

# **CHELAN COUNTY WASHINGTON**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

Prepared by:

Evelyn L. Arnold, CPA – Chelan County Auditor  
Bradley Posenjak, CPA – Financial Services Manager



# CHELAN COUNTY, WASHINGTON

Comprehensive Annual Financial Report  
For the Fiscal Year Ended December 31, 2007

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# CHELAN COUNTY, WASHINGTON

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# CHELAN COUNTY

## ~ AUDITOR ~

*Evelyn L. Arnold, CPA*

June 30, 2008

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, 2007. 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.

This report consists of management's representations concerning the finances of Chelan County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of 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. Because the cost of internal controls should not outweigh their benefits, Chelan County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Chelan County's financial statements have been audited by the Washington State Auditor's Office. The goal of the independent audit was to provide reasonable assurance that the financial statements of Chelan County for the fiscal year ended December 31, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Chelan County's financial statements for the year ended December 31, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component on the financial section of this report.

The independent audit of the financial statements of Chelan County was part of a broader, federally mandated "single audit" designed to meet the special needs of federal grantor agencies. The standards governing the single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on Chelan County's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available from the Washington State Auditor's Office in their Report on Financial Statements and Federal Single Audit. The audited Schedule of Expenditures of Federal Awards is included in the Supplementary Section of this CAFR.

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**

Chelan County, incorporated in 1899, 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.

Chelan County Courthouse, 350 Orondo Avenue, Post Office Box 400, Wenatchee, WA 98807-0400  
Phone (509) 667-6800 Fax (509) 667-6818 Website: [www.co.chelan.wa.us](http://www.co.chelan.wa.us)

Being situated on the eastern slope of the Cascade Range and containing the Columbia and Wenatchee Rivers has been conducive to an agricultural economy, hydro-electric power, and numerous recreational activities.

Chelan County is a non-charter county, which means that the organization of the County is prescribed by state law. The organizational chart, directly following this letter, provides a view of the structure of the County, including its elected officials, administrators, and major departments. As the chart shows, the voters of Chelan County elect fifteen officials, including three County Commissioners, three Superior Court Judges, two District Court Judges, an Assessor, Treasurer, Auditor, Prosecutor, Sheriff, Clerk, and a Coroner.

Chelan County provides a full range of services, including police protection; criminal and civil courts; appraisal of property values for property tax purposes; construction of county roads and other infrastructure; administration of elections; issuance of motor vehicle licenses; land use planning and building review; as well as development of parks and recreation.

The annual budget serves as the foundation for Chelan County's financial planning and control. State law (RCW 36.40) establishes the general requirements of Chelan County's budget process. The law requires the County to initiate the budget process on or before the second Monday in July, by requesting budget estimates for the ensuing year from each County department. These estimates must be filed on or before the second Monday in August. The County is required to present a compilation of these estimates, including revenue projections, to the Board of Commissioners upon or before the first Tuesday in September. A compilation of submissions is then prepared and copies are made available to the public. The Commissioners must schedule a hearing on the budget for the first Monday in October. At the conclusion of the hearing, the Board of Commissioners adopts the budget. However, according to the RCW, the Board of Commissioners is allowed to set alternate dates relating to the budget process. Accordingly, Chelan County usually modifies the budget dates from those prescribed by RCW. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated budget has been adopted.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Chelan County operates.

**Local economy.** Chelan County is currently experiencing a stable economic environment with the commercial and construction industries growing while looking forward for opportunities to keep the agriculture industry steady. Major industries with headquarters or divisions located within the county's boundaries or in close proximity consist mainly of agricultural related packing and processing plants.

**Long-term financial planning.** Chelan County adopts a 5-year capital improvement plan which outlines the counties major road and building projects as well as other planned capital improvements.

The county has recently undergone a remodel of the Juvenile Administration building, construction of a 60-bed annex to the Regional Justice Center, and a remodel of the Auditorium building. The County has used bonds and real estate excise tax proceeds to finance much of these construction projects.

**Cash management policies and practices.** 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.

The Chelan County Treasurer also invests much of the county's holdings in the State Treasurer's Investment Pool. This investment pool allows the counties to utilize the expertise of the State Treasurer's Office and its staff to obtain competitive rates of return as well as security of funds. The investment pool rate decreased from 5.21% in December 2006 to 4.56% in December 2007.

**Risk management.** Chelan County is a member of the Washington Counties Risk Pool (pool). State law authorizes governmental entities to form or join a pool for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services. The state pool was formed on August 18, 1988 when counties in the state of Washington joined together by signing an interlocal agreement to pool their self-

insured losses and jointly purchase insurance and administrative services. Twenty-eight counties have joined the pool. Members make annual contributions to fund the pool.

All pool joint self-insurance liability coverage is on an "occurrence" basis. The pool also provides property and special events/concessionaires optional group purchase insurance coverage to its members.

Chelan County is self-insured for most industrial insurance (worker's compensation) claims. Interfund premiums are assessed on the basis of claims experience and are reported as revenues and expenses or expenditures.

**Pension and other post-employment benefits.** Substantially all county full-time employees and qualifying part-time employees participate in one of the statewide public employee retirement systems administered by the Department of Retirement Systems (DRS), under a cost-sharing multiple-employer defined benefit public employee retirement system. The 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 state Pension Funding Council and the director of the Department of Retirement Systems, based on recommendations by the Office of the State Actuary, set employer and employee contribution rates to continue to fully fund the plan. All employers are required to contribute at the level established by state law. The methods used to determine the contribution rates are established under state statute in accordance with RCW chapters 41.40 and 41.45.

Chelan County also provides post-employment health and dental care benefits for certain retirees and their dependents. At the end of 2007, there were 25 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. Beginning in 2008, GAAP will require Chelan County to report a liability in the financial statements in connection with the County's obligation to provide these benefits.

Additional information on the County's pension arrangements and post-employment benefits can be found in the notes to the financial statements.

### **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, 2006. This was the third 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 Financial Services staff in the Chelan County Auditor's office as well as those who helped compile information such as the staff in the Chelan County Treasurer and Assessor's offices.

We would also like to express our appreciation to the Board of County Commissioners for their efforts in working for the betterment of the community and in making Chelan County a great place to live.

Respectfully submitted,



Evelyn L. Arnold, CPA  
Chelan County Auditor



Bradley J. Posenjak, CPA  
Financial Services Manager

# 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, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Chene S. Cox*

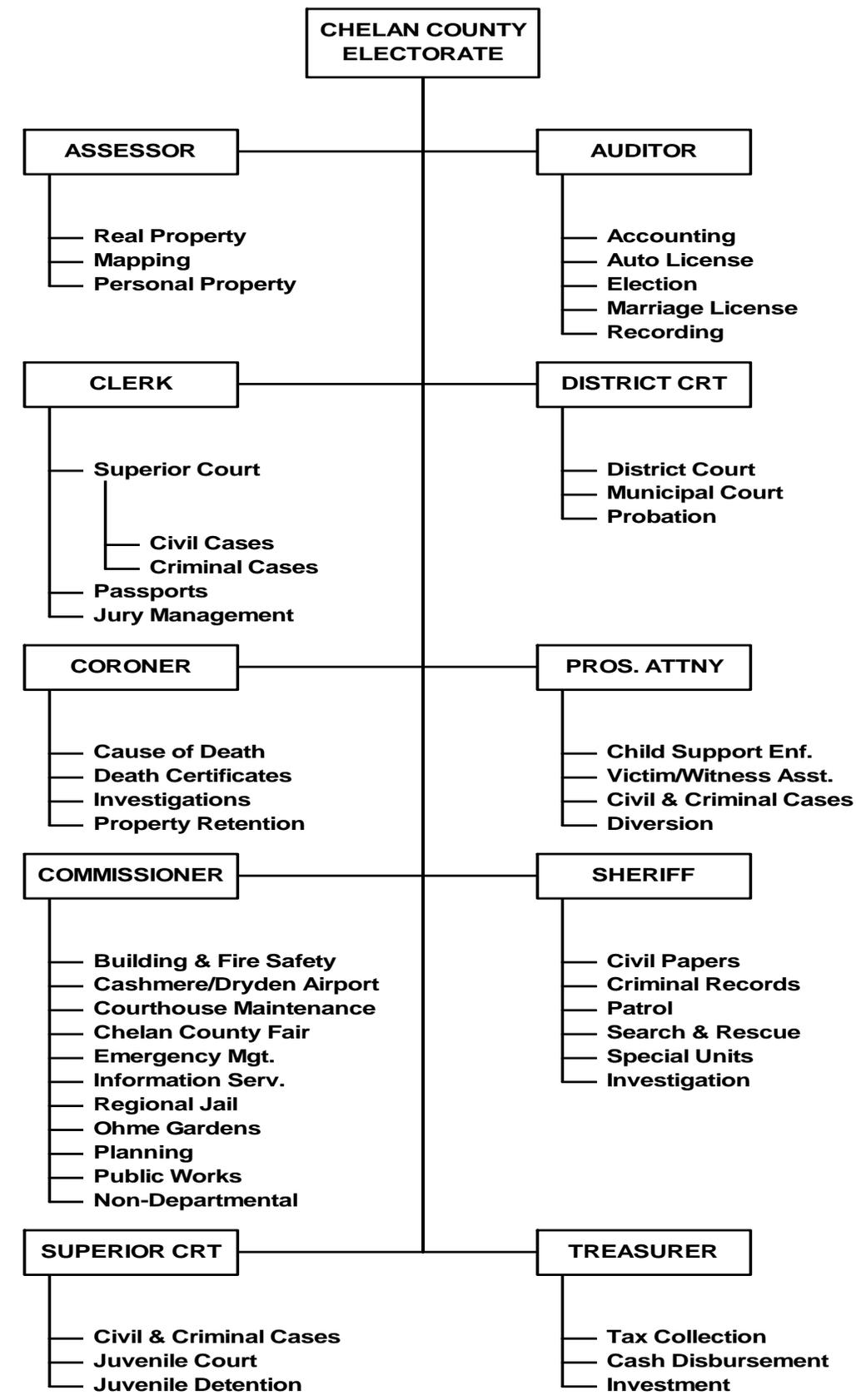
President

*Jeffrey R. Emer*

Executive Director

# CHELAN COUNTY, WASHINGTON

## Organizational Chart



# CHELAN COUNTY, WASHINGTON

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## List of Elected Officials

### CHELAN COUNTY ELECTED OFFICIALS

		<u>Term</u>	<u>Expiration</u>
Board of Commissioners			
District 1	Ron Walter	4	December 31, 2008
District 2	Keith Goehner	4	December 31, 2010
District 3	Buell Hawkins	4	December 31, 2008
Assessor	Russell Griffith	4	December 31, 2010
Auditor	Evelyn L. Arnold	4	December 31, 2010
Clerk	Siri A. Woods	4	December 31, 2010
Coroner	Wayne Harris	4	December 31, 2010
Prosecuting Attorney	Gary A. Riesen	4	December 31, 2010
Sheriff	Mike Harum	4	December 31, 2010
Treasurer	David Griffiths	4	December 31, 2010
District Court Judges	Alicia Nakata	4	January 9, 2011
	Nancy Harmon	4	January 9, 2011
Superior Court Judges	Chip Small	4	December 31, 2008
	Lesley Allan	4	December 31, 2008
	John E. Bridges	4	December 31, 2008



**Washington State Auditor  
Brian Sonntag**

**INDEPENDENT AUDITOR'S REPORT**

May 27, 2008

Board of Commissioners  
Chelan County  
Wenatchee, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chelan County, Washington, as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the County's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chelan County, Washington, as of December 31, 2007, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 9 through 17 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying information listed as Combining and Individual Fund Statements and Schedules on pages 53 through 136 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, 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 express no opinion on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" and last name "Sonntag" clearly distinguishable.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Chelan County's discussion and analysis presents the readers of the County's annual financial report a narrative overview and analysis of the County's financial performance during the fiscal year that ended on December 31, 2007. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which immediately follow this section.

### FINANCIAL HIGHLIGHTS

- The assets of Chelan County exceeded its liabilities at the close of the most recent fiscal year by \$68,005,765. Of this amount, \$17,534,541 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$1,663,688.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balance of \$12,730,554, a decrease of \$1,470,529 in comparison with the prior year. Approximately 99% of the total amount, \$12,630,554, is available for spending at the government's discretion.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$2,480,438, or 8% of total general fund expenditures.
- The County's total non-current debt decreased by \$2,556,705 during the current fiscal year. This was due, in part, to regular principal payments, refunding, and defeasance of general obligation bonds.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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 themselves.

**Government-wide Statements.** The government-wide financial statements are designed to provide readers with a broad overview of Chelan County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, accounts receivable, and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, security of persons & property, utilities & environment, transportation, economic environment, mental health & physical health, and culture and recreation. The business-type activities of the County include Solid Waste, Wenatchee River County Park, Fair, Public Education, and Regional Justice Center.

The County has no separately identified component units included in the government-wide financial statements. The government-wide financial statements can be found on pages 20-21.

**Fund Financial Statements.** 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. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus on governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 39 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, County Roads, and the Juvenile Building Debt Service fund, all of which are considered to be major funds. Data from the other 36 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 elsewhere in this report.

The County adopts an annual appropriated budget for its governmental funds in accordance with state law on a fund level. A budgetary comparison statement has been provided for the general fund and major special revenue funds.

The basic governmental fund financial statements can be found on pages 22-27 of this report.

**Proprietary funds.** Chelan County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Solid Waste, Wenatchee River County Park, Expo Center, Public Education, and Regional Justice Center. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal services funds to account for its fleet of vehicles and for its insurance administration. Because both of these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Solid Waste and Regional Justice Center as major funds, and aggregate all other nonmajor proprietary funds of the County. All internal service funds are aggregated into a single presentation in the basic proprietary fund financial statements. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 28-31 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 32 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-51 of this report.

**Other Information.** The combining statements referred to earlier in connection with nonmajor governmental and proprietary funds are presented immediately following the notes to the financial statements. Combining and individual statements and schedules can be found on pages 53-130 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Chelan County, assets exceeded liabilities by \$68,005,765 at the close of the most recent fiscal year. This increased over the previous year due in part to the defeasance of general obligation bonds and the addition of infrastructure assets.

A large portion of the County's net assets (74%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. 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 pay repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Chelan County's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current & other assets	22,508,341	23,125,668	2,008,745	1,634,411	24,517,086	24,760,079
Capital assets (net of depr.)	60,008,908	59,418,677	2,034,312	2,106,615	62,043,220	61,525,292
Total assets	82,517,249	82,544,345	4,043,057	3,741,026	86,560,306	86,285,371
Long-term liabilities	13,140,828	15,710,413	420,458	407,579	13,561,286	16,117,992
Other liabilities	4,307,495	3,281,007	685,761	544,296	4,993,256	3,825,303
Total liabilities	17,448,322	18,991,419	1,106,219	951,875	18,554,541	19,943,294
Net assets:						
Invested in capital assets						
Net of related debt	48,436,910	45,256,287	2,034,312	2,106,615	50,471,222	47,362,902
Restricted	-	3,016,727	-	-	-	3,016,727
Unrestricted	16,632,017	15,279,911	902,526	682,535	17,534,542	15,962,447
Total net assets	65,068,927	63,552,926	2,936,838	2,789,150	68,005,765	66,342,076

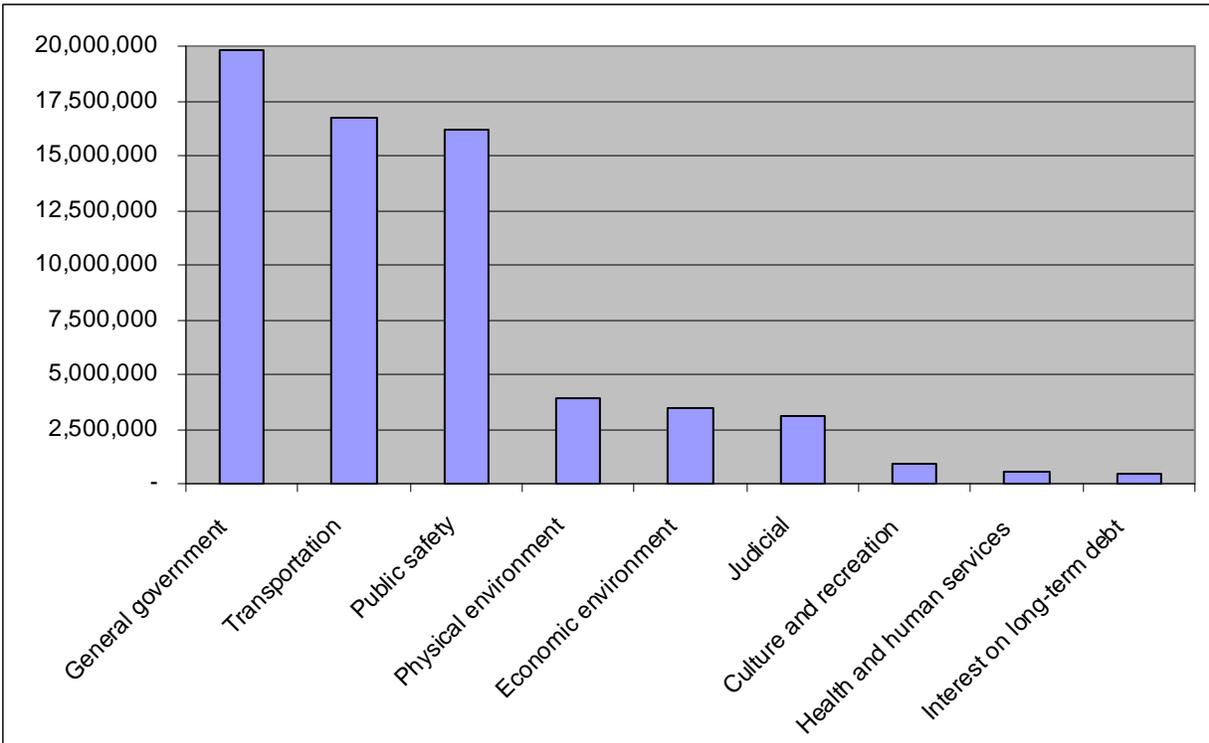
## Chelan County's Changes in Net Assets

Revenues	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Program revenues:						
Charges for services	20,985,602	18,822,825	9,311,882	7,617,863	30,297,484	26,440,688
Operating grants and contrib.	10,685,200	4,888,389	341,233	378,208	11,026,433	5,266,596
Capital grants and contributions	2,324,298	1,551,641	-	-	2,324,298	1,551,641
General revenues:						
Taxes	31,144,803	29,084,634	52,306	46,001	31,197,109	29,130,635
Interest earnings on invest.	1,586,330	1,541,264	30,479	27,501	1,616,810	1,568,764
Other	-	5,606	-	41,565	-	47,171
Total revenues	66,726,233	55,894,358	9,735,900	8,111,137	76,462,133	64,005,495
<b>Program Expenses</b>						
General government	19,779,898	16,875,815	-	-	19,779,898	16,875,815
Public safety	3,093,301	2,878,666	-	-	3,093,301	2,878,666
Judicial	16,196,980	14,505,817	-	-	16,196,980	14,505,817
Physical environment	3,921,161	2,218,962	-	-	3,921,161	2,218,962
Transportation	16,734,747	12,860,070	-	-	16,734,747	12,860,070
Health and human services	530,354	466,656	-	-	530,354	466,656
Economic environment	3,460,391	2,762,824	-	-	3,460,391	2,762,824
Culture and recreation	935,089	780,326	-	-	935,089	780,326
Utilities	-	-	1,357,762	1,088,631	1,357,762	1,088,631
Regional justice center	-	-	7,707,781	7,116,572	7,707,781	7,116,572
Other	-	-	592,670	615,657	592,670	615,657
Interest on long term debt	488,311	544,672	-	-	488,311	544,672
Total expenses	65,140,233	53,893,807	9,658,213	8,820,861	74,798,445	62,714,668
Excess (deficiency) revenues over (under) expenses	1,586,000	2,000,551	77,687	(709,724)	1,663,688	1,290,827
Transfers	(70,000)	(55,835)	70,000	55,835	-	-
Change in net assets	1,516,000	1,944,716	147,687	(653,889)	1,663,688	1,290,827
Net assets as of Jan 1	63,552,926	44,250,429	2,789,150	3,443,039	66,342,077	47,693,468
Prior period adjustment	-	17,357,781	-	-	-	17,357,781
Net assets as of Jan 1, restated	63,552,926	61,608,210	2,789,150	3,443,039	66,342,077	65,051,249
Net assets as of Dec 31	65,068,927	63,552,926	2,936,838	2,789,150	68,005,765	66,342,076

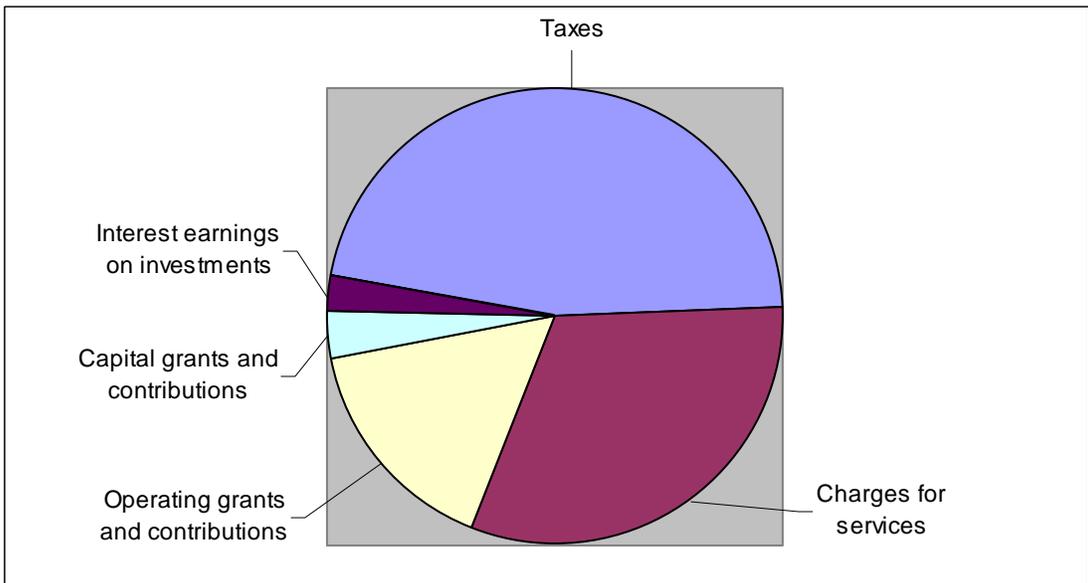
**Governmental Activities.** Governmental activities increased Chelan County’s net assets by \$1,516,000. This was due largely to three key factors:

- Paying down bond principal without incurring additional debt during the year.
- Defeasance and refunding of general obligation bonds.
- Sales taxes, investment interest, and other revenue sources were up due to economic growth in the County.
- Addition of infrastructure assets.

**Expenses – Governmental Activities**

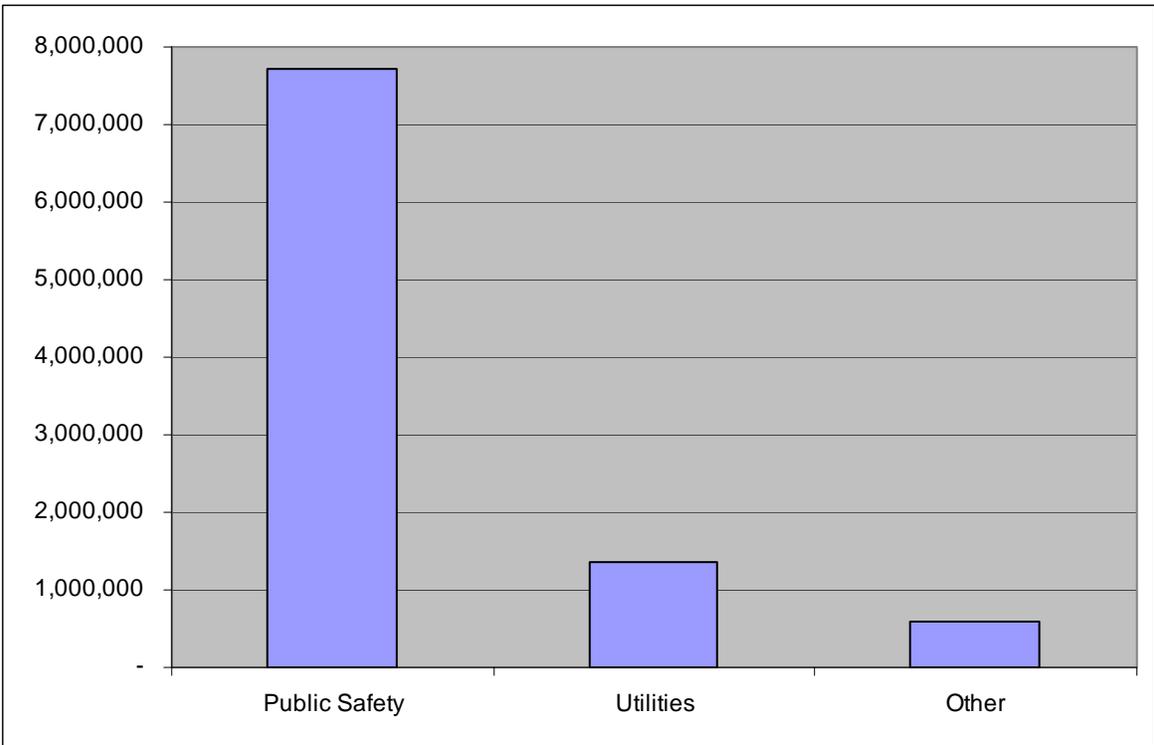


**Revenues by Source – Governmental Activities**

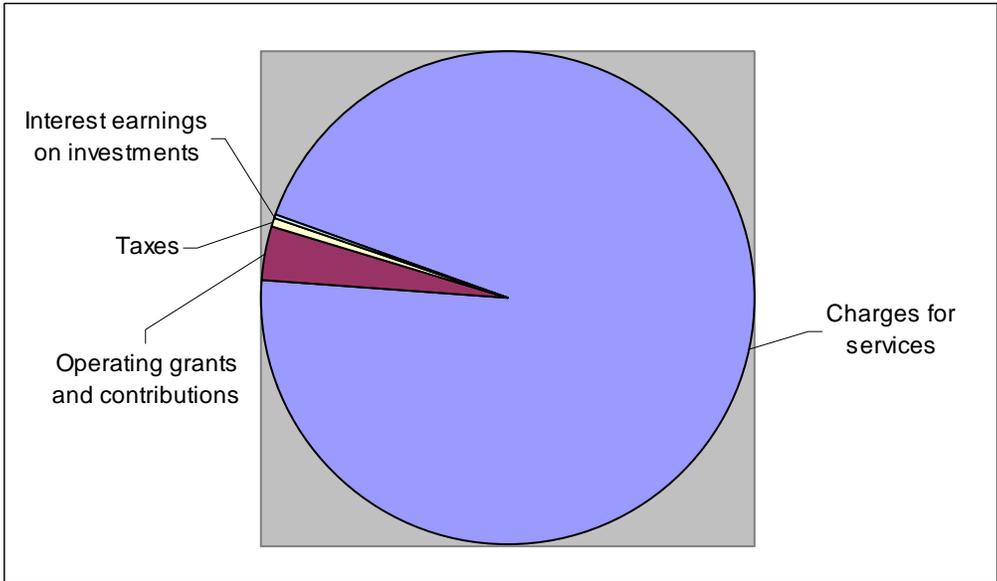


**Business-type Activities.** Business-type activities increased Chelan County's net assets by \$147,687. Although the operating revenues fell short of operating expenses in the Regional Justice Center, the slight increase in net assets was due to strong charges for services and other revenues in the Solid Waste funds.

**Expenses – Business-type Activities**



**Revenues by Source – Business-type Activities**



## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, Chelan County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The General, County Roads, and Juvenile Building Debt funds made up the County's major funds during the most recent fiscal year. Together these three funds account for 54% of total governmental fund assets and 37% of total government fund balance.

The focus of Chelan County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$12,730,554, a decrease of \$1,470,529 in comparison with the prior year. Approximately 99% of this total amount (\$12,630,554) constitutes unreserved fund balance, which is available for spending within the designated funds. The remainder of fund balance (\$100,000) is reserved to indicate that it is not available for new spending because it has already been advanced by the County Roads fund to assist the Expo Center fund in financing its operations.

The General fund is the chief operating fund of Chelan County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$2,480,438. As a measure of the General fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 8% of total general fund expenditures.

The fund balance of Chelan County's General fund decreased by \$237,557 during the current fiscal year. Previous years had shown strong growth, so the 2007 operating budget was created with the assumption that strong growth would persist. However, the decreased fund balance was due to the fact that during 2007, the growth rate of the local economy slowed down, and revenues did not meet expectations while expenditures remained strong.

The fund balance of the County Roads special revenue fund decreased by \$1,919,209 during the current fiscal year. This is due to a couple major County Road projects that used up much of the fund balance gained during previous years.

The fund balance of the Juvenile Building Debt Service fund decreased by \$3,016,727 during the current fiscal year to close out the fund. The general obligation bonds associated with this fund were defeased and the remaining balance was transferred to the Criminal Justice Sales Tax fund and the cities of Chelan County from whose citizens the sale tax was collected.

**Proprietary funds.** Chelan County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net assets of the Solid Waste fund at the end of the year amounted to \$1,758,684. The total increase in net assets for this fund was \$284,331. This appears to be due, in part, to an increase in charges for services during the current year.

