



- CHELAN COUNTY - MONTHLY FINANCIAL REPORT

SEPTEMBER 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 | 6,797,806 | 6,977,316 | 179,510 |
| Sales Tax | 5,374,440 | 6,761,764 | 1,387,325 |
| Prop. Tax Penalty & Interest | 707,444 | 617,754 | (89,691) |
| Building and Planning Fees | 1,237,160 | 1,466,175 | 229,015 |
| PILT | 2,559,163 | 2,767,590 | 208,427 |
| PUD Privilege | 1,200,000 | 1,180,083 | (19,917) |
| Liquor X & P | 106,597 | 136,261 | 29,664 |
| Wenatchee Court | 167,371 | 145,041 | (22,330) |
| Law Enforcement Contracts | 2,399,970 | 2,395,161 | (4,809) |
| Recording Fees | 111,778 | 118,233 | 6,455 |
| Motor Vehicle Licensing | 336,270 | 354,595 | 18,326 |
| Probation Services | 258,877 | 325,648 | 66,770 |
| Interfund Payments | 1,280,407 | 1,214,611 | (65,797) |
| Court Fines | 592,263 | 497,866 | (94,397) |
| Treasury Interest | 122,259 | 151,954 | 29,695 |
| Grants\Entitlements | 1,672,510 | 1,584,399 | (88,111) |
| Other | 1,317,990 | 1,844,031 | 526,042 |
| Total | 26,242,306 | 28,538,482 | 2,296,176 |

During the first seven months of 2016, sales tax revenue exceeded projections by an average of 32%. Much of this excess is due to the Holden Mine project and various construction projects around the County. At the end of May, the City of Wenatchee officially annexed the Old Station area. The effects on Chelan County's sales tax revenues are now being realized. Monthly sales tax revenues have consistently over-performed by 20-30 percent during the past year, but September shows a considerable deviation from that trend (see the chart on the top right). The majority of this decrease is related to either a slow-down of work on the Holden Mine project or a change in billing and reporting of the project.

| Monthly Sales Tax Revenue (amounts expressed in thousands) | | | | | | | | | | |
|---|-----|-----|-----|-----|-----|------|------|-----|------|--|
| | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | |
| Projected budget | 527 | 727 | 437 | 420 | 617 | 549 | 621 | 737 | 738 | |
| Actual revenue | 697 | 991 | 605 | 540 | 869 | 702 | 755 | 851 | 752 | |
| Difference | 170 | 264 | 168 | 120 | 251 | 153 | 134 | 114 | 14 | |
| % over projection | 32% | 36% | 38% | 28% | 41% | 28% | 22% | 15% | 2% | |

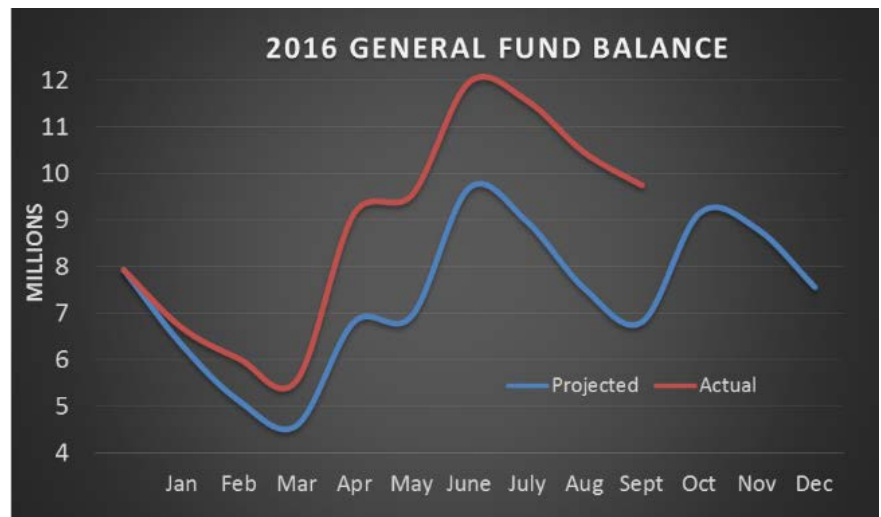
General Fund Expenditures: Expenditures are projected in a similar manner as revenues, but expenditures are spent more evenly than revenues are received. The variances below reflect current 2016 expenditures in relation to the original budget.

