

CHELAN COUNTY WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008

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, 2008

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CHELAN COUNTY

~ AUDITOR ~

Evelyn L. Arnold, CPA

June 1, 2009

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, 2008. 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, 2008, 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, 2008, 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

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. Like many other areas around the nation, Chelan County is currently experiencing a slight downturn in the economic environment with the construction industries slowing. However, both the commercial segment and the agriculture industry appear to remain 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's fund balance has decreased over the past two years to a level which has prompted hiring freezes and budget reductions. The goal is to bring expenditures back in balance with revenues that have dropped off with the slowing of the building industry.

The 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 Auditorium and Courthouse buildings. The County has used bonds and real estate excise tax proceeds to finance much of these construction projects. There are currently preliminary plans to perform a large remodel if the Regional Justice Center that may cost between \$4 million and \$8 million. Criminal justice sales tax funds will be bonded to finance this project.

Financial 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.

Other financial policies are revised and adopted annual by the Board of County Commissioners at the recommendation of the Financial Policies Committee. This document includes budgetary, revenue receipting, expenditure, travel, and capital asset policies.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Chelan County for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2007. This was the fourth 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's office.

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, 2007

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.

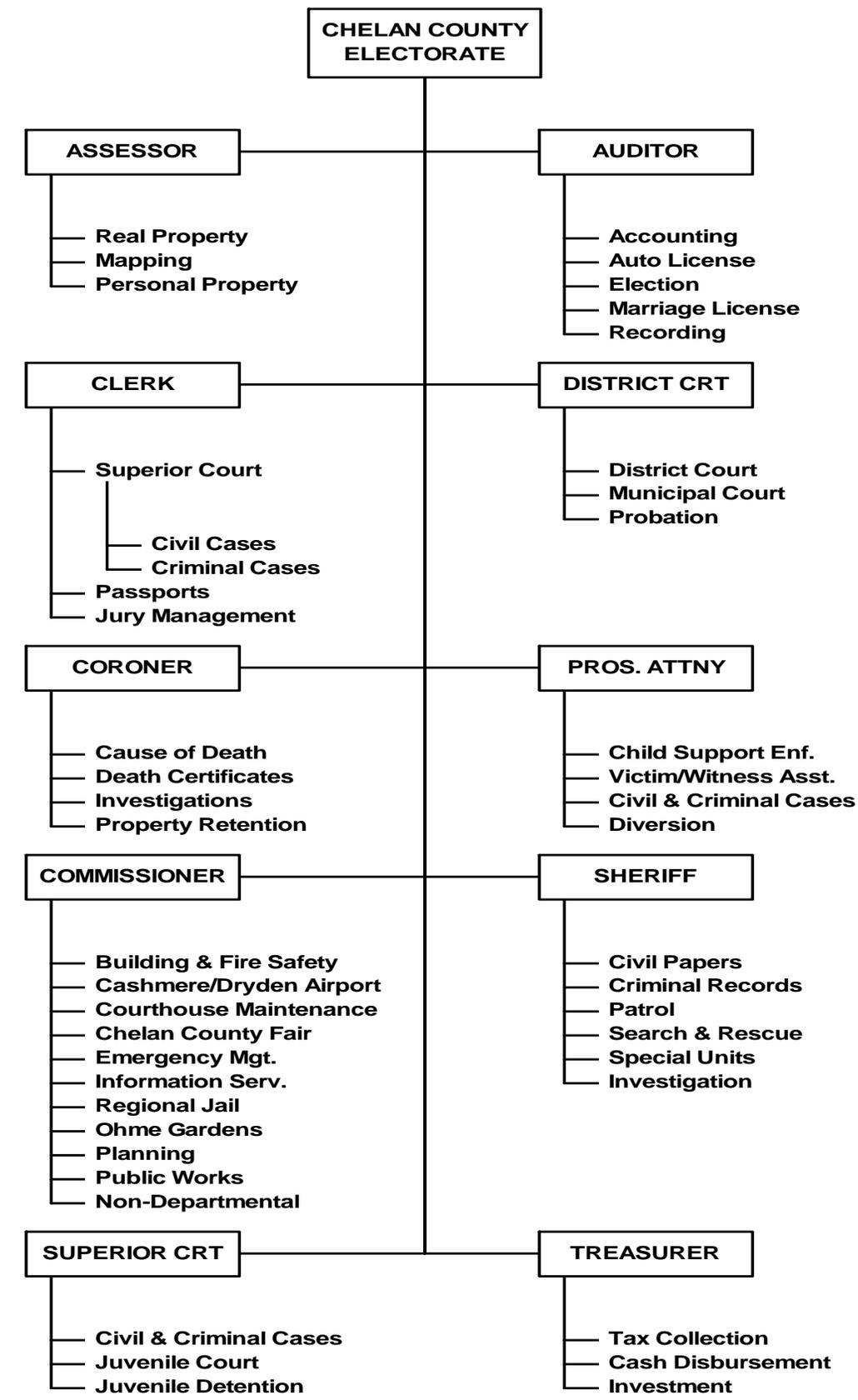


President

Executive Director

CHELAN COUNTY, WASHINGTON

Organizational Chart



CHELAN COUNTY, WASHINGTON

List of Elected Officials

CHELAN COUNTY ELECTED OFFICIALS

		<u>Term</u>	<u>Expiration</u>
Board of Commissioners			
District 1	Ron Walter	4	December 31, 2012
District 2	Keith Goehner	4	December 31, 2010
District 3	Doug England	4	December 31, 2012
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, 2012
	Lesley Allan	4	December 31, 2012
	John E. Bridges	4	December 31, 2012



Washington State Auditor Brian Sonntag

INDEPENDENT AUDITOR'S REPORT

May 29, 2009

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, 2008, 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the Chelan County, Washington, as of December 31, 2008, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General and County Roads funds 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 15 and other post-employment benefits information on page 50 are not a required part of the basic financial statements but are 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.

In accordance with Government Auditing Standards, we will also issue our report dated May 29, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the County's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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 51 through 126 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 a large initial "B" and "S".

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, 2008. 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 \$70,843,969. Of this amount, \$13,599,231 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$2,838,204.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balance of \$9,345,608, a decrease of \$3,384,946 in comparison with the prior year. The entire fund balance is generally available for spending at the government's discretion.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,960,442, or 6% of total general fund expenditures.
- The County's total non-current debt decreased by \$359,820 during the current fiscal year. This was due, in part, to regular principal payments 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, Surface and Storm Water Utility, 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 18-19.

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 37 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, and County Roads fund, both of which are considered to be major funds. Data from the other 35 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 20-25 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, Surface and Storm Water Utility, 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 26-29 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 30 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 31-49 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 51-126 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 \$70,843,969 at the close of the most recent fiscal year. This increased slightly over the previous year due in part to a large amount of infrastructure assets being constructed.

A large portion of the County's net assets (81%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); 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

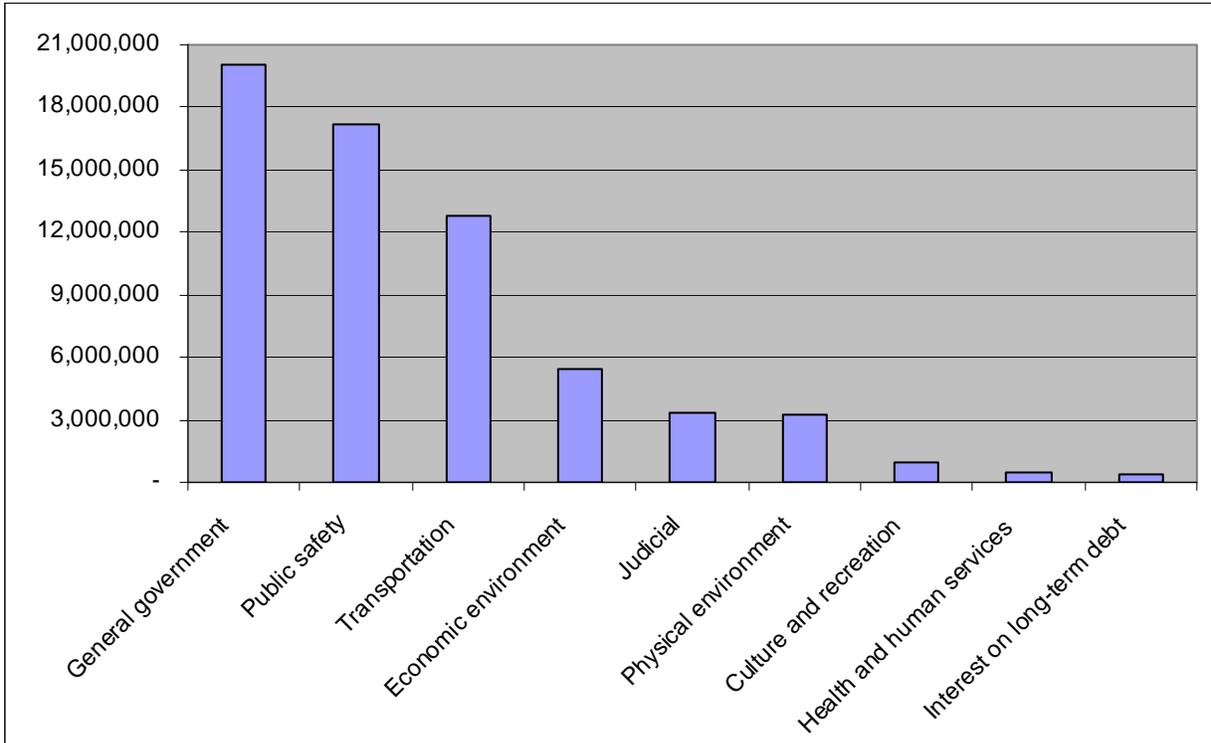
	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current & other assets	18,087,603	22,508,341	2,817,679	2,008,745	20,905,282	24,517,086
Capital assets (net of depr.)	66,065,649	60,008,908	1,940,914	2,034,312	68,006,563	62,043,220
Total assets	84,153,252	82,517,249	4,758,593	4,043,057	88,911,845	86,560,306
Long-term liabilities	12,761,065	13,140,828	440,402	420,458	13,201,467	13,561,286
Other liabilities	4,034,308	4,307,495	832,102	685,761	4,866,410	4,993,256
Total liabilities	16,795,373	17,448,322	1,272,504	1,106,219	18,067,877	18,554,541
Net assets:						
Invested in capital assets						
Net of related debt	55,303,823	48,436,910	1,940,914	2,034,312	57,244,737	50,471,222
Unrestricted	12,054,056	16,632,017	1,545,175	902,526	13,599,231	17,534,542
Total net assets	67,357,879	65,068,927	3,486,089	2,936,838	70,843,969	68,005,765

Chelan County's Changes in Net Assets

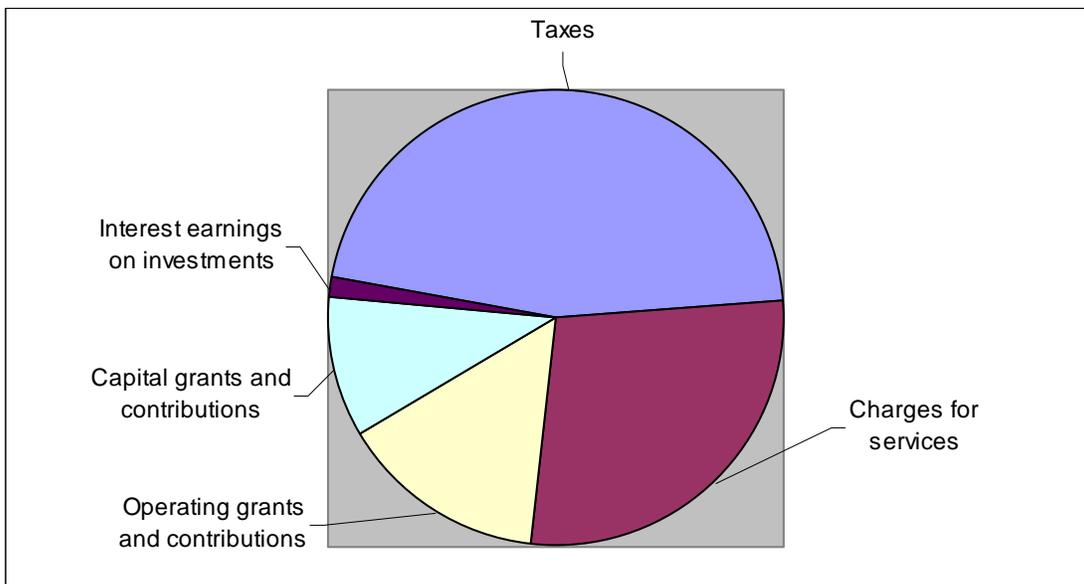
	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues:						
Charges for services	18,401,149	20,985,602	10,729,986	9,311,882	29,131,134	30,297,484
Operating grants and contrib.	9,856,702	10,685,200	324,842	341,233	10,181,544	11,026,433
Capital grants and contributions	6,682,665	2,324,298	-	-	6,682,665	2,324,298
General revenues:						
Taxes	30,820,447	31,144,803	12,441	52,306	30,832,888	31,197,109
Interest earnings on invest.	941,965	1,586,330	16,621	30,479	958,585	1,616,810
Total revenues	66,702,927	66,726,233	11,083,890	9,735,900	77,786,817	76,462,133
Program Expenses						
General government	20,075,480	19,779,898	-	-	20,075,480	19,779,898
Public safety	3,330,840	3,093,301	-	-	3,330,840	3,093,301
Judicial	17,219,829	16,196,980	-	-	17,219,829	16,196,980
Physical environment	3,267,209	3,921,161	-	-	3,267,209	3,921,161
Transportation	12,763,691	16,734,747	-	-	12,763,691	16,734,747
Health and human services	501,462	530,354	-	-	501,462	530,354
Economic environment	5,455,692	3,460,391	-	-	5,455,692	3,460,391
Culture and recreation	976,024	935,089	-	-	976,024	935,089
Utilities	-	-	1,888,505	1,357,762	1,888,505	1,357,762
Regional justice center	-	-	8,399,137	7,707,781	8,399,137	7,707,781
Other	-	-	649,449	592,670	649,449	592,670
Interest on long term debt	421,294	488,311	-	-	421,294	488,311
Total expenses	64,011,522	65,140,233	10,937,091	9,658,213	74,948,614	74,798,445
Excess (deficiency) revenues over (under) expenses	2,691,405	1,586,000	146,799	77,687	2,838,204	1,663,688
Transfers	(402,453)	(70,000)	402,453	70,000	-	-
Change in net assets	2,288,952	1,516,000	549,251	147,687	2,838,204	1,663,688
Net assets as of Jan 1	65,068,927	63,552,926	2,936,838	2,789,150	68,005,765	66,342,077
Net assets as of Dec 31	67,357,879	65,068,927	3,486,089	2,936,838	70,843,969	68,005,765

Governmental Activities. Despite the slowing of Chelan County’s economy, governmental activities increased the County’s net assets by \$2,288,952. This was due largely to significant County Roads projects that were capitalized as infrastructure assets and funded by grant revenues. Chelan County also received the title the Ohme Gardens property without cost from the Washington State Parks. The fair value of the land was capitalized. Although the unrestricted net assets decreased due to economic recession, the restricted net assets increased due to the infrastructure and land capitalization.