Total net assets of the Regional Justice Center fund at the end of the year amounted to \$275,458. The total decrease in net assets for this fund was \$296,741. This is due to the operating revenues falling short of operating expenses during the year.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget amounted to a \$1,449,961 increase in appropriations. Of this budget increase, \$472,468 was to be funded out of miscellaneous increases in various charges for services. The remaining \$977,493 was to be budgeted from available fund balance.

Department	Amount of Increase	Explanation
Clerk	3,250	Increased for printing and contractual services. This amount was provided from additional miscellaneous revenue.
Commissioners	35,000	Increased for contractual services and travel costs. This amount was provided from the available fund balance.
Information Technology	89,048	Increased for supplies, postage, and contractual services. This amount was provided from the available fund balance.
Facilities Maintenance	75,417	Increased for extra help, utilities, and capital outlay. This amount was provided from the HAVA grant in the Election Reserve fund and available fund balance.
District Court	32,209	Increased for salary and benefit costs. This amount was provided from the available fund balance.
Juvenile	34,537	Increased for additional salaries, supplies, and services. This amount was provided from grant revenue and the available fund balance.
Non-departmental	825,658	Increased for additional benefits, contractual services, and interfund payments. This amount was provided from grant revenue and the available fund balance.
PACSD	12,192	Increased for additional salaries. This amount was provided from grant revenues.
Sheriff	327,658	Increased for additional services and overtime. This amount was provided from various revenues and the available fund balance.
Superior Court	77,224	Increased for additional contractual services. This amount was provided from various revenues and the available fund balance.
Several departments	(62,232)	Decreased budget to several departments in accordance to the county's carryout incentive program.
<b>Total</b>	<b>1,449,961</b>	

Actual expenditures are generally less than final budgeted revenues because the county typically budgets expenditures conservatively. Two major areas where actual expenditures were less than appropriations were in Nondepartmental and Community Development. Nondepartmental's budget increased during the year because of a \$370,000 interfund loan. However, the principal of the loan should not post to an expenditure under modified accrual basis so the additional budget was not required. Also, Community Development budgeted stronger expenditures than required as corresponding revenues in that department fell short of their budget.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** Chelan County's investment in capital assets for its governmental and business-type activities as of December 31, 2007, amounts to \$62,043,220 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways, and bridges. The total increase in the County's investment in capital assets for the current fiscal year was 1% (a 1% increase for governmental activities and a 3% decrease for business-type activities). The business-type activities decrease was due to depreciation expense without offsetting asset additions.

Major capital asset events during the current fiscal year included the following:

- \$2,051,484 in additional costs to the Manson Boulevard infrastructure improvement.
- Numerous dump trucks and other large equipment purchases and disposals were completed by the equipment rental and revolving fund.

**Chelan County's Capital Assets**  
(net of depreciation)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	2007	2006	2007	2006	2007	2006
Land	1,861,706	1,861,706	8,096	8,096	1,869,802	1,869,802
Other improvements	1,250,608	1,391,817	157,378	157,378	1,407,986	1,549,195
Construction in progress	850,036	1,215,288	-	-	850,036	1,215,288
Buildings & structures	22,742,292	23,478,179	1,413,364	1,469,770	24,155,656	24,947,948
Machinery & equipment	8,582,179	8,533,932	455,474	471,372	9,037,653	9,005,304
Infrastructure	24,722,087	22,937,756	-	-	24,722,087	22,937,756
<b>Total</b>	<b>60,008,908</b>	<b>59,418,677</b>	<b>2,034,312</b>	<b>2,106,615</b>	<b>62,043,220</b>	<b>61,525,292</b>

Additional information on the County's capital assets can be found in note 5 on page 40.

**Long-term Debt.** At the end of the current fiscal year, Chelan County had total bonded debt outstanding of \$11,566,939. 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 \$2,587,019 (18%) during the current fiscal year. The key factor in this was the regular payment of principal, refunding, and defeasance of general obligation bonds.

During 2003 and 2007, the government refinanced some of its existing debt to take advantage of favorable interest rates. In 2003, the County issued \$3,315,000 of refunding bonds that were placed in an irrevocable trust with an additional \$1,500,000 to pay off \$4,325,000 of the 1997 general obligation bond issue. In 2007, the County issued \$4,525,000 of refunding bonds that were placed in an irrevocable trust to pay off \$4,385,000 of the 1997 and 1998 general obligation bonds. See note 8(b) on page 48 for further information.

**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, PO Box 400, Wenatchee, WA 98807. Financial information requests can also be emailed to [accounting@co.chelan.wa.us](mailto:accounting@co.chelan.wa.us)

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## **CHELAN COUNTY, WASHINGTON**

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### Description of Basic Financial Statements

#### **BASIC FINANCIAL STATEMENTS**

The basic financial statements and note disclosure comprise the minimum acceptable fair presentation in conformity with Generally Accepted Accounting Principles (GAAP). The basic financial statements are designed to be "liftable" from the Financial Section of the Annual Financial Report for widespread distribution to users requiring less detailed information than is contained in the full Annual Financial Report. The basic financial statements include:

#### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Government-wide Statement of Net Assets** – presents information on all county governmental and business-type assets and liabilities, with the difference reported as net assets.

**Government-wide Statement of Activities** – presents information on all County governmental and business-type revenues and expenses, with the difference reported as change in net assets.

#### **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 Assets**

**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, each major special revenue fund, and each major debt service fund which has a legally adopted budget. Departmental information is included for the general fund, in accordance with the County's legally adopted budget.

**Statement of Net Assets – Proprietary Funds** – presents information on all proprietary fund assets and liabilities, with the difference reported as change in net assets for the major enterprise funds and aggregated amounts for all other enterprise funds, as well as a separate column of information for internal service funds.

**Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds** – presents information for each major proprietary fund and aggregated information for all other proprietary funds.

**Statement of Cash Flows – Proprietary Funds** – presents information on the sources and uses of cash for the major enterprise funds, aggregated information for all other enterprise funds, and for internal service funds.

**Statement of Fiduciary Net Assets** – presents information on private-purpose trust fund and agency fund assets and liabilities, with the difference reported as change in net assets.

**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 Assets December 31, 2007

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	10,613,668	1,152,793	11,766,461
Deposits with fiscal agents	53,813	8,427	62,240
Investments	8,426,784	625,156	9,051,940
Accounts receivable	134,625	44,084	178,709
Taxes receivable	414,087	-	414,087
Interest receivable	38,613	2,357	40,970
Due from other governments	2,498,470	281,257	2,779,727
Internal balances	105,330	(105,330)	-
Inventory	222,952	-	222,952
Capital assets not being depreciated:			
Land	1,861,706	8,096	1,869,802
Other improvements	156,983	157,378	314,361
Construction in progress	850,036	-	850,036
Capital assets net of accumulated depreciation:			
Other improvements	1,093,625	-	1,093,625
Buildings	22,742,598	1,414,665	24,157,263
Equipment	8,581,874	454,173	9,036,047
Infrastructure	24,722,087	-	24,722,087
Total capital assets	60,008,908	2,034,312	62,043,220
Total assets:	82,517,249	4,043,057	86,560,306
<b>LIABILITIES</b>			
Accounts payable	1,300,583	171,974	1,472,557
Due to other governments	947,602	28,389	975,991
Other accrued liabilities	2,059,309	485,398	2,544,707
Noncurrent liabilities:			
Due within one year	1,104,566	91,418	1,195,984
Due in more than one year	12,036,262	329,040	12,365,302
Total liabilities	17,448,322	1,106,219	18,554,541
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	48,436,910	2,034,312	50,471,222
Unrestricted	16,632,017	902,526	17,534,542
Total net assets	65,068,927	2,936,838	68,005,765

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

**CHELAN COUNTY, WASHINGTON**

Statement of Activities

For the Year Ended December 31, 2007

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets - Primary Government		
	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
General government	19,779,898	254,225	32,255	(9,325,155)	-	(9,325,155)
Judicial	3,093,301	1,056,236	-	829,446	-	829,446
Public safety	16,196,980	2,059,470	-	(12,016,692)	-	(12,016,692)
Physical environment	3,921,161	6,456,692	-	2,548,905	-	2,548,905
Transportation	16,734,747	11,173	2,292,043	(10,547,202)	-	(10,547,202)
Health and human services	530,354	15,110	-	(514,749)	-	(514,749)
Economic environment	3,460,391	542,979	-	(1,178,321)	-	(1,178,321)
Culture and recreation	935,089	289,316	-	(453,056)	-	(453,056)
Interest on long-term debt	488,311	-	-	(488,311)	-	(488,311)
Total governmental activities	65,140,233	10,685,200	2,324,298	(31,145,133)	-	(31,145,133)
Business-type activities:						
Utilities	1,357,762	154,554	-	-	365,704	365,704
Public safety	7,707,781	154,728	-	-	(296,741)	(296,741)
Other	592,670	31,951	-	-	(74,061)	(74,061)
Total business-type activities	9,658,213	341,233	-	-	(5,098)	(5,098)
Total primary government	74,798,445	11,026,433	2,324,298	(31,145,133)	(5,098)	(31,150,231)
General revenues						
Taxes:						
Property				14,706,768	-	14,706,768
Sales and use				7,059,665	-	7,059,665
Motor vehicle fuel tax				2,290,340	-	2,290,340
Other taxes				7,088,030	52,306	7,140,336
Interest and investment earnings				1,586,330	30,479	1,616,810
Transfers				(70,000)	70,000	-
Total general revenues and transfers				32,661,133	152,785	32,813,918
Change in net assets				1,516,000	147,687	1,663,688
Net assets - beginning				63,552,926	2,789,150	66,342,077
Net assets - ending				65,068,927	2,936,838	68,005,765

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

# CHELAN COUNTY, WASHINGTON

Balance Sheet  
 Governmental Funds  
 December 31, 2007

	General Fund	County Roads	Juvenile Building Debt	Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	1,020,854	2,477,929	-	3,225,325	6,724,109
Deposits with fiscal agents	-	15,013	-	-	15,013
Investments	2,458,648	-	1,382,713	3,977,073	7,818,433
Accounts receivable	91,498	-	-	32,024	123,522
Taxes receivable	266,667	142,192	-	5,228	414,087
Interest receivable	22,056	-	4,645	9,640	36,341
Due from other funds	173,960	3,649	-	705,286	882,895
Due from other governments	577,538	1,275,623	-	637,426	2,490,588
Advances to other funds - restricted	-	100,000	-	-	100,000
Total assets	<u>4,611,221</u>	<u>4,014,406</u>	<u>1,387,358</u>	<u>8,592,002</u>	<u>18,604,987</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	220,649	613,756	-	234,885	1,069,290
Due to other funds	12,025	639,580	678,715	103,747	1,434,067
Interfund loans payable	-	-	-	37,500	37,500
Due to other governments	47,159	12,299	708,643	146,926	915,026
Other accrued liabilities	1,584,283	358,387	-	61,792	2,004,463
Deferred revenue	266,667	142,192	-	5,228	414,087
Total Liabilities	<u>2,130,783</u>	<u>1,766,214</u>	<u>1,387,358</u>	<u>590,078</u>	<u>5,874,433</u>
Fund balances:					
Reserved for:					
Long-term loans and advances	-	100,000	-	-	100,000
Unreserved, reported in:					
General fund	2,480,438	-	-	-	2,480,438
Special revenue funds	-	2,148,192	-	5,260,353	7,408,546
Capital projects funds	-	-	-	2,741,570	2,741,570
Total fund balances	<u>2,480,438</u>	<u>2,248,192</u>	<u>-</u>	<u>8,001,924</u>	<u>12,730,554</u>
Total liabilities and fund balances	<u>4,611,221</u>	<u>4,014,406</u>	<u>1,387,358</u>	<u>8,592,002</u>	<u>18,604,987</u>

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

## CHELAN COUNTY, WASHINGTON

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets December 31, 2007

Fund balances of governmental funds:		12,730,554
Amounts reported for the governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	95,570,668	
Depreciation	<u>(42,645,078)</u>	
Capital assets net of depreciation		52,925,590
Liabilities for earned but deferred property tax revenues are removed from governmental activities.		414,087
Long-term debt and compensated absences that have not been included in the governmental fund activity		
Bonds payable	(11,566,939)	
Compensated absences	(1,534,717)	
Leases payable	<u>(5,059)</u>	
Long-term debt		(13,106,714)
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 governmental activities in the statement of net assets.		
Assets	12,458,240	
Liabilities	<u>(352,829)</u>	
Internal service net assets		12,105,411
Net assets of governmental activities		<u><u>65,068,927</u></u>

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

# CHELAN COUNTY, WASHINGTON

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

### Governmental Funds

For the Year Ended December 31, 2007

	General Fund	County Roads	Juvenile Building Debt	Nonmajor Governmental Funds	Total
<b>REVENUES</b>					
Taxes	15,671,679	4,935,645	1,587,050	4,566,709	26,761,084
Licenses and permits	883,035	-	-	-	883,035
Intergovernmental revenues	6,632,693	6,897,034	-	4,326,171	17,855,898
Charges for services	4,431,979	462,499	-	696,812	5,591,290
Fees and fines	1,366,068	-	-	11,182	1,377,250
Miscellaneous	1,485,227	36,792	168,457	1,167,946	2,858,423
Total revenues	<u>30,470,681</u>	<u>12,331,970</u>	<u>1,755,507</u>	<u>10,768,821</u>	<u>55,326,979</u>
<b>EXPENDITURES</b>					
Current:					
General government	13,039,143	-	-	103,786	13,142,930
Security of persons and property	14,078,988	-	713,515	1,120,907	15,913,411
Utilities and environment	349,656	-	-	3,575,505	3,925,161
Transportation	-	9,625,800	-	17,643	9,643,443
Economic environment	2,035,039	-	-	1,554,368	3,589,407
Mental and physical health	455,885	-	-	99,521	555,406
Culture and recreation	544,863	-	-	187,544	732,406
Debt Service:					
Principal	-	-	915,000	592,020	1,507,020
Interest and other charges	-	-	95,834	442,717	538,550
Capital outlay	100,877	4,628,427	-	1,359,946	6,089,249
Total expenditures	<u>30,604,451</u>	<u>14,254,227</u>	<u>1,724,349</u>	<u>9,053,956</u>	<u>55,636,982</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(133,769)</u>	<u>(1,922,257)</u>	<u>31,158</u>	<u>1,714,865</u>	<u>(310,003)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	26,035	3,048	-	173	29,256
Transfers in	67,177	-	-	827,715	894,892
Transfers out	(197,000)	-	(678,715)	(89,177)	(964,892)
Proceeds from bonds issued	-	-	-	1,210,000	1,210,000
Refunding bonds issued	-	-	-	4,525,000	4,525,000
Premium (discount) on bonds issued	-	-	-	57,726	57,726
Payment to refunded bond escrow agent	-	-	(2,369,171)	(4,543,337)	(6,912,508)
Total other financing sources and uses	<u>(103,788)</u>	<u>3,048</u>	<u>(3,047,886)</u>	<u>1,988,099</u>	<u>(1,160,526)</u>
Net change in fund balances	<u>(237,557)</u>	<u>(1,919,209)</u>	<u>(3,016,727)</u>	<u>3,702,965</u>	<u>(1,470,529)</u>
Fund balances - beginning	<u>2,717,995</u>	<u>4,167,401</u>	<u>3,016,727</u>	<u>4,298,960</u>	<u>14,201,083</u>
Fund balances - ending	<u><u>2,480,438</u></u>	<u><u>2,248,192</u></u>	<u><u>-</u></u>	<u><u>8,001,924</u></u>	<u><u>12,730,554</u></u>

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

## CHELAN COUNTY, WASHINGTON

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### 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, 2007

Amounts reported for governmental activities in the statement of activities (page 21) are different because:

Net change in fund balances - total governmental funds (page 24) (1,470,529)

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.

Increases in governmental fund capital assets	5,400,286	
Decreases in governmental fund capital assets	(3,985,444)	
Increases in governmental fund depreciation expense	(2,928,208)	
Decreases in governmental fund depreciation expense	<u>2,092,095</u>	578,729

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount accounts for the change in deferred revenues in the current period. 12,192

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 assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Increases in governmental fund bonds payable	(5,735,000)	
Decreases in governmental fund bonds payable	8,322,019	
Increases in governmental fund compensated absences payable	(40,117)	
Decreases in governmental fund compensated absences payable	16,382	
Decreases in governmental fund leases payable	<u>3,372</u>	2,566,656

The net revenue of certain activities of internal service funds is reported with governmental activities. (171,048)

Change in net assets of governmental activities (page 21) 1,516,000

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

**CHELAN COUNTY, WASHINGTON**

## General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary and Actual  
For the Year Ended December 31, 2007**Variance with  
Final Budget -  
Positive  
(Negative)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	15,133,747	15,133,747	15,671,679	537,932
Licenses and permits	1,111,483	1,119,483	883,035	(236,448)
Intergovernmental revenues	6,519,532	6,782,050	6,632,693	(149,357)
Charges for services	4,182,432	4,381,132	4,431,979	50,847
Fees and fines	1,152,880	1,152,880	1,366,068	213,188
Miscellaneous	1,160,344	1,163,594	1,485,227	321,633
Total revenues	<u>29,260,418</u>	<u>29,732,886</u>	<u>30,470,681</u>	<u>737,795</u>
<b>EXPENDITURES</b>				
General government				
Assessor	1,158,291	1,153,409	1,142,913	10,496
Auditor	1,069,028	1,069,786	1,080,623	(10,837)
Board of Equalization	7,168	7,168	5,091	2,077
Clerk	1,040,593	1,043,843	1,034,848	8,995
Commissioners	651,597	680,609	681,216	(607)
Information Technology	813,655	891,859	857,648	34,211
Facilities Maintenance	1,438,599	1,494,610	1,483,561	11,049
District Court	1,082,882	1,099,674	1,067,508	32,166
Nondepartmental	1,758,577	2,528,912	2,206,877	322,036
Child Support Enforcement	398,737	398,180	382,406	15,774
Prosecuting Attorney	1,631,758	1,631,431	1,594,970	36,461
Superior Court	914,468	991,066	972,881	18,185
Treasurer	535,491	535,690	528,602	7,088
Security of persons and property				
Civil Service Commission	37,628	37,422	36,591	831
District Court Probation	388,593	388,439	385,897	2,542
Juvenile	2,685,132	2,722,188	2,652,617	69,571
Nondepartmental - law enforcement	3,562,287	3,590,735	3,563,220	27,515
Sheriff	7,274,826	7,584,359	7,440,663	143,696
Utilities and environment				
Horticulture	69,541	70,582	66,153	4,429
Nondepartmental - environment	216,237	216,237	216,787	(550)
Noxious weed	70,150	70,150	66,716	3,434
Economic environment				
Community Development	2,349,268	2,345,172	2,028,059	317,113
Coroner - welfare	2,000	2,000	1,980	20
Nondepartmental - aging	5,000	5,000	5,000	-
Mental and physical health				
Coroner	177,463	177,463	143,921	33,542
Nondepartmental - public health	311,964	311,964	311,964	-
Culture and recreation				
Extension	569,505	557,151	535,827	21,324
Nondepartmental - park	8,700	8,700	9,035	(335)
Capital outlay	7,500	72,800	100,877	(28,077)
Total expenditures	<u>30,236,638</u>	<u>31,686,599</u>	<u>30,604,451</u>	<u>1,082,148</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(976,220)</u>	<u>(1,953,713)</u>	<u>(133,769)</u>	<u>1,819,944</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	2,000	2,000	26,035	24,035
Transfers in	44,571	44,571	67,177	22,606
Transfers out	(152,000)	(152,000)	(197,000)	(45,000)
Total other financing sources and uses	<u>(105,429)</u>	<u>(105,429)</u>	<u>(103,788)</u>	<u>1,641</u>
Net change in fund balances	(1,081,649)	(2,059,142)	(237,557)	1,821,585
Fund balances - beginning	2,442,901	2,442,901	2,717,995	275,094
Fund balances - ending	<u>1,361,252</u>	<u>383,759</u>	<u>2,480,438</u>	<u>2,096,679</u>

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

**CHELAN COUNTY, WASHINGTON**

## County Roads Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	4,716,166	4,916,645	4,935,645	19,000
Intergovernmental revenues	8,385,074	8,385,074	6,897,034	(1,488,040)
Charges for services	411,300	411,300	462,499	51,199
Miscellaneous	150	150	36,792	36,642
Total revenues	<u>13,512,690</u>	<u>13,713,169</u>	<u>12,331,970</u>	<u>(1,381,199)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	9,285,146	9,285,146	9,625,800	(340,654)
Capital outlay	6,769,640	6,769,640	4,628,427	2,141,213
Total expenditures	<u>16,054,786</u>	<u>16,054,786</u>	<u>14,254,227</u>	<u>1,800,559</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,542,096)</u>	<u>(2,341,617)</u>	<u>(1,922,257)</u>	<u>419,360</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	2,000	2,000	3,048	1,048
Total other financing sources and uses	<u>2,000</u>	<u>2,000</u>	<u>3,048</u>	<u>1,048</u>
Net change in fund balances	(2,540,096)	(2,339,617)	(1,919,209)	420,408
Fund balances - beginning	<u>5,515,518</u>	<u>5,515,518</u>	<u>4,167,401</u>	<u>(1,348,117)</u>
Fund balances - ending	<u>2,975,422</u>	<u>3,175,901</u>	<u>2,248,192</u>	<u>(927,709)</u>

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

# CHELAN COUNTY, WASHINGTON

Statement of Net Assets  
 Proprietary Funds  
 December 31, 2007

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities
	Solid Waste	Regional	Nonmajor		Internal Service Funds
		Justice Center	Enterprise Funds		
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	785,637	132,846	234,310	1,152,793	3,889,560
Deposits with fiscal agents	8,427	-	-	8,427	38,800
Investments	362,783	-	262,374	625,156	608,351
Accounts receivable	43,886	198	-	44,084	11,103
Interest receivable	1,376	-	981	2,357	2,272
Due from other funds	-	-	-	-	556,502
Interfund loan receivable	-	-	-	-	37,500
Due from other governments	13,802	170,823	96,632	281,257	7,882
Inventory	-	-	-	-	222,952
Total current assets	<u>1,215,910</u>	<u>303,868</u>	<u>594,297</u>	<u>2,114,075</u>	<u>5,374,922</u>
Noncurrent assets:					
Capital assets: net of accumulated depreciation)					
Land	8,096	-	-	8,096	-
Buildings	481,817	825,026	107,822	1,414,665	41,839
Other improvements	157,378	-	-	157,378	-
Equipment	18,441	93,551	342,181	454,173	7,041,480
Total noncurrent assets	<u>665,732</u>	<u>918,577</u>	<u>450,003</u>	<u>2,034,312</u>	<u>7,083,318</u>
Total assets	<u>1,881,642</u>	<u>1,222,444</u>	<u>1,044,300</u>	<u>4,148,387</u>	<u>12,458,240</u>
<b>LIABILITIES</b>					
Liabilities:					
Current liabilities:					
Accounts payable	95,762	71,907	4,305	171,974	231,293
Due to other funds	-	3,089	2,241	5,330	-
Due to other governments	8,460	1,878	18,051	28,389	32,576
Other accrued liabilities	17,774	455,670	11,954	485,398	54,847
Total current liabilities	<u>121,997</u>	<u>532,544</u>	<u>36,550</u>	<u>691,091</u>	<u>318,716</u>
Noncurrent liabilities:					
Advances from other funds	-	-	100,000	100,000	-
Compensated absences	962	414,442	5,054	420,458	34,113
Total noncurrent liabilities	<u>962</u>	<u>414,442</u>	<u>105,054</u>	<u>520,458</u>	<u>34,113</u>
Total liabilities	<u>122,958</u>	<u>946,986</u>	<u>141,605</u>	<u>1,211,549</u>	<u>352,829</u>
<b>NET ASSETS</b>					
Invested in capital assets	665,732	918,577	450,003	2,034,312	7,083,318
Unrestricted	1,092,952	(643,118)	452,692	902,526	5,022,093
Total net assets	<u>1,758,684</u>	<u>275,458</u>	<u>902,696</u>	<u>2,936,838</u>	<u>12,105,411</u>

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

# CHELAN COUNTY, WASHINGTON

## Statement of Revenues, Expenses, and Changes in Net Assets

### Proprietary Funds

For the Year Ending December 31, 2007

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities
	Solid Waste	Regional	Nonmajor		Internal Service Fund
		Justice Center	Enterprise Funds		
<b>OPERATING REVENUES</b>					
Intergovernmental revenues	15,475	3,528,028	176,454	3,719,958	-
Charges for services	1,285,585	3,224,164	237,883	4,747,632	1,367,470
Fines & forfeits	-	20,886	-	20,886	-
Miscellaneous	68,595	641,579	518,887	1,229,061	8,647,782
Total operating revenues	<u>1,369,656</u>	<u>7,414,657</u>	<u>933,224</u>	<u>9,717,537</u>	<u>10,015,252</u>
<b>OPERATING EXPENSES</b>					
Salaries	87,262	4,447,518	207,470	4,742,250	507,267
Personnel benefits	29,903	1,688,089	92,593	1,810,585	151,426
Supplies	12,242	423,640	66,333	502,215	1,963,662
Other services & charges	813,598	450,620	376,558	1,640,776	5,912,941
Intergovernmental/interfund services and taxes	34,761	-	4,472	39,234	-
Interfund payments for services	103,215	652,463	47,534	803,212	211,616
Depreciation	19,474	45,451	55,018	119,943	1,593,995
Total operating expenses	<u>1,100,454</u>	<u>7,707,781</u>	<u>849,978</u>	<u>9,658,213</u>	<u>10,340,907</u>
Operating income (loss)	<u>269,201</u>	<u>(293,123)</u>	<u>83,246</u>	<u>59,324</u>	<u>(325,655)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Taxes	15,130	-	-	15,130	-
Gain/loss on sale of capital assets	-	(3,617)	6,851	3,233	154,606
Total nonoperating revenues (expenses)	<u>15,130</u>	<u>(3,617)</u>	<u>6,851</u>	<u>18,363</u>	<u>154,606</u>
Income (loss) before contributions and transfers	<u>284,331</u>	<u>(296,741)</u>	<u>90,097</u>	<u>77,687</u>	<u>(171,048)</u>
Transfers in	-	-	70,000	70,000	-
Change in net assets	<u>284,331</u>	<u>(296,741)</u>	<u>160,097</u>	<u>147,687</u>	<u>(171,048)</u>
Total net assets - beginning	<u>1,474,353</u>	<u>572,199</u>	<u>742,599</u>	<u>2,789,151</u>	<u>12,276,459</u>
Total net assets - ending	<u>1,758,684</u>	<u>275,458</u>	<u>902,696</u>	<u>2,936,838</u>	<u>12,105,411</u>

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

**CHELAN COUNTY, WASHINGTON**

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2007

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Regional Justice Center		Nonmajor Enterprise Funds		
	Solid Waste				
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers and users	1,399,977	7,516,202	878,118	9,794,297	9,813,383
Cash payments to suppliers	(903,657)	(1,500,189)	(475,858)	(2,879,704)	(7,801,069)
Cash payments to employees and retirees	(116,803)	(6,078,279)	(310,673)	(6,505,755)	(655,760)
Net cash provided (used) by operating activities	379,517	(62,265)	91,586	408,838	1,356,553
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	-	-	70,000	70,000	-
Tax receipts	15,130	-	-	15,130	-
Net cash provided (used) by noncapital financing activities	15,130	-	70,000	85,130	-
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>					
Proceeds from sale of equipment	-	3	6,851	6,854	176,399
Acquisition and construction of capital assets	-	-	(51,260)	(51,260)	(1,627,289)
Net cash provided (used) by capital financing activities	-	3	(44,409)	(44,406)	(1,450,890)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	1,692	-	2,061	3,753	67,619
Purchase of investments	(19,388)	-	(11,719)	(31,107)	(58,546)
Interest on investments	123	-	119	242	363
Net cash provided (used) by investing activities	(17,574)	-	(9,539)	(27,112)	9,436
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>377,073</b>	<b>(62,262)</b>	<b>107,639</b>	<b>422,449</b>	<b>(84,900)</b>
<b>Cash and cash equivalents, January 1</b>	<b>408,563</b>	<b>195,109</b>	<b>126,671</b>	<b>730,343</b>	<b>3,974,460</b>
<b>Cash and cash equivalents, December 31</b>	<b>785,637</b>	<b>132,846</b>	<b>234,310</b>	<b>1,152,793</b>	<b>3,889,560</b>

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

Operating income (loss)	269,201	(293,123)	83,246	59,324	(325,655)
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities:					
Depreciation and amortization of deferred charge	19,474	45,451	55,018	119,943	1,593,995
(Increase) decrease in accounts receivable	35,104	(198)	-	34,906	3,600
(Increase) decrease in due from other funds/gov	(4,782)	101,743	(55,107)	41,854	(205,470)
(Increase) decrease in inventory/prepaid expenses	-	-	-	-	466,839
Increase (decrease) in vouchers/contracts payable	57,716	26,448	2,706	86,870	(159,144)
Increase (decrease) in due to other funds/gov	2,441	87	16,333	18,861	(20,545)
Increase (decrease) in payables/other liabilities	1,356	38,363	(5,519)	34,201	5,861
Increase (decrease) in accrued employee leave benefits	(994)	18,965	(5,092)	12,879	(2,928)
Total adjustments	110,316	230,858	8,340	349,514	1,682,208
<b>Net cash provided (used) by operating activities</b>	<b>379,517</b>	<b>(62,265)</b>	<b>91,586</b>	<b>408,838</b>	<b>1,356,553</b>

The County is not aware of any material noncash transactions.