| Expenditure Category | Year-To-Date | | |
|-----------------------------|-------------------|-------------------|------------------|
| | Projected | Actual | Variance |
| 10 - Salaries & Wages | 12,668,415 | 12,647,625 | (20,790) |
| 20 - Personnel Benefits | 5,169,193 | 4,932,858 | (236,335) |
| 30 - Supplies | 653,340 | 607,767 | (45,574) |
| 40 - Services | 4,291,931 | 4,220,504 | (71,427) |
| 50 - Intergovernmental Svcs | 297,899 | 233,758 | (64,140) |
| 90 - Interfund Payments | 4,278,893 | 4,075,065 | (203,828) |
| TOTAL | 27,359,672 | 26,717,578 | (642,094) |

All General Fund expenditure categories are tracking well under budget. This pattern of underspending the projection is typical since each department is not legally allowed to exceed their total budget without requesting additional appropriations from the County Commissioners.

General Fund Balance: The General Fund balance chart below shows the cyclical nature of 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 Federal PILT revenues.

The General Fund balance is currently \$2.9 million more than budgeted. The actual line is expected to move slightly closer to projected line as the year progresses and could likely result in General Fund growth of \$2 million at year-end.



CHELAN COUNTY
~ AUDITOR ~
Skip Moore

Prepared by:

Brad Posenjak, CPA

509-667-6800

Chief Deputy Auditor brad.posenjak@co.chelan.wa.us

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

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 and October 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 \$18,234 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. At the beginning of October, the Commissioners approved a \$150,000 transfer from the General fund to the Regional Justice Center, which should resolve this loan.

Natural Resources fund is currently borrowing \$571,000 from the REET I fund to cash flow 2016 projects until grant revenues are receipted

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 | | | |
|---|------------|----------------------------|-----------|
| District Court Probation | | | |
| 010066-00031 | 5/4/2016 | City of Wenatchee | 6,386.50 |
| Public Works | | | |
| 530001-01138 | 7/15/2016 | Chelan County HR Dept | 199.92 |
| 530001-01146 | 7/26/2016 | Chelan County Auditor | 1.53 |
| Horticulture | | | |
| 125001-00032 | 12/31/2015 | Theo Collier | 310.00 |
| Regional Justice Center | | | |
| 150001-00422 | 6/6/2016 | Department of Corrections | 1,045.52 |
| 150001-00439 | 6/30/2016 | Department of Corrections | 82.50 |
| 150001-00472 | 7/31/2016 | Wen. Valley Humane Society | 107.25 |
| Natural Resources | | | |
| 180001-00994 | 12/31/2014 | WA St Dept of Ecology | 12,192.99 |
| 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 | | 7/31/2016 | 8/31/2016 | 9/30/2016 |
|--------------------------------|-----------------------------|------------|------------|------------|
| 010 | General | 13,295,021 | 12,313,295 | 10,956,566 |
| 014 | Traffic Safety | 151,374 | 125,759 | 130,339 |
| 103 | Solid Waste Planning | 3,931 | 19,832 | 21,141 |
| 110 | County Roads | 3,330,667 | 2,778,666 | 1,555,698 |
| 118 | Wenatchee River Park | 87,457 | 103,843 | 115,368 |
| 119 | Ohme Gardens | 72,834 | 81,871 | 84,283 |
| 120 | Expo Center | 277,673 | 279,891 | 267,544 |
| 121 | Fair | 290,199 | 284,123 | 387,746 |
| 124 | Farm Worker Housing | 60,537 | 35,093 | 109,701 |
| 125 | Horticulture Pest & Disease | 45,521 | 33,560 | 15,220 |
| 128 | Noxious Weed | 56,020 | 36,891 | 13,335 |
| 140 | Cashmere-Dryden Airport | 54,954 | 55,843 | 58,523 |
| 150 | Regional Justice Center | 370,658 | 353,338 | 339,253 |
| 180 | Natural Resources | 69 | 83,871 | 840 |
| 190 | Criminal Justice Tax | 2,507,670 | 2,589,020 | 2,635,748 |
| 301 | REET I | 966,611 | 1,320,450 | 1,227,693 |
| 510 | ER&R | 1,433,428 | 1,352,783 | 1,536,702 |
| 526 | Health Insurance | 3,497,643 | 3,534,110 | 3,571,416 |
| 530 | Motor Pool | 429,724 | 461,731 | 479,257 |
| 535 | Unemployment Comp | 286,584 | 281,072 | 285,491 |
| 540 | Tort Claims & Insurance | 997,056 | 992,426 | 590,327 |