Expenses – Governmental Activities

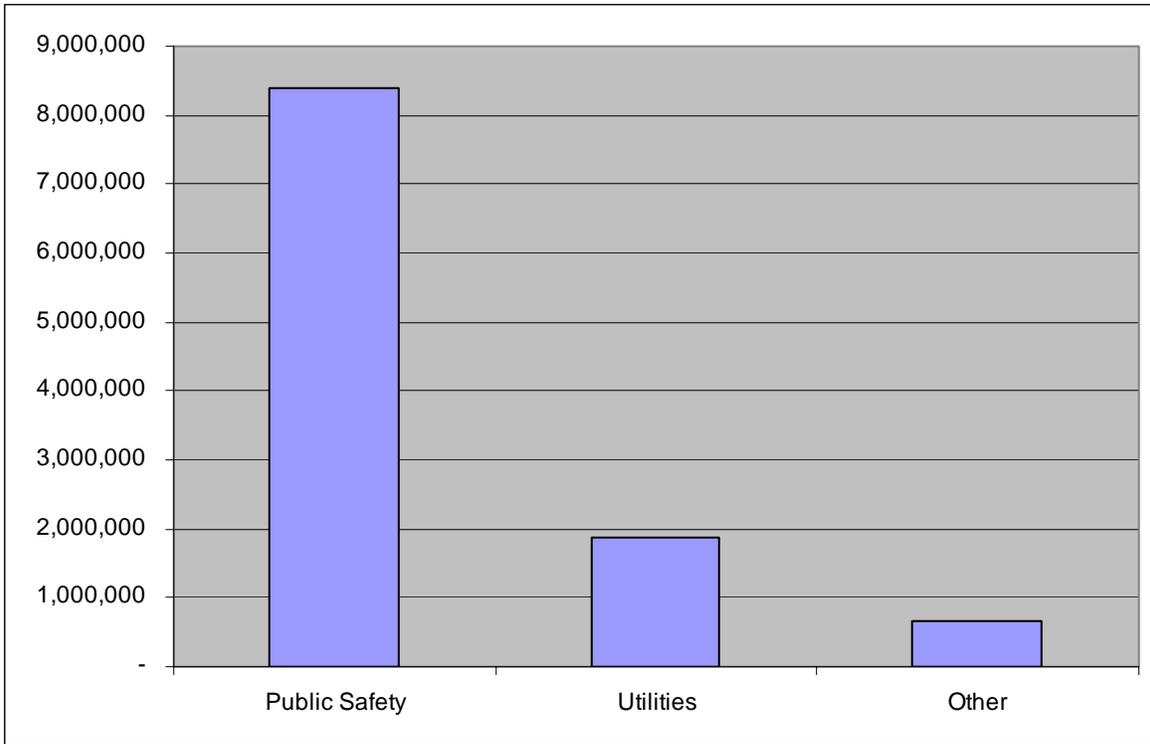


Revenues by Source – Governmental Activities

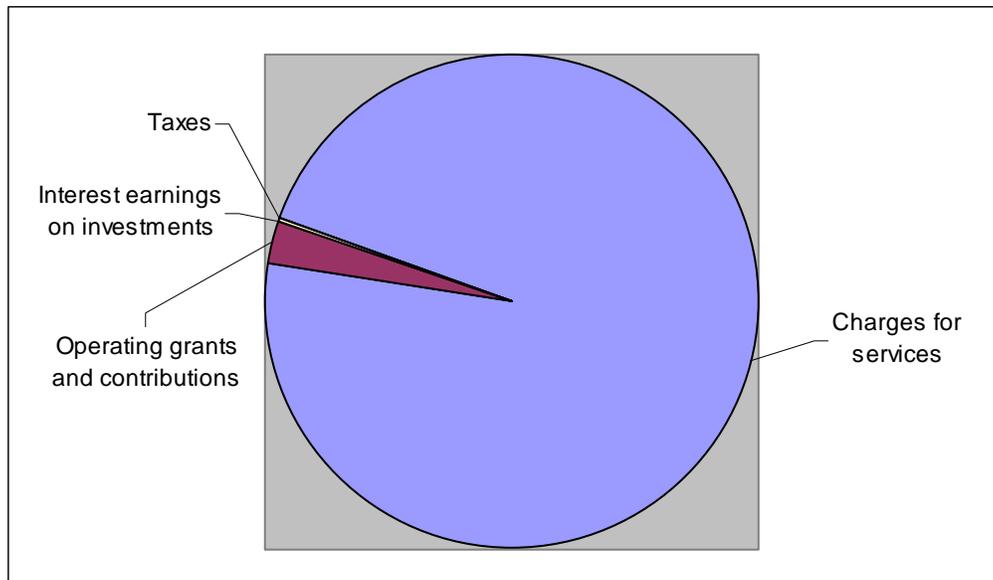


Business-type Activities. Business-type activities increased Chelan County’s net assets by \$549,251. Some of this increase was due to a new utility fund that was created along with a new utility service fee. Another factor in this increase is due to the Regional Justice Center strengthening its operations, resulting in positive operating income for the first time since 2005.

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 and County Roads funds made up the County's major funds during the most recent fiscal year. Together these two funds account for 50% 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 \$9,345,608, a decrease of \$3,384,946 in comparison with the prior year. The fund balances are all unreserved, which is available for spending within the designated funds.

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 \$1,960,442. 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 6% of total general fund expenditures.

The fund balance of Chelan County's General fund decreased by \$519,996 during the current fiscal year. From 2004 through 2006, the County's general fund thrived mainly due to the real estate market. Along with the increased revenues came increased expenditures in staffing to be able to handle the increase in required service. The real estate market started to show signs of slowing during 2007 and slowed much more in 2008. This reduced revenues to the General fund while the expenditure levels still reflected the growth of previous years. The sudden slowing of revenue is the main reason for the decrease in fund balance.

The fund balance of the County Roads special revenue fund decreased by \$790,762 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.

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 \$1,577,202. The total decrease in net assets for this fund was \$181,482. This appears to be due, in part, to an increase in professional services expenditures while the revenues remained consistent with the previous year.

Total net assets of the Regional Justice Center fund at the end of the year amounted to \$787,859. The total increase in net assets for this fund was \$512,401. This is due to the very conservative expenditures and also cash transfers from other funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget amounted to a \$1,601,371 increase in appropriations. Of this budget increase, \$1,109,617 was to be funded out of an unexpected grant and increases in various charges for services. The remaining \$491,754 was to be budgeted from available fund balance.

Department	Amount	Explanation
Sheriff	55,859	For additional salaries and vehicle usage. From grant sources and code enforcement fees.
Facilities Maintenance	55,736	For additional advertising and utility bills. From the available fund balance.
Non-departmental	315,860	For additional special legal services and extra help wages. From the available fund balance.
Superior Court	86,942	For additional contractual services and extra help wages. From the available fund balance.
Commissioners	8,000	For historic preservation services. From the available fund balance
Information Technology	42,000	For postage costs. From the available fund balance.
Civil Service	2,000	For additional contractual services. From the available fund balance.
Extension	14,288	For the Eco-Stewardship Program. From a grant source.
Community Develop .	1,000,000	For grant funding passed through to the Public Utility District. From a grant source.
Prosecuting Attorney	20,686	For additional staffing. From a grant source and from the available fund balance.
Total	1,601,371	

Actual expenditures are generally less than final budgeted expenditures because the county typically budgets conservatively. One main reason for this is the effect of employee turnover on salaries and benefits. The budget is based on current employees filling a position. However, when turnover of a position, the new employee is typically paid at a lower step than the previous employee. The only significant variance between actual expenditures and the final budget was due to large transfers in of cash reserves from other county funds. These revenues were not budgeted because the decision to make the transfer was not completed until the end of the year.

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, 2008, amounts to \$68,066,563 (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 10% (a 10% increase for governmental activities and less than a 1% decrease for business-type activities). In business-type activities, the decrease was due to not as many assets purchased while depreciation held steady. In governmental activities, the increase was driven by major construction of new infrastructure and land purchases.

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

- \$3,409,270 to rebuild the Chiwawa Loop Road.
- \$2,360,454 to rebuild Manson Boulevard.
- \$946,800 in Ohme Gardens property transferred from Washington State Parks.
- \$616,107 to rebuild the parallel taxi way at the Cashmere-Dryden Airport.

Chelan County's Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	3,043,095	1,861,706	8,096	8,096	3,051,191	1,869,802
Other improvements	1,725,506	1,250,608	157,378	157,378	1,882,884	1,407,986
Construction in progress	387,189	850,036	-	-	387,189	850,036
Buildings & structures	22,860,667	22,742,292	1,359,561	1,413,364	24,220,228	24,155,656
Machinery & equipment	7,436,359	8,582,179	415,879	455,474	7,852,238	9,037,653
Infrastructure	30,612,833	24,722,087	-	-	30,612,833	24,722,087
Total	66,065,649	60,008,908	1,940,914	2,034,312	68,006,563	62,043,220

Additional information on the County's capital assets can be found in note 5 on page 38.

Long-term Debt. At the end of the current fiscal year, Chelan County had total bonded debt outstanding of \$10,759,242. 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 \$807,697 (7%) during the current fiscal year. The key factor in this was the regular payment of principal 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 46 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

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CHELAN COUNTY, WASHINGTON

Description of Basic Financial Statements

BASIC FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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, 2008

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and cash equivalents	7,291,517	1,830,826	9,122,343
Deposits with fiscal agents	67,949	10,591	78,540
Investments	6,774,521	643,178	7,417,699
Accounts receivable	117,134	116,744	233,878
Taxes receivable	621,785	-	621,785
Interest receivable	18,867	957	19,824
Due from other governments	2,562,853	213,191	2,776,044
Internal balances	(2,193)	2,193	-
Inventory	635,169	-	635,169
Capital assets not being depreciated:			
Land	3,043,094	8,096	3,051,191
Other improvements	156,983	157,378	314,361
Construction in progress	387,189	-	387,189
Capital assets net of accumulated depreciation:			
Other improvements	1,568,523	-	1,568,523
Buildings	22,860,667	1,359,560	24,220,228
Equipment	7,436,359	415,880	7,852,239
Infrastructure	30,612,833	-	30,612,833
Total capital assets	66,065,649	1,940,914	68,006,563
Total assets:	84,153,252	4,758,593	88,911,845
LIABILITIES			
Accounts payable	1,346,026	105,361	1,451,387
Due to other governments	440,851	19,922	460,773
Other accrued liabilities	2,247,431	543,574	2,791,005
Deferred revenue	-	163,245	163,245
Noncurrent liabilities:			
Due within one year	1,147,808	123,816	1,271,624
Due in more than one year	11,613,257	316,586	11,929,843
Total liabilities	16,795,373	1,272,504	18,067,877
NET ASSETS			
Invested in capital assets, net of related debt	55,303,823	1,940,914	57,244,737
Unrestricted	12,054,056	1,545,175	13,599,231
Total net assets	67,357,879	3,486,089	70,843,969

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

CHELAN COUNTY, WASHINGTON

Statement of Activities

For the Year Ended December 31, 2008

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	20,075,480	318,107	195,137	(9,288,388)	-	(9,288,388)
Judicial	3,330,840	1,123,624	-	554,682	-	554,682
Public safety	17,219,829	2,139,113	-	(12,816,223)	-	(12,816,223)
Physical environment	3,267,209	3,857,269	-	612,700	-	612,700
Transportation	12,763,691	99,126	5,540,728	(6,060,472)	-	(6,060,472)
Health and human services	501,462	14,714	-	(486,748)	-	(486,748)
Economic environment	5,455,692	2,053,503	-	(1,600,086)	-	(1,600,086)
Culture and recreation	976,024	251,245	946,800	434,822	-	434,822
Interest on long-term debt	421,294	-	-	(421,294)	-	(421,294)
Total governmental activities	64,011,522	9,856,702	6,682,665	(29,071,006)	-	(29,071,006)
Business-type activities:						
Utilities	1,888,505	121,075	-	-	(118,329)	(118,329)
Public safety	8,399,137	133,168	-	-	250,477	250,477
Other	649,449	70,599	-	-	(14,412)	(14,412)
Total business-type activities	10,937,091	324,842	-	-	117,737	117,737
Total primary government	74,948,614	10,181,544	6,682,665	(29,071,006)	117,737	(28,953,270)
General revenues						
Taxes:						
Property				15,036,880	-	15,036,880
Sales and use				8,034,200	-	8,034,200
Motor vehicle fuel tax				2,247,026	-	2,247,026
Other taxes				5,502,341	12,441	5,514,783
Interest and investment earnings				941,965	16,621	958,585
Transfers				(402,453)	402,453	-
Total general revenues and transfers				31,359,959	431,515	31,791,473
Change in net assets				2,288,952	549,251	2,838,204
Net assets - beginning				65,068,927	2,936,838	68,005,765
Net assets - ending				67,357,879	3,486,089	70,843,969

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

CHELAN COUNTY, WASHINGTON

Balance Sheet
 Governmental Funds
 December 31, 2008

	General Fund	County Roads	Nonmajor Governmental Funds	Total
ASSETS				
Cash and cash equivalents	88,778	1,459,614	2,850,870	4,399,262
Deposits with fiscal agents	-	29,149	-	29,149
Investments	3,200,000	-	2,990,497	6,190,497
Accounts receivable	71,550	12	25,963	97,525
Taxes receivable	405,687	208,657	7,441	621,785
Interest receivable	12,674	-	5,316	17,991
Due from other funds	164,721	115,357	200,073	480,152
Interfund loan receivable	43,000	-	-	43,000
Due from other governments	373,657	1,116,244	1,071,459	2,561,360
Total assets	<u>4,360,067</u>	<u>2,929,034</u>	<u>7,151,619</u>	<u>14,440,720</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	209,000	458,904	505,884	1,173,788
Due to other funds	10,196	372,845	259,295	642,335
Interfund loans payable	-	-	43,000	43,000
Due to other governments	76,236	10,777	345,688	432,702
Other accrued liabilities	1,698,506	420,421	62,575	2,181,502
Deferred revenue	405,687	208,657	7,441	621,785
Total Liabilities	<u>2,399,625</u>	<u>1,471,604</u>	<u>1,223,882</u>	<u>5,095,112</u>
Fund balances:				
Unreserved, reported in:				
General fund	1,960,442	-	-	1,960,442
Special revenue funds	-	1,457,430	3,491,839	4,949,269
Capital projects funds	-	-	2,435,897	2,435,897
Total fund balances	<u>1,960,442</u>	<u>1,457,430</u>	<u>5,927,737</u>	<u>9,345,608</u>
Total liabilities and fund balances	<u>4,360,067</u>	<u>2,929,034</u>	<u>7,151,619</u>	<u>14,440,720</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, 2008