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

# CHELAN COUNTY, WASHINGTON

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## Statement of Fiduciary Net Assets

Fiduciary Funds

December 31, 2007

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	7,867,204
Investments	62,486,229
Deposits with fiscal agents	1,404,355
Accounts receivable	33,791
Taxes receivable	1,616,641
Interest receivable	100,150
Due from other governments	123,713
Total assets	<u>73,632,083</u>
<b>LIABILITIES</b>	
Accounts payable	736,400
Due to other governments	540
Other accrued liabilities	440,065
Custodial accounts	72,455,079
Total liabilities	<u>73,632,083</u>

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

# CHELAN COUNTY, WASHINGTON

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Notes to the Financial Statements  
December 31, 2007

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## **CHELAN COUNTY, WASHINGTON**

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Notes to the Financial Statements  
December 31, 2007

### **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 assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from the statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 and major individual enterprise 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 fund accounts for the finance, design, construction, and maintenance of Chelan County roads.
- The Juvenile Building Debt fund accumulates the funds for principal and interest on the general obligation debt that was issued to finance the construction of the new juvenile detention facility.

Chelan County reports the following major proprietary funds:

- The Solid Waste fund accounts for the operations of solid waste disposal and management.
- The Regional Justice Center fund accounts for the operation of the Chelan County regional correction facility.

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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. The principal operating revenues of Solid Waste are from charges for services and state grants, the principal operating revenues of the Expo Center are from event admission fees and off-season rentals, and the principal operating revenues from the Regional Justice Center are from Chelan County, other governments, and charges for detention services. Operating expenses for enterprise funds and 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.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as needed.

## **D. Assets, Liabilities and Equities**

### **1. Deposits and Investments**

It is the County's policy to invest all temporary cash surpluses. At December 31, 2007, the Treasurer was holding \$16,903,928 in short-term 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.

The amounts reported as cash and cash equivalents also include compensating balances maintained with certain banks in lieu of payments for services rendered. The average compensating balances maintained during 2007 were approximately \$933.333.

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.

### **2. Receivables**

Taxes receivable consist of property taxes and related interest and penalties (See Note 4). Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

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. Notes and contracts receivable consist of amounts owed on open account from private individuals or organizations for goods and services rendered.

### **3. Amounts Due to and from Other Funds and Governmental Units, Interfund Loans and Advances Receivable**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/payable" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." A separate schedule of interfund loans receivable and payable is furnished in Note 12.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

### **4. Inventories**

Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. The reserve for inventory is equal to the ending amount of inventory to indicate that a portion of the fund balance is not available for future expenditures. A comparison to market value is not considered necessary. Inventories in proprietary funds are valued by the FIFO method (which approximates the market value).

### **5. Capital Assets – See Note 5**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type columns 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, and for all categories of assets, an estimated useful life in excess of one year. 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:

<b>Assets</b>	<b>Years</b>
Buildings and structures	31.5
Land improvements	10
Machinery and equipment	3 - 10
Infrastructure	20-45

**6. 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, proprietary, and fiduciary 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 status). The County also allows 80 or 120 hours (depending on union status) 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 status) will be paid out at year-end. Upon setting an official date of retirement, an employee shall be entitled to convert all accumulated sick leave hours in excess of 720 hours to a maximum of 240 hours to annual leave during the last six months of service. Converted annual leave will not be eligible for buy back as earned annual leave. To be eligible for compensation, all such sick leave earned must be converted to and taken as annual leave prior to retirement.

**7. Other Accrued Liabilities**

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

**8. Long-term Debt – See Note 8**

**9. Deferred Revenues**

This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria have not been met.

**10. Fund Reserves and Designations**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

**1. Scope of Budget**

Annual appropriated budgets are adopted for general, special revenue, debt service, capital project, and proprietary funds on the modified accrual basis of accounting. These budgets are adopted at the fund level.

Appropriations for all budgeted funds lapse at year-end. Major capital projects are also budgeted 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. Procedures for Adopting the Original Budget**

The County's budget procedures are mandated by RCW 36.40. The steps in the budget process are as follows:

By the first Tuesday in September, the County Auditor submits a proposed budget to the County Commission. This budget is based on priorities established by the commission and estimates provided by County departments during the preceding months, and balanced with each department. The County Commission conducts public hearings on the proposed budget between November and December. The Board makes its adjustments to the proposed budget and adopts by resolution a final balanced budget no later than December 31st.

## **3. Amending the Budget**

Any revisions that alter the total expenditures of the County, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the County Commission. Transfers of appropriations were not material in relation to original appropriations.

The financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.

## **4. Excess of Expenditures Over Appropriations**

The following excess of expenditures over appropriations were not anticipated in the original 2007 budget and the expenditures occurred late in 2007 after any emergency budget appropriations could be legally made.

The ORV Educational & Enforcement fund expenditures exceeded appropriations by \$1,274. The excess expenditures were covered with its fund balance.

The Noxious Weed fund expenditures exceeded appropriations by \$22,570. This was due to closing out and transferring the balance of the special revenue fund into the General fund. The excess expenditures were covered with its fund balance.

The Forest Title III fund expenditures exceeded appropriations by \$24,595. The excess expenditures were covered with its fund balance.

The Juvenile Building Debt fund expenditures exceeded appropriations by \$3,755,832. This was due to the bond refunding that occurred during the year. The effect on the other financing sources/uses was not considered in the budget. The excess other financing uses were covered by the other financing sources.

## **5. Deficit Fund Equity**

At December 31, 2007, Emergency Management fund reported a \$46,267 deficit in its fund balance, which is a violation of state statute.

**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, 2007 the County had the following investments:

<b>Investment</b>	<b>Weighted average maturity (years) of Chelan County's own investments</b>	<b>Fair value of Chelan County's own investments</b>	<b>Fair value of investments held by Chelan County as an agent for other local governments</b>	<b>Total</b>
State investment pool	-	6,147,999	25,411,624	31,559,623
U.S. government securities	-	-	114,922	114,922
Certificate of deposit	1.0	1,233,012	12,634,845	13,867,857
Municipal money market	-	1,670,931	24,324,837	25,995,768
<b>Total</b>	<b>1.0</b>	<b>9,051,942</b>	<b>62,486,228</b>	<b>71,538,170</b>

State investment pool. The Local Government Investment Pool (LGIP) is an un-rated 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. Investments or deposits held by the LGIP are all classified as category 1 risk level investments. They are either insured or held by a third-party custody provider in the LGIP's name.

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. Credit ratings are not available for any of the County's current investments.

**NOTE 4 - PROPERTY TAXES**

The County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities.

<b>Property Tax Calendar</b>	
January 1	Taxes are levied and become an enforceable lien against properties
February 14	Tax bills are mailed
April 30	First of two equal installment payments is due
May 31	Assessed value of property established for next year's levy at 100 percent of market value
October 31	Second installment is due

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

The County may levy up to \$1.80 per \$1,000 of assessed valuation for general governmental services, subject to two limitations:

The County's regular levy for 2007 was \$1.53695 per \$1,000 on an assessed valuation of \$5,978,934,852 for a total regular levy of \$9,189,324.

The County is also authorized to levy \$2.25 per \$1,000 of assessed valuation in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the levy for general governmental services. The County's road levy for 2007 was \$1.47628 per \$1,000 on an assessed valuation of \$3,282,998,325 for a total road levy of \$4,846,625.

Washington State Constitution and Washington State law, RCW 84.55.010, limit the rate.

**NOTE 5 - CAPITAL ASSETS AND DEPRECIATION**

Capital assets activity for the year ended December 31, 2007 was as follows:

<b>Governmental Activities</b>	<b>Beginning Balance 01/01/07</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance 12/31/2007</b>
Capital assets, not being depreciated:				
Land	1,861,706	-	-	1,861,706
Other improvements	156,983	-	-	156,983
Construction in progress	1,215,288	683,465	1,048,717	850,036
Total capital assets, not being depreciated	3,233,977	683,465	1,048,717	2,868,725
Capital assets, being depreciated:				
Other improvements	1,462,803	-	-	1,462,803
Buildings and structures	41,459,525	-	-	41,459,525
Machinery and equipment	18,494,218	2,044,577	1,270,877	19,267,918
Infrastructure	45,433,652	4,410,422	2,798,167	47,045,907
Total capital assets being depreciated	106,850,199	6,454,999	4,069,044	109,236,154
Less accumulated depreciation for:				
Other improvements	227,970	141,209	-	369,178
Buildings and structures	17,981,652	735,581	-	18,717,233
Machinery and equipment	9,959,981	1,809,355	1,083,597	10,685,739
Infrastructure	22,495,896	1,836,057	2,008,133	22,323,820
Total accumulated depreciation	50,665,498	4,522,202	3,091,730	52,095,970
Total capital assets, being depreciated, net	56,184,700	1,932,797	977,313	57,140,184
Governmental activities capital assets, net	59,418,677	2,616,261	2,026,030	60,008,908

Depreciation expense was charged to functions as follows:

General government	665,580
Judicial	4,342
Public safety	143,661
Physical environment	2,234
Transportation	3,452,535
Economic environment	1,641
Culture and recreation	252,210
Total depreciation - governmental activities	4,522,202

<b>Business-Type Activities</b>	<b>Beginning Balance 01/01/07</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance 12/31/2007</b>
Capital assets, not being depreciated:				
Land	8,096	-	-	8,096
Other improvements	157,378	-	-	157,378
Total capital assets, not being depreciated	165,474	-	-	165,474
Capital assets, being depreciated:				
Buildings and structures	2,461,993	-	-	2,461,993
Machinery and equipment	967,509	51,260	36,202	982,567
Total capital assets being depreciated	3,429,502	51,260	36,202	3,444,560
Less accumulated depreciation for:				
Buildings and structures	992,223	56,407	-	1,048,629
Machinery and equipment	496,138	63,536	32,581	527,093
Total accumulated depreciation	1,488,360	119,943	32,581	1,575,722
Total capital assets, being depreciated, net	1,941,141	(68,683)	3,620	1,868,838
Business-type activities capital assets, net	2,106,615	(68,683)	3,620	2,034,312
Depreciation expense was charged to functions as follows:				
Public safety		45,451		
Utilities		59,883		
Culture and recreation		14,609		
Total depreciation - business-type activities		119,943		

## **NOTE 6 - PENSION PLANS**

Substantially all County full-time and qualifying part-time employees participate in one of the following statewide local government 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 Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained from the Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380. The following disclosures are made pursuant to GASB Statement 27, *Accounting for Pensions by State and Local Government Employers*.

### **Public Employees' Retirement System (PERS) Plans I, 2 and 3**

#### Plan Description

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

Membership in the plan includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges in a judicial retirement system); employees of legislative committees; college and university employees not participating in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

Participants who joined the system by September 30, 1977, are Plan I members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS participants joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the option of choosing membership in either PERS

Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3.

PERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The annual benefit is two percent of the average final compensation per year of service, capped at 60 percent. The average final compensation is based on the greatest compensation during any 24 eligible consecutive compensation months. Plan 1 retirements from inactive status prior to the age of 65 may receive actuarially reduced benefits. The benefit is actuarially reduced to reflect the choice of a survivor option. A cost-of living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, increased by three percent annually. Plan 1 members may also elect to receive an additional COLA amount (indexed to the Seattle Consumer Price Index), capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service, or at the age of 55 with 20 years of service, with an allowance of two percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan 2 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a three percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at three percent annually.

Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at one percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Effective June 7, 2006, 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 twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at age 65, or at age 55 with 10 years of service. Retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a three percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Employee Retirement Benefits Board.

#### *Judicial Benefit Multiplier*

Beginning January 1, 2007 through December 31, 2007, judicial members of PERS may choose to participate in the Judicial Benefit Multiplier Program (JBM). Current justices or judges in PERS Plan 1 and 2 may make a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of average financial compensation. Judges in PERS Plan 3 can elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of average compensation.

Members who choose to participate in JBM will accrue service credit at the higher multiplier beginning with the date of their election, pay higher contributions, stop contributing to the Judicial Retirement Account (JRA), and be given the option to increase the multiplier on past judicial service. Members who do not choose to participate will: continue to accrue service credit at the regular multiplier; continue to participate in JRA, if applicable; never be a participant in the JBM Program; and continue to pay contributions at the regular PERS rate.

Justices and judges who are newly elected or appointed to judicial service and choose to become PERS members on or after January 1, 2007, or who have not previously opted into PERS membership, are required to participate in the JBM Program.

Justices and judges who are newly elected or appointed to judicial service will: return to prior PERS Plan if membership had previously been established; be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member; accrue the higher multiplier for all judicial service; not contribute to JRA; and not have the option to increase the multiplier for past judicial service.

There are 1,188 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2006:

Retirees and beneficiaries receiving benefits	70,201
Terminated plan members entitled to but not yet receiving benefits	25,610
Active plan members vested	105,215
Active plan members nonvested	49,812
<b>Total</b>	<b>250,838</b>

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee’s age. As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2007 are as follows:

Members not participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	6.13%	6.13%	6.13%**
Employee	6.00%	4.15%	***

\* The employer rates include an employer administrative expense fee of 0.16%.

\*\* Plan 3 defined benefit portion only.

\*\*\* Variable from 5.0% minimum to 15.0% maximum based on rate selected by PERS 3 member.

Members participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	6.13%	6.13%	6.13%**
Employee	12.26%	10.38%	7.50%

\* The employer rates include an employer administrative expense fee of 0.16%.

\*\* Plan 3 defined benefit portion only.

\*\*\* Minimum rate.

Both Chelan County and the employees made the required contributions. The County’s required contributions for the years ended December 31 were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2007	89,867	747,826	165,908
2006	52,249	378,509	80,514
2005	35,808	220,134	33,036

## Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plans 1 and 2

### Plan Description

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members. Membership in the system includes all full-time, fully compensated, local law enforcement officers and firefighters. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003, being an exception. In addition, effective July 24, 2005, current members of PERS who are emergency medical technicians can elect to become members of LEOFF Plan 2.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature for the LEOFF Plan 2 retirement plan.

LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations. LEOFF retirement benefit provisions are established in state statute and may be amended by the State Legislature.

Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50. The benefit per year of service calculated as a percent of final average salary is as follows:

Term of Service	Percent of Final Average
20 or more years	2.0%
10 but less than 20 years	1.5%
5 but less than 10 years	1.0%

The final average salary 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. If membership was established in LEOFF after February 18, 1974, the service retirement benefit is capped at 60 percent of final average salary. A cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index).

Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of two percent of the final average salary per year of service. The final average salary is based on the highest consecutive 60 months. Plan 2 retirements prior to the age of 53 are actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. 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. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at three percent annually.

There are 383 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2006:

Retirees and beneficiaries receiving benefits	8,951
Terminated plan members entitled to but not yet receiving benefits	602
Active plan members vested	12,711
Active plan members nonvested	3,603
<b>Total</b>	<b>25,867</b>

### Funding Policy

Starting on July 1, 2000, Plan 1 employers and employees contribute zero percent as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. All employers are required to contribute at the level required by state law. The Legislature by means of a

special funding arrangement appropriated 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 requirements of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute.

The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2007, were as follows:

	LEOFF Plan 1	LEOFF Plan 2
Employer*	0.16%	5.35%
Employee	0.00%	8.64%
State	N/A	3.45%

\* The employer rates include an employer administrative expense fee of 0.16%.

Both Chelan County and the employees made the required contributions. The County's required contributions for the years ended December 31 were as follows:

	LEOFF Plan 1	LEOFF Plan 2
2007	-	183,878
2006	30	165,102
2005	134	122,388

### Public Safety Employees' Retirement System (PSERS) Plan 2

#### Plan Description

PSERS was created by the 2004 legislature and became effective July 1, 2006. PSERS is a cost-sharing multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2.

PSERS Plan 2 membership includes full-time employees of a covered employer on or before July 1, 2006, who met at least one of the PSERS eligibility criteria, and elected membership during the election period of July 1, 2006 to September 30, 2006; and those full-time employees, hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

A "covered employer" is one that participates in PSERS. Covered employers include: State of Washington agencies: Department of Corrections, Department of Natural Resources, Parks and Recreation Commission, Gambling Commission, Washington State Patrol, Liquor Control Board; Washington state counties; and Washington state cities except for Seattle, Tacoma and Spokane.

To be eligible for PSERS, 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 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PSERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 2 members are vested after the completion of five years of eligible service. PSERS Plan 2 members may retire at the age of 65 with five years of service, or at the age of 60 with at least 10 years of PSERS service credit, with an allowance of two percent of the average final compensation per year of service. The average final compensation is the monthly average of the member's 60 consecutive highest-paid service credit months, excluding any severance pay such as lump-sum payments for deferred sick leave, vacation or annual leave. Plan 2 retirees 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. There

is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at three percent annually.

There are 69 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarial valuation date for the plan of September 30, 2006:

Retirees and beneficiaries receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members vested	-
Active plan members nonvested	2,073
<b>Total</b>	<b>2,073</b>

**Funding Policy**

Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2. All employers are required to contribute at the level established by the Legislature. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.37 and 41.45 RCW.

The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2007, were as follows:

	<b>PSERS Plan 2</b>
Employer*	8.55%
Employee	6.57%

\* The employer rates include an employer administrative expense fee of 0.16%.

Both Chelan County and the employees made the required contributions. The County's required contributions for the years ended December 31 were:

	<b>PSERS Plan 2</b>
2007	71,963
2006	13,866

**NOTE 7 - RISK MANAGEMENT**

**A. Risk Pool**

Chelan County is a member of the Washington Counties Risk Pool ("Pool"). Chapter 48.62 RCW authorizes the governing body of one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed on August 18, 1988 when several counties in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and related administrative services. Thirty counties have participated in the Pool, while twenty eight counties remain as present members.

The Pool allows members to jointly purchase property and excess third-party liability insurance, to establish a plan of self-insurance, and to provide and/or obtain related services such as risk management, etc. All Pool joint self-insurance third-party liability coverages, including public officials' errors and omissions, and the property insurance program are on an "occurrence" basis. The Pool provides the following forms of group purchased insurance coverage for its members: "following form" excess liability, and property that includes vehicles, mobile equipment, EDP equipment, and equipment breakdown, etc.

Members make an annual contribution to fund the Pool. The Pool acquires third-party liability reinsurance that is subject to a "per-occurrence" self-insured retention of the greater of \$100,000 or the member-selected deductible and "following form" excess insurances from unrelated underwriters. Based upon their individual

deductible selections, members are responsible for the first \$10,000 to \$500,000 of each claim, while the Pool is responsible for the remaining self-insured retention up to \$100,000. Insurance carriers cover all losses above the (\$100,000 to \$500,000) self-insured retention to the maximum limits of each policy.

Since the Pool is a cooperative program, there is joint liability among the participating members. This contingent liability is established if a program's assets are insufficient to cover the program's liabilities. Deficits of the Pool are financed through reassessments of the responsible members. The Pool's reassessments receivable balance as of December 31, 2007 is \$260,770. Chelan County was responsible for \$69,009 of the Pool's total reassessments receivable; however, the outstanding reassessment was fully satisfied in January 2008.

The Pool also acquires member-option property insurance from unrelated underwriters that is subject to a member-selected, "per-occurrence" deductible of between \$5,000 and \$50,000. Participating members are responsible for the entire deductible amount of each claim. Insurance carriers cover all losses over the member deductibles to the maximum limits of each policy.

Each new member pays the Pool an admittance fee. This amount covers the member's share of organizational expenses and the cost of analyzing their loss data and risk profile. Members contract to remain in the Pool for a minimum of five years, and may terminate their memberships at the conclusion of any Pool fiscal year if the county timely files the required twelve months' notice. The Interlocal Governmental Agreement is renewed automatically each year after the initial 5-year period. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the interlocal governmental agreement.

The Pool is fully funded by its member participants. Claims are filed by members and handled by the Pool's claims staff. Reserves are established for both reported and unreported insured events and include estimates of the undiscounted future cash payments of losses and related claims adjustment expenses.

The Pool is governed by a board of directors which is comprised of one designated representative from each participating member. An executive committee is elected from the member-designated directors and alternate directors at the annual meeting. Also at the annual meeting, the Pool's officers (president and secretary-treasurer) are elected from the executive committee members. The officers and the executive committee are responsible for conducting the business affairs of the Pool.

## **B. Risk Management**

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.

## **NOTE 8 - 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 Juvenile Bond Debt Service fund, and REET funds. These bonds are set to mature between 2008 and 2023.

General obligation bonds currently outstanding are as follows:

<b>Purpose</b>	<b>Interest Rate</b>	<b>Amount Outstanding</b>
1998 G.O. bonds for construction on Expo Center, original issue \$2,800,000	4.0% - 4.75%	130,000
2000 G.O. bonds for acquisition, construction, and installation of certain public infrastructure improvements, original issue \$4,000,000	5.60%	460,000
2001 G.O. bonds for acquisition and installation of phone system and accounting system, original issue \$404,000	4.25%	181,939
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%	2,150,000
2003 LTGO 2003A bonds to make improvements to certain county facilities, original issue \$3,445,000	2.0% - 4.5%	2,915,000
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%	5,730,000
<b>Total</b>		<b>11,566,939</b>

The annual debt service requirements to maturity are as follows:

<b>Year Ending December 31</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2008	807,697	476,290
2009	839,512	460,225
2010	866,403	427,984
2011	898,327	393,645
2012	885,000	350,940
2013-2017	3,545,000	1,299,083
2018-2022	3,485,000	505,397
2023	240,000	10,800
<b>Total</b>	<b>11,566,939</b>	<b>3,924,364</b>

**B. Refunded Debt**

Chelan County issued \$4,525,000 of general obligation refunding bonds to provide resources to purchase U.S. Government and State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$4,385,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$444,612 and resulted in an economic gain of \$181,319.

In 2003 Chelan County defeased the 1997 LTGO bonds by placing the proceeds of new bonds 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.

**C. Defeased Debt**

During 2007, Chelan County defeased the \$2,325,000 outstanding balance of the 2003B refunding bonds by placing \$2,358,980 in trust. Accordingly, the trust account assets and the liability for defeased bonds are not included in the county's financial statements.

**NOTE 9 – CAPITAL LEASES**

The County has entered into lease agreements for financing equipment and vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The assets acquired through capital leases are as follows:

<b>Asset</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Office equipment	11,891	-
Tractor	-	22,451
Vehicles	423,609	-
Less accumulated depreciation	402,033	10,777
<b>Total</b>	<b>33,467</b>	<b>11,675</b>

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2007 were as follows:

<b>Year Ending December 31</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
2008	2,643	-
2009	2,643	-
Less interest	227	-
<b>Present value of minimum lease payments</b>	<b>5,059</b>	<b>-</b>

**NOTE 10 – CHANGES IN LONG TERM LIABILITIES**

During the year ended December 31, 2007, the following changes occurred in long-term liabilities:

	<b>Beginning Balance 01/01/07</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 12/31/07</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Bonds payable	14,153,958	5,735,000	8,322,019	11,566,939	807,697
Compensated absences	1,548,023	300,778	279,971	1,568,830	294,226
Leases payable	8,431	-	3,372	5,059	2,643
Governmental activity long-term liabilities:	15,710,411	6,035,778	8,605,362	13,140,827	1,104,566
<b>Business-Type Activities:</b>					
Compensated absences	407,579	126,180	113,301	420,458	91,418
Business-type activity long-term liabilities:	407,579	126,180	113,301	420,458	91,418

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$34,113 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general and county roads funds. The majority of the business-type activities compensated absences are liquidated by the regional justice center fund.

**NOTE 11 – 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, to be immaterial.

**NOTE 12 - 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, 2007 are as follows:

Due To	Due From						Total
	General Fund	County Roads	Juvenile Building Debt	Nonmajor Governmental Funds	Regional Justice Center	Nonmajor Enterprise Funds	
General fund	-	90,559	-	83,401	-	-	173,960
County Roads	1,568	-	-	-	-	2,081	3,649
Nonmajor governmental	8,857	-	678,715	17,713	-	-	705,286
Internal service	1,600	549,021	-	2,633	3,089	159	556,502
Total	12,025	639,580	678,715	103,747	3,089	2,241	1,439,397

**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 2007:

Borrowing Fund	Lending Fund	Interfund Loans and Advances Payable			
		1/1/2007	New Loans	Repayments	12/31/2007
Emergency Management	Equipment Rental & Revolving Fund	37,500	-	-	37,500
Natural Resources	General Fund	-	370,000	370,000	-
Fair	County Roads	100,000	-	-	100,000
	Total	137,500	370,000	370,000	137,500

**C. Interfund Transfers**

During 2007, interfund transfers were used to move unrestricted General funds to support the operations of Emergency Management and the Fairgrounds. Transfers from nonmajor governmental funds were to reimburse Superior Court law library costs, and support Ohme Gardens operations. The Noxious Weed fund was incorporated into the General fund, so its fund balance was transferred to the General fund. The Juvenile Building Debt fund transferred its remaining fund balance to a special revenue fund since the debt service was defeased.

The following table displays interfund transfers during 2007:

Transfers To	Transfers From			Total
	General	Juvenile Building Debt	Nonmajor Governmental	
General	-	-	67,177	67,177
Nonmajor governmental	147,000	678,715	2,000	827,715
Nonmajor enterprise	50,000	-	20,000	70,000
Total transfers	197,000	678,715	89,177	964,892

### **NOTE 13 – JOINT VENTURES**

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. Although Chelan County does have an equity interest in Rivercom, the agreement does not specify a method for measuring each partner's interest. During 2007, Rivercom received total revenues of \$3,287,402 and incurred total expenses of \$3,205,649 resulting in an increase in net assets of \$81,753, and ending fund balance of \$1,596,584. A copy of Rivercom's financial statements can be obtained from Rivercom at: PO Box 3344, Wenatchee, WA 98807 or (509) 662-4650.

### **NOTE 14 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS**

In addition to the pension benefits described in Note 6, the County provides health insurance benefits for retired public safety employees. Substantially all the County's LEOFF 1 employees may become eligible for these benefits if they reach normal retirement age while working for the County. These benefits are provided by the County in order to meet state statutory requirements under the LEOFF 1 system whereby the County will pay for their medical premiums for life.

There are 25 participants eligible to receive these benefits. The County's contributions are financed on a pay-as-you-go basis, i.e., the cost of retiree medical benefits is recognized as an expense as premiums and medical expenses are paid. In 2007, \$292,265 was recognized in the general fund for post employment health care.

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# CHELAN COUNTY, WASHINGTON

Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2007

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	1,985,333	1,239,992	3,225,325
Investments	2,305,827	1,671,245	3,977,073
Accounts receivable	32,024	-	32,024
Taxes receivable	5,228	-	5,228
Interest receivable	9,639	1	9,640
Due from other funds	705,286	-	705,286
Due from other governments	637,426	-	637,426
Total assets	<u>5,680,763</u>	<u>2,911,239</u>	<u>8,592,002</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	67,290	167,594	234,885
Due to other funds	103,747	-	103,747
Interfund loans payable	37,500	-	37,500
Due to other governments	144,852	2,074	146,926
Other accrued liabilities	61,792	-	61,792
Deferred revenue	5,228	-	5,228
Total liabilities	<u>420,410</u>	<u>169,668</u>	<u>590,078</u>
Fund balances:			
Unreserved, reported in nonmajor:	<u>5,260,353</u>	<u>2,741,570</u>	<u>8,001,924</u>
Total fund balances	<u>5,260,353</u>	<u>2,741,570</u>	<u>8,001,924</u>
Total liabilities and fund balances	<u>5,680,763</u>	<u>2,911,239</u>	<u>8,592,002</u>

# CHELAN COUNTY, WASHINGTON

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total
<b>REVENUES</b>			
Taxes	2,718,173	1,848,536	4,566,709
Intergovernmental	4,311,171	15,000	4,326,171
Charges for services	696,812	-	696,812
Fees and fines	11,182	-	11,182
Miscellaneous	1,113,626	54,320	1,167,946
Total revenues	<u>8,850,964</u>	<u>1,917,857</u>	<u>10,768,821</u>
<b>EXPENDITURES</b>			
Current:			
General government	103,786	-	103,786
Security of persons and property	1,120,907	-	1,120,907
Utilities and environment	3,575,505	-	3,575,505
Transportation	17,643	-	17,643
Economic environment	1,554,368	-	1,554,368
Mental and physical health	99,521	-	99,521
Culture and recreation	187,544	-	187,544
Debt service:			
Principal	400,000	192,020	592,020
Interest and other charges	312,583	130,134	442,717
Capital outlay	19,145	1,340,800	1,359,946
Total expenditures	<u>7,391,002</u>	<u>1,662,954</u>	<u>9,053,956</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,459,962</u>	<u>254,903</u>	<u>1,714,865</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	173	-	173
Transfers in	827,715	-	827,715
Transfers out	(89,177)	-	(89,177)
Proceeds from bonds issued	-	1,210,000	1,210,000
Refunding bonds issued	4,525,000	-	4,525,000
Premium (discount) on bonds issued	60,889	(3,163)	57,726
Payment to refunded bond escrow agent	(4,543,337)	-	(4,543,337)
Total other financing sources and uses	<u>781,262</u>	<u>1,206,837</u>	<u>1,988,099</u>
Net change in fund balances	<u>2,241,225</u>	<u>1,461,740</u>	<u>3,702,965</u>
Fund balances - beginning	<u>3,019,129</u>	<u>1,279,831</u>	<u>4,298,960</u>
Fund balances - ending	<u>5,260,353</u>	<u>2,741,570</u>	<u>8,001,924</u>

**CHELAN COUNTY, WASHINGTON**

Juvenile Building Debt Service Fund

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

For the Year Ended December 31, 2007

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	1,300,000	1,300,000	1,587,050	287,050
Miscellaneous	78,000	78,000	168,457	90,457
Total revenues	<u>1,378,000</u>	<u>1,378,000</u>	<u>1,755,507</u>	<u>377,507</u>
<b>EXPENDITURES</b>				
Current:				
Security of persons and property	-	-	713,515	(713,515)
Debt service:				
Principal	915,000	915,000	915,000	-
Interest and other charges	85,742	101,402	95,834	5,569
Total expenditures	<u>1,000,742</u>	<u>1,016,402</u>	<u>1,724,349</u>	<u>(707,947)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(678,715)	(678,715)
Payment to refunded bond escrow agent	-	-	(2,369,171)	(2,369,171)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(3,047,886)</u>	<u>(3,047,886)</u>
Net change in fund balances	377,258	361,598	(3,016,727)	(3,378,325)
Fund balances - beginning	2,767,500	2,767,500	3,016,727	249,227
Fund balances - ending	<u>3,144,758</u>	<u>3,129,098</u>	<u>-</u>	<u>(3,129,098)</u>

## **CHELAN COUNTY, WASHINGTON**

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### 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.