Budget: September is 75% of the way through the calendar year. This percentage is a reasonable benchmark for departments with even expenditures throughout the year. The actual YTD 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 | 923,847 | 70.6% | 1,550 132.5% |
| 015 | Auditor | 914,028 | 74.4% | 727,815 78.9% |
| 020 | Community Develop. | 1,188,658 | 68.3% | 1,484,646 90.7% |
| 030 | Human Resources | 85,805 | 67.5% | 121 100.0% |
| 040 | Clerk | 910,400 | 75.7% | 622,175 96.3% |
| 045 | Commissioners | 503,480 | 69.7% | 11,514,561 92.5% |
| 050 | Coroner | 161,816 | 67.1% | 16,550 110.3% |
| 052 | Information Technology | 638,264 | 72.2% | 100,503 75.0% |
| 055 | Facilities Maintenance | 1,127,508 | 69.2% | 503,351 74.7% |
| 065 | District Court | 980,662 | 71.0% | 871,108 62.6% |
| 066 | District Court Probation | 314,811 | 66.8% | 344,747 91.2% |
| 075 | Extension Services | 165,474 | 48.2% | 15,052 45.6% |
| 085 | Juvenile Services | 2,093,661 | 73.3% | 484,446 73.5% |
| 105 | Non-Departmental | 6,248,771 | 72.5% | 436,925 107.4% |
| 139 | Child Support Enf. | 250,937 | 71.1% | 213,700 53.8% |
| 140 | Prosecuting Attorney | 1,557,361 | 72.8% | 366,137 70.6% |
| 145 | Sheriff | 7,314,370 | 72.9% | 2,766,289 85.6% |
| 155 | Superior Court System | 867,578 | 73.1% | 56,137 57.8% |
| 165 | Treasurer | 470,146 | 74.5% | 1,035,353 73.9% |
| 170 | Property Tax | 0 | 0.0% | 6,977,316 59.8% |
| General Fund Total | | 26,717,578 | 72.0% | 28,538,482 77.9% |
| Other Funds | | Expenditures | | Revenues |
| 014 | Traffic Safety | 91,166 | 74.7% | 153,985 89.1% |
| 110 | County Roads | 9,304,898 | 65.6% | 8,476,819 63.6% |
| 118 | Wenatchee River Park | 173,033 | 71.9% | 217,908 113.3% |
| 119 | Ohme Gardens | 150,659 | 60.5% | 185,752 89.1% |
| 120 | Expo Center | 112,460 | 65.3% | 124,231 68.6% |
| 121 | Fair | 137,956 | 69.2% | 239,103 123.2% |
| 124 | Farm Worker Housing | 222,307 | 62.4% | 198,875 66.3% |
| 125 | Horticulture | 204,273 | 79.5% | 139,669 65.9% |
| 128 | Noxious Weed | 194,925 | 67.2% | 185,899 59.6% |
| 132 | 911 Communications | 2,416,102 | 69.0% | 2,417,788 69.1% |
| 142 | C.R. Drug Task Force | 105,768 | 37.9% | 124,829 65.3% |
| 150 | Regional Justice Center | 6,148,359 | 73.1% | 6,062,035 71.4% |
| 180 | Natural Resources | 1,703,052 | 42.4% | 1,007,370 25.1% |
| 510 | ER&R | 2,304,499 | 61.3% | 2,482,610 68.9% |
| 530 | Motor Pool | 813,757 | 86.0% | 665,698 65.4% |