Fund balances of governmental funds:		9,345,608
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	105,546,954	
Depreciation	<u>(45,611,942)</u>	
Capital assets net of depreciation		59,935,011
Liabilities for earned but deferred property tax revenues are removed from governmental activities.		621,785
Long-term debt and compensated absences that have not been included in the governmental fund activity		
Bonds payable	(10,759,242)	
Compensated absences	(1,637,140)	
OPEB benefit for LEOFF	(324,390)	
Leases payable	<u>(2,583)</u>	
Long-term debt		(12,723,355)
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	10,574,051	
Liabilities	<u>(395,222)</u>	
Internal service net assets		10,178,829
Net assets of governmental activities		<u><u>67,357,879</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, 2008

	General Fund	County Roads	Nonmajor Governmental Funds	Total
REVENUES				
Taxes	15,838,409	5,033,893	4,997,693	25,869,996
Licenses and permits	828,632	-	-	828,632
Intergovernmental revenues	8,836,315	8,391,240	3,922,659	21,150,213
Charges for services	4,150,368	225,295	868,864	5,244,527
Fees and fines	1,264,303	-	7,609	1,271,913
Miscellaneous	1,166,521	14,084	1,336,430	2,517,035
Total revenues	<u>32,084,549</u>	<u>13,664,512</u>	<u>11,133,256</u>	<u>56,882,317</u>
EXPENDITURES				
Current:				
General government	13,768,009	10,701	187,437	13,966,147
Security of persons and property	14,965,904	-	1,550,773	16,516,677
Utilities and environment	346,845	-	2,996,423	3,343,268
Transportation	-	7,690,712	641,147	8,331,859
Economic environment	3,185,805	-	3,325,423	6,511,228
Mental and physical health	470,032	-	101,590	571,622
Culture and recreation	540,129	-	183,280	723,409
Debt Service:				
Principal	-	-	697,697	697,697
Interest and other charges	-	-	427,180	427,180
Capital outlay	-	7,242,101	2,443,965	9,686,066
Total expenditures	<u>33,276,724</u>	<u>14,943,514</u>	<u>12,554,914</u>	<u>60,775,152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,192,175)</u>	<u>(1,279,002)</u>	<u>(1,421,658)</u>	<u>(3,892,835)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	692	6,208	925	7,825
Transfers in	1,089,027	482,031	437,972	2,009,029
Transfers out	(417,540)	-	(1,091,425)	(1,508,965)
Total other financing sources and uses	<u>672,179</u>	<u>488,239</u>	<u>(652,528)</u>	<u>507,890</u>
Net change in fund balances	<u>(519,996)</u>	<u>(790,762)</u>	<u>(2,074,187)</u>	<u>(3,384,946)</u>
Fund balances - beginning	2,480,438	2,248,192	8,001,923	12,730,554
Fund balances - ending	<u>1,960,442</u>	<u>1,457,430</u>	<u>5,927,737</u>	<u>9,345,608</u>

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

CHELAN COUNTY, WASHINGTON

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2008

Amounts reported for governmental activities in the statement of activities (page 19) are different because:

Net change in fund balances - total governmental funds (page 22) (3,384,946)

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	11,363,034	
Decreases in governmental fund capital assets	(1,386,748)	
Increases in governmental fund depreciation expense	(3,269,315)	
Decreases in governmental fund depreciation expense	<u>302,450</u>	7,009,422

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. 207,698

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.

Decreases in governmental fund bonds payable	807,697	
Increase in governmental fund OPEB benefit for LEOFF	(324,390)	
Increases in governmental fund compensated absences payable	(102,856)	
Decreases in governmental fund compensated absences payable	433	
Decreases in governmental fund leases payable	<u>2,476</u>	383,361

The net revenue of certain activities of internal service funds is reported with governmental activities. (1,926,582)

Change in net assets of governmental activities (page 19) 2,288,952

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, 2008

Variance with
Final Budget -
Positive
(Negative)

	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Taxes	15,810,273	15,810,273	15,838,409	28,136
Licenses and permits	968,160	968,160	828,632	(139,528)
Intergovernmental revenues	6,915,915	7,954,354	8,836,315	881,961
Charges for services	4,466,802	4,504,802	4,150,368	(354,434)
Fees and fines	1,345,590	1,345,590	1,264,303	(81,287)
Miscellaneous	1,420,244	1,453,422	1,166,521	(286,901)
Total revenues	<u>30,926,984</u>	<u>32,036,601</u>	<u>32,084,549</u>	<u>47,948</u>
EXPENDITURES				
General government				
Assessor	1,206,561	1,206,561	1,203,913	2,648
Auditor	1,180,928	1,180,928	1,174,225	6,703
Board of Equalization	7,168	7,168	8,054	(886)
Clerk	1,100,272	1,100,272	1,106,024	(5,752)
Commissioners	679,836	687,836	650,523	37,313
Information Technology	890,248	932,248	943,085	(10,837)
Facilities Maintenance	1,534,062	1,589,798	1,563,953	25,845
District Court	1,171,130	1,170,580	1,134,043	36,537
Nondepartmental	2,079,594	2,395,454	2,323,978	71,475
Child Support Enforcement	425,453	425,453	393,302	32,151
Prosecuting Attorney	1,704,501	1,725,187	1,680,624	44,563
Superior Court	968,388	1,055,330	1,041,287	14,043
Treasurer	558,285	558,285	544,999	13,286
Security of persons and property				
Civil Service Commission	38,351	40,351	38,034	2,317
District Court Probation	403,013	403,563	400,605	2,958
Juvenile	2,868,496	2,868,496	2,767,389	101,107
Nondepartmental - law enforcement	4,221,399	4,221,399	4,200,874	20,525
Sheriff	7,459,782	7,515,641	7,559,003	(43,362)
Utilities and environment				
Horticulture	75,237	75,237	67,742	7,495
Nondepartmental - environment	215,644	215,644	213,755	1,889
Noxious weed	74,024	74,024	65,348	8,676
Economic environment				
Community Development	2,331,865	3,331,865	3,178,825	153,040
Coroner - welfare	2,000	2,000	1,980	20
Nondepartmental - aging	5,000	5,000	5,000	-
Mental and physical health				
Coroner	183,291	183,291	162,790	20,501
Nondepartmental - public health	307,242	307,242	307,242	-
Culture and recreation				
Extension	559,791	574,079	530,744	43,335
Nondepartmental - park	9,000	9,000	9,385	(385)
Capital outlay	78,001	78,001	-	78,001
Total expenditures	<u>32,338,562</u>	<u>33,939,933</u>	<u>33,276,724</u>	<u>663,209</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,411,578)</u>	<u>(1,903,332)</u>	<u>(1,192,175)</u>	<u>711,156</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	2,000	2,000	692	(1,308)
Transfers in	44,571	44,571	1,089,027	1,044,456
Transfers out	(282,000)	(282,000)	(417,540)	(135,540)
Total other financing sources and uses	<u>(235,429)</u>	<u>(235,429)</u>	<u>672,179</u>	<u>907,608</u>
Net change in fund balances	(1,647,007)	(2,138,761)	(519,996)	1,618,765
Fund balances - beginning	3,200,000	3,200,000	2,480,438	(719,562)
Fund balances - ending	<u>1,552,993</u>	<u>1,061,239</u>	<u>1,960,442</u>	<u>899,203</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	5,110,217	5,110,217	5,033,893	(76,324)
Intergovernmental revenues	8,498,522	8,498,522	8,391,240	(107,282)
Charges for services	11,150	11,150	225,295	214,145
Miscellaneous	200	200	14,084	13,884
Total revenues	<u>13,620,089</u>	<u>13,620,089</u>	<u>13,664,512</u>	<u>44,423</u>
EXPENDITURES				
Current:				
General government	10,000	10,000	10,701	(701)
Transportation	7,112,754	7,112,754	7,690,712	(577,958)
Capital outlay	<u>9,766,399</u>	<u>9,766,399</u>	<u>7,242,101</u>	<u>2,524,298</u>
Total expenditures	<u>16,889,153</u>	<u>16,889,153</u>	<u>14,943,514</u>	<u>1,945,639</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,269,064)</u>	<u>(3,269,064)</u>	<u>(1,279,002)</u>	<u>1,990,062</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	1,500	1,500	6,208	4,708
Transfers in	400,000	400,000	482,031	82,031
Total other financing sources and uses	<u>401,500</u>	<u>401,500</u>	<u>488,239</u>	<u>86,739</u>
Net change in fund balances	(2,867,564)	(2,867,564)	(790,762)	2,076,802
Fund balances - beginning	<u>4,963,751</u>	<u>4,963,751</u>	<u>2,248,192</u>	<u>(2,715,559)</u>
Fund balances - ending	<u><u>2,096,187</u></u>	<u><u>2,096,187</u></u>	<u><u>1,457,430</u></u>	<u><u>(638,757)</u></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, 2008

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities
	Solid Waste	Regional	Nonmajor		Internal Service Funds
		Justice Center	Enterprise Funds		
ASSETS					
Current assets:					
Cash and cash equivalents	499,245	838,638	492,943	1,830,826	2,892,255
Deposits with fiscal agents	10,591	-	-	10,591	38,800
Investments	373,259	-	269,919	643,178	584,024
Accounts receivable	116,744	-	-	116,744	19,609
Interest receivable	555	-	402	957	876
Due from other funds	871	1,322	-	2,193	271,187
Due from other governments	15,054	180,238	17,900	213,191	1,493
Inventory	-	-	-	-	635,169
Total current assets	<u>1,016,319</u>	<u>1,020,197</u>	<u>781,163</u>	<u>2,817,679</u>	<u>4,443,414</u>
Noncurrent assets:					
Capital assets: net of accumulated depreciation)					
Land	8,096	-	-	8,096	-
Buildings	467,018	796,609	95,933	1,359,560	39,625
Other improvements	157,378	-	-	157,378	-
Equipment	13,765	101,887	300,228	415,880	6,091,012
Total noncurrent assets	<u>646,258</u>	<u>898,496</u>	<u>396,161</u>	<u>1,940,914</u>	<u>6,130,637</u>
Total assets	<u>1,662,576</u>	<u>1,918,693</u>	<u>1,177,324</u>	<u>4,758,593</u>	<u>10,574,051</u>
LIABILITIES					
Liabilities:					
Current liabilities:					
Accounts payable	60,036	40,072	5,253	105,361	172,238
Due to other funds	-	-	-	-	111,196
Due to other governments	2,090	1,686	16,146	19,922	8,149
Other accrued liabilities	21,093	501,221	21,260	543,574	65,929
Deferred Revenue	-	163,245	-	163,245	-
Total current liabilities	<u>83,219</u>	<u>706,224</u>	<u>42,659</u>	<u>832,102</u>	<u>357,512</u>
Noncurrent liabilities:					
Compensated absences	2,156	424,609	13,637	440,402	37,710
Total noncurrent liabilities	<u>2,156</u>	<u>424,609</u>	<u>13,637</u>	<u>440,402</u>	<u>37,710</u>
Total liabilities	<u>85,374</u>	<u>1,130,833</u>	<u>56,296</u>	<u>1,272,504</u>	<u>395,222</u>
NET ASSETS					
Invested in capital assets	646,258	898,496	396,161	1,940,914	6,130,637
Unrestricted	930,944	(110,636)	724,867	1,545,175	4,048,192
Total net assets	<u>1,577,202</u>	<u>787,859</u>	<u>1,121,028</u>	<u>3,486,089</u>	<u>10,178,829</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, 2008

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities
	Solid Waste	Regional Justice Center	Nonmajor Enterprise Funds		Internal Service Fund
OPERATING REVENUES					
Intergovernmental revenues	33,295	4,291,821	139,471	4,464,587	-
Charges for services	1,281,302	3,886,988	510,931	5,679,221	493,877
Fines & forfeits	-	15,367	-	15,367	-
Miscellaneous	17,879	455,438	438,957	912,274	8,315,850
Total operating revenues	<u>1,332,477</u>	<u>8,649,614</u>	<u>1,089,358</u>	<u>11,071,449</u>	<u>8,809,727</u>
OPERATING EXPENSES					
Salaries	125,477	4,706,355	226,414	5,058,246	512,632
Personnel benefits	43,734	1,820,759	99,715	1,964,208	162,141
Supplies	27,449	535,912	65,043	628,403	1,530,747
Other services & charges	1,228,787	579,752	505,535	2,314,074	6,039,483
Intergovernmental/interfund services and taxes	31,365	-	4,343	35,708	-
Interfund payments for services	52,816	711,488	53,959	818,263	201,524
Depreciation	19,474	44,872	53,843	118,189	1,443,524
Total operating expenses	<u>1,529,101</u>	<u>8,399,137</u>	<u>1,008,852</u>	<u>10,937,091</u>	<u>9,890,050</u>
Operating income (loss)	<u>(196,625)</u>	<u>250,477</u>	<u>80,506</u>	<u>134,358</u>	<u>(1,080,323)</u>
NONOPERATING REVENUES (EXPENSES)					
Taxes	12,441	-	-	12,441	-
Gain/loss on sale of capital assets	-	-	-	-	56,258
Total nonoperating revenues (expenses)	<u>12,441</u>	<u>-</u>	<u>-</u>	<u>12,441</u>	<u>56,258</u>
Income (loss) before transfers	<u>(184,184)</u>	<u>250,477</u>	<u>80,506</u>	<u>146,799</u>	<u>(1,024,064)</u>
Transfers in	2,702	261,924	137,827	402,453	14,550
Transfers out	-	-	-	-	(917,067)
Change in net assets	<u>(181,482)</u>	<u>512,401</u>	<u>218,332</u>	<u>549,251</u>	<u>(1,926,582)</u>
Total net assets - beginning	<u>1,758,684</u>	<u>275,458</u>	<u>902,696</u>	<u>2,936,837</u>	<u>12,105,411</u>
Total net assets - ending	<u>1,577,202</u>	<u>787,859</u>	<u>1,121,028</u>	<u>3,486,089</u>	<u>10,178,829</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, 2008