**Paths & Trails Reserve:** 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.

**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.

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

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

**Justice Assistance Grant:** accounts for this grant receipts and expenditures.

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

**Pest Control:** 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.

**Noxious Weed Control:** accounts for monies from Public Works and Current Expense for noxious weed eradication and control.

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

**Emergency Management:** accounts for the financing of coordination of emergencies within Chelan County.

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

**Law Enforcement Communications:** accounts for funds used to upgrade the law enforcement communications system in conjunction with the implementation RiverCom, the new regional dispatch agency.

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

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

**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 & Retardation:** 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.

**Community Visioning:** accounts for the donations and other revenue used to form a vision and plan jointly for the Chelan and Douglas County areas.

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

**Natural Resources Program:** accounts for the grant revenue and expenditures regarding the natural resources program.

**Regional Jail Education:** 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.

**Distressed Counties Tax:** accounts for monies collected from the sales and use tax allocated to "distressed and rural" counties.

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2007

	<b>Paths &amp; Trails</b>	<b>Drug Enforce- ment Reserve</b>	<b>Auditor O&amp;M</b>	<b>ORV Ed. &amp; Enforce- ment</b>	<b>Boating Safety</b>	<b>Ohme Gardens</b>	<b>Sheriff Donation</b>
<b>ASSETS</b>							
Cash and cash equivalents	12,837	6,000	82,466	44,688	87,413	926	13,456
Investments	24,157	13,708	199,786	-	-	43,949	-
Accounts receivable	-	-	-	-	-	-	6,000
Taxes receivable	-	-	-	-	-	-	-
Interest receivable	90	68	746	-	-	170	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	312	-	-	-	-	315
<b>Total assets</b>	<b>37,084</b>	<b>20,087</b>	<b>282,998</b>	<b>44,688</b>	<b>87,413</b>	<b>45,045</b>	<b>19,771</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	-	-	5,942	689	-	810	-
Due to other funds	-	-	-	2,162	-	50	-
Interfund loan payable	-	-	-	-	-	-	-
Due to other governments	-	-	-	23	-	293	300
Other accrued liabilities	-	-	1,454	-	-	7,323	-
Deferred revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>7,396</b>	<b>2,874</b>	<b>-</b>	<b>8,477</b>	<b>300</b>
Fund balances:							
Unreserved, undesignated	37,084	20,087	275,602	41,814	87,413	36,568	19,471
<b>Total fund balances</b>	<b>37,084</b>	<b>20,087</b>	<b>275,602</b>	<b>41,814</b>	<b>87,413</b>	<b>36,568</b>	<b>19,471</b>
<b>Total liabilities and fund balances</b>	<b>37,084</b>	<b>20,087</b>	<b>282,998</b>	<b>44,688</b>	<b>87,413</b>	<b>45,045</b>	<b>19,771</b>

Justice Assistance Grant	Farm Worker Housing	Pest Control Internship Program	R.E.E.T. Technology	Juvenile Donation	Noxious Weed Control	Trial Court Improvement	Emergency Mgmt	911 Comm.	Law Enforce. Communications
-	163,688	25,338	83,228	972	-	68,522	250	49	-
6,113	-	-	-	-	-	-	7,414	-	-
-	3,720	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
23	-	-	-	-	-	-	29	-	-
-	-	-	-	-	-	-	-	-	-
-	38,284	-	-	-	-	-	1,131	-	-
6,135	205,692	25,338	83,228	972	-	68,522	8,824	49	-
-	245	-	-	-	-	-	4,360	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	37,500	-	-
-	959	-	-	-	-	-	228	-	-
-	4,196	-	-	-	-	-	13,002	-	-
-	-	-	-	-	-	-	-	-	-
-	5,400	-	-	-	-	-	55,090	-	-
6,135	200,292	25,338	83,228	972	-	68,522	(46,267)	49	-
6,135	200,292	25,338	83,228	972	-	68,522	(46,267)	49	-
6,135	205,692	25,338	83,228	972	-	68,522	8,824	49	-

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2007

	Parent Education	Cashmere Dryden Airport	Law Library	Veterans Relief	Mental Health	Comm. Services and Housing	Treasurer O&M
<b>ASSETS</b>							
Cash and cash equivalents	29,071	2,733	78,827	47,938	1,014	95,637	9,703
Investments	-	24,225	-	25,798	-	-	123,460
Accounts receivable	-	-	-	-	-	-	-
Taxes receivable	-	-	774	1,779	2,675	-	-
Interest receivable	-	91	-	96	-	-	340
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
<b>Total assets</b>	<b>29,071</b>	<b>27,049</b>	<b>79,601</b>	<b>75,611</b>	<b>3,689</b>	<b>95,637</b>	<b>133,502</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	308	512	4	1,494	1,014	-	-
Due to other funds	-	-	-	-	-	-	-
Interfund loan payable	-	-	-	-	-	-	-
Due to other governments	1,265	115	-	-	-	17,086	-
Other accrued liabilities	438	543	-	-	-	-	-
Deferred revenue	-	-	774	1,779	2,675	-	-
<b>Total liabilities</b>	<b>2,012</b>	<b>1,170</b>	<b>778</b>	<b>3,273</b>	<b>3,689</b>	<b>17,086</b>	<b>-</b>
Fund balances:							
Unreserved, undesignated	27,059	25,879	78,823	72,338	-	78,551	133,502
<b>Total fund balances</b>	<b>27,059</b>	<b>25,879</b>	<b>78,823</b>	<b>72,338</b>	<b>-</b>	<b>78,551</b>	<b>133,502</b>
<b>Total liabilities and fund balances</b>	<b>29,071</b>	<b>27,049</b>	<b>79,601</b>	<b>75,611</b>	<b>3,689</b>	<b>95,637</b>	<b>133,502</b>

<b>Tourist &amp; Convention</b>	<b>Community Visioning</b>	<b>Election Reserve</b>	<b>Natural Resources Program</b>	<b>Regional Jail Education</b>	<b>Forest Title III</b>	<b>Criminal Justice Sales Tax</b>	<b>Distressed Counties Tax</b>	<b>Total</b>
621,479	-	-	87,846	1,000	420,253	-	-	1,985,333
7,630	-	64,683	-	1,102	-	-	1,763,801	2,305,827
-	-	-	22,304	-	-	-	-	32,024
-	-	-	-	-	-	-	-	5,228
28	-	242	-	4	-	-	7,712	9,639
-	-	-	26,571	-	-	678,715	-	705,286
-	-	23,786	573,599	-	-	-	-	637,426
<b>629,138</b>	<b>-</b>	<b>88,711</b>	<b>710,319</b>	<b>2,106</b>	<b>420,253</b>	<b>678,715</b>	<b>1,771,513</b>	<b>5,680,763</b>
14,610	-	-	37,302	-	-	-	-	67,290
-	-	16,206	420	-	84,909	-	-	103,747
-	-	-	-	-	-	-	-	37,500
110,500	-	-	14,082	-	-	-	-	144,852
-	-	-	34,836	-	-	-	-	61,792
-	-	-	-	-	-	-	-	5,228
<b>125,110</b>	<b>-</b>	<b>16,206</b>	<b>86,640</b>	<b>-</b>	<b>84,909</b>	<b>-</b>	<b>-</b>	<b>420,410</b>
504,028	-	72,506	623,679	2,106	335,344	678,715	1,771,513	5,260,353
504,028	-	72,506	623,679	2,106	335,344	678,715	1,771,513	5,260,353
<b>629,138</b>	<b>-</b>	<b>88,711</b>	<b>710,319</b>	<b>2,106</b>	<b>420,253</b>	<b>678,715</b>	<b>1,771,513</b>	<b>5,680,763</b>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2007

	<b>Paths &amp; Trails</b>	<b>Drug Enforce- ment Reserve</b>	<b>Auditor O&amp;M</b>	<b>ORV Ed. &amp; Enforce- ment</b>	<b>Boating Safety</b>	<b>Ohme Gardens</b>	<b>Sheriff Donation</b>
<b>REVENUES</b>							
Taxes	-	-	-	-	-	-	-
Intergovernmental	11,452	-	79,781	189,356	58,363	-	-
Charges for services	-	-	55,020	-	357	131,540	-
Fees and fines	-	11,182	-	-	-	-	-
Miscellaneous	1,163	6,843	7,828	-	52,126	21,512	7,622
Total revenues	<u>12,615</u>	<u>18,024</u>	<u>142,629</u>	<u>189,356</u>	<u>110,846</u>	<u>153,052</u>	<u>7,622</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	46,205	-	-	-	-
Security of persons and property	-	1,640	-	168,458	50,916	-	7,619
Utilities and environment	-	-	-	-	-	-	-
Transportation	84	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Mental and physical health	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	153,219	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital outlay							
Total expenditures	<u>84</u>	<u>1,640</u>	<u>46,205</u>	<u>168,458</u>	<u>50,916</u>	<u>153,219</u>	<u>7,619</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,531</u>	<u>16,385</u>	<u>96,424</u>	<u>20,898</u>	<u>59,930</u>	<u>(167)</u>	<u>3</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of capital assets	-	173	-	-	-	-	-
Transfers in	-	-	-	-	-	2,000	-
Transfers out	-	(25,000)	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>(24,827)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
Net change in fund balances	<u>12,531</u>	<u>(8,443)</u>	<u>96,424</u>	<u>20,898</u>	<u>59,930</u>	<u>1,833</u>	<u>3</u>
Fund balances - beginning	<u>24,553</u>	<u>28,530</u>	<u>179,179</u>	<u>20,916</u>	<u>27,483</u>	<u>34,736</u>	<u>19,468</u>
Fund balances - ending	<u>37,084</u>	<u>20,087</u>	<u>275,602</u>	<u>41,814</u>	<u>87,413</u>	<u>36,568</u>	<u>19,471</u>

Justice Assist- ance Grant	Farm Worker Housing	Pest Control Internship Program	R.E.E.T. Tech- nology	Juvenile Donation	Noxious Weed Control	Trial Court Improve- ment	Emer- gency Mgmt	911 Comm.	Law Enforce. Communi- cations
-	-	-	-	-	-	-	-	499,851	-
3,382	346,114	14,296	32,255	-	-	46,657	33,225	127,929	-
-	-	-	-	-	-	-	19,343	-	-
-	-	-	-	-	-	-	-	-	-
234	79,488	12,450	-	-	-	-	4,123	963	-
<u>3,616</u>	<u>425,602</u>	<u>26,746</u>	<u>32,255</u>	<u>-</u>	<u>-</u>	<u>46,657</u>	<u>56,691</u>	<u>628,743</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	246,760	644,016	-
-	-	7,232	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	331,046	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>-</u>	<u>331,046</u>	<u>7,232</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>246,760</u>	<u>644,016</u>	<u>-</u>
<u>3,616</u>	<u>94,556</u>	<u>19,514</u>	<u>32,255</u>	<u>-</u>	<u>-</u>	<u>46,657</u>	<u>(190,069)</u>	<u>(15,274)</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	147,000	-	-
-	-	-	-	-	(22,570)	-	-	-	(36)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,570)</u>	<u>-</u>	<u>147,000</u>	<u>-</u>	<u>(36)</u>
<u>3,616</u>	<u>94,556</u>	<u>19,514</u>	<u>32,255</u>	<u>-</u>	<u>(22,570)</u>	<u>46,657</u>	<u>(43,069)</u>	<u>(15,274)</u>	<u>(36)</u>
<u>2,519</u>	<u>105,736</u>	<u>5,824</u>	<u>50,973</u>	<u>972</u>	<u>22,570</u>	<u>21,865</u>	<u>(3,198)</u>	<u>15,323</u>	<u>36</u>
<u>6,135</u>	<u>200,292</u>	<u>25,338</u>	<u>83,228</u>	<u>972</u>	<u>-</u>	<u>68,522</u>	<u>(46,267)</u>	<u>49</u>	<u>-</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2007

	Parent Educ.	Cashmere Dryden Airport	Law Library	Veterans Relief	Mental Health	Comm. Services and Housing	Treas- urer's O&M
<b>REVENUES</b>							
Taxes	-	-	28,829	67,878	99,521	-	-
Intergovernmental revenues	15,070	2,042	-	-	-	169,364	-
Charges for services	11,025	-	33,113	-	-	299,788	3,277
Fees and fines	-	-	-	-	-	-	-
Miscellaneous	17,276	20,674	-	1,242	-	-	3,114
Total revenues	<u>43,371</u>	<u>22,717</u>	<u>61,942</u>	<u>69,120</u>	<u>99,521</u>	<u>469,153</u>	<u>6,390</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	24,795	-	-	-	2,528
Security of persons and property	-	-	-	-	-	-	-
Utilities and environment	-	-	-	-	-	-	-
Transportation	-	17,559	-	-	-	-	-
Economic environment	-	-	-	35,051	-	487,124	-
Mental and physical health	-	-	-	-	99,521	-	-
Culture and recreation	34,325	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>34,325</u>	<u>17,559</u>	<u>24,795</u>	<u>35,051</u>	<u>99,521</u>	<u>487,124</u>	<u>2,528</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,046</u>	<u>5,158</u>	<u>37,147</u>	<u>34,069</u>	<u>-</u>	<u>(17,971)</u>	<u>3,863</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(19,571)	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-
Payment to refunded bond escrow agen	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(19,571)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>9,046</u>	<u>5,158</u>	<u>17,576</u>	<u>34,069</u>	<u>-</u>	<u>(17,971)</u>	<u>3,863</u>
Fund balances - beginning	<u>18,013</u>	<u>20,720</u>	<u>61,247</u>	<u>38,269</u>	<u>-</u>	<u>96,523</u>	<u>129,640</u>
Fund balances - ending	<u>27,059</u>	<u>25,879</u>	<u>78,823</u>	<u>72,338</u>	<u>-</u>	<u>78,551</u>	<u>133,502</u>

<u>Tourist &amp; Convention</u>	<u>Community Visioning</u>	<u>Election Reserve</u>	<u>Natural Resources Program</u>	<u>Regional Jail Education</u>	<u>Forest Title III</u>	<u>Criminal Justice Sales Tax</u>	<u>Distressed Counties Tax</u>	<u>Total</u>
702,974	-	-	-	-	-	-	1,319,120	2,718,173
-	-	6,532	2,368,741	-	806,611	-	-	4,311,171
-	-	23,835	119,515	-	-	-	-	696,812
-	-	-	-	-	-	-	-	11,182
367	-	2,238	794,327	104	-	-	79,931	1,113,626
<u>703,342</u>	<u>-</u>	<u>32,605</u>	<u>3,282,583</u>	<u>104</u>	<u>806,611</u>	<u>-</u>	<u>1,399,051</u>	<u>8,850,964</u>
-	-	30,258	-	-	-	-	-	103,786
-	-	-	-	1,497	-	-	-	1,120,907
-	-	-	3,167,513	-	400,760	-	-	3,575,505
-	-	-	-	-	-	-	-	17,643
491,296	10,530	-	-	-	-	-	199,320	1,554,368
-	-	-	-	-	-	-	-	99,521
-	-	-	-	-	-	-	-	187,544
-	-	-	-	-	-	-	400,000	400,000
-	-	-	1,481	-	-	-	311,102	312,583
-	-	14,811	4,334	-	-	-	-	19,145
<u>491,296</u>	<u>10,530</u>	<u>45,070</u>	<u>3,173,328</u>	<u>1,497</u>	<u>400,760</u>	<u>-</u>	<u>910,422</u>	<u>7,391,002</u>
<u>212,045</u>	<u>(10,530)</u>	<u>(12,465)</u>	<u>109,255</u>	<u>(1,393)</u>	<u>405,851</u>	<u>-</u>	<u>488,629</u>	<u>1,459,962</u>
-	-	-	-	-	-	-	-	173
-	-	-	-	-	-	678,715	-	827,715
(22,000)	-	-	-	-	-	-	-	(89,177)
-	-	-	-	-	-	-	4,525,000	4,525,000
-	-	-	-	-	-	-	60,889	60,889
-	-	-	-	-	-	-	(4,543,337)	(4,543,337)
<u>(22,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>678,715</u>	<u>42,552</u>	<u>781,262</u>
<u>190,045</u>	<u>(10,530)</u>	<u>(12,465)</u>	<u>109,255</u>	<u>(1,393)</u>	<u>405,851</u>	<u>678,715</u>	<u>531,181</u>	<u>2,241,225</u>
<u>313,983</u>	<u>10,530</u>	<u>84,970</u>	<u>514,424</u>	<u>3,500</u>	<u>(70,507)</u>	<u>-</u>	<u>1,240,333</u>	<u>3,019,129</u>
<u>504,028</u>	<u>-</u>	<u>72,506</u>	<u>623,679</u>	<u>2,106</u>	<u>335,344</u>	<u>678,715</u>	<u>1,771,513</u>	<u>5,260,353</u>

# CHELAN COUNTY, WASHINGTON

## Paths & Trails Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	10,746	11,452	706
Miscellaneous	302	1,163	861
Total revenues	<u>11,048</u>	<u>12,615</u>	<u>1,567</u>
<b>EXPENDITURES</b>			
Current:			
Transportation	33,642	84	33,558
Total expenditures	<u>33,642</u>	<u>84</u>	<u>33,558</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,594)</u>	<u>12,531</u>	<u>35,125</u>
Fund balances - beginning	<u>33,558</u>	<u>24,553</u>	<u>(9,005)</u>
Fund balances - ending	<u><u>10,964</u></u>	<u><u>37,084</u></u>	<u><u>26,120</u></u>

# CHELAN COUNTY, WASHINGTON

## Drug Enforcement Reserve Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Fees and fines	4,000	11,182	7,182
Miscellaneous	13,750	6,843	(6,907)
Total revenues	<u>17,750</u>	<u>18,024</u>	<u>274</u>
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	15,208	1,640	13,568
Total expenditures	<u>15,208</u>	<u>1,640</u>	<u>13,568</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,542</u>	<u>16,385</u>	<u>13,843</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	1,500	173	(1,327)
Transfers out	(25,000)	(25,000)	-
Total other financing sources and uses	<u>(23,500)</u>	<u>(24,827)</u>	<u>(1,327)</u>
Net change in fund balances	<u>(20,958)</u>	<u>(8,443)</u>	<u>12,515</u>
Fund balances - beginning	<u>23,983</u>	<u>28,530</u>	<u>4,547</u>
Fund balances - ending	<u>3,025</u>	<u>20,087</u>	<u>17,062</u>

# CHELAN COUNTY, WASHINGTON

Auditor's O&M Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	75,000	79,781	4,781
Charges for services	49,300	55,020	5,720
Miscellaneous	4,500	7,828	3,328
Total revenues	<u>128,800</u>	<u>142,629</u>	<u>13,829</u>
<b>EXPENDITURES</b>			
Current:			
General government	72,063	46,205	25,858
Capital outlay	230,000	-	230,000
Total expenditures	<u>302,063</u>	<u>46,205</u>	<u>255,858</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(173,263)</u>	<u>96,424</u>	<u>269,687</u>
Fund balances - beginning	<u>180,000</u>	<u>179,179</u>	<u>(822)</u>
Fund balances - ending	<u><u>6,737</u></u>	<u><u>275,602</u></u>	<u><u>268,865</u></u>

# CHELAN COUNTY, WASHINGTON

## ORV Educational & Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	142,010	189,356	47,346
Total revenues	<u>142,010</u>	<u>189,356</u>	<u>47,346</u>
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	167,184	168,458	(1,274)
Capital outlay	-	-	-
Total expenditures	<u>167,184</u>	<u>168,458</u>	<u>(1,274)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,174)</u>	<u>20,898</u>	<u>46,072</u>
Fund balances - beginning	<u>26,833</u>	<u>20,916</u>	<u>(5,917)</u>
Fund balances - ending	<u><u>1,659</u></u>	<u><u>41,814</u></u>	<u><u>40,155</u></u>

# CHELAN COUNTY, WASHINGTON

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## Boating Safety Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	46,000	58,363	12,363
Charges for services	23,000	357	(22,643)
Miscellaneous	-	52,126	52,126
Total revenues	<u>69,000</u>	<u>110,846</u>	<u>41,846</u>
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	68,685	50,916	17,769
Total expenditures	<u>68,685</u>	<u>50,916</u>	<u>17,769</u>
Excess (deficiency) of revenues over (under) expenditures	<u>315</u>	<u>59,930</u>	<u>59,615</u>
Fund balances - beginning	<u>16,057</u>	<u>27,483</u>	<u>11,426</u>
Fund balances - ending	<u><u>16,372</u></u>	<u><u>87,413</u></u>	<u><u>71,041</u></u>

# CHELAN COUNTY, WASHINGTON

## Ohme Gardens Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for services	126,000	131,540	5,540
Miscellaneous	26,940	21,512	(5,428)
Total revenues	<u>152,940</u>	<u>153,052</u>	<u>112</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	211,296	153,219	58,077
Total expenditures	<u>211,296</u>	<u>153,219</u>	<u>58,077</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(58,356)</u>	<u>(167)</u>	<u>58,189</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,040	2,000	(40)
Total other financing sources and uses	<u>2,040</u>	<u>2,000</u>	<u>(40)</u>
Net change in fund balances	<u>(56,316)</u>	<u>1,833</u>	<u>58,149</u>
Fund balances - beginning	<u>123,351</u>	<u>34,736</u>	<u>(88,616)</u>
Fund balances - ending	<u>67,035</u>	<u>36,568</u>	<u>(30,467)</u>

# CHELAN COUNTY, WASHINGTON

Sheriff Donation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Miscellaneous	3,140	7,622	4,482
Total revenues	3,140	7,622	4,482
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	9,205	7,619	1,586
Total expenditures	9,205	7,619	1,586
Excess (deficiency) of revenues over (under) expenditures	(6,065)	3	6,068
Fund balances - beginning	6,722	19,468	12,746
Fund balances - ending	657	19,471	18,814

# CHELAN COUNTY, WASHINGTON

Justice Assistance Grant Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	4,383	3,382	(1,001)
Miscellaneous	-	234	234
Total revenues	<u>4,383</u>	<u>3,616</u>	<u>(767)</u>
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	7,296	-	7,296
Total expenditures	<u>7,296</u>	<u>-</u>	<u>7,296</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,913)</u>	<u>3,616</u>	<u>6,529</u>
Fund balances - beginning	3,008	2,519	(489)
Fund balances - ending	<u>95</u>	<u>6,135</u>	<u>6,040</u>

# CHELAN COUNTY, WASHINGTON

## Farm Worker Housing Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	269,708	346,114	76,406
Miscellaneous	72,993	79,488	6,495
Total revenues	<u>342,701</u>	<u>425,602</u>	<u>82,901</u>
<b>EXPENDITURES</b>			
Current:			
Economic environment	347,125	331,046	16,079
Total expenditures	<u>347,125</u>	<u>331,046</u>	<u>16,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,424)</u>	<u>94,556</u>	<u>98,980</u>
Fund balances - beginning	109,256	105,736	(3,520)
Fund balances - ending	<u>104,832</u>	<u>200,292</u>	<u>95,460</u>

# CHELAN COUNTY, WASHINGTON

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## Pest Control Internship Program Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenue	-	14,296	14,296
Miscellaneous	13,788	12,450	(1,338)
Total revenues	<u>13,788</u>	<u>26,746</u>	<u>12,958</u>
<b>EXPENDITURES</b>			
Current:			
Utilities and environment	13,818	7,232	6,586
Total expenditures	<u>13,818</u>	<u>7,232</u>	<u>6,586</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30)</u>	<u>19,514</u>	<u>19,544</u>
Fund balances - beginning	<u>6,122</u>	<u>5,824</u>	<u>(298)</u>
Fund balances - ending	<u><u>6,092</u></u>	<u><u>25,338</u></u>	<u><u>19,246</u></u>

# CHELAN COUNTY, WASHINGTON

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## REET Technology Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	36,200	-	(36,200)
Intergovernmental revenues	-	32,255	32,255
Total revenues	<u>36,200</u>	<u>32,255</u>	<u>(3,945)</u>
<b>EXPENDITURES</b>			
Capital outlay	36,200	-	36,200
Total expenditures	<u>36,200</u>	<u>-</u>	<u>36,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>32,255</u>	<u>32,255</u>
Fund balances - beginning	<u>64,200</u>	<u>50,973</u>	<u>(13,227)</u>
Fund balances - ending	<u><u>64,200</u></u>	<u><u>83,228</u></u>	<u><u>19,028</u></u>

**CHELAN COUNTY, WASHINGTON**

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Juvenile Donation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Total revenues	-	-	-
<b>EXPENDITURES</b>			
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Fund balances - beginning	-	972	972
Fund balances - ending	-	972	972

**CHELAN COUNTY, WASHINGTON**

Noxious Weed Control Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Total revenues	-	-	-
<b>EXPENDITURES</b>			
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	(22,570)	(22,570)
Total other financing sources and uses	-	(22,570)	(22,570)
Net change in fund balances	-	(22,570)	(22,570)
Fund balances - beginning	-	22,570	22,570
Fund balances - ending	-	-	-

# CHELAN COUNTY, WASHINGTON

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Trial Court Improvement Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	30,849	46,657	15,808
Total revenues	<u>30,849</u>	<u>46,657</u>	<u>15,808</u>
<b>EXPENDITURES</b>			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,849</u>	<u>46,657</u>	<u>15,808</u>
Fund balances - beginning	5,849	21,865	16,016
Fund balances - ending	<u>36,698</u>	<u>68,522</u>	<u>31,824</u>

# CHELAN COUNTY, WASHINGTON

## Emergency Management Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	120,320	33,225	(87,095)
Charges for services	4,342	19,343	15,001
Miscellaneous	-	4,123	4,123
Total revenues	<u>124,662</u>	<u>56,691</u>	<u>(67,971)</u>
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	<u>301,597</u>	<u>246,760</u>	<u>54,837</u>
Total expenditures	<u>301,597</u>	<u>246,760</u>	<u>54,837</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(176,935)</u>	<u>(190,069)</u>	<u>(13,134)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>147,000</u>	<u>147,000</u>	<u>-</u>
Total other financing sources and uses	<u>147,000</u>	<u>147,000</u>	<u>-</u>
Net change in fund balances	<u>(29,935)</u>	<u>(43,069)</u>	<u>(13,134)</u>
Fund balances - beginning	<u>32,946</u>	<u>(3,198)</u>	<u>(36,144)</u>
Fund balances - ending	<u>3,011</u>	<u>(46,267)</u>	<u>(49,278)</u>

# CHELAN COUNTY, WASHINGTON

## 911 Communications Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	346,000	499,851	153,851
Intergovernmental revenues	149,000	127,929	(21,071)
Miscellaneous	-	963	963
Total revenues	<u>495,000</u>	<u>628,743</u>	<u>133,743</u>
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	720,000	644,016	75,984
Total expenditures	<u>720,000</u>	<u>644,016</u>	<u>75,984</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(225,000)</u>	<u>(15,274)</u>	<u>209,726</u>
Fund balances - beginning	-	15,323	15,323
Fund balances - ending	<u>(225,000)</u>	<u>49</u>	<u>225,049</u>

**CHELAN COUNTY, WASHINGTON**

Law Enforcement Communications Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Total revenues	-	-	-
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	1,285	-	1,285
Total expenditures	1,285	-	1,285
Excess (deficiency) of revenues over (under) expenditures	(1,285)	-	1,285
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	(36)	(36)
Total other financing sources and uses	-	(36)	(36)
Net change in fund balances	(1,285)	(36)	1,249
Fund balances - beginning	1,285	36	(1,249)
Fund balances - ending	-	-	-

# CHELAN COUNTY, WASHINGTON

## Parent Education Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	17,000	15,070	(1,930)
Charges for services	20,150	11,025	(9,125)
Miscellaneous	26,000	17,276	(8,724)
Total revenues	<u>63,150</u>	<u>43,371</u>	<u>(19,779)</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	63,299	34,325	28,974
Total expenditures	<u>63,299</u>	<u>34,325</u>	<u>28,974</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(149)</u>	<u>9,046</u>	<u>9,195</u>
Fund balances - beginning	<u>12,536</u>	<u>18,013</u>	<u>5,477</u>
Fund balances - ending	<u><u>12,387</u></u>	<u><u>27,059</u></u>	<u><u>14,672</u></u>

## CHELAN COUNTY, WASHINGTON

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Cashmere-Dryden Airport Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	-	2,042	2,042
Miscellaneous	21,026	20,674	(352)
Total revenues	<u>21,026</u>	<u>22,717</u>	<u>1,691</u>
<b>EXPENDITURES</b>			
Current:			
Transportation	28,593	17,559	11,035
Total expenditures	<u>28,593</u>	<u>17,559</u>	<u>11,035</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,567)</u>	<u>5,158</u>	<u>12,725</u>
Fund balances - beginning	9,200	20,720	11,520
Fund balances - ending	<u>1,633</u>	<u>25,879</u>	<u>24,246</u>

