        | 35,494            | 18.3%        |
| 124 Farm Worker Housing  | 65,504            | 18.4%        | 489               | 0.2%         |
| 125 Horticulture   | 133,597           | 52.0%        | 108,408           | 51.2%        |
| 128 Noxious Weed   | 96,077            | 33.1%        | 165,514           | 53.0%        |
| 132 911 Communications   | 1,162,933         | 33.2%        | 1,190,591         | 34.0%        |
| 142 C.R. Drug Task Force                                       | 71,361            | 25.6%        | 104,968           | 54.9%        |
| 150 Regional Justice Center                                    | 3,367,620         | 40.0%        | 3,361,809         | 39.6%        |
| 180 Natural Resources  | 780,021           | 19.4%        | 275,678           | 6.9%         |
| 510 ER&R   | 1,259,551         | 33.5%        | 1,322,303         | 36.7%        |
| 530 Motor Pool   | 529,086           | 55.9%        | 323,263           | 31.8%        |

| Cash Balance of Selected Funds |                             | 3/31/2016 | 4/30/2016  | 5/31/2016  |
|--------------------------------|-----------------------------|-----------|------------|------------|
| 010                            | General                     | 7,204,892 | 10,336,094 | 11,094,398 |
| 014                            | Traffic Safety              | 46,613    | 49,832     | 144,004    |
| 103                            | Solid Waste Planning        | 66,973    | 143,218    | -          |
| 110                            | County Roads                | 2,102,370 | 3,740,884  | 4,112,664  |
| 118                            | Wenatchee River Park        | 46,574    | 53,985     | 68,671     |
| 119                            | Ohme Gardens                | 23,337    | 29,633     | 39,651     |
| 120                            | Expo Center                 | 230,157   | 220,556    | 220,010    |
| 121                            | Fair                        | 261,064   | 288,789    | 284,444    |
| 124                            | Farm Worker Housing         | 104,611   | 86,478     | 69,594     |
| 125                            | Horticulture Pest & Disease | 752       | 62,684     | 56,034     |
| 128                            | Noxious Weed                | 601       | 72,237     | 88,246     |
| 140                            | Cashmere-Dryden Airport     | 64,572    | 53,178     | 53,312     |
| 150                            | Regional Justice Center     | 60,901    | 103,467    | 904        |
| 180                            | Natural Resources           | 35,498    | 985        | 83,667     |
| 190                            | Criminal Justice Tax        | 2,225,961 | 2,287,942  | 2,132,579  |
| 301                            | REET I                      | 1,805,075 | 1,603,802  | 1,569,990  |
| 510                            | ER&R                        | 1,588,464 | 1,834,482  | 1,813,141  |
| 526                            | Health Insurance            | 3,656,197 | 3,753,464  | 3,693,258  |
| 530                            | Motor Pool                  | 435,837   | 464,846    | 438,331    |
| 535                            | Unemployment Comp           | 291,378   | 295,621    | 277,652    |
| 540                            | Tort Claims & Insurance     | 959,343   | 957,336    | 946,442    |

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

| Accounts Receivable Outstanding - Older than 60 Days  |            |                                |            |
|---|------------|--------------------------------|------------|
| <b>Auditor</b>  |            |                                |            |
| 010015-02215  | 12/10/2015 | Chelan Co Fire Dist No 10      | 75.00      |
| <b>Clerk</b>  |            |                                |            |
| 010040-00827  | 1/28/2016  | Office of the Attorney General | 150.00     |
| <b>Sheriff</b>  |            |                                |            |
| 010145-01416  | 1/19/2016  | Emergency Management WA        | 217,352.45 |
| 010145-01417  | 1/19/2016  | Emergency Management WA        | 4,694.36   |
| <b>Public Works</b>   |            |                                |            |
| 101001-00408  | 3/7/2016   | Rumann Construction            | 38.00      |
| 101001-00411  | 3/7/2016   | Servpro of Chelan & Douglas    | 400.00     |
| <b>Horticulture</b>   |            |                                |            |
| 125001-00032  | 12/31/2015 | Theo Collier                   | 310.00     |
| 125001-00033  | 12/31/2015 | John Trudell                   | 150.00     |
| <b>Regional Justice Center</b>  |            |                                |            |
| 150001-00253  | 10/31/2015 | YWCA                           | 52.75      |
| 150001-00311  | 12/31/2015 | YWCA                           | 47.50      |
| 150001-00315  | 1/31/2016  | Department of Corrections      | 106,755.00 |
| 150001-00331  | 2/29/2016  | Department of Corrections      | 90,585.00  |
| 150001-00350  | 3/3/2016   | Department of Corrections      | 2,541.96   |
| 150001-00351  | 3/3/2016   | Department of Corrections      | 86.04      |
| 150001-00358  | 3/31/2016  | Department of Corrections      | 93,837.50  |
| <b>Natural Resources</b>  |            |                                |            |
| 180001-00994  | 12/31/2014 | WA St Dept of Ecology          | 12,192.99  |
| 180001-01033  | 10/16/2015 | CCFEG                          | 11,479.17  |
| If any of these outstanding receivables have been paid, will not be paid, or need adjustment, please contact the County Auditor's Office. |            |                                |            |



**CHELAN COUNTY**  
~ AUDITOR ~

*Skip Moore*

Prepared by:

**Brad Posenjak, CPA**

509-667-6800

Chief Deputy Auditor [brad.posenjak@co.chelan.wa.us](mailto:brad.posenjak@co.chelan.wa.us)

Also available online at <http://www.co.chelan.wa.us/>