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities
	Solid Waste	Regional Justice Center	Nonmajor Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	1,257,496	8,639,076	1,168,091	11,064,663	9,130,426
Cash payments to suppliers	(1,382,513)	(1,862,268)	(632,078)	(3,876,858)	(8,156,257)
Cash payments to employees and retirees	(164,699)	(6,308,150)	(308,241)	(6,781,089)	(660,093)
Net cash provided (used) by operating activities	(289,715)	468,658	227,772	406,715	314,075
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	2,702	261,924	137,827	402,453	14,550
Transfers out	-	-	-	-	(917,067)
Advances from other funds	-	-	(100,000)	(100,000)	-
Tax receipts	12,441	-	-	12,441	-
Net cash provided (used) by noncapital financing activities	15,143	261,924	37,827	314,894	(902,517)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Proceeds from sale of equipment	-	-	-	-	64,817
Acquisition and construction of capital assets	-	(24,791)	-	(24,791)	(499,401)
Net cash provided (used) by capital financing activities	-	(24,791)	-	(24,791)	(434,584)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	(2,164)	-	-	(2,164)	41,450
Purchase of investments	(10,476)	-	(7,545)	(18,021)	(17,123)
Interest on investments	821	-	580	1,400	1,395
Net cash provided (used) by investing activities	(11,819)	-	(6,965)	(18,784)	25,722
Net increase (decrease) in cash and cash equivalents	(286,391)	705,791	258,634	678,034	(997,305)
Cash and cash equivalents, January 1	785,637	132,846	234,310	1,152,793	3,889,559
Cash and cash equivalents, December 31	499,245	838,638	492,943	1,830,826	2,892,255

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

Operating income (loss)	(196,625)	250,477	80,506	134,358	(1,080,323)
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities:					
Depreciation and amortization of deferred charge	19,474	44,872	53,843	118,189	1,443,524
(Increase) decrease in accounts receivable	(72,857)	198	-	(72,659)	(8,506)
(Increase) decrease in due from other funds/gov	(2,123)	(10,736)	78,733	65,873	329,205
(Increase) decrease in inventory/prepaid expenses	-	-	-	-	(412,218)
Increase (decrease) in vouchers/contracts payable	(35,726)	(31,835)	948	(66,613)	(59,055)
Increase (decrease) in due to other funds/gov	(6,370)	(3,282)	(4,146)	(13,797)	86,769
Increase (decrease) in payables/other liabilities	3,319	208,796	9,306	221,421	11,082
Increase (decrease) in accrued employee leave benefits	1,194	10,168	8,583	19,944	3,597
Total adjustments	(93,090)	218,181	147,267	272,358	1,394,398
Net cash provided (used) by operating activities	(289,715)	468,658	227,772	406,715	314,075

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

Statement of Fiduciary Net Assets

Fiduciary Funds

December 31, 2008

	<u>Agency Funds</u>
ASSETS	
Cash	5,622,347
Investments	71,193,584
Deposits with fiscal agents	2,224,248
Accounts receivable	16,800
Taxes receivable	2,416,600
Interest receivable	115,657
Due from other governments	228,999
Total assets	<u>81,818,234</u>
LIABILITIES	
Accounts payable	574,223
Other accrued liabilities	444,454
Custodial accounts	80,799,557
Total liabilities	<u>81,818,234</u>

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

CHELAN COUNTY, WASHINGTON

Notes to the Financial Statements
December 31, 2008

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CHELAN COUNTY, WASHINGTON

Notes to the Financial Statements
December 31, 2008

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 activities) 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.

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, the principal operating revenues of the Surface and Storm Water Utility are from user fees, 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, 2008, the Treasurer was holding \$12,220,408 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 2008 were approximately \$2,016,667.

For purposes of the statement of cash flows, the county considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, banker's acceptances, and certain other government agency obligations. Investments are reported at fair value.

2. Receivables

Taxes receivable consist of property taxes and related interest and penalties (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:

Assets	Years
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

Deferred revenues in the fund financial statements include amounts collected before revenue recognition criteria are met and receivables for delinquent taxes that are not yet available under the modified accrual basis of accounting. Unearned revenues in the government-wide financial statements are resources received but are not yet earned.

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 2008 budget and the expenditures occurred late in 2008 after any emergency budget appropriations could be legally made.

The ORV Educational & Enforcement fund expenditures exceeded appropriations by \$138. The excess expenditures were covered with its fund balance.

The Emergency Management fund expenditures exceeded appropriations by \$20,214. The excess expenditures were covered as the fund was closed out into the General fund.

The Law Library fund expenditures exceeded appropriations by \$165. The excess expenditures were covered with its fund balance.

The Tourist and Convention fund expenditures exceeded appropriations by \$50,515. The excess expenditures were covered with its fund balance.

The Forest Title III fund expenditures exceeded appropriations by \$16,424. The excess expenditures were covered with its fund balance.

The Distressed Counties Tax fund expenditures exceeded appropriations by \$174,175. The excess expenditures were covered with its fund balance.

The Solid Waste fund expenditures exceeded appropriations by \$53,513. The excess expenditures were covered with its fund balance.

The RJC ER&R fund expenditures exceeded appropriations by \$99. This was due to closing out and transferring the balance of the internal service fund into the Regional Justice Center fund. The excess expenditures were covered with its fund balance.

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, 2008 the County had the following investments:

Investment	Weighted average maturity of Chelan County's own investments	Fair value of Chelan County's own investments	Fair value of investments held by Chelan County as an agent for other local governments	Total
State investment pool	less than 90 days	6,227,986	43,000,451	49,228,437
Certificate of deposit	N/A	-	4,143,162	4,143,162
Municipal money market	0	1,189,712	24,051,550	25,241,262
Total		7,417,698	71,195,163	78,612,861

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

Municipal Money Market. The municipal money market investment is held by Cashmere Valley Bank and is unrated.

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. Chelan County does not have a policy related to credit risk.

NOTE 4 - PROPERTY TAXES

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

Property Tax Calendar	
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 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 2008 was \$1.38440 per \$1,000 on an assessed valuation of \$6,935,361,591 for a total regular levy of \$9,601,315.

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 2008 was \$1.27229 per \$1,000 on an assessed valuation of \$3,974,231,807 for a total road levy of \$5,056,375.

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, 2008 was as follows:

Governmental Activities	Beginning Balance 01/01/2008	Increases	Decreases	Ending Balance 12/31/2008
Capital assets, not being depreciated:				
Land	1,861,706	1,181,389	-	3,043,094
Other improvements	156,983	-	-	156,983
Construction in progress	850,036	144,205	607,052	387,189
Total capital assets, not being depreciated	2,868,725	1,325,594	607,052	3,587,267
Capital assets, being depreciated:				
Other improvements	1,462,803	616,107	-	2,078,910
Buildings and structures	41,459,525	876,466	-	42,335,991
Machinery and equipment	19,267,918	1,398,737	1,337,629	19,329,026
Infrastructure	47,045,907	7,681,463	-	54,727,370
Total capital assets being depreciated	109,236,154	10,572,772	1,337,629	118,471,297
Less accumulated depreciation for:				
Other improvements	369,178	141,209	-	510,387
Buildings and structures	18,717,233	758,091	-	19,475,324
Machinery and equipment	10,685,739	2,017,553	810,624	11,892,667
Infrastructure	22,323,820	1,790,717	-	24,114,537
Total accumulated depreciation	52,095,970	4,707,569	810,624	55,992,915
Total capital assets, being depreciated, net	57,140,184	5,865,203	527,005	62,478,382
Governmental activities capital assets, net	60,008,908	7,190,797	1,134,057	66,065,649

Depreciation expense was charged to functions as follows:

General government	830,413
Judicial	4,037
Public safety	424,710
Physical environment	7,409
Transportation	3,142,922
Economic environment	46,463
Culture and recreation	251,615
Total depreciation - governmental activities	4,707,569

Business-Type Activities	Beginning Balance 01/01/2008	Increases	Decreases	Ending Balance 12/31/2008
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	982,567	34,097	-	1,016,664
Total capital assets being depreciated	3,444,560	34,097	-	3,478,657
Less accumulated depreciation for:				
Buildings and structures	1,048,629	53,803	-	1,102,432
Machinery and equipment	527,093	73,692	-	600,785
Total accumulated depreciation	1,575,722	127,495	-	1,703,217
Total capital assets, being depreciated, net	1,868,838	(93,398)	-	1,775,440
Business-type activities capital assets, net	2,034,312	(93,398)	-	1,940,914
Depreciation expense was charged to functions as follows:				
Public safety		54,178		
Utilities		58,708		
Culture and recreation		14,609		
Total depreciation - business-type activities		127,495		

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. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

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 (AFC) 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 chose to participate in JBM would: accrue service credit at the higher multiplier beginning with the date of their election, be subject to the benefit cap of 75 percent of AFC, 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 did not choose to participate would: 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.

Newly elected or appointed justices and judges who chose 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.

Members required into the JBM program would: 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 1,190 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2007:

Retirees and beneficiaries receiving benefits	71,244
Terminated plan members entitled to but not yet receiving benefits	26,583
Active plan members vested	105,447
Active plan members nonvested	52,575
Total	255,849

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, 2008 are as follows:

Members not participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	8.31%	8.31%	8.31%**
Employee	6.00%	5.45%	***

* 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*	8.31%	8.31%	8.31%**
Employee	12.26%	13.63%	7.5%***

* 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
2008	111,740	963,729	222,488
2007	89,867	734,411	165,908
2006	52,249	378,509	80,514

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, firefighters, and as of July 24, 2005, those emergency medical technicians who were given the option and chose LEOFF Plan 2 membership. 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.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 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.

LEOFF 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. A cost-of-living allowance is granted (based on the Consumer Price Index).

LEOFF 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 (based on the Consumer Price Index), capped at three percent annually.

There are 374 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2007:

Retirees and beneficiaries receiving benefits	9,085
Terminated plan members entitled to but not yet receiving benefits	633
Active plan members vested	12,904
Active plan members nonvested	3,708
Total	26,330

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, 2008, were as follows:

	LEOFF Plan 1	LEOFF Plan 2
Employer*	0.16%	5.46%
Employee	0.00%	8.83%
State	N/A	3.53%

* 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
2008	-	198,657
2007	-	183,878
2006	30	165,102

Public Safety Employees' Retirement System (PSERS) Plan 2

Plan Description

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

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 (based on the Consumer Price Index), capped at three percent annually.

There are 71 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarial valuation date for the plan of June 30, 2007:

Retirees and beneficiaries receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members vested	-
Active plan members nonvested	2,755
Total	2,755

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, 2008, were as follows:

	PSERS Plan 2
Employer*	9.43%
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:

	PSERS Plan 2
2008	91,573
2007	71,963
2006	13,866

NOTE 7 - RISK MANAGEMENT

A. Risk Pool

Chelan County was one of twenty-eight members of the Washington Counties Risk Pool ("Pool") during 2008. 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, 2008 was zero.

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 Distressed Counties Tax, REET, and Technology Bond funds. These bonds are set to mature between 2009 and 2023.

General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount Outstanding
2000 G.O. bonds for acquisition, construction, and installation of certain public infrastructure improvements, original issue \$4,000,000	5.60%	315,000
2001 G.O. bonds for acquisition and installation of phone system and accounting system, original issue \$404,000	4.25%	139,242
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%	2,040,000
2003 LTGO 2003A bonds to make improvements to certain county facilities, original issue \$3,445,000	2.0% - 4.5%	2,775,000
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%	5,490,000
Total		10,759,242

The annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2009	839,512	460,225
2010	866,403	427,984
2011	898,327	393,645
2012	885,000	350,940
2013	655,000	316,410
2014-2018	3,700,000	1,143,970
2019-2023	2,915,000	354,900
Total	10,759,242	3,448,074

B. Refunded Debt

In 2003 Chelan County issued the 2003 LTGO 2003A bonds to defease the 1997 LTGO bonds. In 2007 Chelan County issued the 2007 LTGO refunding bonds to defease the 1998 and 2000 G.O bonds. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for defeased bonds are not included in the county's financial statements.

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:

Asset	Governmental Activities	Business-Type Activities
Office equipment	11,891	-
Tractor	-	22,451
Vehicles	350,754	-
Less accumulated depreciation	353,964	12,797
Total	8,681	9,654

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2008 were as follows:

Year Ending December 31	Governmental Activities	Business-Type Activities
2009	2,643	-
Less interest	60	-
Present value of minimum lease payments	2,583	-

NOTE 10 – CHANGES IN LONG TERM LIABILITIES

During the year ended December 31, 2008, the following changes occurred in long-term liabilities:

	Beginning Balance 01/01/08	Additions	Reductions	Ending Balance 12/31/08	Due Within One Year
Governmental Activities:					
Bonds payable	11,566,939	-	807,697	10,759,242	839,512
OPEB benefit for LEOFF	-	324,390	-	324,390	-
Compensated absences	1,568,830	398,785	292,766	1,674,849	305,713
Leases payable	5,059	-	2,476	2,583	2,583
Governmental activity long-term liabilities:	13,140,828	723,175	1,102,939	12,761,064	1,147,808
Business-Type Activities:					
Compensated absences	420,458	166,639	146,695	440,402	123,816
Business-type activity long-term liabilities:	420,458	166,639	146,695	440,402	123,816

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, \$37,710 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.

During 2008, Chelan County received \$694,808 from the Department of Community, Trade and Economic Development (CTED) for the express purpose of the construction of restroom, shower, and laundry facilities for the Monitor Park temporary farm worker camp. Repayment of the non-interest bearing loan principal shall be deferred until the change of use, noncompliance with agreement, or December 31, 2022, whichever occurs first. Upon completion of the deferral period, the loan will be forgiven. Since the probability of repayment is remote, loan proceeds were recorded as a capital grant in 2008. The potential liability for the unpaid balance on December 31, 2008 was \$694,808.

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, 2008 are as follows:

Due To	Due From				Total
	General Fund	County Roads	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	-	107,217	57,505	-	164,721
County Roads	4,162	-	-	111,196	115,357
Nonmajor governmental	-	-	200,073	-	200,073
Solid Waste	-	871	-	-	871
Regional Justice Center	1,322	-	-	-	1,322
Internal service	4,712	264,758	1,717	-	271,187
Total	10,196	372,845	259,295	111,196	753,531

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 2008:

Borrowing Fund	Lending Fund	Interfund Loans and Advances Payable			
		1/1/2008	New Loans	Repayments	12/31/2008
Emergency Management	Equipment Rental & Revolving Fund	37,500	-	37,500	-
County Roads	Equipment Rental & Revolving Fund	-	100,000	100,000	-
Fair	County Roads	100,000	-	100,000	-
Fair	General Fund	-	75,000	75,000	-
Natural Resources	General Fund	-	43,000	-	43,000
	Total	137,500	218,000	312,500	43,000

C. Interfund Transfers

During 2008, 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 Juvenile Building Debt fund transferred its remaining fund balance to the Criminal Justice Sales Tax fund since the debt service was defeased.