**CHELAN COUNTY, WASHINGTON**

Law Library Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	28,609	28,829	220
Charges for services	28,500	33,113	4,613
Total revenues	<u>57,109</u>	<u>61,942</u>	<u>4,833</u>
<b>EXPENDITURES</b>			
Current:			
General government	25,108	24,795	313
Total expenditures	<u>25,108</u>	<u>24,795</u>	<u>313</u>
Excess (deficiency) of revenues over (under) expenditures	<u>32,001</u>	<u>37,147</u>	<u>5,146</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(19,571)	(19,571)	-
Total other financing sources and uses	<u>(19,571)</u>	<u>(19,571)</u>	<u>-</u>
Net change in fund balances	<u>12,430</u>	<u>17,576</u>	<u>5,146</u>
Fund balances - beginning	<u>70,000</u>	<u>61,247</u>	<u>(8,753)</u>
Fund balances - ending	<u>82,430</u>	<u>78,823</u>	<u>(3,607)</u>

# CHELAN COUNTY, WASHINGTON

Veteran's Relief Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	64,081	67,878	3,797
Miscellaneous	1,800	1,242	(558)
Total revenues	<u>65,881</u>	<u>69,120</u>	<u>3,239</u>
<b>EXPENDITURES</b>			
Current:			
Economic environment	50,433	35,051	15,382
Total expenditures	<u>50,433</u>	<u>35,051</u>	<u>15,382</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,448</u>	<u>34,069</u>	<u>18,621</u>
Fund balances - beginning	<u>37,968</u>	<u>38,269</u>	<u>301</u>
Fund balances - ending	<u><u>53,416</u></u>	<u><u>72,338</u></u>	<u><u>18,922</u></u>

# CHELAN COUNTY, WASHINGTON

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## Mental Health & Retardation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	99,105	99,521	416
Total revenues	99,105	99,521	416
<b>EXPENDITURES</b>			
Current:			
Mental and physical health	101,026	99,521	1,505
Total expenditures	101,026	99,521	1,505
Excess (deficiency) of revenues over (under) expenditures	(1,921)	-	1,921
Fund balances - beginning	1,921	-	(1,921)
Fund balances - ending	-	-	-

## CHELAN COUNTY, WASHINGTON

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### Community Services & Housing Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	300,000	169,364	(130,636)
Charges for services	288,700	299,788	11,088
Total revenues	<u>588,700</u>	<u>469,153</u>	<u>(119,547)</u>
<b>EXPENDITURES</b>			
Current:			
Economic environment	648,700	487,124	161,576
Total expenditures	<u>648,700</u>	<u>487,124</u>	<u>161,576</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,000)</u>	<u>(17,971)</u>	<u>42,029</u>
Fund balances - beginning	<u>60,000</u>	<u>96,523</u>	<u>36,523</u>
Fund balances - ending	<u><u>-</u></u>	<u><u>78,551</u></u>	<u><u>78,551</u></u>

# CHELAN COUNTY, WASHINGTON

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## Treasurer's O&M Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for services	12,089	3,277	(8,812)
Miscellaneous	3,000	3,114	114
Total revenues	<u>15,089</u>	<u>6,390</u>	<u>(8,699)</u>
<b>EXPENDITURES</b>			
Current:			
General government	15,063	2,528	12,535
Total expenditures	<u>15,063</u>	<u>2,528</u>	<u>12,535</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26</u>	<u>3,863</u>	<u>3,837</u>
Fund balances - beginning	<u>115,000</u>	<u>129,640</u>	<u>14,640</u>
Fund balances - ending	<u><u>115,026</u></u>	<u><u>133,502</u></u>	<u><u>18,476</u></u>

# CHELAN COUNTY, WASHINGTON

## Tourist & Convention Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	560,000	702,974	142,974
Miscellaneous	500	367	(133)
Total revenues	<u>560,500</u>	<u>703,342</u>	<u>142,842</u>
<b>EXPENDITURES</b>			
Current:			
Economic environment	<u>526,191</u>	<u>491,296</u>	<u>34,895</u>
Total expenditures	<u>526,191</u>	<u>491,296</u>	<u>34,895</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,309</u>	<u>212,045</u>	<u>177,736</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(12,000)</u>	<u>(22,000)</u>	<u>(10,000)</u>
Total other financing sources and uses	<u>(12,000)</u>	<u>(22,000)</u>	<u>(10,000)</u>
Net change in fund balances	<u>22,309</u>	<u>190,045</u>	<u>167,736</u>
Fund balances - beginning	<u>10,000</u>	<u>313,983</u>	<u>303,983</u>
Fund balances - ending	<u>32,309</u>	<u>504,028</u>	<u>471,719</u>

**CHELAN COUNTY, WASHINGTON**

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Community Visioning Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
Economic environment	<u>10,530</u>	<u>10,530</u>	<u>0</u>
Total expenditures	<u>10,530</u>	<u>10,530</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,530)</u>	<u>(10,530)</u>	<u>0</u>
Fund balances - beginning	<u>10,530</u>	<u>10,530</u>	<u>(0)</u>
Fund balances - ending	<u>-</u>	<u>-</u>	<u>-</u>

# CHELAN COUNTY, WASHINGTON

## Election Reserve Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenue	200,000	6,532	(193,468)
Charges for services	9,500	23,835	14,335
Miscellaneous	3,000	2,238	(762)
Total revenues	<u>212,500</u>	<u>32,605</u>	<u>(179,895)</u>
<b>EXPENDITURES</b>			
Current:			
General government	10,096	30,258	(20,162)
Capital outlay	225,000	14,811	210,189
Total expenditures	<u>235,096</u>	<u>45,070</u>	<u>190,026</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,596)</u>	<u>(12,465)</u>	<u>10,131</u>
Fund balances - beginning	<u>90,000</u>	<u>84,970</u>	<u>(5,030)</u>
Fund balances - ending	<u><u>67,404</u></u>	<u><u>72,506</u></u>	<u><u>5,102</u></u>

# CHELAN COUNTY, WASHINGTON

## Natural Resources Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	2,166,110	2,368,741	202,631
Charges for services	80,000	119,515	39,515
Miscellaneous	1,318,081	794,327	(523,754)
Total revenues	<u>3,564,191</u>	<u>3,282,583</u>	<u>(281,608)</u>
<b>EXPENDITURES</b>			
Current:			
Utilities and environment	3,668,248	3,167,513	500,735
Debt service			
Interest and other charges	-	1,481	(1,481)
Capital outlay	-	4,334	(4,334)
Total expenditures	<u>3,668,248</u>	<u>3,173,328</u>	<u>494,920</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(104,057)</u>	<u>109,255</u>	<u>213,312</u>
Fund balances - beginning	<u>571,742</u>	<u>514,424</u>	<u>(57,318)</u>
Fund balances - ending	<u><u>467,685</u></u>	<u><u>623,679</u></u>	<u><u>155,994</u></u>

# CHELAN COUNTY, WASHINGTON

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Regional Jail Education Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Miscellaneous	10	104	94
Total revenues	<u>10</u>	<u>104</u>	<u>94</u>
<b>EXPENDITURES</b>			
Current:			
Security of persons and property	3,000	1,497	1,503
Total expenditures	<u>3,000</u>	<u>1,497</u>	<u>1,503</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,990)</u>	<u>(1,393)</u>	<u>1,597</u>
Fund balances - beginning	<u>3,448</u>	<u>3,500</u>	<u>52</u>
Fund balances - ending	<u><u>458</u></u>	<u><u>2,106</u></u>	<u><u>1,648</u></u>

# CHELAN COUNTY, WASHINGTON

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## Forest Title III Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental revenues	340,000	806,611	466,611
Total revenues	<u>340,000</u>	<u>806,611</u>	<u>466,611</u>
<b>EXPENDITURES</b>			
Current:			
Utilities and environment	376,165	400,760	(24,595)
Total expenditures	<u>376,165</u>	<u>400,760</u>	<u>(24,595)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,165)</u>	<u>405,851</u>	<u>442,016</u>
Fund balances - beginning	340,000	(70,507)	(410,507)
Fund balances - ending	<u><u>303,835</u></u>	<u><u>335,344</u></u>	<u><u>31,509</u></u>

# CHELAN COUNTY, WASHINGTON

## Criminal Justice Sales Tax Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Total revenues	-	-	-
<b>EXPENDITURES</b>			
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	678,715	678,715
Total other financing sources and uses	-	678,715	678,715
Net change in fund balances	-	678,715	678,715
Fund balances - beginning	-	-	-
Fund balances - ending	-	678,715	678,715

# CHELAN COUNTY, WASHINGTON

## Distressed Counties Tax Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	930,000	1,319,120	389,120
Miscellaneous	50,000	79,931	29,931
Total revenues	<u>980,000</u>	<u>1,399,051</u>	<u>419,051</u>
<b>EXPENDITURES</b>			
Current:			
Economic environment	1,503,744	199,320	1,304,424
Debt Service:			
Principal	390,000	400,000	(10,000)
Interest and other charges	393,700	311,102	82,598
Total expenditures	<u>2,287,444</u>	<u>910,422</u>	<u>1,377,022</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,307,444)</u>	<u>488,629</u>	<u>1,796,073</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Refunding bonds issued	-	4,525,000	4,525,000
Premium on bonds issued	-	60,889	60,889
Payment to refunded bond escrow agent	-	(4,543,337)	(4,543,337)
Total other financing sources and uses	<u>-</u>	<u>42,552</u>	<u>42,552</u>
Net change in fund balances	(1,307,444)	531,181	1,838,625
Fund balances - beginning	1,500,000	1,240,333	(259,668)
Fund balances - ending	<u>192,556</u>	<u>1,771,513</u>	<u>1,578,957</u>

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## **CHELAN COUNTY, WASHINGTON**

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### 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.

**Master Plan Construction:** accounts for the renovation of the County Auditorium Building and the Juvenile Administration Building.

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

# CHELAN COUNTY, WASHINGTON

Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2007

	<u>R.E.E.T. 1</u> <u>Capital</u> <u>Improvement</u>	<u>R.E.E.T. 2</u> <u>Capital</u> <u>Improvement</u>	<u>Master Plan</u> <u>Construction</u>	<u>Technology</u> <u>Bond</u> <u>Projects</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	940,890	269,967	29,135	-	1,239,992
Investments	285,159	256,124	315	1,129,648	1,671,245
Interest receivable	-	-	1	-	1
Total assets	<u>1,226,049</u>	<u>526,091</u>	<u>29,451</u>	<u>1,129,648</u>	<u>2,911,239</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	166,228	1,063	-	304	167,594
Due to other governments	2,074	-	-	-	2,074
Total Liabilities	<u>168,302</u>	<u>1,063</u>	<u>-</u>	<u>304</u>	<u>169,668</u>
Fund balances:					
Unreserved, reported in nonmajor:	<u>1,057,747</u>	<u>525,028</u>	<u>29,451</u>	<u>1,129,344</u>	<u>2,741,570</u>
Total fund balances	<u>1,057,747</u>	<u>525,028</u>	<u>29,451</u>	<u>1,129,344</u>	<u>2,741,570</u>
Total liabilities and fund balances	<u>1,226,049</u>	<u>526,091</u>	<u>29,451</u>	<u>1,129,648</u>	<u>2,911,239</u>

# CHELAN COUNTY, WASHINGTON

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

### Nonmajor Capital Projects Funds

For the Year Ended December 31, 2007

	R.E.E.T. 1 Capital Improvement	R.E.E.T. 2 Capital Improvement	Master Plan Construction	Technology Bond Projects	Total
<b>REVENUES</b>					
Taxes	1,069,731	778,805	-	-	1,848,536
Intergovernmental	-	15,000	-	-	15,000
Miscellaneous	13,328	12,555	15	28,422	54,320
Total revenues	<u>1,083,060</u>	<u>806,360</u>	<u>15</u>	<u>28,422</u>	<u>1,917,857</u>
<b>EXPENDITURES</b>					
Debt service:					
Principal	192,020	-	-	-	192,020
Interest and other charges	123,436	-	-	6,698	130,134
Capital outlay	673,617	558,944	9,023	99,216	1,340,800
Total expenditures	<u>989,072</u>	<u>558,944</u>	<u>9,023</u>	<u>105,914</u>	<u>1,662,954</u>
Excess (deficiency) of revenues over (under) expenditures	<u>93,987</u>	<u>247,416</u>	<u>(9,008)</u>	<u>(77,493)</u>	<u>254,903</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from bonds issued	-	-	-	1,210,000	1,210,000
Discount on bonds issued	-	-	-	(3,163)	(3,163)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,206,837</u>	<u>1,206,837</u>
Net change in fund balances	<u>93,987</u>	<u>247,416</u>	<u>(9,008)</u>	<u>1,129,344</u>	<u>1,461,740</u>
Fund balances - beginning	<u>963,760</u>	<u>277,612</u>	<u>38,459</u>	<u>-</u>	<u>1,279,831</u>
Fund balances - ending	<u>1,057,747</u>	<u>525,028</u>	<u>29,451</u>	<u>1,129,344</u>	<u>2,741,570</u>

**CHELAN COUNTY, WASHINGTON**

## R.E.E.T 1 Capital Improvement Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	950,000	1,069,731	119,731
Miscellaneous	5,000	13,328	8,328
Total revenues	<u>955,000</u>	<u>1,083,060</u>	<u>128,060</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	67,250	192,020	(124,770)
Interest and other charges	16,975	123,436	(106,461)
Capital outlay	1,121,114	673,617	447,497
Total expenditures	<u>1,205,339</u>	<u>989,072</u>	<u>216,267</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(250,339)</u>	<u>93,987</u>	<u>344,326</u>
Fund balances - beginning	<u>750,000</u>	<u>963,760</u>	<u>213,760</u>
Fund balances - ending	<u><u>499,661</u></u>	<u><u>1,057,747</u></u>	<u><u>558,086</u></u>

# CHELAN COUNTY, WASHINGTON

## R.E.E.T 2 Capital Improvement Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	700,000	778,805	78,805
Intergovernmental	-	15,000	15,000
Miscellaneous	10,000	12,555	2,555
Total revenues	<u>710,000</u>	<u>806,360</u>	<u>96,360</u>
<b>EXPENDITURES</b>			
Capital outlay	912,167	558,944	353,223
Total expenditures	<u>912,167</u>	<u>558,944</u>	<u>353,223</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(202,167)</u>	<u>247,416</u>	<u>449,583</u>
Fund balances - beginning	290,000	277,612	(12,388)
Fund balances - ending	<u>87,833</u>	<u>525,028</u>	<u>437,195</u>

# CHELAN COUNTY, WASHINGTON

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## Master Plan Construction Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Miscellaneous	-	15	15
Total revenues	-	15	15
<b>EXPENDITURES</b>			
Capital outlay	20,000	9,023	10,977
Total expenditures	20,000	9,023	10,977
Excess (deficiency) of revenues over (under) expenditures	(20,000)	(9,008)	10,992
Fund balances - beginning	-	38,459	38,459
Fund balances - ending	(20,000)	29,451	49,451

# CHELAN COUNTY, WASHINGTON

## Technology Bond Projects Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2007

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Miscellaneous	-	28,422	28,422
Total revenues	-	28,422	28,422
<b>EXPENDITURES</b>			
Debt Service:			
Interest and other charges	-	6,698	(6,698)
Capital outlay	1,200,000	99,216	1,100,784
Total expenditures	1,200,000	105,914	1,094,086
Excess (deficiency) of revenues over (under) expenditures	(1,200,000)	(77,493)	1,122,507
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from bonds issued	1,200,000	1,210,000	10,000
Discount on bonds issued	-	(3,163)	(3,163)
Total other financing sources and uses	1,200,000	1,206,837	6,837
Net change in fund balances	-	1,129,344	1,129,344
Fund balances - beginning	-	-	-
Fund balances - ending	-	1,129,344	1,129,344

## **CHELAN COUNTY, WASHINGTON**

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### Description of Nonmajor Enterprise Funds

#### **NONMAJOR ENTERPRISE FUNDS**

Enterprise Funds are funds used to account for the operations that are financed and operated in a manner similar to private business enterprises, where the intent of the County is to recover the costs of goods and services provided to the public through user charges. The full accrual basis of accounting is applied.

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

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

**Fair:** accounts for the operations of the Chelan County Fair as an economic agent for the County.

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

# CHELAN COUNTY, WASHINGTON

Combining Statement of Net Assets  
 Nonmajor Enterprise Funds  
 December 31, 2007

	<b>Solid Waste Planning</b>	<b>Wenatchee River County Park</b>	<b>Fair</b>	<b>Public Education</b>	<b>Total</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	76,055	76,271	54,057	27,926	234,310
Investments	262,374	-	-	-	262,374
Interest receivable	981	-	-	-	981
Due from other governments	96,632	-	-	-	96,632
Total current assets	<u>436,042</u>	<u>76,271</u>	<u>54,057</u>	<u>27,926</u>	<u>594,297</u>
Noncurrent assets:					
Capital assets: (net of accumulated depreciation)					
Buildings	71,663	-	36,159	-	107,822
Equipment	286,597	10,089	45,495	-	342,181
Total noncurrent assets	<u>358,260</u>	<u>10,089</u>	<u>81,654</u>	<u>-</u>	<u>450,003</u>
Total assets	<u>794,303</u>	<u>86,360</u>	<u>135,711</u>	<u>27,926</u>	<u>1,044,300</u>
<b>LIABILITIES</b>					
Liabilities:					
Current liabilities:					
Accounts payable	1,439	1,152	1,650	64	4,305
Due to other funds	-	-	2,241	-	2,241
Due to other governments	17,628	412	-	11	18,051
Other accrued liabilities	1,262	2,542	8,150	-	11,954
Total current liabilities	<u>20,328</u>	<u>4,107</u>	<u>12,041</u>	<u>75</u>	<u>36,550</u>
Noncurrent liabilities:					
Advances from other funds	-	-	100,000	-	100,000
Compensated absences	2,508	-	2,547	-	5,054
Total noncurrent liabilities	<u>2,508</u>	<u>-</u>	<u>102,547</u>	<u>-</u>	<u>105,054</u>
Total liabilities	<u>22,836</u>	<u>4,107</u>	<u>114,587</u>	<u>75</u>	<u>141,605</u>
<b>NET ASSETS</b>					
Invested in capital assets	358,260	10,089	81,654	-	450,003
Unrestricted	413,206	72,165	(60,530)	27,851	452,692
Total net assets	<u>771,467</u>	<u>82,254</u>	<u>21,124</u>	<u>27,851</u>	<u>902,696</u>

## CHELAN COUNTY, WASHINGTON

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

Nonmajor Enterprise Funds

For the Year Ending December 31, 2007

	Solid Waste Planning	Wenatchee River County Park	Fair	Public Education	Total
<b>OPERATING REVENUES</b>					
Intergovernmental revenues	139,078	-	37,176	200	176,454
Charges for services	100,000	721	125,249	11,913	237,883
Miscellaneous	145,212	191,096	151,923	30,656	518,887
Total revenues	<u>384,290</u>	<u>191,817</u>	<u>314,349</u>	<u>42,769</u>	<u>933,224</u>
<b>OPERATING EXPENSES</b>					
Salaries	35,448	70,885	101,136	-	207,470
Personnel benefits	10,601	38,667	43,325	-	92,593
Supplies	1,341	17,364	26,133	21,494	66,333
Other services and charges	160,852	47,067	160,671	7,969	376,558
Intergovernmental/interfund services and taxes	491	500	3,481	-	4,472
Interfund payments for services	8,166	8,034	26,049	5,286	47,534
Depreciation	40,409	2,173	12,436	-	55,018
Total operating expenses	<u>257,308</u>	<u>184,689</u>	<u>373,231</u>	<u>34,749</u>	<u>849,978</u>
Operating income (loss)	<u>126,982</u>	<u>7,127</u>	<u>(58,883)</u>	<u>8,020</u>	<u>83,246</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Gain/loss on sale of capital assets	-	1,420	5,431	-	6,851
Total nonoperating revenues (expenses)	-	1,420	5,431	-	6,851
Income (loss) before contributions and transfers	<u>126,982</u>	<u>8,547</u>	<u>(53,452)</u>	<u>8,020</u>	<u>90,097</u>
Transfers in	-	-	70,000	-	70,000
Change in net assets	<u>126,982</u>	<u>8,547</u>	<u>16,548</u>	<u>8,020</u>	<u>160,097</u>
Total net assets - beginning	<u>644,485</u>	<u>73,707</u>	<u>4,576</u>	<u>19,831</u>	<u>742,599</u>
Total net assets - ending	<u>771,467</u>	<u>82,254</u>	<u>21,124</u>	<u>27,851</u>	<u>902,696</u>

## CHELAN COUNTY, WASHINGTON

Combining Statement of Cash Flows  
 Nonmajor Enterprise Funds  
 For the Year Ended December 31, 2007

	Solid Waste Planning	Wenatchee River County Park	Fair	Public Education	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers and users	329,184	191,817	314,349	42,769	878,118
Cash payments to suppliers	(152,387)	(72,265)	(216,250)	(34,956)	(475,858)
Cash payments to employees and retirees	(51,703)	(109,436)	(143,198)	(6,336)	(310,673)
Net cash provided (used) by operating activities	<u>125,094</u>	<u>10,115</u>	<u>(45,099)</u>	<u>1,476</u>	<u>91,586</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfers in	-	-	70,000	-	70,000
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>-</u>	<u>70,000</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>					
Proceeds from sale of equipment	-	1,420	5,431	-	6,851
Acquisition and construction of capital assets	(51,260)	-	-	-	(51,260)
Net cash provided (used) by capital financing activities	<u>(51,260)</u>	<u>1,420</u>	<u>5,431</u>	<u>-</u>	<u>(44,409)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	2,061	-	-	-	2,061
Purchase of investments	(11,719)	-	-	-	(11,719)
Interest on investments	119	-	-	-	119
Net cash provided (used) by investing activities	<u>(9,539)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,539)</u>
<b>Net increase (decrease) in cash and cash equiv.</b>	<u>64,295</u>	<u>11,535</u>	<u>30,332</u>	<u>1,476</u>	<u>107,639</u>
<b>Cash and cash equivalents, January 1</b>	<u>11,760</u>	<u>64,736</u>	<u>23,725</u>	<u>26,450</u>	<u>126,671</u>
<b>Cash and cash equivalents, December 31</b>	<u>76,055</u>	<u>76,271</u>	<u>54,057</u>	<u>27,926</u>	<u>234,310</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	126,982	7,127	(58,883)	8,020	83,246
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities:					
Depreciation and amortization of deferred charge	40,409	2,173	12,436	-	55,018
(Increase) decrease in due from other funds/gov	(55,107)	-	-	-	(55,107)
Increase (decrease) in vouchers/contracts payable	1,037	602	1,281	(214)	2,706
Increase (decrease) in due to other funds/gov	17,427	97	(1,197)	7	16,333
Increase (decrease) in payables/other liabilities	(2,629)	116	270	(3,276)	(5,519)
Increase (decrease) in accrued employee leave benefits	(3,025)	-	993	(3,060)	(5,092)
Total adjustments	<u>(1,888)</u>	<u>2,988</u>	<u>13,783</u>	<u>(6,543)</u>	<u>8,340</u>
<b>Net cash provided (used) by operating activities</b>	<u>125,094</u>	<u>10,115</u>	<u>(45,099)</u>	<u>1,476</u>	<u>91,586</u>

The County is not aware of any material noncash transactions.

## **CHELAN COUNTY, WASHINGTON**

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### 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 maintenance and operations of equipment used by County Roads and to finance and control material inventory used in the construction and maintenance of County roads.

**RJC ER&R:** accounts for the funds used to manage the purchase, maintenance, repair, and replacement of equipment for the Regional Justice Center.

**RJC Safety:** accounts for the funds used to meet safety needs and purchase equipment for the Regional Justice Center.

**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.

**Unemployment Insurance:** 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 Assets  
Internal Service Funds  
December 31, 2007

	Equipment Rental & Revolving	RJC ER&R	RCJ Safety	Industrial Insurance	Health Insurance	Unemploy. Comp.	Insurance Admin & Purchasing	Total
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	3,492,955	25,308	21,271	52,878	24,693	6,938	265,518	3,889,560
Deposits with fiscal agents	-	-	-	38,800	-	-	-	38,800
Investments	-	-	-	196,010	57,500	115,559	239,281	608,351
Accounts receivable	11,103	-	-	-	-	-	-	11,103
Interest receivable	-	-	-	732	215	432	894	2,272
Due from other funds	556,502	-	-	-	-	-	-	556,502
Interfund loan receivable	37,500	-	-	-	-	-	-	37,500
Due from other governments	7,882	-	-	-	-	-	-	7,882
Inventory	222,952	-	-	-	-	-	-	222,952
Total current assets	4,328,894	25,308	21,271	288,420	82,408	122,929	505,693	5,374,922
Noncurrent assets:								
Capital assets: (net of accumulated depreciation)								
Buildings	41,839	-	-	-	-	-	-	41,839
Equipment	7,011,725	29,755	-	-	-	-	-	7,041,480
Total noncurrent assets	7,053,563	29,755	-	-	-	-	-	7,083,318
Total assets	11,382,457	55,063	21,271	288,420	82,408	122,929	505,693	12,458,240
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable	218,987	-	-	12,306	-	-	-	231,293
Due to other governments	7,032	-	-	25,544	-	-	-	32,576
Other accrued liabilities	54,847	-	-	-	-	-	-	54,847
Total current liabilities	280,866	-	-	37,850	-	-	-	318,716
Noncurrent liabilities:								
Compensated absences	34,113	-	-	-	-	-	-	34,113
Total noncurrent liabilities	34,113	-	-	-	-	-	-	34,113
Total liabilities	314,979	-	-	37,850	-	-	-	352,829
<b>NET ASSETS</b>								
Invested in capital assets	7,053,563	29,755	-	-	-	-	-	7,083,318
Unrestricted	4,013,915	25,308	21,271	250,569	82,408	122,929	505,693	5,022,093
Total net assets	11,067,478	55,063	21,271	250,569	82,408	122,929	505,693	12,105,411

## CHELAN COUNTY, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Net Assets  
Internal Service Funds

For the Year Ending December 31, 2007

	Equipment Rental & Revolving	RJC ER&R	RJC Safety	Industrial Insurance	Health Insurance	Unemployment Compensation	Insurance Admin & Purchasing	Total
<b>OPERATING REVENUES</b>								
Charges for services	1,367,470	-	-	-	-	-	-	1,367,470
Miscellaneous	2,774,717	-	3,554	472,580	4,560,109	46,689	790,134	8,647,782
Total operating revenues	4,142,187	-	3,554	472,580	4,560,109	46,689	790,134	10,015,252
<b>OPERATING EXPENSES</b>								
Salaries	503,593	-	-	3,674	-	-	-	507,267
Personnel benefits	150,245	-	-	1,181	-	-	-	151,426
Supplies	1,960,537	65	3,060	-	-	-	-	1,963,662
Other services and charges	123,541	319	-	465,048	4,553,488	62,163	708,382	5,912,941
Interfund payments for services	115,569	-	-	17,223	18,816	1,165	58,844	211,616
Depreciation	1,589,958	4,037	-	-	-	-	-	1,593,995
Total operating expenses	4,443,443	4,421	3,060	487,126	4,572,304	63,328	767,225	10,340,907
Operating income (loss)	(301,256)	(4,421)	494	(14,546)	(12,195)	(16,640)	22,908	(325,655)
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Gain/loss on sale of capital assets	154,606	-	-	-	-	-	-	154,606
Total nonoperating revenues (expenses)	154,606	-	-	-	-	-	-	154,606
Change in net assets	(146,649)	(4,421)	494	(14,546)	(12,195)	(16,640)	22,908	(171,048)
Total net assets - beginning	11,214,128	59,484	20,776	265,116	94,603	139,568	482,784	12,276,459
Total net assets - ending	11,067,478	55,063	21,271	250,569	82,408	122,929	505,693	12,105,411

# CHELAN COUNTY, WASHINGTON

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2007

## CASH FLOWS FROM OPERATING ACTIVITIES:

	Equipment Rental & Revolving	RJC ER&R	RJC Safety	Industrial Insurance	Health Insurance	Unemploy. Comp.	Insurance Admin & Purchasing	Total
Cash received from customers and users	3,940,317	-	3,554	472,580	4,560,109	46,689	790,134	9,813,383
Cash payments to suppliers	(1,891,863)	(384)	(3,060)	(489,073)	(4,572,304)	(63,328)	(781,056)	(7,801,069)
Cash payments to employees and retirees	(650,905)	-	-	(4,856)	-	-	-	(655,760)
Net cash provided (used) by operating activities	1,397,550	(384)	494	(21,349)	(12,195)	(16,640)	9,077	1,356,553

## CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Proceeds from sale of equipment	176,399	-	-	-	-	-	-	176,399
Acquisition and construction of capital assets	(1,613,549)	(13,740)	-	-	-	-	-	(1,627,289)
Net cash provided (used) by capital financing activities	(1,437,150)	(13,740)	-	-	-	-	-	(1,450,890)

## CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	-	-	-	829	39,437	27,353	-	67,619
Purchase of investments	-	-	-	(10,331)	(29,353)	(7,247)	(11,616)	(58,546)
Interest on investments	-	-	-	64	74	147	79	363
Net cash provided (used) by investing activities	-	-	-	(9,438)	10,158	20,253	(11,537)	9,436

## Net increase (decrease) in cash and cash equivalents

	(39,600)	(14,124)	494	(30,787)	(2,038)	3,614	(2,459)	(84,900)
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## Cash and cash equivalents, January 1

	3,532,555	39,432	20,776	83,665	26,731	3,324	267,977	3,974,460
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## Cash and cash equivalents, December 31

	3,492,955	25,308	21,271	52,878	24,693	6,938	265,518	3,889,560
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## Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	(301,256)	(4,421)	494	(14,546)	(12,195)	(16,640)	22,908	(325,655)
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities:								
Depreciation and amortization of deferred charge (increase) decrease in accounts receivable	1,589,958	4,037	-	-	-	-	-	1,593,995
(Increase) decrease in due from other funds/gov	3,600	-	-	-	-	-	-	3,600
(Increase) decrease in inventory/prepaid expenses	(205,470)	-	-	-	-	-	-	(205,470)
Increase (decrease) in vouchers/contracts payable	466,839	-	-	-	-	-	-	466,839
Increase (decrease) in due to other funds/gov	(163,377)	-	-	8,055	-	-	(3,823)	(159,144)
Increase (decrease) in payables/other liabilities	4,322	-	-	(14,858)	-	-	-	(20,545)
Increase (decrease) in accrued employee leave benefits	5,861	-	-	-	-	-	-	5,861
Total adjustments	(2,928)	-	-	-	-	-	-	(2,928)
	1,698,806	4,037	-	(6,803)	-	-	(13,831)	1,682,208
<b>Net cash provided (used) by operating activities</b>	1,397,550	(384)	494	(21,349)	(12,195)	(16,640)	9,077	1,356,553

The County is not aware of any material noncash transactions.

## **CHELAN COUNTY, WASHINGTON**

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### Description of Agency Funds

#### **AGENCY FUNDS**

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

**Regional Jail Prisoner Fund:** accounts for money held by the County in a trustee capacity for the inmates at the regional jail. The prisoners spend from this money while in jail and collect the balance upon their release.

**County Road Retainage Fund:** accounts for the retainage fees deducted from county roads projects payment to the constructors prior to project completion.

**CASA:** accounts for the funding from the state to the CASA program.

**Network Grant:** accounts for the funding from the state to the Chelan Douglas Community Action program.

**Substance Abuse:** accounts for the financing of drug rehabilitation programs, most of which comes through the state.

**Infrastructure Improvement Project:** accounts for the proceeds from the sale of bonds for construction and installation of projects within the county and the purchase and installation of certain equipment related thereto.

**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.

**RJC Partnership:** accounts for the proceeds of the regional jail partners which were used to finance the RJC 60-bed annex.

**Columbia River Drug Task Force:** accounts for the finances of the Columbia River Drug Task Force.

**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.

**TV Reception Improvement District Number 1:** accounts for the finances of the TV District #1.

**State Funds:** 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.

**Upper Valley Parks & Recreation:** accounts for the finances of Manson Park.

**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. Monies collected are remitted to the cities.

**County:** accounts for the disbursement of the County's salary and claim payments.

Combining Statement of Fiduciary Net Assets  
 Agency Funds  
 December 31, 2007

	<b>Regional Jail Prisoner</b>	<b>County Roads Retainage</b>	<b>CASA</b>	<b>Network Grant</b>	<b>Substance Abuse</b>	<b>Infrastructure Improvement</b>
<b>ASSETS</b>						
Cash	8,000	-	3,668	-	112,632	-
Investments	39,884	195,183	-	-	-	173,977
Deposits with fiscal agents	-	-	-	-	-	-
Accounts receivable	-	14,522	19,269	-	-	-
Taxes receivable	-	-	-	-	-	-
Interest receivable	142	595	-	-	-	650
Due from other governments	-	-	-	12,750	110,963	-
Total assets	<u>48,025</u>	<u>210,300</u>	<u>22,937</u>	<u>12,750</u>	<u>223,595</u>	<u>174,627</u>
<b>LIABILITIES</b>						
Accounts payable	8,598	-	6,423	-	102,846	-
Due to other governments	540	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-	-
Custodial accounts	<u>38,887</u>	<u>210,300</u>	<u>16,514</u>	<u>12,750</u>	<u>120,749</u>	<u>174,627</u>
Total liabilities	<u>48,025</u>	<u>210,300</u>	<u>22,937</u>	<u>12,750</u>	<u>223,595</u>	<u>174,627</u>

<b>LID 85-1</b>	<b>Chelan/Douglas Health District</b>	<b>RJC Partnership</b>	<b>Columbia River Drug Task Force</b>	<b>NCR Library</b>	<b>Link</b>	<b>TV Reception Improvement Dist No 1</b>
61	15,956	54	-	1,385,800	252,693	2,377
26,616	350,431	-	383,065	7,765,545	3,270,815	8,856
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	74,757	-	-
99	1,223	-	1,459	30,272	-	33
-	-	-	-	-	-	-
<u>26,776</u>	<u>367,611</u>	<u>54</u>	<u>384,525</u>	<u>9,256,374</u>	<u>3,523,508</u>	<u>11,266</u>
-	300	-	-	265,157	-	-
-	-	-	-	-	-	-
-	231,061	-	-	24,097	-	-
<u>26,776</u>	<u>136,250</u>	<u>54</u>	<u>384,525</u>	<u>8,967,121</u>	<u>3,523,508</u>	<u>11,266</u>
<u>26,776</u>	<u>367,611</u>	<u>54</u>	<u>384,525</u>	<u>9,256,374</u>	<u>3,523,508</u>	<u>11,266</u>

Combining Statement of Fiduciary Net Assets  
 Agency Funds  
 December 31, 2007

	<u>State</u>	<u>NCESD</u>	<u>School Districts</u>	<u>Fire Districts</u>	<u>Cemetery Districts</u>	<u>Port of Chelan County</u>
<b>ASSETS</b>						
Cash	321,932	171,997	3,230,832	305,525	214,849	145,084
Investments	-	9,584,247	13,842,278	3,421,242	503,115	3,823,606
Deposits with fiscal agents	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Taxes receivable	469,907	-	647,166	103,527	2,842	56,234
Interest receivable	-	37,297	9,830	-	1,922	-
Due from other governments	-	-	-	-	-	-
Total assets	<u>791,839</u>	<u>9,793,542</u>	<u>17,730,106</u>	<u>3,830,294</u>	<u>722,729</u>	<u>4,024,924</u>
<b>LIABILITIES</b>						
Accounts payable	-	-	-	62,973	4,616	-
Due to other governments	-	-	-	-	-	-
Other accrued liabilities	-	-	-	144,759	5,367	-
Custodial accounts	<u>791,839</u>	<u>9,793,542</u>	<u>17,730,106</u>	<u>3,622,561</u>	<u>712,745</u>	<u>4,024,924</u>
Total liabilities	<u>791,839</u>	<u>9,793,542</u>	<u>17,730,106</u>	<u>3,830,294</u>	<u>722,729</u>	<u>4,024,924</u>

<b>Pangborn Field</b>	<b>Lake Chelan Sewer Revenue Bond</b>	<b>Park Districts</b>	<b>Upper Valley Park and Rec</b>	<b>Mosquito Districts</b>	<b>Water Districts</b>	<b>Irrigation Districts</b>	<b>Water Conservancy Board</b>
31,319	119,299	1,885	51,270	94,818	461,329	511,625	11,848
111	1,170,029	103,282	957	-	1,030,087	4,046,286	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	4,757	4,157	323	726	-	-
-	-	401	4	-	-	16,223	-
-	-	-	-	-	-	-	-
<u>31,430</u>	<u>1,289,327</u>	<u>110,326</u>	<u>56,388</u>	<u>95,141</u>	<u>1,492,141</u>	<u>4,574,135</u>	<u>11,848</u>
-	-	5,604	-	-	19,211	259,340	1,331
-	-	-	-	-	-	-	-
-	-	4,057	-	-	12,469	18,255	-
<u>31,430</u>	<u>1,289,327</u>	<u>100,664</u>	<u>56,388</u>	<u>95,141</u>	<u>1,460,462</u>	<u>4,296,540</u>	<u>10,517</u>
<u>31,430</u>	<u>1,289,327</u>	<u>110,326</u>	<u>56,388</u>	<u>95,141</u>	<u>1,492,141</u>	<u>4,574,135</u>	<u>11,848</u>

Combining Statement of Fiduciary Net Assets  
 Agency Funds  
 December 31, 2007

	<u>Hospital Districts</u>	<u>Cities</u>	<u>County</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	160,599	154,349	97,403	7,867,204
Investments	12,746,616	-	-	62,486,229
Deposits with fiscal agents	-	-	1,404,355	1,404,355
Accounts receivable	-	-	-	33,791
Taxes receivable	71,499	180,746	-	1,616,641
Interest receivable	-	-	-	100,150
Due from other governments	-	-	-	123,713
Total assets	<u>12,978,714</u>	<u>335,095</u>	<u>1,501,758</u>	<u>73,632,083</u>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	736,400
Due to other governments	-	-	-	540
Other accrued liabilities	-	-	-	440,065
Custodial accounts	<u>12,978,714</u>	<u>335,095</u>	<u>1,501,758</u>	<u>72,455,079</u>
Total liabilities	<u>12,978,714</u>	<u>335,095</u>	<u>1,501,758</u>	<u>73,632,083</u>

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Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 For the Year Ended December 31, 2007

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>REGIONAL JAIL PRISONER</b>				
<b>Assets</b>				
Cash	8,000	209,378	209,378	8,000
Investments	29,980	19,035	9,131	39,884
Accounts receivable	-	5,664	5,664	-
Interest receivable	119	142	119	142
Total assets	<u>38,099</u>	<u>234,219</u>	<u>224,292</u>	<u>48,025</u>
<b>Liabilities</b>				
Accounts payable	8,030	188,108	187,540	8,598
Due to other governments	313	540	313	540
Other accrued liabilities	23	2,259	2,282	-
Custodial accounts	<u>29,733</u>	<u>195,354</u>	<u>186,199</u>	<u>38,887</u>
Total liabilities	<u>38,099</u>	<u>386,261</u>	<u>376,334</u>	<u>48,025</u>
<b>COUNTY ROADS RETAINAGE</b>				
<b>Assets</b>				
Cash	-	231,024	231,024	-
Investments	38,225	192,147	35,190	195,183
Accounts receivable	-	137,581	123,059	14,522
Interest receivable	167	595	167	595
Total assets	<u>38,393</u>	<u>561,347</u>	<u>389,439</u>	<u>210,300</u>
<b>Liabilities</b>				
Custodial accounts	<u>38,393</u>	<u>207,321</u>	<u>35,413</u>	<u>210,300</u>
Total liabilities	<u>38,393</u>	<u>207,321</u>	<u>35,413</u>	<u>210,300</u>
<b>CASA</b>				
<b>Assets</b>				
Cash	-	29,775	26,107	3,668
Investments	-	2,755	2,755	-
Accounts receivable	2,755	46,289	29,775	19,269
Total assets	<u>2,755</u>	<u>78,820</u>	<u>58,638</u>	<u>22,937</u>
<b>Liabilities</b>				
Accounts payable	2,755	27,020	23,352	6,423
Custodial accounts	-	46,289	29,775	16,514
Total liabilities	<u>2,755</u>	<u>73,310</u>	<u>53,128</u>	<u>22,937</u>

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>NETWORK GRANT</b>				
<b>Assets</b>				
Cash	-	59,296	59,296	-
Accounts receivable	-	59,296	59,296	-
Due from other governments	-	12,750	-	12,750
Total assets	<u>-</u>	<u>131,343</u>	<u>118,593</u>	<u>12,750</u>
<b>Liabilities</b>				
Accounts payable	-	59,296	59,296	-
Custodial accounts	-	72,046	59,296	12,750
Total liabilities	<u>-</u>	<u>131,343</u>	<u>118,593</u>	<u>12,750</u>
<b>SUBSTANCE ABUSE</b>				
<b>Assets</b>				
Cash	31,357	1,209,833	1,128,558	112,632
Accounts receivable	-	1,201,047	1,201,047	-
Due from other governments	88,406	110,963	88,406	110,963
Total assets	<u>119,763</u>	<u>2,521,843</u>	<u>2,418,011</u>	<u>223,595</u>
<b>Liabilities</b>				
Accounts payable	85,447	1,145,957	1,128,558	102,846
Custodial accounts	34,316	1,232,390	1,145,957	120,749
Total liabilities	<u>119,763</u>	<u>2,378,347</u>	<u>2,274,515</u>	<u>223,595</u>
<b>INFRASTRUCTURE IMPROVEMENT</b>				
<b>Assets</b>				
Cash	-	8,434	8,434	-
Investments	165,544	8,434	-	173,977
Interest receivable	706	650	706	650
Total assets	<u>166,250</u>	<u>17,517</u>	<u>9,140</u>	<u>174,627</u>
<b>Liabilities</b>				
Custodial accounts	166,250	8,377	-	174,627
Total liabilities	<u>166,250</u>	<u>8,377</u>	<u>-</u>	<u>174,627</u>
<b>LID 85-1</b>				
<b>Assets</b>				
Cash	-	1,351	1,290	61
Investments	25,325	1,290	-	26,616
Assessments receivable	61	-	61	-
Interest receivable	108	99	108	99
Total assets	<u>25,495</u>	<u>2,741</u>	<u>1,459</u>	<u>26,776</u>
<b>Liabilities</b>				
Custodial accounts	25,495	2,732	1,451	26,776
Total liabilities	<u>25,495</u>	<u>2,732</u>	<u>1,451</u>	<u>26,776</u>

## Combining Statement of Changes in Assets and Liabilities

## Agency Funds

For the Year Ended December 31, 2007

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>LID 85-1</b>				
<b>Assets</b>				
Cash	-	1,351	1,290	61
Investments	25,325	1,290	-	26,616
Assessments receivable	61	-	61	-
Interest receivable	108	99	108	99
Total assets	<u>25,495</u>	<u>2,741</u>	<u>1,459</u>	<u>26,776</u>
<b>Liabilities</b>				
Custodial accounts	25,495	2,732	1,451	26,776
Total liabilities	<u>25,495</u>	<u>2,732</u>	<u>1,451</u>	<u>26,776</u>
<b>CHELAN/DOUGLAS HEALTH DISTRICT</b>				
<b>Assets</b>				
Cash	28,874	4,826,857	4,839,775	15,956
Investments	497,379	203,334	350,282	350,431
Interest receivable	1,680	1,223	1,680	1,223
Total assets	<u>527,934</u>	<u>5,031,414</u>	<u>5,191,737</u>	<u>367,611</u>
<b>Liabilities</b>				
Accounts payable	-	2,551,317	2,551,017	300
Other accrued liabilities	247,902	3,613,214	3,630,056	231,061
Custodial accounts	280,032	4,101,691	4,245,472	136,250
Total liabilities	<u>527,934</u>	<u>10,266,222</u>	<u>10,426,545</u>	<u>367,611</u>
<b>REGIONAL JUSTICE CENTER PARTNERSHIP</b>				
<b>Assets</b>				
Cash	54	-	-	54
Total assets	<u>54</u>	<u>-</u>	<u>-</u>	<u>54</u>
<b>Liabilities</b>				
Custodial accounts	54	-	-	54
Total liabilities	<u>54</u>	<u>-</u>	<u>-</u>	<u>54</u>
<b>COLUMBIA RIVER DRUG TASKFORCE</b>				
<b>Assets</b>				
Cash	-	666,894	666,894	-
Investments	181,759	298,861	97,555	383,065
Interest receivable	641	1,459	641	1,459
Total assets	<u>182,400</u>	<u>967,214</u>	<u>765,089</u>	<u>384,525</u>
<b>Liabilities</b>				
Accounts payable	32,347	335,217	367,563	-
Custodial accounts	150,053	570,798	336,326	384,525
Total liabilities	<u>182,400</u>	<u>906,014</u>	<u>703,889</u>	<u>384,525</u>

	<b>Balance January 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31</b>
<b>NCR LIBRARY</b>				
<b>Assets</b>				
Cash	917,895	9,855,582	9,387,677	1,385,800
Investments	7,014,017	1,961,623	1,210,094	7,765,545
Taxes receivable	73,878	74,757	73,878	74,757
Interest receivable	31,408	30,272	31,408	30,272
Total assets	<u>8,037,198</u>	<u>11,922,234</u>	<u>10,703,057</u>	<u>9,256,374</u>
<b>Liabilities</b>				
Accounts payable	356,838	5,376,427	5,468,108	265,157
Other accrued liabilities	20,546	3,684,361	3,680,810	24,097
Custodial accounts	7,659,814	8,641,939	7,334,633	8,967,121
Total liabilities	<u>8,037,198</u>	<u>17,702,728</u>	<u>16,483,551</u>	<u>9,256,374</u>
<b>LINK</b>				
<b>Assets</b>				
Cash	526,060	14,557,295	14,830,661	252,693
Investments	4,633,108	1,824,218	3,186,511	3,270,815
Interest receivable	21,033	-	21,033	-
Total assets	<u>5,180,201</u>	<u>16,381,513</u>	<u>18,038,205</u>	<u>3,523,508</u>
<b>Liabilities</b>				
Custodial accounts	5,180,201	10,223,344	11,880,037	3,523,508
Total liabilities	<u>5,180,201</u>	<u>10,223,344</u>	<u>11,880,037</u>	<u>3,523,508</u>
<b>TV RECEPTION IMPROVEMENT DIST NO 1</b>				
<b>Assets</b>				
Cash	1,916	1,775	1,314	2,377
Investments	8,426	465	36	8,856
Interest receivable	36	33	36	33
Total assets	<u>10,379</u>	<u>2,274</u>	<u>1,386</u>	<u>11,266</u>
<b>Liabilities</b>				
Accounts payable	431	418	849	-
Custodial accounts	9,948	1,736	418	11,266
Total liabilities	<u>10,379</u>	<u>2,155</u>	<u>1,267</u>	<u>11,266</u>
<b>STATE</b>				
<b>Assets</b>				
Cash	339,310	28,665,902	28,683,279	321,932
Taxes receivable	477,911	469,907	477,911	469,907
Total assets	<u>817,221</u>	<u>29,135,809</u>	<u>29,161,190</u>	<u>791,839</u>
<b>Liabilities</b>				
Custodial accounts	817,221	28,834,162	28,859,544	791,839
Total liabilities	<u>817,221</u>	<u>28,834,162</u>	<u>28,859,544</u>	<u>791,839</u>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 For the Year Ended December 31, 2007

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>NCESD</b>				
<b>Assets</b>				
Cash	-	19,869,125	19,697,127	171,997
Investments	10,034,902	3,266,375	3,717,030	9,584,247
Interest receivable	44,118	37,297	44,118	37,297
Total assets	<u>10,079,020</u>	<u>23,172,797</u>	<u>23,458,275</u>	<u>9,793,542</u>
<b>Liabilities</b>				
Custodial accounts	10,079,020	15,674,877	15,960,355	9,793,542
Total liabilities	<u>10,079,020</u>	<u>15,674,877</u>	<u>15,960,355</u>	<u>9,793,542</u>
<b>SCHOOL DISTRICTS</b>				
<b>Assets</b>				
Cash	373,430	156,365,968	153,508,565	3,230,832
Investments	26,058,914	10,483,866	22,700,502	13,842,278
Taxes receivable	648,330	647,166	648,330	647,166
Interest receivable	36,216	9,830	36,216	9,830
Total assets	<u>27,116,890</u>	<u>167,506,830</u>	<u>176,893,614</u>	<u>17,730,106</u>
<b>Liabilities</b>				
Custodial accounts	27,116,890	123,043,437	132,430,221	17,730,106
Total liabilities	<u>27,116,890</u>	<u>123,043,437</u>	<u>132,430,221</u>	<u>17,730,106</u>
<b>FIRE DISTRICTS</b>				
<b>Assets</b>				
Cash	340,950	7,325,919	7,361,344	305,525
Investments	2,558,873	2,012,598	1,150,229	3,421,242
Taxes receivable	93,186	103,527	93,186	103,527
Interest receivable	11,550	-	11,550	-
Total assets	<u>3,004,559</u>	<u>9,442,044</u>	<u>8,616,309</u>	<u>3,830,294</u>
<b>Liabilities</b>				
Accounts payable	29,860	3,043,454	3,010,341	62,973
Other accrued liabilities	114,131	2,231,156	2,200,527	144,759
Custodial accounts	2,860,567	6,744,182	5,982,188	3,622,561
Total liabilities	<u>3,004,559</u>	<u>12,018,792</u>	<u>11,193,056</u>	<u>3,830,294</u>

	<b>Balance January 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31</b>
<b>CEMETERY DISTRICTS</b>				
<b>Assets</b>				
Cash	178,740	245,288	209,179	214,849
Investments	480,713	25,137	2,734	503,115
Taxes receivable	4,922	2,842	4,922	2,842
Interest receivable	2,103	1,922	2,103	1,922
Total assets	<u>666,477</u>	<u>275,189</u>	<u>218,937</u>	<u>722,729</u>
<b>Liabilities</b>				
Accounts payable	2,417	93,190	90,991	4,616
Other accrued liabilities	6,779	118,496	119,908	5,367
Custodial accounts	657,281	243,589	188,124	712,745
Total liabilities	<u>666,477</u>	<u>455,274</u>	<u>399,022</u>	<u>722,729</u>
<b>PORT OF CHELAN COUNTY</b>				
<b>Assets</b>				
Cash	57,714	6,964,241	6,876,872	145,084
Investments	3,934,601	1,519,138	1,630,133	3,823,606
Taxes receivable	55,916	56,234	55,916	56,234
Interest receivable	10,970	-	10,970	-
Total assets	<u>4,059,202</u>	<u>8,539,613</u>	<u>8,573,890</u>	<u>4,024,924</u>
<b>Liabilities</b>				
Custodial accounts	4,059,202	5,378,384	5,412,661	4,024,924
Total liabilities	<u>4,059,202</u>	<u>5,378,384</u>	<u>5,412,661</u>	<u>4,024,924</u>
<b>PANGBORN FIELD</b>				
<b>Assets</b>				
Cash	36,050	1,528,553	1,533,283	31,319
Investments	105	6	-	111
Total assets	<u>36,155</u>	<u>1,528,558</u>	<u>1,533,283</u>	<u>31,430</u>
<b>Liabilities</b>				
Custodial accounts	36,155	1,528,552	1,533,277	31,430
Total liabilities	<u>36,155</u>	<u>1,528,552</u>	<u>1,533,277</u>	<u>31,430</u>
<b>LAKE CHELAN SEWER REVENUE BOND</b>				
<b>Assets</b>				
Cash	148,080	281,687	310,468	119,299
Investments	1,189,051	57,634	76,656	1,170,029
Interest receivable	5,454	-	5,454	-
Total assets	<u>1,342,585</u>	<u>339,320</u>	<u>392,578</u>	<u>1,289,327</u>
<b>Liabilities</b>				
Custodial accounts	1,342,585	199,576	252,834	1,289,327
Total liabilities	<u>1,342,585</u>	<u>199,576</u>	<u>252,834</u>	<u>1,289,327</u>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 For the Year Ended December 31, 2007

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>PARK DISTRICTS</b>				
<b>Assets</b>				
Cash	1,885	343,369	343,369	1,885
Investments	78,869	72,343	47,930	103,282
Taxes receivable	2,287	4,757	2,287	4,757
Interest receivable	322	401	322	401
Total assets	<u>83,363</u>	<u>420,870</u>	<u>393,908</u>	<u>110,326</u>
<b>Liabilities</b>				
Accounts payable	2,163	152,480	149,039	5,604
Other accrued liabilities	2,215	163,369	161,527	4,057
Custodial accounts	78,985	278,001	256,321	100,664
Total liabilities	<u>83,363</u>	<u>593,850</u>	<u>566,888</u>	<u>110,326</u>
<b>UPPER VALLEY PARK AND REC</b>				
<b>Assets</b>				
Cash	41,268	215,603	205,600	51,270
Investments	911	50	4	957
Taxes receivable	4,253	4,157	4,253	4,157
Interest receivable	4	4	4	4
Total assets	<u>46,435</u>	<u>219,814</u>	<u>209,861</u>	<u>56,388</u>
<b>Liabilities</b>				
Accounts payable	-	120,000	120,000	-
Custodial accounts	46,435	219,755	209,803	56,388
Total liabilities	<u>46,435</u>	<u>339,755</u>	<u>329,803</u>	<u>56,388</u>
<b>MOSQUITO DISTRICTS</b>				
<b>Assets</b>				
Cash	81,627	55,098	41,907	94,818
Taxes receivable	1,219	323	1,219	323
Total assets	<u>82,846</u>	<u>55,421</u>	<u>43,126</u>	<u>95,141</u>
<b>Liabilities</b>				
Accounts payable	53	26,483	26,536	-
Other accrued liabilities	-	21,419	21,419	-
Custodial accounts	82,793	55,421	43,073	95,141
Total liabilities	<u>82,846</u>	<u>103,322</u>	<u>91,027</u>	<u>95,141</u>

	<b>Balance January 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31</b>
<b>WATER DISTRICTS</b>				
<b>Assets</b>				
Cash	344,014	1,608,943	1,491,629	461,329
Investments	860,149	277,171	107,233	1,030,087
Taxes receivable	-	726	-	726
Interest receivable	2,864	-	2,864	-
Total assets	<u>1,207,026</u>	<u>1,886,840</u>	<u>1,601,726</u>	<u>1,492,141</u>
<b>Liabilities</b>				
Accounts payable	25,389	673,968	680,147	19,211
Other accrued liabilities	11,674	148,613	147,817	12,469
Custodial accounts	1,169,964	1,498,996	1,208,498	1,460,462
Total liabilities	<u>1,207,026</u>	<u>2,321,577</u>	<u>2,036,462</u>	<u>1,492,141</u>
<b>IRRIGATION DISTRICTS</b>				
<b>Assets</b>				
Cash	938,198	5,926,237	6,352,810	511,625
Investments	3,506,050	1,755,342	1,215,106	4,046,286
Interest receivable	15,920	16,223	15,920	16,223
Total assets	<u>4,460,168</u>	<u>7,697,802</u>	<u>7,583,835</u>	<u>4,574,135</u>
<b>Liabilities</b>				
Accounts payable	198,049	3,458,080	3,396,789	259,340
Other accrued liabilities	14,692	187,272	183,709	18,255
Custodial accounts	4,247,427	5,099,249	5,050,137	4,296,540
Total liabilities	<u>4,460,168</u>	<u>8,744,601</u>	<u>8,630,634</u>	<u>4,574,135</u>
<b>WATER CONSERVANCY BOARD</b>				
<b>Assets</b>				
Cash	14,870	6,488	9,510	11,848
Total assets	<u>14,870</u>	<u>6,488</u>	<u>9,510</u>	<u>11,848</u>
<b>Liabilities</b>				
Accounts payable	650	10,191	9,510	1,331
Custodial accounts	14,220	7,035	10,737	10,517
Total liabilities	<u>14,870</u>	<u>17,226</u>	<u>20,248</u>	<u>11,848</u>
<b>HOSPITALS</b>				
<b>Assets</b>				
Cash	182,882	26,029,242	26,051,525	160,599
Investments	12,165,334	1,914,484	1,333,203	12,746,616
Taxes receivable	63,120	71,499	63,120	71,499
Interest receivable	59,832	-	59,832	-
Total assets	<u>12,471,168</u>	<u>28,015,225</u>	<u>27,507,680</u>	<u>12,978,714</u>
<b>Liabilities</b>				
Custodial accounts	12,471,168	24,426,699	23,919,154	12,978,714
Total liabilities	<u>12,471,168</u>	<u>24,426,699</u>	<u>23,919,154</u>	<u>12,978,714</u>

## Combining Statement of Changes in Assets and Liabilities

## Agency Funds

For the Year Ended December 31, 2007

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>CITIES</b>				
<b>Assets</b>				
Cash	143,116	9,597,227	9,585,993	154,349
Taxes receivable	183,646	180,746	183,646	180,746
Total assets	<u>326,762</u>	<u>9,777,973</u>	<u>9,769,639</u>	<u>335,095</u>
<b>Liabilities</b>				
Custodial accounts	326,762	9,718,838	9,710,504	335,095
Total liabilities	<u>326,762</u>	<u>9,718,838</u>	<u>9,710,504</u>	<u>335,095</u>
<b>COUNTY</b>				
<b>Assets</b>				
Cash	110,713	2,721,185	2,734,495	97,403
Deposits with fiscal agents	1,666,179	-	261,824	1,404,355
Total assets	<u>1,776,892</u>	<u>2,721,185</u>	<u>2,996,319</u>	<u>1,501,758</u>
<b>Liabilities</b>				
Custodial accounts	1,776,892	2,679,221	2,954,355	1,501,758
Total liabilities	<u>1,776,892</u>	<u>2,679,221</u>	<u>2,954,355</u>	<u>1,501,758</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash	4,847,001	299,407,568	296,387,365	7,867,204
Investments	73,462,236	25,893,551	36,869,558	62,486,229
Deposits with fiscal agents	1,666,179	-	261,824	1,404,355
Accounts receivable	2,755	1,449,877	1,418,841	33,791
Taxes receivable	1,608,668	1,616,641	1,608,668	1,616,641
Assessments receivable	61	-	61	-
Interest receivable	245,250	100,150	245,250	100,150
Due from other governments	88,406	123,713	88,406	123,713
Total assets	<u>81,920,557</u>	<u>328,591,500</u>	<u>336,879,973</u>	<u>73,632,083</u>
<b>Liabilities</b>				
Accounts payable	744,429	17,261,606	17,269,635	736,400
Due to other governments	313	540	313	540
Other accrued liabilities	417,962	10,170,158	10,148,055	440,065
Custodial accounts	80,757,852	250,933,991	259,236,764	72,455,079
Total liabilities	<u>81,920,557</u>	<u>278,366,295</u>	<u>286,654,768</u>	<u>73,632,083</u>