The following table displays interfund transfers during 2008:

Transfers To	Transfers From			Total
	General	Nonmajor Governmental	Internal Service	
General	-	565,431	523,596	1,089,027
County Roads	-	400,000	82,031	482,031
Nonmajor governmental	306,344	105,995	25,633	437,972
Solid Waste	-	-	2,702	2,702
Regional Justice Center	-	-	261,924	261,924
Nonmajor enterprise	111,196	20,000	6,631	137,827
Internal service	-	-	14,550	14,550
Total transfers	417,540	1,091,425	917,067	2,426,032

NOTE 13 – JOINT VENTURES

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 2008, Rivercom received total revenues of \$3,072,528 and incurred total expenses of \$3,555,400 resulting in a decrease in net assets of \$482,872, and ending fund balance of \$1,113,712. 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

The County has adopted implementation of GASB Statement No. 45 (GASB 45) Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, effective December 31, 2008.

Plan Description

In addition to the pension benefits described in Note 6, the County provides health insurance benefits for retired public safety employees who are vested in LEOFF 1. All the County’s LEOFF 1 employees may become eligible for these benefits if they reach normal retirement age while working for the County. There are 25 participants eligible to receive these benefits. The benefits are 100 percent provided by the County in order to meet state statutory requirements under the LEOFF 1 system whereby the County pays for their medical and dental premiums and out-of-pocket medical costs for life.

Funding Policy

The County has the authority to establish and amend contribution requirements. The required contribution is funded 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. Since the County’s healthcare plan is experience rated, the annual required contribution can fluctuate. For the fiscal year ending December 31, 2008, the County’s combined plan contributions were \$312,949.

Annual OPEB Cost and Net OPEB Obligation

For 2008, the county’s annual OPEB cost of \$637,339 for LEOFF 1 was greater than the required contribution. The county’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2008	\$637,339	49%	\$324,390
12/31/2007	Not available*	Not available*	Not available*
12/31/2006	Not available*	Not available*	Not available*

*GASB 45 was implemented during 2008, therefore, no prior data is available.

Funding Status and Funding Progress

The funded status of the plan as of December 31, 2008, was as follows:

Actuarial accrued liability (AAL)	6,844,736
Actuarial value of plan assets	0
Unfunded actuarial accrued liability	6,844,736
Funded ratio (actuarial value of plan assets / AAL)	0%

Methods and Assumptions

Due to the size of the plan (less than 100 participants) the County elected to use the alternative measurement method permitted under GASB Statement No. 45. A single retirement age of 56.22 was assumed for all active members for the purpose of determining the actuarial accrued liability. Termination and mortality rates were assumed to follow the LEOFF 1 termination and mortality rates used in the September 30, 2006 actuarial valuation report issued by the Office of the State Actuary (OSA). Healthcare costs and trends were determined by Milliman and used by OSA in the state-wide LEOFF 1 medical study performed in 2007. The results were based on grouped data with 4 active groupings and 4 inactive groupings. The actuarial cost method used to determine the actuarial accrued liability was Projected Unit Credit. These assumptions are individually and collectively reasonable for the purposes of this valuation.

CHELAN COUNTY, WASHINGTON

Required Supplementary Information

**Chelan County LEOFF 1 Retiree Health Insurance Plan
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2008	0	6,844,736	6,844,736	0%	0	N/A

CHELAN COUNTY, WASHINGTON

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2008

	Nonmajor Special Revenue Funds	Juvenile Building Debt Service Fund	Nonmajor Capital Project Funds	Total
ASSETS				
Cash and cash equivalents	1,741,326	-	1,109,544	2,850,870
Investments	1,800,785	-	1,189,713	2,990,497
Accounts receivable	25,963	-	-	25,963
Taxes receivable	7,441	-	-	7,441
Interest receivable	3,093	-	2,224	5,316
Due from other funds	4,935	-	195,137	200,073
Due from other governments	1,071,459	-	-	1,071,459
Total assets	<u>4,655,002</u>	<u>-</u>	<u>2,496,617</u>	<u>7,151,619</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	445,165	-	60,720	505,884
Due to other funds	259,295	-	-	259,295
Interfund loans payable	43,000	-	-	43,000
Due to other governments	345,688	-	-	345,688
Other accrued liabilities	62,575	-	-	62,575
Deferred revenue	7,441	-	-	7,441
Total liabilities	<u>1,163,163</u>	<u>-</u>	<u>60,720</u>	<u>1,223,882</u>
Fund balances:				
Unreserved, reported in nonmajor:	3,491,839	-	2,435,897	5,927,737
Total fund balances	<u>3,491,839</u>	<u>-</u>	<u>2,435,897</u>	<u>5,927,737</u>
Total liabilities and fund balances	<u>4,655,002</u>	<u>-</u>	<u>2,496,617</u>	<u>7,151,619</u>

CHELAN COUNTY, WASHINGTON

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2008

	Nonmajor Special Revenue Funds	Juvenile Building Debt Service Fund	Nonmajor Capital Projects Funds	Total
REVENUES				
Taxes	3,577,604	136,575	1,283,514	4,997,693
Intergovernmental	3,227,850	-	694,808	3,922,659
Charges for services	673,727	-	195,137	868,864
Fees and fines	7,609	-	-	7,609
Miscellaneous	1,272,786	3,803	59,841	1,336,430
Total revenues	<u>8,759,576</u>	<u>140,379</u>	<u>2,233,301</u>	<u>11,133,256</u>
EXPENDITURES				
Current:				
General government	187,437	-	-	187,437
Security of persons and property	1,526,915	23,858	-	1,550,773
Utilities and environment	2,996,423	-	-	2,996,423
Transportation	641,147	-	-	641,147
Economic environment	3,325,423	-	-	3,325,423
Mental and physical health	101,590	-	-	101,590
Culture and recreation	183,280	-	-	183,280
Debt service:				
Principal	655,000	-	42,697	697,697
Interest and other charges	390,430	22,526	14,223	427,180
Capital outlay	361,908	-	2,082,057	2,443,965
Total expenditures	<u>10,369,552</u>	<u>46,384</u>	<u>2,138,977</u>	<u>12,554,914</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,609,976)</u>	<u>93,995</u>	<u>94,323</u>	<u>(1,421,658)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	925	-	-	925
Transfers in	437,968	-	4	437,972
Transfers out	(597,431)	(93,995)	(400,000)	(1,091,425)
Total other financing sources and uses	<u>(158,538)</u>	<u>(93,995)</u>	<u>(399,996)</u>	<u>(652,528)</u>
Net change in fund balances	<u>(1,768,514)</u>	<u>-</u>	<u>(305,673)</u>	<u>(2,074,187)</u>
Fund balances - beginning	<u>5,260,353</u>	<u>-</u>	<u>2,741,570</u>	<u>8,001,923</u>
Fund balances - ending	<u>3,491,839</u>	<u>-</u>	<u>2,435,897</u>	<u>5,927,737</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	1,300,000	136,575	(1,163,425)
Miscellaneous	100,000	3,803	(96,197)
Total revenues	<u>1,400,000</u>	<u>140,379</u>	<u>(1,259,621)</u>
EXPENDITURES			
Current:			
Security of persons and property	5,772	23,858	(18,086)
Debt service:			
Principal	955,000	-	955,000
Interest and other charges	63,364	22,526	40,838
Total expenditures	<u>1,024,136</u>	<u>46,384</u>	<u>977,752</u>
Excess (deficiency) of revenues over (under) expenditures	<u>375,864</u>	<u>93,995</u>	<u>(281,869)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(93,995)	(93,995)
Total other financing sources and uses	<u>-</u>	<u>(93,995)</u>	<u>(93,995)</u>
Net change in fund balances	375,864	-	(375,864)
Fund balances - beginning	2,767,500	-	(2,767,500)
Fund balances - ending	<u>3,143,364</u>	<u>-</u>	<u>(3,143,364)</u>

CHELAN COUNTY, WASHINGTON

Description of Nonmajor Special Revenue Funds

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

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. This fund was closed during 2008.

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.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.

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. This fund was closed during 2008.

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

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

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.

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.

Regional Justice Center Records: accounts for grant revenues received from the Washington State Archives for supplies, boxes, and personnel costs involved in the re-organization of records and preparation of inmate packets for a future mobile filing/storage system.

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2008

	Paths & Trails	Drug Enforce- ment Reserve	Auditor O&M	ORV Ed. & Enforce- ment	Boating Safety	Ohme Gardens	Sheriff Donation
ASSETS							
Cash and cash equivalents	24,054	6,000	2,103	43,520	69,496	3,445	13,157
Investments	24,851	2,650	147,585	-	-	69,272	-
Accounts receivable	-	-	-	-	-	-	6,000
Taxes receivable	-	-	-	-	-	-	-
Interest receivable	37	28	220	-	-	99	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Total assets	48,943	8,677	149,908	43,520	69,496	72,816	19,157
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	-	-	8,696	271	1,286	938	30
Due to other funds	-	-	-	-	-	-	-
Interfund loan payable	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Other accrued liabilities	-	-	1,309	-	7,712	5,206	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	-	-	10,004	271	8,998	6,144	30
Fund balances:							
Unreserved, undesignated	48,943	8,677	139,903	43,248	60,498	66,672	19,126
Total fund balances	48,943	8,677	139,903	43,248	60,498	66,672	19,126
Total liabilities and fund balances	48,943	8,677	149,908	43,520	69,496	72,816	19,157

Justice Assistance Grant	Farm Worker Housing	Pest Control Internship Program	R.E.E.T. Technology	Juvenile Donation	Trial Court Improvement	Emergency Mgmt	911 Comm.	Parent Education
-	160,682	30,094	107,293	972	121,286	-	-	25,461
-	-	-	-	-	-	-	-	-
-	3,720	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	38,284	-	-	-	-	-	-	-
-	202,686	30,094	107,293	972	121,286	-	-	25,461
-	5,127	-	-	-	-	-	-	967
-	-	-	-	-	-	-	-	132
-	-	-	-	-	-	-	-	-
-	1,514	-	-	-	-	-	-	-
-	1,984	-	-	-	-	-	-	680
-	-	-	-	-	-	-	-	-
-	8,625	-	-	-	-	-	-	1,779
-	194,061	30,094	107,293	972	121,286	-	-	23,682
-	194,061	30,094	107,293	972	121,286	-	-	23,682
-	202,686	30,094	107,293	972	121,286	-	-	25,461

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2008

	Cashmere				Comm.	
	Dryden	Law	Veterans	Mental	Services	Treasurer
	Airport	Library	Relief	Health	and	O&M
	Housing					
ASSETS						
Cash and cash equivalents	-	93,699	94,549	707	105,966	9,748
Investments	16,953	-	26,539	-	-	127,475
Accounts receivable	-	-	-	-	-	-
Taxes receivable	-	358	2,996	4,087	-	-
Interest receivable	25	-	39	-	-	190
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	16,979	94,057	124,124	4,794	105,966	137,412
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	5,773	287	1,455	-	-	-
Due to other funds	-	-	-	-	-	-
Interfund loan payable	-	-	-	-	-	-
Due to other governments	200	-	1,016	707	13,722	-
Other accrued liabilities	326	-	-	-	-	-
Deferred revenue	-	358	2,996	4,087	-	-
Total liabilities	6,298	645	5,467	4,794	13,722	-
Fund balances:						
Unreserved, undesignated	10,680	93,412	118,657	-	92,244	137,412
Total fund balances	10,680	93,412	118,657	-	92,244	137,412
Total liabilities and fund balances	16,979	94,057	124,124	4,794	105,966	137,412

Tourist & Convention	Election Reserve	Natural Resources Program	Regional Jail Education	Forest Title III	Criminal Justice Sales Tax	Distressed Counties Tax	Regional Justice Center Records	Total
600,012	-	180,601	1,000	6,986	-	40,497	-	1,741,326
7,850	42,449	-	1,134	-	640,376	690,774	2,876	1,800,785
-	-	16,243	-	-	-	-	-	25,963
-	-	-	-	-	-	-	-	7,441
12	65	-	2	-	968	1,404	4	3,093
-	-	4,935	-	-	-	-	-	4,935
-	201,067	689,551	-	142,557	-	-	-	1,071,459
607,873	243,582	891,331	2,136	149,543	641,344	732,676	2,881	4,655,002
144,929	-	182,684	-	-	67,489	25,232	-	445,165
-	195,137	1,741	-	62,284	-	-	-	259,295
-	-	43,000	-	-	-	-	-	43,000
111,565	-	16,965	-	-	-	200,000	-	345,688
-	-	45,358	-	-	-	-	-	62,575
-	-	-	-	-	-	-	-	7,441
256,494	195,137	289,749	-	62,284	67,489	225,232	-	1,163,163
351,380	48,444	601,581	2,136	87,259	573,855	507,444	2,881	3,491,839
351,380	48,444	601,581	2,136	87,259	573,855	507,444	2,881	3,491,839
607,873	243,582	891,331	2,136	149,543	641,344	732,676	2,881	4,655,002

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2008

	Paths & Trails	Drug Enforce- ment Reserve	Auditor O&M	ORV Ed. & Enforce- ment	Boating Safety	Ohme Gardens	Sheriff Donation
REVENUES							
Taxes	-	-	-	-	-	-	-
Intergovernmental	11,235	-	66,023	209,163	65,147	-	-
Charges for services	-	-	46,441	-	-	146,405	-
Fees and fines	-	7,609	-	-	-	-	-
Miscellaneous	641	497	5,106	-	783	29,160	5,417
Total revenues	<u>11,876</u>	<u>8,107</u>	<u>117,570</u>	<u>209,163</u>	<u>65,930</u>	<u>175,565</u>	<u>5,417</u>
EXPENDITURES							
Current:							
General government	-	-	107,912	-	-	-	-
Security of persons and property	-	442	-	187,831	97,804	-	5,762
Utilities and environment	-	-	-	-	-	-	-
Transportation	18	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Mental and physical health	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	158,850	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital outlay	-	-	146,819	19,897	-	-	-
Total expenditures	<u>18</u>	<u>442</u>	<u>254,731</u>	<u>207,728</u>	<u>97,804</u>	<u>158,850</u>	<u>5,762</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,858</u>	<u>7,665</u>	<u>(137,161)</u>	<u>1,435</u>	<u>(31,873)</u>	<u>16,715</u>	<u>(345)</u>
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	-	925	-	-	-	-	-
Transfers in	-	-	1,462	-	4,958	13,389	-
Transfers out	-	(20,000)	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>(19,075)</u>	<u>1,462</u>	<u>-</u>	<u>4,958</u>	<u>13,389</u>	<u>-</u>
Net change in fund balances	<u>11,858</u>	<u>(11,410)</u>	<u>(135,699)</u>	<u>1,435</u>	<u>(26,915)</u>	<u>30,104</u>	<u>(345)</u>
Fund balances - beginning	<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>
Fund balances - ending	<u>48,943</u>	<u>8,677</u>	<u>139,903</u>	<u>43,248</u>	<u>60,498</u>	<u>66,672</u>	<u>19,126</u>