# CHELAN COUNTY, WASHINGTON

## Schedule of Expenditures of Federal Awards - Schedule 16

For the Year Ended December 31, 2007

Grantor/Pass-through Grantor/Program Title	Federal CFDA #	Other Identification Number	Current Year Expenditures
<b>U.S. Department of Agriculture</b>			
Passed through WA Supt of Public Instruction			
School Breakfast Program	10.553	04-246-9777	11,960
Total CFDA Number	10.553		<u>11,960</u>
Passed through WA Supt of Public Instruction			
National School Lunch Program	10.555	04-246-9777	18,294
Total CFDA Number	10.555		<u>18,294</u>
Passed through WA Treasurer			
Schools and Roads/Grants to States - Federal Forest Yield	10.665	N/A	1,152,210
Schools and Roads/Grants to States - Forest Title III	10.665	N/A	400,760
Total CFDA Number	10.665		<u>1,552,970</u>
<b>Total U.S. Dept of Agriculture</b>			<u>1,583,224</u>
<b>U.S. Department of Commerce</b>			
Passed through WA Interagency Comm. for Outdoor Rec.			
Pacific Coast Salmon Recovery, Pacific Salmon Treaty Program - Entiat Instream Habitat Restoration	11.438	05-1591R	242,437
Pacific Coast Salmon Recovery, Pacific Salmon Treaty Program - Nason Creek Habitat Restoration	11.438	05-1552N	46,656
Pacific Coast Salmon Recovery, Pacific Salmon Treaty Program - Gagnon CMZ	11.438	05-1546R	352,526
Total CFDA Number	11.438		<u>641,619</u>
<b>Total U.S. Department of Commerce</b>			<u>641,619</u>
<b>U.S. Department of the Interior</b>			
Distribution of Receipts to State and Local Governments -			
Taylor Grazing	15.227	N/A	200
Total CFDA number	15.227		<u>200</u>
Passed through National Fish & Wildlife Foundation			
Fish and Wildlife Management Assistance - Wenatchee River Initiative	15.608	WA 2005-0197-004	78,484
Fish and Wildlife Management Assistance - Icicle Riparian	15.608	WA 2005-0197-079	4,418
Total CFDA Number	15.608		<u>82,902</u>
Passed through Bureau of Reclamation			
Salmon Habitat Advisory and Assistance Services	15.999	06CK101628	68,776
Total CFDA Number	15.999		<u>68,776</u>
<b>Total U.S. Dept of the Interior</b>			<u>151,878</u>
<b>U.S. Department of Justice</b>			
Violence Against Women Formula Grants - Stop Grant	16.588	F04-30304-005	15,936
Violence Against Women Formula Grants - Stop Grant	16.588	F06-31103-004	15,121
Passed through Administrative Office of the Courts			
Violence Against Women Formula Grants - Stop Grant	16.588	IAA06190	11,724
Total CFDA Number	16.588		<u>42,781</u>
State Criminal Alien Assistance Program	16.606	N/A	47,132
Total CFDA Number	16.606		<u>47,132</u>

# CHELAN COUNTY, WASHINGTON

## Schedule of Expenditures of Federal Awards - Schedule 16

For the Year Ended December 31, 2007

Grantor/Pass-through Grantor/Program Title	Federal CFDA #	Other Identification Number	Current Year Expenditures
Public Safety Partnership and Community Policing Grants - COPS Universal Hiring Program	16.710	2003-UMWX-0281	<u>50,000</u>
Passed through WA Association of Sheriffs			
Public Safety Partnership and Community Policing Grants - Methamphetamine Initiative	16.710	2001-CKWX-0177	<u>56,355</u>
Total CFDA Number	16.710		<u>106,355</u>
Passed through WA Dept of Social & Health Services			
Domestic Cannabis Eradication/Suppression Program	16.999	C010603GSC	<u>20,000</u>
Total CFDA Number	16.999		<u>20,000</u>
<b>Total U. S. Dept of Justice</b>			<u>216,268</u>
<b>U.S. Department of Transportation</b>			
Passed through WA State Department of Transportation			
Highway Planning and Construction - FHWA CRP 513	20.205	STPXP-WARR(012)	112,618
Highway Planning and Construction - FHWA CRP 597	20.205	BROS-2004(077)	<u>41,550</u>
Total CFDA Number			<u>154,168</u>
Passed through WA Traffic Safety Commission			
Safety Incentive Grants for Use of Seatbelts - Traffic Safety Commission	20.604	N/A	<u>8,246</u>
Total CFDA Number	20.604		<u>8,246</u>
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	E06-220	<u>4,000</u>
Total CFDA Number			<u>4,000</u>
<b>Total U.S. Department of Transportation</b>			<u>166,414</u>
<b>Election Assistance Commission</b>			
Passed through WA Secretary of State			
Help America Vote Act	90.401	G-2829	<u>44,974</u>
Total CFDA Number	90.401		<u>44,974</u>
<b>Total Election Assistance Commission</b>			<u>44,974</u>
<b>U.S. Department of Health and Human Services</b>			
Passed through WA Dept of Social and Health Services			
Child Support Enforcement - PA	93.563	N/A	252,388
Child Support Enforcement - Clerk	93.563	N/A	<u>167,094</u>
Total CFDA Number	93.563		<u>419,482</u>
Passed through WA Dept of Social & Health Services			
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Prevention	93.959	8871	43,069
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Community Prevention Training	93.959	8871	3,565
Block Grants for Prevention and Treatment of Substance Abuse - TANF Fed Staff	93.959	8871	32,853
Block Grants for Prevention and Treatment of Substance Abuse - TANF Tmt Srv	93.959	8871	520
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Grant in Aid	93.959	8871	138,871

**CHELAN COUNTY, WASHINGTON**

## Schedule of Expenditures of Federal Awards - Schedule 16

For the Year Ended December 31, 2007

Grantor/Pass-through Grantor/Program Title	Federal CFDA #	Other Identification Number	Current Year Expenditures
Block Grants for Prevention and Treatment of Substance Abuse - Youth Tmt Exp	93.959	8871	9,226
Block Grants for Prevention and Treatment of Substance Abuse - Adult Tmt Exp	93.959	8871	49,208
Total CFDA Number	93.959		<u>277,312</u>
<b>Total U.S. Dept of Health and Human Services</b>			<u>696,794</u>
<b>U.S. Department of Homeland Security</b>			
Passed through WA Military Department			
State Domestic Preparedness Equipment Support Program	97.004	E06-028	<u>140,562</u>
Total CFDA Number	97.004		<u>140,562</u>
Passed through WA Military Department			
Emergency Management Performance Grants - FEMA	97.042	E04-121	<u>33,371</u>
Total CFDA Number	97.042		<u>33,371</u>
Passed through WA Military Department			
Law Enforcement Terrorism Prevention Program	97.074	LETPP	<u>51,645</u>
Total CFDA Number	97.074		<u>51,645</u>
<b>Total U.S. Department of Homeland Security</b>			<u>225,578</u>
<b>Total Federal Assistance</b>			<u><u>3,726,749</u></u>

The notes to the schedule of financial assistance are an integral part of this schedule.

# CHELAN COUNTY, WASHINGTON

## Schedule of State & Local Financial Assistance - Schedule 16

For the Year Ended December 31, 2007

1	2	3
Grantor/ Program Title	Identification Number	Current Year Expenditures
<b>Washington State</b>		
1/2 Prosecutor's Salary	RCW 36.17.020	50,815
Witness Payments	RCW 10.46.230	867
CASA/GAL Program	IAA08066	46,418
<b>Total Washington State</b>		<u>98,100</u>
<b>Department of Fish &amp; Wildlife</b>		
Lead Entity Grant	05-2044/07-1549	90,148
Stemilt Partnership	07-1655	25,000
<b>Total Dept of Fish &amp; Wildlife</b>		<u>115,148</u>
<b>Department of Ecology</b>		
Stream Flow Gauging	G0600033/G0800077	33,394
Lake Chelan TMDL DOE	G0400274	69,692
Watershed Planning General Funds	G0000075	5,636
Watershed Planning WRIA40a Squilchuck-Stemilt	G0400123	31,100
Watershed Planning WRIA 40a Multi-Purpose Water Storage	G0600142	4,959
Roses Lake Milfoil Eradication	G0600350	1,924
Campbell Creek	G0700003	1,406
Wenatchee Storage Study	G0700037	47,628
Chum/Miss Forum	G0700064	182,992
WRIA 45 Phase 4	G0700263	58,185
Lake Chelan Watershed Plan Ph I	G0700224	23,241
Shoreline Master Program Update	G0800231	9,539
WRIA 40a Council Support	G0800028	7,498
WRIA 40a Phase 4	G0800175	2,315
<b>Total Department of Ecology</b>		<u>479,509</u>
<b>Department of Social &amp; Health Services</b>		
Child Support - Clerks	N/A	27,419
Support Enforcement	1507-23929	130,018
VRDE Grant in Aid	8871	641,959
VRDE Detoxification	8871	46,109
CJ Treat	8871	112,857
CJTA Innov	8871	4,026
Childrens Administration - CDP	8871	56,494
JRA/Diagnostics	0763-22041	19,000
JRA/Detention	0763-22041	6,710
JRA/CJS	0763-22041	97,691
JRA/SSODA	0763-22041	20,614
BECCA/AOC	0363-1663	73,721
CRC/DCFS/DSHS	0663-98863	284,422
JRA/CDDA	0763-22041	15,390
JRA/CJAA	0763-22041	39,931
3900 Program	0763-22041	38,134
Functional Family Therapy (FFT)	0763-30315	10,404
Community Network	N/A	59,296
<b>Total Dept of Social &amp; Health Services</b>		<u>1,684,195</u>

**CHELAN COUNTY, WASHINGTON**

Schedule of State &amp; Local Financial Assistance - Schedule 16

For the Year Ended December 31, 2007

1	2	3
Grantor/ Program Title	Identification Number	Current Year Expenditures
<b>Washington State Department of Transportation</b>		
CAPA	N/A	293,096
Wapato Point	N/A	11,327
CRP 572 RATA	0400-02/CRP 572	1,921,350
CRP 619 RATA	LA-6266/CRP 619	250,818
CRP 621 RATA	LA-6295/CRP 621	41,279
<b>Total Department of Transportation</b>		<b>2,517,870</b>
<b>Washington State County Road Administration Board</b>		
CRP 559 RATA	0401-01/CRP 559	367,058
CRP 612 RATA	0403-01/CRP612	104,878
<b>Total Washington State County Road Administration Board</b>		<b>471,936</b>
<b>Parks &amp; Recreation Commission</b>		
Snowmobile	WR-05/06-73	9,465
<b>Total Parks &amp; Recreation Commission</b>		<b>9,465</b>
<b>Inter-Agency Commission for Outdoor Recreation</b>		
Interagency Comm for ORV	03-1269E	234,550
Alder Creek Culvert #1	06-2249R	315,788
Beaver Creek Culvert	06-2248R	161,167
Clear Creek Culvert	06-2268R	140,899
Icicle Riparian	WA 2005-0197-079	3,615
<b>Total IAC for Outdoor Recreation</b>		<b>856,019</b>
<b>Bonneville Power Administration</b>		
Wenatchee Riparian	00036534	14,071
Knapp Wham Cultural Contract	00035115	7,648
Nason Creek Oxbow Reconnect	00035121	583,897
<b>Total Bonneville Power Administration</b>		<b>605,616</b>
<b>Chelan County Public Utility District #1</b>		
Nason Creek Oxbow Reconnect	2006-03RI	8,114
Entiat Instream Habitat Rest	2006-09RI	37,500
Alder Creek Culvert #2	2006-08RI	89,087
<b>Total Chelan County Public Utility District #1</b>		<b>134,701</b>
<b>TOTAL STATE &amp; LOCAL ASSISTANCE</b>		<b>6,972,559</b>

The accompanying notes to the schedule of financial assistance are an integral part of this schedule.

## **CHELAN COUNTY, WASHINGTON**

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Notes to the Schedules of Financial Assistance  
January 1, 2007 Through December 31, 2007

### **NOTE 1 - BASIS OF ACCOUNTING**

The Schedule of Financial Assistance is prepared on the same basis of accounting as the County's financial statements. The County uses the accrual basis of accounting for all funds except the governmental fund types, expendable trust funds and agency funds, which use the modified accrual basis of accounting. The modified accrual basis differs from the accrual basis in the following ways:

1. Purchases of capital assets are considered expenditures.
2. Redemption of long-term debt are considered expenditures when due.
3. Revenues are recognized only when they become both measurable and available to finance expenditures of the current period.
4. Inventories and prepaid items are reported as expenditures purchased.
5. Interest on long-term debt is not accrued but is recorded as an expenditure when due.

### **NOTE 2 - PROGRAM COSTS**

The amounts shown as current year expenditures represent only state/federal portion of the program costs. Actual program costs, including the county's portion, may be more than shown.

### **NOTE 3 - NOT APPLICABLE (N/A)**

The County was unable to obtain other identification number.

### **NOTE 4 – SCAAP GRANT**

The Regional Justice Center is a partnership between Chelan County, Douglas County and the City of Wenatchee. Douglas County and the City of Wenatchee are also applicants and show their proportionate share on their Schedule 16.

The grantor, the Department of Justice, provides the Regional Justice Center with the calculation for the amount of allowable expenditures the federal program will provide. The most recent data available is from July 1, 2005 through June 30, 2006. Since the county will receive funding based on 2007 expenditures, an estimation was made using the figures from the most recent data available.

For 2007, Chelan County reported \$47,132 Douglas County will report \$32,765 and the City of Wenatchee will report \$27,065 in expenditures.

# **CHELAN COUNTY, WASHINGTON**

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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.

Net Assets by Component	139
Changes in Net Assets	140
Fund Balances of Governmental Funds	142
Changes in Fund Balances of Governmental Funds	143
General Government Tax Revenues by Source	144

### **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	145
Property Tax Rates – Direct and Overlapping Governments	146
Principal Property Taxpayers	147
Property Tax Levies and Collections	148

### **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	149
Ratios of General Bonded Debt Outstanding	150
Legal Debt Margin Information	151

### **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	152
Principal Employers	153

### **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	154
Operating Indicators by Function	155
Capital Asset Statistics by Function	156

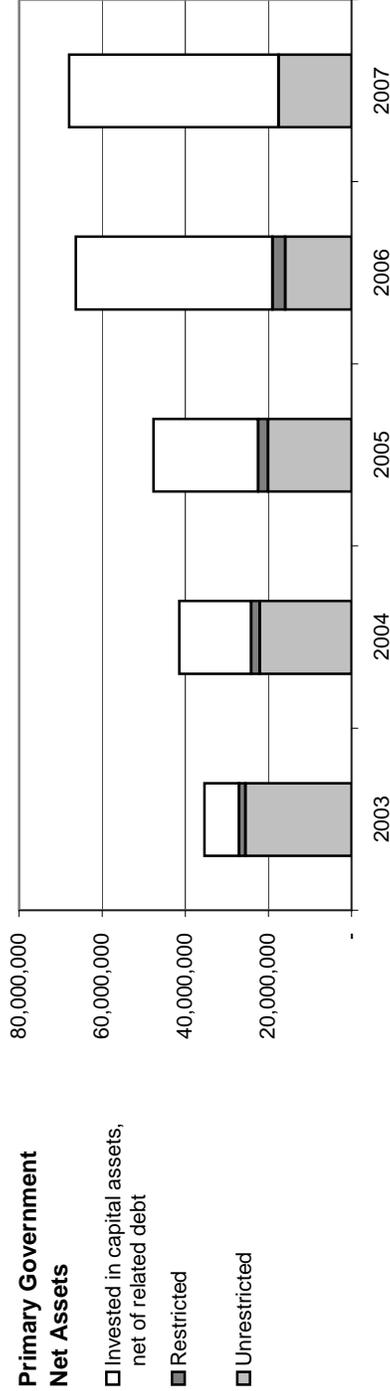
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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## CHELAN COUNTY, WASHINGTON

Net Assets by Component  
Last Five Fiscal Years  
(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Governmental activities</b>					
Invested in capital assets, net of related debt	5,982,622	15,229,008	23,064,659	45,256,287	48,436,910
Restricted	1,594,582	2,091,324	2,423,099	3,016,727	-
Unrestricted	25,060,621	21,057,517	18,762,671	15,279,911	16,632,017
<b>Total governmental activities net assets</b>	<b>32,637,826</b>	<b>38,377,850</b>	<b>44,250,429</b>	<b>63,552,926</b>	<b>65,068,927</b>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	2,357,662	2,075,020	2,138,608	2,106,615	2,034,312
Unrestricted	429,108	994,720	1,304,432	682,535	902,526
<b>Total business-type activities net assets</b>	<b>2,786,770</b>	<b>3,069,740</b>	<b>3,443,039</b>	<b>2,789,150</b>	<b>2,936,838</b>
<b>Primary government</b>					
Invested in capital assets, net of related debt	8,340,284	17,304,028	25,203,267	47,362,902	50,471,222
Restricted	1,594,582	2,091,324	2,423,099	3,016,727	-
Unrestricted	25,489,729	22,052,237	20,067,102	15,962,447	17,534,542
<b>Total primary government net assets</b>	<b>35,424,595</b>	<b>41,447,590</b>	<b>47,693,468</b>	<b>66,342,076</b>	<b>68,005,765</b>



Notes:

The County implemented GASB #34 in 2003, and therefore no prior information is available.

Governmental activities invested in capital assets almost doubled in 2006 due to retrospective reporting of infrastructure. Due to the defeasance of general obligation bonds in the debt service fund, the restricted net assets were removed in 2007.

# CHELAN COUNTY, WASHINGTON

Changes in Net Assets  
Last Five Fiscal Years  
(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Expenses</b>					
Governmental activities:					
General government	15,704,699	14,983,530	15,820,567	16,875,815	19,779,898
Judicial	2,518,104	2,583,105	2,788,489	2,878,666	3,093,301
Public safety	11,039,550	15,411,584	15,300,244	14,505,817	16,196,980
Physical environment	1,665,874	1,430,752	2,298,744	2,218,962	3,921,161
Transportation	4,032,318	5,728,453	8,564,054	12,860,070	16,734,747
Health and human services	491,423	497,421	501,035	466,656	530,354
Economic environment	1,772,667	1,722,704	2,090,119	2,762,824	3,460,391
Culture and recreation	678,752	763,942	837,424	780,326	935,089
Interest on long-term debt	607,156	631,657	592,364	544,672	488,311
Total governmental activities expenses	38,510,542	43,753,148	48,793,040	53,893,807	65,140,233
Business-type activities:					
Utilities	918,952	1,369,149	980,186	1,088,631	1,357,762
Public safety	4,642,425	4,911,932	5,917,493	7,116,572	7,707,781
Other	486,114	524,758	624,481	615,657	592,670
Total business-type activities expenses	6,047,492	6,805,839	7,522,161	8,820,861	9,658,213
Total primary government expenses	44,558,034	50,558,986	56,315,201	62,714,668	74,798,445
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	3,142,742	5,270,139	7,042,373	8,268,024	10,168,264
Judicial	1,448,838	2,086,950	2,318,144	2,634,870	2,866,511
Public safety	570,103	2,023,007	1,758,700	2,198,422	2,120,818
Physical environment	48,060	182,762	261,758	85,411	13,373
Transportation	121,870	260,659	2,742,542	3,659,967	3,884,330
Health and human services	-	-	-	751	495
Economic environment	1,169,163	1,207,780	1,486,343	1,771,371	1,739,092
Culture and recreation	158,289	364,966	370,846	204,010	192,718
Operating grants and contributions	7,523,707	6,202,763	6,714,602	4,888,389	10,685,200
Capital grants and contributions	362,022	1,809,396	2,263,123	1,551,641	2,324,298
Total governmental activities program revenues	14,544,794	19,408,422	24,958,431	25,262,855	33,995,099

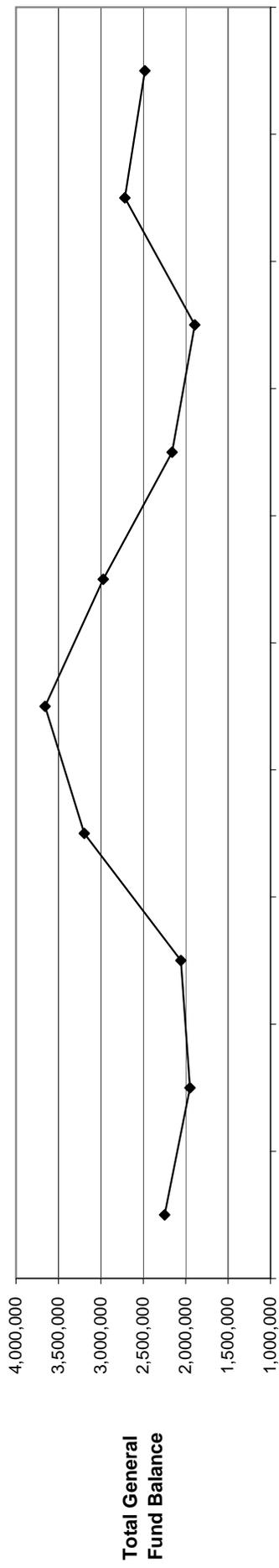
	Fiscal Year				
	2003	2004	2005	2006	2007
Business-type activities:					
Charges for services:					
Utilities	718,523	796,490	834,517	1,048,184	1,568,913
Public safety	2,891,934	6,002,190	5,847,098	6,083,928	7,256,312
Other	393,457	519,050	456,199	485,751	486,657
Operating grants and contributions	2,446,887	256,809	412,792	378,208	341,233
Total business-type activities program revenues	6,450,801	7,574,539	7,550,606	7,996,070	9,653,115
Total primary government program revenues	20,995,595	26,982,961	32,509,037	33,258,925	43,648,214
Net (expense)/revenue:					
Governmental activities	(23,965,749)	(24,344,725)	(23,834,608)	(28,630,953)	(31,145,133)
Business-type activities	403,310	768,700	28,445	(824,790)	(5,098)
Total primary government net expense	(23,562,439)	(23,576,025)	(23,806,163)	(29,455,743)	(31,150,231)
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes					
Property taxes	12,932,495	13,452,658	14,437,672	14,079,978	14,706,768
Sales and use taxes	5,033,958	4,976,610	5,611,908	6,230,365	7,059,665
Motor vehicle fuel tax	2,078,464	2,101,802	2,162,824	2,238,789	2,290,340
Other taxes	3,911,797	5,169,333	5,806,352	6,535,512	7,088,030
Interest and investment earnings	622,193	509,483	888,244	1,541,264	1,586,330
Miscellaneous	2,520,597	778,147	794,711	5,606	-
Transfers	535,398	675,229	4,476	(55,835)	(70,000)
Total governmental activities	27,634,903	27,663,263	29,706,188	30,575,669	32,661,133
Business-type activities:					
Other taxes	48,167	48,329	46,768	46,001	52,306
Interest and investment earnings	7,684	3,936	11,210	27,501	30,479
Miscellaneous	90,037	137,235	291,352	41,565	-
Transfers	(535,398)	(675,229)	(4,476)	55,835	70,000
Total business-type activities	(389,510)	(485,730)	344,854	170,901	152,785
Total primary government	27,245,393	27,177,533	30,051,042	30,746,570	32,813,918
<b>Change in Net Assets</b>					
Governmental activities	3,669,154	3,318,538	5,871,580	1,944,716	1,516,000
Business-type activities	13,800	282,970	373,300	(653,889)	147,687
Total primary government	3,682,954	3,601,508	6,244,879	1,290,827	1,663,688

Note: The County implemented GASB #34 in 2003, and therefore no prior information is available.

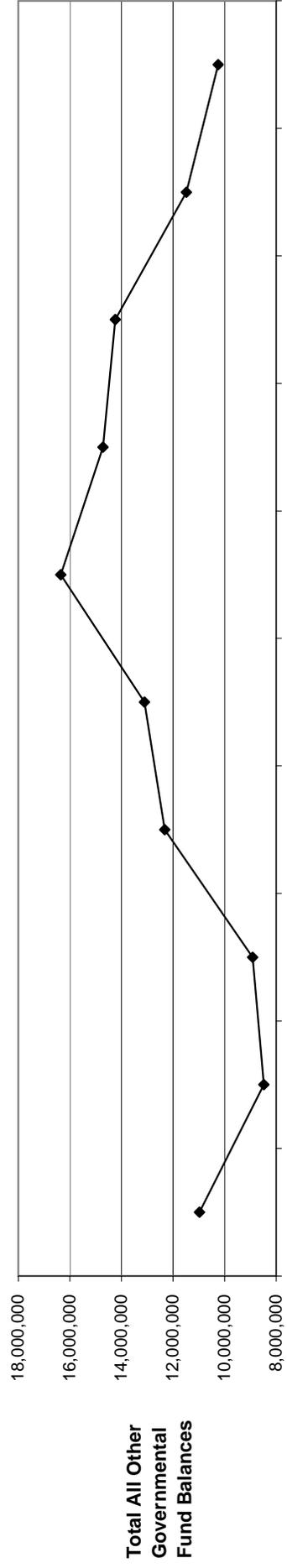
# CHELAN COUNTY, WASHINGTON

Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General fund</b>										
Reserved	-	-	-	-	-	-	120,000	-	-	-
Unreserved	2,247,135	1,949,613	2,055,514	3,194,740	3,655,861	2,970,554	2,040,710	1,893,826	2,717,995	2,480,438
<b>Total General fund</b>	<u>2,247,135</u>	<u>1,949,613</u>	<u>2,055,514</u>	<u>3,194,740</u>	<u>3,655,861</u>	<u>2,970,554</u>	<u>2,160,710</u>	<u>1,893,826</u>	<u>2,717,995</u>	<u>2,480,438</u>



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>All other governmental funds</b>										
Reserved	4,349,204	2,238,525	1,993,807	2,306,676	2,663,943	1,594,582	2,138,054	2,503,099	3,116,727	100,000
Unreserved, reported in:										
Special revenue funds	6,482,895	6,087,013	6,891,908	8,528,838	8,726,835	9,664,676	8,865,378	9,995,517	7,086,530	7,408,546
Capital project funds	139,834	147,074	28,466	1,487,725	1,714,819	5,091,274	3,713,732	1,743,007	1,279,830	2,741,570
<b>Total all other governmental funds</b>	<u>10,971,933</u>	<u>8,472,612</u>	<u>8,914,181</u>	<u>12,323,239</u>	<u>13,105,597</u>	<u>16,350,532</u>	<u>14,717,165</u>	<u>14,241,623</u>	<u>11,483,088</u>	<u>10,250,116</u>



# CHELAN COUNTY, WASHINGTON

## Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(accrual basis of accounting)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenues</b>										
Taxes	15,835,550	17,235,498	18,401,962	18,995,748	19,782,253	20,782,272	21,682,449	23,537,843	24,885,151	26,761,084
Licenses and permits	403,313	443,647	485,118	488,015	510,579	575,042	659,499	749,512	832,002	883,035
Intergovernmental revenues	10,328,603	10,686,970	11,854,381	14,051,670	10,944,356	10,690,407	12,196,873	13,915,923	11,861,297	17,855,898
Charges for services	1,833,579	2,125,566	2,085,324	2,893,294	3,160,507	4,142,544	4,342,974	4,650,320	5,383,426	5,591,290
Fees and fines	959,964	883,175	925,891	848,442	1,095,754	1,130,273	1,218,182	1,133,455	1,303,721	1,377,250
Miscellaneous	5,543,592	1,564,418	1,702,832	1,860,741	1,002,031	1,073,130	2,323,893	2,018,459	2,286,489	2,858,423
<b>Total revenues</b>	<b>34,904,601</b>	<b>32,939,274</b>	<b>35,455,508</b>	<b>39,137,910</b>	<b>36,495,480</b>	<b>38,393,669</b>	<b>42,423,869</b>	<b>46,005,511</b>	<b>46,552,086</b>	<b>55,326,979</b>
<b>Expenditures</b>										
General government	8,605,472	9,433,872	8,715,144	9,376,451	10,575,057	10,756,389	10,868,927	11,414,253	11,744,332	13,142,930
Security of persons and property	9,067,841	9,912,081	9,660,763	10,322,993	10,895,333	11,751,741	13,438,209	15,058,453	14,249,525	15,913,411
Utilities & environment	2,982,003	390,266	380,706	769,887	901,138	1,701,870	1,467,956	2,297,620	2,217,838	3,925,161
Transportation	6,925,253	5,822,384	7,033,917	7,002,680	7,170,610	6,443,486	6,258,446	6,206,477	7,987,502	9,643,443
Economic environment	999,965	1,545,207	1,846,019	1,517,268	1,922,960	1,921,489	1,998,431	2,198,298	2,819,565	3,589,407
Mental health and physical health	1,153,521	1,124,713	1,201,862	1,321,188	571,528	569,236	573,150	595,995	552,469	555,406
Culture and recreation	1,013,129	1,022,179	700,797	702,310	786,826	568,238	640,847	639,202	655,953	732,406
Debt service:										
Principal	-	1,064,784	1,084,847	1,211,135	1,506,392	2,257,971	924,893	1,279,978	1,330,543	1,507,020
Interest and other charges	-	-	-	-	-	657,083	631,657	594,889	549,479	538,550
Capital outlay	2,941,057	5,642,407	4,001,190	2,559,736	814,662	2,718,871	8,049,832	6,621,306	6,316,599	6,089,249
<b>Total expenditures</b>	<b>33,688,241</b>	<b>35,957,893</b>	<b>34,625,245</b>	<b>34,783,648</b>	<b>35,144,506</b>	<b>39,346,374</b>	<b>44,852,348</b>	<b>46,906,471</b>	<b>48,423,804</b>	<b>55,636,982</b>
Excess of revenues over (under) expenditures.	1,216,370	(3,018,619)	830,263	4,354,262	1,350,974	(952,705)	(2,428,479)	(900,960)	(1,871,719)	(310,003)
<b>Other financing sources (uses)</b>										
Proceeds from sale of capital assets	139,249	126,177	80,294	39,518	13,057	12,063	13,074	17,097	15,188	29,256
Transfers in	312,393	780,763	193,980	394,578	(79,238)	327,070	272,369	466,287	2,606,568	894,892
Transfers out	(1,114,065)	(632,907)	(532,962)	(193,457)	(1,096,244)	(274,064)	(384,454)	(324,850)	(2,684,402)	(964,892)
Other	(620,821)	(60,693)	8,335	(5,474)	(121,765)	2,265	84,278	-	-	-
Proceeds from bonds issued	-	-	-	-	-	3,445,000	-	-	-	1,210,000
Refunding bonds issued	-	-	-	-	-	3,315,000	-	-	-	4,525,000
Premium (discount) on bonds issued	-	-	-	-	-	-	-	-	-	57,726
Payment to refunding escrow agent	-	-	-	-	-	(3,315,000)	-	-	-	(6,912,508)
<b>Total other financing sources (uses)</b>	<b>(1,283,244)</b>	<b>213,340</b>	<b>(250,353)</b>	<b>235,165</b>	<b>(1,284,190)</b>	<b>3,512,334</b>	<b>(14,732)</b>	<b>158,534</b>	<b>(62,647)</b>	<b>(1,160,526)</b>
<b>Net change in fund balances</b>	<b>(54,484)</b>	<b>(2,805,279)</b>	<b>579,910</b>	<b>4,589,427</b>	<b>66,789</b>	<b>2,559,629</b>	<b>(2,443,211)</b>	<b>(742,426)</b>	<b>(1,934,366)</b>	<b>(1,470,529)</b>
Debt service as a percentage of noncapital expenditures	0.00%	3.51%	3.54%	3.76%	4.39%	7.96%	4.23%	4.65%	4.46%	4.13%