Justice Assistance Grant	Farm Worker Housing	Pest Control Internship Program	R.E.E.T. Tech- nology	Juvenile Donation	Trial Court Improve- ment	Emer- gency Mgmt	911 Comm.	Parent Educ.
-	-	-	-	-	-	-	517,390	-
-	207,559	-	24,065	-	51,258	67,909	65,741	4,500
-	-	-	-	-	-	-	-	11,085
-	-	-	-	-	-	-	-	-
123	86,901	23,450	-	-	1,506	11,231	-	5,455
<u>123</u>	<u>294,460</u>	<u>23,450</u>	<u>24,065</u>	<u>-</u>	<u>52,764</u>	<u>79,140</u>	<u>583,131</u>	<u>21,040</u>
-	-	-	-	-	-	-	-	-
3,000	-	-	-	-	-	304,533	583,180	-
-	-	18,714	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	300,790	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	24,430
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,435	-	-
-	-	-	-	-	-	-	-	-
<u>3,000</u>	<u>300,790</u>	<u>18,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>309,968</u>	<u>583,180</u>	<u>24,430</u>
<u>(2,877)</u>	<u>(6,330)</u>	<u>4,736</u>	<u>24,065</u>	<u>-</u>	<u>52,764</u>	<u>(230,828)</u>	<u>(49)</u>	<u>(3,390)</u>
-	-	-	-	-	-	-	-	-
-	99	19	-	-	-	284,696	-	12
(3,258)	-	-	-	-	-	(7,601)	-	-
<u>(3,258)</u>	<u>99</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,095</u>	<u>-</u>	<u>12</u>
<u>(6,135)</u>	<u>(6,231)</u>	<u>4,755</u>	<u>24,065</u>	<u>-</u>	<u>52,764</u>	<u>46,267</u>	<u>(49)</u>	<u>(3,378)</u>
<u>6,135</u>	<u>200,292</u>	<u>25,338</u>	<u>83,228</u>	<u>972</u>	<u>68,522</u>	<u>(46,267)</u>	<u>49</u>	<u>27,059</u>
<u>-</u>	<u>194,061</u>	<u>30,094</u>	<u>107,293</u>	<u>972</u>	<u>121,286</u>	<u>-</u>	<u>-</u>	<u>23,682</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2008

	Cashmere Dryden Airport	Law Library	Veterans Relief	Mental Health	Comm. Services and Housing	Treas- urer's O&M
REVENUES						
Taxes	-	390	77,184	101,590	-	-
Intergovernmental revenues	603,634	-	-	-	40,636	-
Charges for services	-	34,175	-	-	338,141	8,247
Fees and fines	-	-	-	-	-	-
Miscellaneous	22,283	-	685	-	-	3,865
Total revenues	<u>625,917</u>	<u>34,565</u>	<u>77,869</u>	<u>101,590</u>	<u>378,777</u>	<u>12,112</u>
EXPENDITURES						
Current:						
General government	-	30,405	-	-	-	8,202
Security of persons and property	-	-	-	-	-	-
Utilities and environment	-	-	-	-	-	-
Transportation	641,129	-	-	-	-	-
Economic environment	-	-	31,550	-	365,084	-
Mental and physical health	-	-	-	101,590	-	-
Culture and recreation	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Capital outlay						
Total expenditures	<u>641,129</u>	<u>30,405</u>	<u>31,550</u>	<u>101,590</u>	<u>365,084</u>	<u>8,202</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,211)</u>	<u>4,160</u>	<u>46,319</u>	<u>-</u>	<u>13,693</u>	<u>3,910</u>
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	13	30,000	-	-	-	-
Transfers out	-	(19,571)	-	-	-	-
Total other financing sources and uses	<u>13</u>	<u>10,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(15,198)</u>	<u>14,589</u>	<u>46,319</u>	<u>-</u>	<u>13,693</u>	<u>3,910</u>
Fund balances - beginning	<u>25,879</u>	<u>78,823</u>	<u>72,338</u>	<u>-</u>	<u>78,551</u>	<u>133,502</u>
Fund balances - ending	<u>10,680</u>	<u>93,412</u>	<u>118,657</u>	<u>-</u>	<u>92,244</u>	<u>137,412</u>

Tourist & Convention	Election Reserve	Natural Resources Program	Regional Jail Education	Forest Title III	Criminal Justice Sales Tax	Distressed Counties Tax	Regional Justice Center Records	Total
789,107	-	-	-	-	643,095	1,448,848	-	3,577,604
-	195,137	1,468,376	-	144,467	-	-	3,000	3,227,850
-	15,368	73,865	-	-	-	-	-	673,727
-	-	-	-	-	-	-	-	7,609
203	1,543	1,011,494	29	-	17,291	45,117	4	1,272,786
<u>789,310</u>	<u>212,048</u>	<u>2,553,735</u>	<u>29</u>	<u>144,467</u>	<u>660,386</u>	<u>1,493,965</u>	<u>3,004</u>	<u>8,759,576</u>
-	40,919	-	-	-	-	-	-	187,437
-	-	-	-	-	344,240	-	124	1,526,915
-	-	2,585,157	-	392,552	-	-	-	2,996,423
-	-	-	-	-	-	-	-	641,147
909,959	-	-	-	-	-	1,718,040	-	3,325,423
-	-	-	-	-	-	-	-	101,590
-	-	-	-	-	-	-	-	183,280
-	-	-	-	-	-	655,000	-	655,000
-	-	-	-	-	-	384,995	-	390,430
-	195,191	-	-	-	-	-	-	361,908
<u>909,959</u>	<u>236,110</u>	<u>2,585,157</u>	<u>-</u>	<u>392,552</u>	<u>344,240</u>	<u>2,758,035</u>	<u>124</u>	<u>10,369,552</u>
<u>(120,649)</u>	<u>(24,062)</u>	<u>(31,422)</u>	<u>29</u>	<u>(248,085)</u>	<u>316,146</u>	<u>(1,264,070)</u>	<u>2,881</u>	<u>(1,609,976)</u>
-	-	-	-	-	-	-	-	925
-	-	9,325	-	-	93,995	-	-	437,968
(32,000)	-	-	-	-	(515,000)	-	-	(597,431)
<u>(32,000)</u>	<u>-</u>	<u>9,325</u>	<u>-</u>	<u>-</u>	<u>(421,005)</u>	<u>-</u>	<u>-</u>	<u>(158,538)</u>
<u>(152,649)</u>	<u>(24,062)</u>	<u>(22,097)</u>	<u>29</u>	<u>(248,085)</u>	<u>(104,860)</u>	<u>(1,264,070)</u>	<u>2,881</u>	<u>(1,768,514)</u>
504,028	72,506	623,679	2,106	335,344	678,715	1,771,513	-	5,260,353
351,380	48,444	601,581	2,136	87,259	573,855	507,444	2,881	3,491,839

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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental revenues	12,000	11,235	(765)
Miscellaneous	1,000	641	(359)
Total revenues	<u>13,000</u>	<u>11,876</u>	<u>(1,124)</u>
EXPENDITURES			
Current:			
Transportation	35,070	18	35,052
Total expenditures	<u>35,070</u>	<u>18</u>	<u>35,052</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,070)</u>	<u>11,858</u>	<u>33,928</u>
Fund balances - beginning	<u>43,271</u>	<u>37,084</u>	<u>(6,187)</u>
Fund balances - ending	<u><u>21,201</u></u>	<u><u>48,943</u></u>	<u><u>27,742</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Fees and fines	4,000	7,609	3,609
Miscellaneous	13,750	497	(13,253)
Total revenues	<u>17,750</u>	<u>8,107</u>	<u>(9,643)</u>
EXPENDITURES			
Current:			
Security of persons and property	15,130	442	14,688
Total expenditures	<u>15,130</u>	<u>442</u>	<u>14,688</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,620</u>	<u>7,665</u>	<u>5,045</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	1,500	925	(575)
Transfers out	(25,000)	(20,000)	5,000
Total other financing sources and uses	<u>(23,500)</u>	<u>(19,075)</u>	<u>4,425</u>
Net change in fund balances	<u>(20,880)</u>	<u>(11,410)</u>	<u>9,470</u>
Fund balances - beginning	23,983	20,087	(3,896)
Fund balances - ending	<u>3,103</u>	<u>8,677</u>	<u>5,574</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental revenues	75,000	66,023	(8,977)
Charges for services	48,900	46,441	(2,459)
Miscellaneous	5,000	5,106	106
Total revenues	<u>128,900</u>	<u>117,570</u>	<u>(11,330)</u>
EXPENDITURES			
Current:			
General government	72,063	107,912	(35,849)
Capital outlay	230,000	146,819	83,181
Total expenditures	<u>302,063</u>	<u>254,731</u>	<u>47,332</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(173,163)</u>	<u>(137,161)</u>	<u>36,002</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,462	1,462
Total other financing sources and use	<u>-</u>	<u>1,462</u>	<u>1,462</u>
Net change in fund balances	<u>(173,163)</u>	<u>(135,699)</u>	<u>37,464</u>
Fund balances - beginning	<u>275,000</u>	<u>275,602</u>	<u>602</u>
Fund balances - ending	<u><u>101,837</u></u>	<u><u>139,903</u></u>	<u><u>38,066</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental revenues	191,165	209,163	17,998
Total revenues	<u>191,165</u>	<u>209,163</u>	<u>17,998</u>
EXPENDITURES			
Current:			
Security of persons and property	207,590	187,831	19,759
Capital outlay	-	19,897	(19,897)
Total expenditures	<u>207,590</u>	<u>207,728</u>	<u>(138)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,425)</u>	<u>1,435</u>	<u>17,860</u>
Fund balances - beginning	<u>26,833</u>	<u>41,814</u>	<u>14,981</u>
Fund balances - ending	<u><u>10,408</u></u>	<u><u>43,248</u></u>	<u><u>32,840</u></u>

CHELAN COUNTY, WASHINGTON

Boating Safety Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental revenues	36,000	65,147	29,147
Miscellaneous	64,000	783	(63,217)
Total revenues	<u>100,000</u>	<u>65,930</u>	<u>(34,070)</u>
EXPENDITURES			
Current:			
Security of persons and property	151,054	97,804	53,250
Total expenditures	<u>151,054</u>	<u>97,804</u>	<u>53,250</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(51,054)</u>	<u>(31,873)</u>	<u>19,181</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	4,958	4,958
Total other financing sources and uses	<u>-</u>	<u>4,958</u>	<u>4,958</u>
Net change in fund balances	<u>(51,054)</u>	<u>(26,915)</u>	<u>24,139</u>
Fund balances - beginning	<u>71,057</u>	<u>87,413</u>	<u>16,356</u>
Fund balances - ending	<u><u>20,003</u></u>	<u><u>60,498</u></u>	<u><u>40,495</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for services	126,500	146,405	19,905
Miscellaneous	26,830	29,160	2,330
Total revenues	<u>153,330</u>	<u>175,565</u>	<u>22,235</u>
EXPENDITURES			
Current:			
Culture and recreation	211,296	158,850	52,446
Total expenditures	<u>211,296</u>	<u>158,850</u>	<u>52,446</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(57,966)</u>	<u>16,715</u>	<u>74,681</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,000	13,389	11,389
Total other financing sources and uses	<u>2,000</u>	<u>13,389</u>	<u>11,389</u>
Net change in fund balances	<u>(55,966)</u>	<u>30,104</u>	<u>86,070</u>
Fund balances - beginning	<u>123,351</u>	<u>36,568</u>	<u>(86,783)</u>
Fund balances - ending	<u><u>67,385</u></u>	<u><u>66,672</u></u>	<u><u>(713)</u></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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Miscellaneous	<u>3,140</u>	<u>5,417</u>	<u>2,277</u>
Total revenues	<u>3,140</u>	<u>5,417</u>	<u>2,277</u>
EXPENDITURES			
Current:			
Security of persons and property	<u>9,228</u>	<u>5,762</u>	<u>3,466</u>
Total expenditures	<u>9,228</u>	<u>5,762</u>	<u>3,466</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,088)</u>	<u>(345)</u>	<u>5,743</u>
Fund balances - beginning	<u>6,722</u>	<u>19,471</u>	<u>12,749</u>
Fund balances - ending	<u><u>634</u></u>	<u><u>19,126</u></u>	<u><u>18,492</u></u>

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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental revenues	4,383	-	(4,383)
Miscellaneous	-	123	123
Total revenues	<u>4,383</u>	<u>123</u>	<u>(4,260)</u>
EXPENDITURES			
Current:			
Security of persons and property	7,374	3,000	4,374
Total expenditures	<u>7,374</u>	<u>3,000</u>	<u>4,374</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,991)</u>	<u>(2,877)</u>	<u>114</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(3,258)	(3,258)
Total other financing sources and uses	<u>-</u>	<u>(3,258)</u>	<u>(3,258)</u>
Net change in fund balances	<u>(2,991)</u>	<u>(6,135)</u>	<u>(3,144)</u>
Fund balances - beginning	<u>3,008</u>	<u>6,135</u>	<u>3,127</u>
Fund balances - ending	<u>17</u>	<u>-</u>	<u>(17)</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental revenues	215,256	207,559	(7,697)
Miscellaneous	74,144	86,901	12,757
Total revenues	<u>289,400</u>	<u>294,460</u>	<u>5,060</u>
EXPENDITURES			
Current:			
Economic environment	314,400	300,790	13,610
Total expenditures	<u>314,400</u>	<u>300,790</u>	<u>13,610</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,000)</u>	<u>(6,330)</u>	<u>18,670</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	99	99
Total other financing sources and uses	<u>-</u>	<u>99</u>	<u>99</u>
Net change in fund balances	<u>(25,000)</u>	<u>(6,231)</u>	<u>18,769</u>
Fund balances - beginning	<u>45,600</u>	<u>200,292</u>	<u>154,692</u>
Fund balances - ending	<u>20,600</u>	<u>194,061</u>	<u>173,461</u>

CHELAN COUNTY, WASHINGTON

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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Miscellaneous	28,019	23,450	(4,569)
Total revenues	28,019	23,450	(4,569)
EXPENDITURES			
Current:			
Utilities and environment	42,315	18,714	23,601
Total expenditures	42,315	18,714	23,601
Excess (deficiency) of revenues over (under) expenditures	(14,296)	4,736	19,032
OTHER FINANCING SOURCES (USES)			
Transfers in	-	19	19
Total other financing sources and use	-	19	19
Net change in fund balances	(14,296)	4,755	19,051
Fund balances - beginning	20,796	25,338	4,542
Fund balances - ending	6,500	30,094	23,594

CHELAN COUNTY, WASHINGTON

REET Technology Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	33,000	-	(33,000)
Intergovernmental revenues	-	24,065	24,065
Total revenues	<u>33,000</u>	<u>24,065</u>	<u>(8,935)</u>
EXPENDITURES			
Capital outlay	33,000	-	33,000
Total expenditures	<u>33,000</u>	<u>-</u>	<u>33,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>24,065</u>	<u>24,065</u>
Fund balances - beginning	<u>64,200</u>	<u>83,228</u>	<u>19,028</u>
Fund balances - ending	<u><u>64,200</u></u>	<u><u>107,293</u></u>	<u><u>43,093</u></u>

CHELAN COUNTY, WASHINGTON

Juvenile Donation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2008

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

CHELAN COUNTY, WASHINGTON

Trial Court Improvement Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental revenues	30,849	51,258	20,409
Miscellaneous	-	1,506	1,506
Total revenues	<u>30,849</u>	<u>52,764</u>	<u>21,915</u>
EXPENDITURES			
General government	5,000	-	5,000
Total expenditures	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,849</u>	<u>52,764</u>	<u>26,915</u>
Fund balances - beginning	<u>42,000</u>	<u>68,522</u>	<u>26,522</u>
Fund balances - ending	<u><u>67,849</u></u>	<u><u>121,286</u></u>	<u><u>53,437</u></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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental revenues	120,320	67,909	(52,411)
Miscellaneous	-	11,231	11,231
Total revenues	<u>120,320</u>	<u>79,140</u>	<u>(41,180)</u>
EXPENDITURES			
Current:			
Security of persons and property	297,355	304,533	(7,178)
Debt service			
Interest and other charges	-	5,435	(5,435)
Total expenditures	<u>297,355</u>	<u>309,968</u>	<u>(12,613)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(177,035)</u>	<u>(230,828)</u>	<u>(53,793)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	147,000	284,696	137,696
Transfers out	-	(7,601)	(7,601)
Total other financing sources and uses	<u>147,000</u>	<u>277,095</u>	<u>130,095</u>
Net change in fund balances	<u>(30,035)</u>	<u>46,267</u>	<u>76,302</u>
Fund balances - beginning	<u>32,946</u>	<u>(46,267)</u>	<u>(79,213)</u>
Fund balances - ending	<u>2,911</u>	<u>-</u>	<u>(2,911)</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	346,000	517,390	171,390
Intergovernmental revenues	249,000	65,741	(183,259)
Total revenues	<u>595,000</u>	<u>583,131</u>	<u>(11,869)</u>
EXPENDITURES			
Current:			
Security of persons and property	595,000	583,180	11,820
Total expenditures	<u>595,000</u>	<u>583,180</u>	<u>11,820</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(49)</u>	<u>(49)</u>
Fund balances - beginning	<u>-</u>	<u>49</u>	<u>49</u>
Fund balances - ending	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental revenues	17,000	4,500	(12,500)
Charges for services	20,150	11,085	(9,065)
Miscellaneous	26,258	5,455	(20,803)
Total revenues	<u>63,408</u>	<u>21,040</u>	<u>(42,368)</u>
EXPENDITURES			
Current:			
Culture and recreation	63,408	24,430	38,978
Total expenditures	<u>63,408</u>	<u>24,430</u>	<u>38,978</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(3,390)</u>	<u>(3,390)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	12	12
Total other financing sources and uses	<u>-</u>	<u>12</u>	<u>12</u>
Net change in fund balances	<u>-</u>	<u>(3,378)</u>	<u>(3,378)</u>
Fund balances - beginning	25,000	27,059	2,059
Fund balances - ending	<u>25,000</u>	<u>23,682</u>	<u>(1,318)</u>

CHELAN COUNTY, WASHINGTON

Cashmere-Dryden Airport Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	625,000	603,634	(21,366)
Miscellaneous	21,026	22,283	1,257
Total revenues	<u>646,026</u>	<u>625,917</u>	<u>(20,109)</u>
EXPENDITURES			
Current:			
Transportation	653,105	641,129	11,976
Total expenditures	<u>653,105</u>	<u>641,129</u>	<u>11,976</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,079)</u>	<u>(15,211)</u>	<u>(8,132)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	13	13
Total other financing sources and uses	<u>-</u>	<u>13</u>	<u>13</u>
Net change in fund balances	<u>(7,079)</u>	<u>(15,198)</u>	<u>(8,119)</u>
Fund balances - beginning	24,000	25,879	1,879
Fund balances - ending	<u>16,921</u>	<u>10,680</u>	<u>(6,241)</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	110	390	280
Charges for services	31,200	34,175	2,975
Total revenues	<u>31,310</u>	<u>34,565</u>	<u>3,255</u>
EXPENDITURES			
Current:			
General government	30,240	30,405	(165)
Total expenditures	<u>30,240</u>	<u>30,405</u>	<u>(165)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,070</u>	<u>4,160</u>	<u>3,090</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	30,000	30,000	-
Transfers out	(19,571)	(19,571)	-
Total other financing sources and uses	<u>10,429</u>	<u>10,429</u>	<u>-</u>
Net change in fund balances	<u>11,499</u>	<u>14,589</u>	<u>3,090</u>
Fund balances - beginning	70,000	78,823	8,823
Fund balances - ending	<u>81,499</u>	<u>93,412</u>	<u>11,913</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	70,346	77,184	6,838
Miscellaneous	1,800	685	(1,115)
Total revenues	<u>72,146</u>	<u>77,869</u>	<u>5,723</u>
EXPENDITURES			
Current:			
Economic environment	60,253	31,550	28,703
Total expenditures	<u>60,253</u>	<u>31,550</u>	<u>28,703</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,893</u>	<u>46,319</u>	<u>34,426</u>
Fund balances - beginning	<u>50,000</u>	<u>72,338</u>	<u>22,338</u>
Fund balances - ending	<u><u>61,893</u></u>	<u><u>118,657</u></u>	<u><u>56,764</u></u>

CHELAN COUNTY, WASHINGTON

Mental Health & Retardation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	103,188	101,590	(1,598)
Total revenues	<u>103,188</u>	<u>101,590</u>	<u>(1,598)</u>
EXPENDITURES			
Current:			
Mental and physical health	105,109	101,590	3,519
Total expenditures	<u>105,109</u>	<u>101,590</u>	<u>3,519</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,921)</u>	<u>-</u>	<u>1,921</u>
Fund balances - beginning	<u>1,921</u>	<u>-</u>	<u>(1,921)</u>
Fund balances - ending	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

CHELAN COUNTY, WASHINGTON

Community Services & Housing Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	-	40,636	40,636
Charges for services	288,700	338,141	49,441
Total revenues	<u>288,700</u>	<u>378,777</u>	<u>90,077</u>
EXPENDITURES			
Current:			
Economic environment	398,700	365,084	33,616
Total expenditures	<u>398,700</u>	<u>365,084</u>	<u>33,616</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(110,000)</u>	<u>13,693</u>	<u>123,693</u>
Fund balances - beginning	60,000	78,551	18,551
Fund balances - ending	<u>(50,000)</u>	<u>92,244</u>	<u>142,244</u>

CHELAN COUNTY, WASHINGTON

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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for services	16,000	8,247	(7,753)
Miscellaneous	6,000	3,865	(2,135)
Total revenues	<u>22,000</u>	<u>12,112</u>	<u>(9,888)</u>
EXPENDITURES			
Current:			
General government	15,095	8,202	6,893
Total expenditures	<u>15,095</u>	<u>8,202</u>	<u>6,893</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,905</u>	<u>3,910</u>	<u>(2,995)</u>
Fund balances - beginning	<u>115,000</u>	<u>133,502</u>	<u>18,502</u>
Fund balances - ending	<u><u>121,905</u></u>	<u><u>137,412</u></u>	<u><u>15,507</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	560,000	789,107	229,107
Miscellaneous	500	203	(297)
Total revenues	<u>560,500</u>	<u>789,310</u>	<u>228,810</u>
EXPENDITURES			
Current:			
Economic environment	877,444	909,959	(32,515)
Total expenditures	<u>877,444</u>	<u>909,959</u>	<u>(32,515)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(316,944)</u>	<u>(120,649)</u>	<u>196,295</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(12,000)</u>	<u>(32,000)</u>	<u>(20,000)</u>
Total other financing sources and uses	<u>(12,000)</u>	<u>(32,000)</u>	<u>(20,000)</u>
Net change in fund balances	<u>(328,944)</u>	<u>(152,649)</u>	<u>176,295</u>
Fund balances - beginning	<u>10,000</u>	<u>504,028</u>	<u>494,028</u>
Fund balances - ending	<u>(318,944)</u>	<u>351,380</u>	<u>670,324</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental revenue	200,000	195,137	(4,863)
Charges for services	15,000	15,368	368
Miscellaneous	2,000	1,543	(457)
Total revenues	<u>217,000</u>	<u>212,048</u>	<u>(4,952)</u>
EXPENDITURES			
Current:			
General government	11,337	40,919	(29,582)
Capital outlay	225,000	195,191	29,809
Total expenditures	<u>236,337</u>	<u>236,110</u>	<u>227</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,337)</u>	<u>(24,062)</u>	<u>(4,725)</u>
Fund balances - beginning	<u>70,000</u>	<u>72,506</u>	<u>2,506</u>
Fund balances - ending	<u><u>50,663</u></u>	<u><u>48,444</u></u>	<u><u>(2,219)</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental revenues	2,858,417	1,468,376	(1,390,041)
Charges for services	90,000	73,865	(16,135)
Miscellaneous	1,807,465	1,011,494	(795,971)
Total revenues	<u>4,755,882</u>	<u>2,553,735</u>	<u>(2,202,147)</u>
EXPENDITURES			
Current:			
Utilities and environment	4,807,101	2,585,157	2,221,944
Total expenditures	<u>4,807,101</u>	<u>2,585,157</u>	<u>2,221,944</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(51,219)</u>	<u>(31,422)</u>	<u>19,797</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	9,325	9,325
Total other financing sources and uses	<u>-</u>	<u>9,325</u>	<u>9,325</u>
Net change in fund balances	<u>(51,219)</u>	<u>(22,097)</u>	<u>29,122</u>
Fund balances - beginning	<u>594,627</u>	<u>623,679</u>	<u>29,052</u>
Fund balances - ending	<u><u>543,408</u></u>	<u><u>601,581</u></u>	<u><u>58,173</u></u>

CHELAN COUNTY, WASHINGTON

Regional Jail Education Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Miscellaneous	10	29	19
Total revenues	<u>10</u>	<u>29</u>	<u>19</u>
EXPENDITURES			
Current:			
Security of persons and property	1,180	-	1,180
Total expenditures	<u>1,180</u>	<u>-</u>	<u>1,180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,170)</u>	<u>29</u>	<u>1,199</u>
Fund balances - beginning	<u>2,270</u>	<u>2,106</u>	<u>(164)</u>
Fund balances - ending	<u><u>1,100</u></u>	<u><u>2,136</u></u>	<u><u>1,036</u></u>

CHELAN COUNTY, WASHINGTON

Forest Title III Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental revenues	340,000	144,467	(195,533)
Total revenues	<u>340,000</u>	<u>144,467</u>	<u>(195,533)</u>
EXPENDITURES			
Current:			
Utilities and environment	376,128	392,552	(16,424)
Total expenditures	<u>376,128</u>	<u>392,552</u>	<u>(16,424)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,128)</u>	<u>(248,085)</u>	<u>(211,957)</u>
Fund balances - beginning	340,000	335,344	(4,656)
Fund balances - ending	<u><u>303,872</u></u>	<u><u>87,259</u></u>	<u><u>(216,613)</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	520,000	643,095	1,163,095
Miscellaneous	0	17,291	17,291
Total revenues	<u>520,000</u>	<u>660,386</u>	<u>140,386</u>
EXPENDITURES			
Security of persons and property	520,000	344,240	864,240
Total expenditures	<u>520,000</u>	<u>344,240</u>	<u>175,760</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>316,146</u>	<u>316,146</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	93,995	93,995
Transfers out	<u>(515,000)</u>	<u>(515,000)</u>	<u>-</u>
Total other financing sources and uses	<u>(515,000)</u>	<u>(421,005)</u>	<u>93,995</u>
Net change in fund balances	(515,000)	(104,860)	410,140
Fund balances - beginning	-	678,715	678,715
Fund balances - ending	<u>(515,000)</u>	<u>573,855</u>	<u>1,088,855</u>

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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	1,120,000	1,448,848	328,848
Miscellaneous	70,000	45,117	(24,883)
Total revenues	<u>1,190,000</u>	<u>1,493,965</u>	<u>303,965</u>
EXPENDITURES			
Current:			
Economic environment	1,510,160	1,718,040	(207,880)
Debt Service:			
Principal	670,000	655,000	15,000
Interest and other charges	403,700	384,995	18,705
Total expenditures	<u>2,583,860</u>	<u>2,758,035</u>	<u>(174,175)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,393,860)</u>	<u>(1,264,070)</u>	<u>129,790</u>
Fund balances - beginning	<u>1,500,000</u>	<u>1,771,513</u>	<u>271,513</u>
Fund balances - ending	<u><u>106,140</u></u>	<u><u>507,444</u></u>	<u><u>401,304</u></u>

CHELAN COUNTY, WASHINGTON

Regional Justice Center Records Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2008

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Intergovernmental	5,000	3,000	(2,000)
Miscellaneous	-	4	4
Total revenues	<u>5,000</u>	<u>3,004</u>	<u>(1,996)</u>
EXPENDITURES			
Current:			
Security of persons and property	5,000	124	4,876
Total expenditures	<u>5,000</u>	<u>124</u>	<u>4,876</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>2,881</u>	<u>2,881</u>
Fund balances - beginning	-	-	-
Fund balances - ending	<u>-</u>	<u>2,881</u>	<u>2,881</u>

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CHELAN COUNTY, WASHINGTON

Description of Nonmajor Capital Projects Funds

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Project Funds are established to account for the financial resources used for the acquisition or construction of major capital facilities. Both revenues and expenditures are budgeted in compliance with procedures established in the Revised Code of Washington 36.40. Modified accrual basis of accounting is applied.