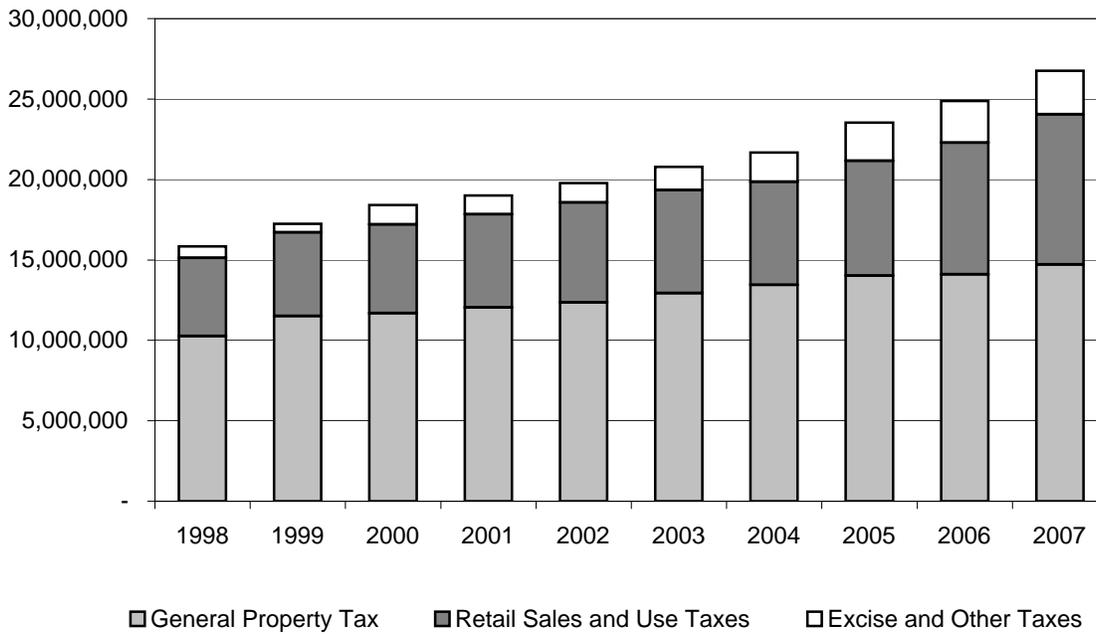
# CHELAN COUNTY, WASHINGTON

## General Government Tax Revenues By Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

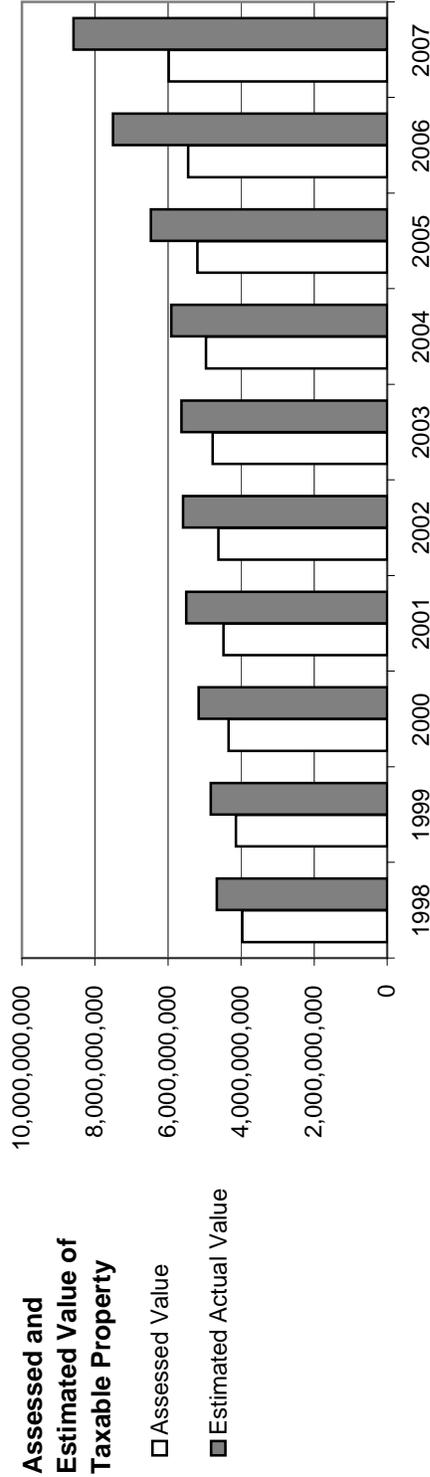
<b>Fiscal Year</b>	<b>General Property Tax</b>	<b>Retail Sales and Use Taxes</b>	<b>Excise and Other Taxes</b>	<b>Total</b>
1998	10,264,478	4,872,791	698,282	15,835,550
1999	11,503,447	5,207,922	524,130	17,235,498
2000	11,696,315	5,515,259	1,190,388	18,401,962
2001	12,041,381	5,802,234	1,152,133	18,995,748
2002	12,360,714	6,210,989	1,210,551	19,782,253
2003	12,932,495	6,409,121	1,440,657	20,782,272
2004	13,452,658	6,405,720	1,824,071	21,682,449
2005	14,022,223	7,144,030	2,371,590	23,537,843
2006	14,093,548	8,190,125	2,601,478	24,885,151
2007	14,706,768	9,349,690	2,704,626	26,761,084



# 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
1998	3,862,051,663	146,620,641	37,569,282	3,971,103,022	3.2897	4,666,396,031	85.1%
1999	4,066,127,727	148,620,641	72,129,425	4,142,618,943	3.3983	4,833,861,077	85.7%
2000	4,260,653,380	148,696,333	65,614,211	4,343,735,502	3.4669	5,164,964,925	84.1%
2001	4,396,678,221	151,685,890	64,165,917	4,484,198,194	3.4317	5,502,083,674	81.5%
2002	4,521,104,432	159,624,187	59,525,202	4,621,203,417	3.3146	5,587,912,233	82.7%
2003	4,687,593,937	147,353,730	57,922,434	4,777,025,233	3.3059	5,633,284,473	84.8%
2004	4,872,628,292	147,386,402	57,920,414	4,962,094,280	3.2561	5,907,255,095	84.0%
2005	5,122,190,051	160,288,138	88,765,052	5,193,713,137	3.2458	6,467,886,846	80.3%
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%



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

## CHELAN COUNTY, WASHINGTON

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

Fiscal Year	Chelan County		Overlapping Rates - Districts							Total Direct and Overlapping Rates
	General Fund	Special Revenue Funds	Total County	Hospital Districts	Fire Districts	Cemetery Districts	School Districts	Miscellaneous Districts	Cities and Towns	
1998	1.4311	1.8585	3.2897	0.5122	0.9825	0.1900	3.4916	0.4455	2.6037	11.5150
1999	1.4585	1.9398	3.3983	0.5427	0.9787	0.0790	3.1783	0.3538	2.6021	11.1329
2000	1.4790	1.9879	3.4669	0.4906	0.9294	0.0839	3.1725	0.3534	2.6496	11.1463
2001	1.4647	1.9671	3.4317	0.6523	0.9865	0.0807	3.1966	0.2942	2.7458	11.3879
2002	1.5469	1.7677	3.3146	0.9059	0.9934	0.0843	3.2096	0.3443	2.8805	11.7325
2003	1.5466	1.7594	3.3059	0.9093	0.9772	0.0847	3.0453	0.3649	2.8330	11.5203
2004	1.5301	1.7260	3.2561	0.8671	0.9287	0.0833	3.1989	0.3416	2.7534	11.4291
2005	1.6114	1.6344	3.2458	0.8308	0.9424	0.0823	3.1105	0.3405	2.7863	11.3384
2006	1.6215	1.4872	3.1087	0.9752	0.9556	0.0813	3.7752	0.3204	2.7165	11.9330
2007	1.5370	1.5088	3.0457	1.0238	0.9993	0.0729	4.1492	0.5248	2.5696	12.3853

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.)

## CHELAN COUNTY, WASHINGTON

Principal Property Taxpayers - Top Ten  
December 31, 2007

Taxpayer	2007			2001		
	2007 Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	2001 Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
ALCOA Inc.	61,568,499	1	1.03%	51,363,142	1	1.11%
Stemilt Growers Inc	52,414,581	2	0.88%	36,847,900	2	0.80%
Verizon Northwest Inc	42,585,507	3	0.71%	-	-	-
Wenatchee Valley Clinic	33,930,919	4	0.57%	20,519,416	5	0.44%
Trout Blue Chelan Inc	32,930,298	5	0.55%	31,606,504	3	0.68%
BNSF Railway Company	30,079,370	6	0.50%	-	-	-
Tree Top Inc	23,521,891	7	0.39%	15,966,836	8	0.35%
Dovex Fruit Company	22,677,437	8	0.38%	21,436,040	4	0.46%
Blue Bird Inc	15,415,184	9	0.26%	16,460,266	7	0.36%
McDougall & Sons Inc	12,722,202	10	0.21%	-	-	-
Longview Fibre Company	-	-	-	19,758,500	6	0.43%
Chief Wenatchee	-	-	-	15,473,426	9	0.33%
Blue Star Growers Inc	-	-	-	11,493,815	10	0.25%
Totals	<u>327,845,888</u>		<u>5.48%</u>	<u>240,925,845</u>		<u>5.21%</u>
Total Taxable Value:	\$ 5,978,934,852			\$ 4,621,203,417		

Source: Chelan County Assessor

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

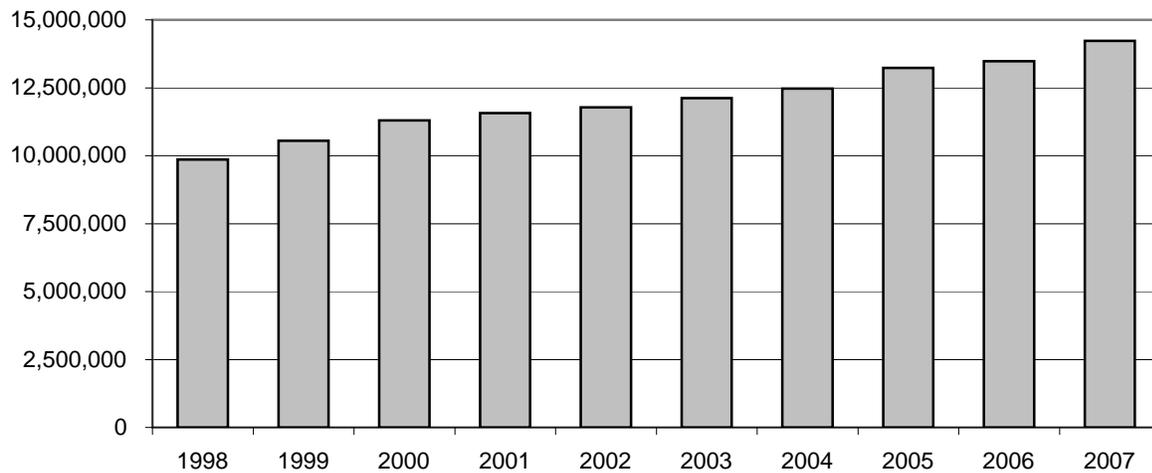
Data from 2001 was use for comparison since data from 10 years prior is not available.

# 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
1998	9,856,394	Not available	Not available	Not available	9,836,916	99.80%
1999	10,552,930	Not available	Not available	Not available	10,546,145	99.94%
2000	11,304,605	10,938,813	96.76%	354,142	11,292,955	99.90%
2001	11,566,648	11,085,002	95.84%	464,874	11,549,876	99.85%
2002	11,777,775	11,395,989	96.76%	379,245	11,775,234	99.98%
2003	12,115,666	11,766,717	97.12%	346,018	12,112,735	99.98%
2004	12,469,748	12,198,777	97.83%	267,915	12,466,691	99.98%
2005	13,233,355	12,982,188	98.10%	215,486	13,197,674	99.73%
2006	13,476,608	13,218,345	98.08%	164,774	13,218,345	98.08%
2007	14,230,327	14,128,454	99.28%	Not applicable	14,128,454	99.28%

**Total Tax Levy**



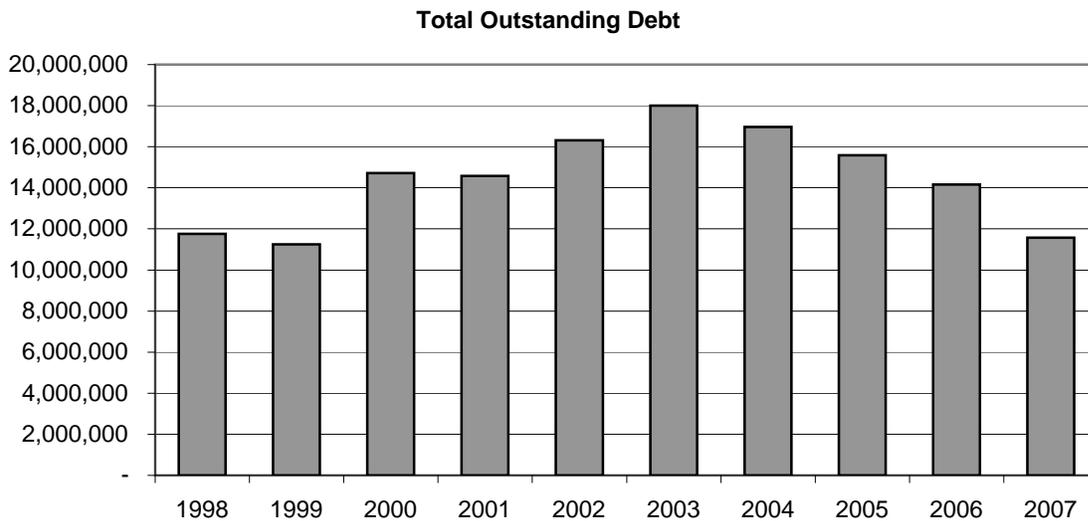
Source: Chelan County Treasurer, tax distribution reports

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	Governmental Activities		Business-Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation		Capital Leases			
	Bonds	Capital Leases	Capital Leases			
1998	11,762,360	-	-	11,762,360	0.76%	177
1999	11,247,941	-	-	11,247,941	0.72%	168
2000	14,720,112	-	-	14,720,112	0.88%	221
2001	14,582,401	105,828	-	14,688,229	0.83%	219
2002	16,317,342	211,392	17,561	16,546,295	0.91%	245
2003	17,994,373	265,358	12,667	18,272,398	0.97%	269
2004	16,969,480	140,059	7,773	17,125,085	0.87%	250
2005	15,589,502	57,039	4,915	15,651,456	0.75%	226
2006	14,153,958	8,432	-	14,162,390	Not available	202
2007	11,566,939	5,059	-	11,571,998	Not available	163

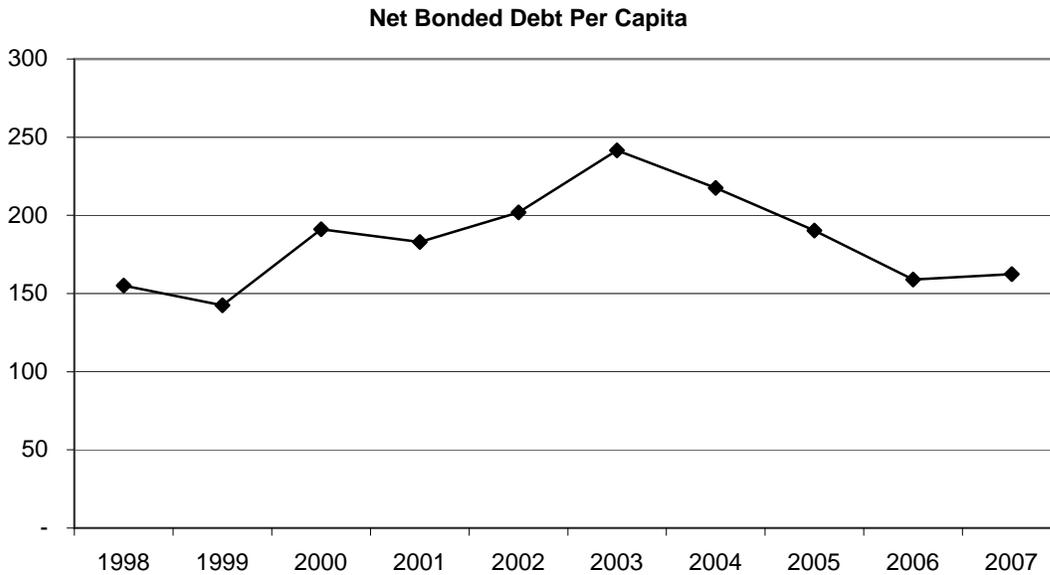


Details regarding the County's outstanding debt can be found in the notes to the financial statements. See the Schedule of Demographic and Economic Statistics for personal income and population data.

# CHELAN COUNTY, WASHINGTON

## Ratio of General Obligation Bonded Debt Outstanding Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amonts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Net Bonded Debt Per Capita</u>
1998	11,762,360	1,460,270	10,302,090	0.22%	155
1999	11,247,941	1,710,240	9,537,701	0.20%	143
2000	14,720,112	1,993,807	12,726,305	0.25%	191
2001	14,582,401	2,306,676	12,275,725	0.22%	183
2002	16,317,342	2,663,943	13,653,399	0.24%	202
2003	17,994,373	1,594,582	16,399,791	0.29%	242
2004	16,969,480	2,091,324	14,878,156	0.25%	218
2005	15,589,502	2,423,099	13,166,403	0.20%	190
2006	14,153,958	3,016,727	11,137,231	0.15%	159
2007	11,566,939	-	11,566,939	0.13%	162



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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Non-Voted Debt</b>										
Legal debt limit	59,566	62,139	65,156	67,262	69,318	71,655	74,431	76,368	81,791	89,684
Total net debt applicable to limit	11,762	3,039	14,309	13,277	1,387	(9,515)	1,884	1,547	3,013	3,972
Legal debt margin	47,804	59,100	50,847	53,985	67,931	81,170	72,547	74,821	78,778	85,712

Total net debt applicable to the limit  
as a percentage of debt limit

	19.75%	4.89%	21.96%	19.74%	2.00%	-13.28%	2.53%	2.03%	3.68%	4.43%
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### Voted and Non-Voted Debt

Legal debt limit	99,277	103,565	108,593	112,104	115,530	119,425	124,052	127,280	136,318	149,473
Total net debt applicable to limit	11,762	3,039	14,309	13,277	1,387	(9,515)	1,884	1,547	3,013	3,972
Legal debt margin	87,515	100,526	94,284	98,827	114,143	128,940	122,168	125,733	133,305	145,501

Total net debt applicable to the limit  
as a percentage of debt limit

	11.85%	2.93%	13.18%	11.84%	1.20%	-7.97%	1.52%	1.22%	2.21%	2.66%
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### Legal Debt Margin Calculation for Fiscal Year 2007

Assessed Valuations	5,978,935
Limited Tax General Obligation Debt Capacity (non-voted):	
Legal limit of up to 1.5% on the assessed valuation	89,684
Less: outstanding debt	(18,530)
Add: available assets	14,558
Remaining Debt Capacity (non voted)	85,712
Total General Obligation Debt Capacity (voted and non-voted):	
Legal limit of up to 2.5% on the assessed valuation	149,473
Less: outstanding debt	(18,530)
Add: available assets	14,558
Remaining Debt Capacity (voted and non-voted)	145,501

## CHELAN COUNTY, WASHINGTON

### Demographic and Economic Statistics Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Income (2)</b>	<b>Median Age (3)</b>	<b>Public School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>
1998	66,411	1,538,043,000	23,877	35.8	13,122	9.2%
1999	66,913	1,566,723,000	23,823	36.0	13,200	8.1%
2000	66,616	1,675,244,000	25,098	36.3	13,024	7.5%
2001	67,100	1,760,754,000	26,325	36.5	12,910	11.0%
2002	67,600	1,809,501,000	26,921	36.8	12,777	9.6%
2003	67,900	1,875,104,000	27,601	37.1	12,941	9.2%
2004	68,400	1,974,697,000	28,685	37.5	12,874	7.7%
2005	69,200	2,074,497,000	29,657	37.8	12,901	6.4%
2006	70,100	Not Available	Not Available	38.0	12,911	6.1%
2007	71,200	Not Available	Not Available	38.1	12,883	5.9%

#### Data sources:

- (1) Washington State Office of Financial Management (OFM) - 2001 through 2007 are OFM projections.
- (2) Bureau of Economic Analysis at <http://www.bea.gov/regional/reis/>
- (3) Washington State Office of Financial Management <http://www.ofm.wa.gov/pop/coagemf/default.asp>
- (4) Washington State Office of Superintendent of Public Instruction at <http://www.k12.wa.us/dataadmin/>
- (5) Washington State Employment Security Department at <http://www.workforceexplorer.com>, rates as of December, not seasonally adjusted

## CHELAN COUNTY, WASHINGTON

### Principal Employers Current Year and Prior Year

Employer (1)	2007			2006		
	Employees	Rank	Percentile of Total County Employment	Employees	Rank	Percentile of Total County Employment
Stemilt Growers, Inc	3,300	1	9.08%	1,402	2	3.89%
Central Washington Hospital	1,378	2	3.79%	1,352	3	3.76%
Wenatchee Valley Medical Center	1,080	3	2.97%	1,420	1	3.94%
Wenatchee School District	972	4	2.67%	963	4	2.67%
Dovex Fruit Company	750	5	2.06%	-	-	-
Chelan Fruit, Inc	700	6	1.93%	610	6	1.69%
Chelan County PUD #1	674	7	1.85%	658	5	1.83%
North Central ESD	628	8	1.73%	-	-	-
Triple C Healthcare Services, Inc	550	9	1.51%	-	-	-
Chelan County	515	10	1.42%	590	9	1.64%
Blue Bird, Inc	-	-	-	600	7	1.67%
C&O Nursery	-	-	-	600	8	1.67%
Blue Star Growers	-	-	-	412	10	1.14%
Total County Employment (2):	36,347			36,002		

Principal Employer data is not available prior to 2006.

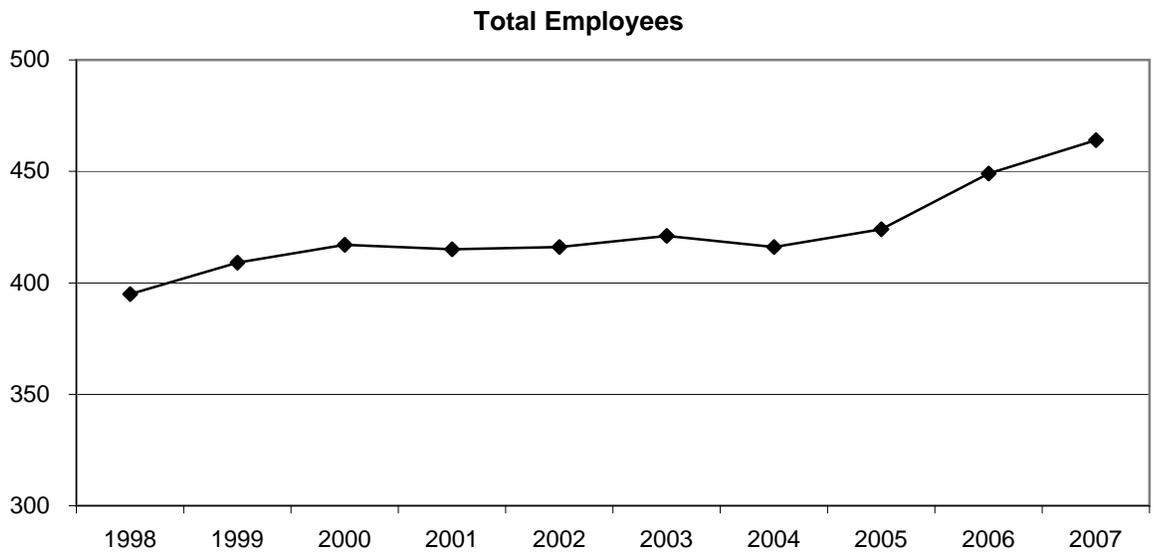
#### Data Sources:

- (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.
- (2) Total county employment uses 2nd quarter data averaged over the past year. From the US Census Bureau at <http://lehd.did.census.gov/led/datatools/qwiapp.html>

# CHELAN COUNTY, WASHINGTON

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

Function	Full-time Equivalent Employees									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government	106	105	100	99	101	102	97	102	106	106
Judicial	36	38	37	38	42	41	41	43	44	45
Public safety	158	170	182	179	177	182	181	186	196	199
Physical environment	3	3	3	3	3	7	7	8	7	9
Transportation	62	64	65	65	64	61	60	53	56	63
Economic environment	18	17	22	23	19	20	21	21	28	29
Culture and recreation	11	10	6	6	7	6	7	9	9	10
Utilities	1	2	2	2	3	2	2	2	3	3
<b>Total</b>	<b>395</b>	<b>409</b>	<b>417</b>	<b>415</b>	<b>416</b>	<b>421</b>	<b>416</b>	<b>424</b>	<b>449</b>	<b>464</b>



Actual paid FTE as of December 31 is used for 2003 - 2007. Prior to this, budgeted FTE is used because actual data is not available.

**Data sources:**

1998-2002 data was obtained from the Chelan County budget books.

2003-2007 data was obtained from payroll data in the Auditor's office.

# CHELAN COUNTY, WASHINGTON

Operating Indicators by Function  
Last Ten Fiscal Years

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government										
Total documents recorded by Auditor	24,440	23,419	18,584	21,734	25,078	31,535	26,198	27,262	27,939	27,105
Total vehicle licensing transactions	N/A	N/A	61,068	54,854	52,665	51,930	52,699	60,003	57,462	56,119
General election:										
Number of registered voters	34,349	32,803	33,755	32,393	32,703	33,327	37,395	36,185	35,314	35,983
Number of votes	13,770	20,903	26,754	18,028	20,378	15,737	29,617	20,408	23,518	19,174
Percent of registered voters voting	40.09%	63.72%	79.26%	55.65%	62.31%	47.22%	79.20%	56.40%	66.60%	53.29%
Judicial										
Superior Court cases filed	4,091	4,191	3,536	3,732	3,829	4,037	3,961	4,101	4,095	3,920
Documents filed with Clerk	107,702	110,032	107,694	112,752	110,845	116,704	118,226	134,101	156,606	138,104
District Court filings	17,641	17,212	15,935	14,962	19,563	19,181	19,419	19,466	21,958	21,796
Public safety										
Sheriff										
Total warrants entered	N/A	N/A	N/A	N/A	N/A	667	1,846	1,972	2,298	2,128
Total arrests carried out	N/A	N/A	N/A	N/A	N/A	2,181	2,209	2,150	2,645	2,330
Total citations issued	N/A	N/A	N/A	N/A	N/A	4,101	4,783	4,721	5,053	5,055
Concealed weapons permits issued	N/A	N/A	N/A	N/A	N/A	425	392	384	591	533
Regional Justice Center										
Total bookings	4,747	5,164	5,247	5,568	5,867	6,307	6,175	6,131	7,278	7,224
Average daily population	256	272	279	270	305	314	306	332	367	357
Meals served	239,193	228,989	242,444	305,130	348,765	354,870	344,175	371,328	431,769	431,043
Juvenile average daily population	21	30	26	25	29	27	20	23	20	21
Transportation										
Miles of county road repaired/preserved	N/A	N/A	N/A	98	107	231	175	346	177	301
Economic environment										
Total residential building permits	268	N/A	N/A	N/A	296	351	369	441	504	500
Total commercial building permits	N/A	N/A	N/A	N/A	66	75	57	70	69	60

Data sources:

General government data was obtained from the Chelan County Auditor'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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
Motor pool vehicles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	48	36
Public safety										
Sheriff patrol vehicles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	59	66
Transportation										
Streets (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	643	655
Culture and recreation										
Parks	1	1	1	1	1	1	1	1	1	1

#### 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.