R.E.E.T. I: accounts for the first quarter percent real estate excise tax revenues.

R.E.E.T. II: accounts for the second quarter percent real estate excise tax revenues.

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, 2008

	R.E.E.T. 1 Capital Improvement	R.E.E.T. 2 Capital Improvement	Master Plan Construction	Technology Bond Projects	Total
ASSETS					
Cash and cash equivalents	672,006	426,757	10,781	-	1,109,544
Investments	293,777	108,546	-	787,389	1,189,713
Interest receivable	500	185	-	1,539	2,224
Due from Other Funds	195,137	-	-	-	195,137
Total assets	<u>1,161,420</u>	<u>535,487</u>	<u>10,781</u>	<u>788,929</u>	<u>2,496,617</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	5,128	44,212	-	11,379	60,720
Total Liabilities	<u>5,128</u>	<u>44,212</u>	<u>-</u>	<u>11,379</u>	<u>60,720</u>
Fund balances:					
Unreserved, reported in nonmajor:	1,156,292	491,275	10,781	777,550	2,435,897
Total fund balances	<u>1,156,292</u>	<u>491,275</u>	<u>10,781</u>	<u>777,550</u>	<u>2,435,897</u>
Total liabilities and fund balances	<u>1,161,420</u>	<u>535,487</u>	<u>10,781</u>	<u>788,929</u>	<u>2,496,617</u>

CHELAN COUNTY, WASHINGTON

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

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2008

	R.E.E.T. 1 Capital Improvement	R.E.E.T. 2 Capital Improvement	Master Plan Construction	Technology Bond Projects	Total
REVENUES					
Taxes	823,330	460,184	-	-	1,283,514
Intergovernmental	-	694,808	-	-	694,808
Charges for services	195,137	-	-	-	195,137
Miscellaneous	9,117	15,549	6	35,169	59,841
Total revenues	<u>1,027,585</u>	<u>1,170,541</u>	<u>6</u>	<u>35,169</u>	<u>2,233,301</u>
EXPENDITURES					
Debt service:					
Principal	42,697	-	-	-	42,697
Interest and other charges	14,223	-	-	-	14,223
Capital outlay	872,120	804,298	18,676	386,963	2,082,057
Total expenditures	<u>929,040</u>	<u>804,298</u>	<u>18,676</u>	<u>386,963</u>	<u>2,138,977</u>
Excess (deficiency) of revenues over (under) expenditures	<u>98,545</u>	<u>366,243</u>	<u>(18,670)</u>	<u>(351,795)</u>	<u>94,323</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	4	-	-	4
Transfers out	-	(400,000)	-	-	(400,000)
Total other financing sources and uses	<u>-</u>	<u>(399,996)</u>	<u>-</u>	<u>-</u>	<u>(399,996)</u>
Net change in fund balances	<u>98,545</u>	<u>(33,753)</u>	<u>(18,670)</u>	<u>(351,795)</u>	<u>(305,673)</u>
Fund balances - beginning	<u>1,057,747</u>	<u>525,028</u>	<u>29,451</u>	<u>1,129,344</u>	<u>2,741,570</u>
Fund balances - ending	<u>1,156,292</u>	<u>491,275</u>	<u>10,781</u>	<u>777,550</u>	<u>2,435,897</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	1,100,000	823,330	(276,670)
Charges for services	-	195,137	195,137
Miscellaneous	10,000	9,117	(883)
Total revenues	<u>1,110,000</u>	<u>1,027,585</u>	<u>(82,415)</u>
EXPENDITURES			
Debt service:			
Principal	337,250	42,697	294,553
Interest and other charges	23,464	14,223	9,241
Capital outlay	870,000	872,120	(2,120)
Total expenditures	<u>1,230,714</u>	<u>929,040</u>	<u>301,674</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(120,714)</u>	<u>98,545</u>	<u>219,259</u>
Fund balances - beginning	<u>750,000</u>	<u>1,057,747</u>	<u>307,747</u>
Fund balances - ending	<u><u>629,286</u></u>	<u><u>1,156,292</u></u>	<u><u>527,006</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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes	1,100,000	460,184	(639,816)
Intergovernmental	-	694,808	694,808
Miscellaneous	10,000	15,549	5,549
Total revenues	<u>1,110,000</u>	<u>1,170,541</u>	<u>60,541</u>
EXPENDITURES			
Capital outlay	1,424,809	804,298	620,511
Total expenditures	<u>1,424,809</u>	<u>804,298</u>	<u>620,511</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(314,809)</u>	<u>366,243</u>	<u>681,052</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	4	4
Transfers out	-	(400,000)	(400,000)
Total other financing sources and use	<u>-</u>	<u>(399,996)</u>	<u>(399,996)</u>
Net change in fund balances	(314,809)	(33,753)	281,056
Fund balances - beginning	400,000	525,028	125,028
Fund balances - ending	<u>85,191</u>	<u>491,275</u>	<u>406,084</u>

CHELAN COUNTY, WASHINGTON

Master Plan Construction Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Miscellaneous	-	6	6
Total revenues	-	6	6
EXPENDITURES			
Capital outlay	30,000	18,676	11,324
Total expenditures	30,000	18,676	11,324
Excess (deficiency) of revenues over (under) expenditures	(30,000)	(18,670)	11,330
Fund balances - beginning	-	29,451	29,451
Fund balances - ending	(30,000)	10,781	40,781

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, 2008

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Miscellaneous	-	35,169	35,169
Total revenues	-	35,169	35,169
EXPENDITURES			
Capital outlay	800,000	386,963	413,037
Total expenditures	800,000	386,963	413,037
Excess (deficiency) of revenues over (under) expenditures	(800,000)	(351,795)	448,205
Fund balances - beginning	800,000	1,129,344	329,344
Fund balances - ending	-	777,550	777,550

CHELAN COUNTY, WASHINGTON

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.

Surface & Storm Water Management Utility: accounts for funds received through assessments for planning, designing, construction, and maintenance of drainage systems in the unincorporated areas of Chelan County.

CHELAN COUNTY, WASHINGTON

Combining Statement of Net Assets
 Nonmajor Enterprise Funds
 December 31, 2008

	Solid Waste Planning	Wenatchee River County Park	Expo Center	Public Education	Surface & Storm Water Utility	Total
ASSETS						
Current assets:						
Cash and cash equivalents	38,822	108,356	56,216	45,016	244,534	492,943
Investments	269,919	-	-	-	-	269,919
Interest receivable	402	-	-	-	-	402
Due from other governments	17,900	-	-	-	-	17,900
Total current assets	<u>327,042</u>	<u>108,356</u>	<u>56,216</u>	<u>45,016</u>	<u>244,534</u>	<u>781,163</u>
Noncurrent assets:						
Capital assets: (net of accumulated depreciation)						
Buildings	63,216	-	32,717	-	-	95,933
Equipment	255,810	7,916	36,501	-	-	300,228
Total noncurrent assets	<u>319,027</u>	<u>7,916</u>	<u>69,218</u>	<u>-</u>	<u>-</u>	<u>396,161</u>
Total assets	<u>646,068</u>	<u>116,272</u>	<u>125,433</u>	<u>45,016</u>	<u>244,534</u>	<u>1,177,324</u>
LIABILITIES						
Liabilities:						
Current liabilities:						
Accounts payable	916	3,315	389	634	-	5,253
Due to other governments	-	667	3,444	360	11,676	16,146
Other accrued liabilities	5,585	3,662	9,268	-	2,745	21,260
Total current liabilities	<u>6,501</u>	<u>7,643</u>	<u>13,101</u>	<u>994</u>	<u>14,421</u>	<u>42,659</u>
Noncurrent liabilities:						
Compensated absences	1,990	-	5,374	6,273	-	13,637
Total noncurrent liabilities	<u>1,990</u>	<u>-</u>	<u>5,374</u>	<u>6,273</u>	<u>-</u>	<u>13,637</u>
Total liabilities	<u>8,490</u>	<u>7,643</u>	<u>18,475</u>	<u>7,267</u>	<u>14,421</u>	<u>56,296</u>
NET ASSETS						
Invested in capital assets	319,027	7,916	69,218	-	-	396,161
Unrestricted	318,551	100,713	37,740	37,750	230,113	724,867
Total net assets	<u>637,578</u>	<u>108,629</u>	<u>106,958</u>	<u>37,750</u>	<u>230,113</u>	<u>1,121,028</u>

CHELAN COUNTY, WASHINGTON

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

Nonmajor Enterprise Funds

For the Year Ending December 31, 2008

	Solid Waste Planning	Wenatchee River Co Park	Expo Center	Public Education	Surface & Storm Water Utility	Total
OPERATING REVENUES						
Intergovernmental revenues	87,781	-	35,816	15,874	-	139,471
Charges for services	100,000	3,553	130,941	11,833	264,603	510,931
Miscellaneous	1,936	227,164	175,049	34,808	-	438,957
Total revenues	<u>189,717</u>	<u>230,717</u>	<u>341,806</u>	<u>62,515</u>	<u>264,603</u>	<u>1,089,358</u>
OPERATING EXPENSES						
Salaries	33,641	74,873	103,285	6,273	8,341	226,414
Personnel benefits	9,778	35,117	51,497	-	3,324	99,715
Supplies	1,051	17,931	23,150	22,911	-	65,043
Other services and charges	236,120	66,735	159,956	19,894	22,829	505,535
Intergovernmental/interfund services and taxes	58	612	3,673	-	-	4,343
Interfund payments for services	5,027	9,515	35,852	3,566	-	53,959
Depreciation	39,234	2,173	12,436	-	-	53,843
Total operating expenses	<u>324,909</u>	<u>206,956</u>	<u>389,850</u>	<u>52,644</u>	<u>34,495</u>	<u>1,008,852</u>
Operating income (loss)	<u>(135,192)</u>	<u>23,761</u>	<u>(48,044)</u>	<u>9,872</u>	<u>230,109</u>	<u>80,506</u>
NONOPERATING REVENUES (EXPENSES)						
Transfers in	1,303	2,614	133,879	27	4	137,827
Change in net assets	<u>(133,889)</u>	<u>26,375</u>	<u>85,834</u>	<u>9,899</u>	<u>230,113</u>	<u>218,332</u>
Total net assets - beginning	<u>771,467</u>	<u>82,254</u>	<u>21,124</u>	<u>27,851</u>	<u>-</u>	<u>902,696</u>
Total net assets - ending	<u>637,578</u>	<u>108,629</u>	<u>106,958</u>	<u>37,750</u>	<u>230,113</u>	<u>1,121,028</u>

CHELAN COUNTY, WASHINGTON

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended December 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:

	Solid Waste Planning	Wenatchee River County Park	Expo Center	Public Education	Surface & Storm Water Utility	Total
Cash received from customers and users	268,449	230,717	341,806	62,515	264,603	1,168,091
Cash payments to suppliers	(260,407)	(92,376)	(222,690)	(45,452)	(11,153)	(632,078)
Cash payments to employees and retirees	(39,614)	(108,870)	(150,836)	-	(8,920)	(308,241)
Net cash provided (used) by operating activities	(31,571)	29,471	(31,720)	17,063	244,530	227,772

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfers in	1,303	2,614	133,879	27	4	137,827
Advances from other funds	-	-	(100,000)	-	-	(100,000)
Net cash provided (used) by noncapital financing activities	1,303	2,614	33,879	27	4	37,827

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(7,545)	-	-	-	-	(7,545)
Interest on investments	580	-	-	-	-	580
Net cash provided (used) by investing activities	(6,965)	-	-	-	-	(6,965)

Net increase (decrease) in cash and cash equiv.

	(37,233)	32,085	2,159	17,090	244,534	258,634
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Cash and cash equivalents, January 1

	76,055	76,271	54,057	27,926	-	234,310
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Cash and cash equivalents, December 31

	38,822	108,356	56,216	45,016	244,534	492,943
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Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	(135,192)	23,761	(48,044)	9,872	230,109	80,506
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization of deferred charge	39,234	2,173	12,436	-	-	53,843
(Increase) decrease in due from other funds/gov	78,733	-	-	-	-	78,733
Increase (decrease) in vouchers/contracts payable	(523)	2,163	(1,261)	569	-	948
Increase (decrease) in due to other funds/gov	(17,628)	254	1,203	349	11,676	(4,146)
Increase (decrease) in payables/other liabilities	4,323	1,120	1,119	-	2,745	9,306
Increase (decrease) in accrued employee leave benefits	(518)	-	2,828	6,273	-	8,583
Total adjustments	103,620	5,710	16,324	7,192	14,421	147,267
Net cash provided (used) by operating activities	(31,571)	29,471	(31,720)	17,063	244,530	227,772

The County is not aware of any material noncash transactions.

CHELAN COUNTY, WASHINGTON

Description of Internal Service Funds

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis.

Equipment Rental and Revolving: accounts for the funds used to finance the 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. This fund was closed during 2008.

RJC Safety: accounts for the funds used to meet safety needs and purchase equipment for the Regional Justice Center. This fund was closed during 2008.

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, 2008

	Equipment Rental & Revolving	RJC ER&R	RCJ Safety	Industrial Insurance	Health Insurance	Unemploy. Comp.	Insurance Admin & Purchasing	Total
ASSETS								
Current assets:								
Cash and cash equivalents	2,413,690	-	-	124,193	107,217	-	247,155	2,892,255
Deposits with fiscal agents	-	-	-	38,800	-	-	-	38,800
Investments	-	-	-	201,645	56,312	79,907	246,161	584,024
Accounts receivable	19,609	-	-	-	-	-	-	19,609
Interest receivable	-	-	-	300	84	126	366	876
Due from other funds	271,187	-	-	-	-	-	-	271,187
Due from other governments	1,493	-	-	-	-	-	-	1,493
Inventory	635,169	-	-	-	-	-	-	635,169
Total current assets	3,341,148	-	-	364,938	163,613	80,033	493,682	4,443,414
Noncurrent assets:								
Capital assets: (net of accumulated depreciation)								
Buildings	39,625	-	-	-	-	-	-	39,625
Equipment	6,091,012	-	-	-	-	-	-	6,091,012
Total noncurrent assets	6,130,637	-	-	-	-	-	-	6,130,637
Total assets	9,471,785	-	-	364,938	163,613	80,033	493,682	10,574,051
LIABILITIES								
Current liabilities:								
Accounts payable	154,460	-	-	9,347	-	-	8,430	172,238
Due to other funds	111,196	-	-	-	-	-	-	111,196
Due to other governments	8,149	-	-	-	-	-	-	8,149
Other accrued liabilities	65,910	-	-	19	-	-	-	65,929
Total current liabilities	339,715	-	-	9,366	-	-	8,430	357,512
Noncurrent liabilities:								
Compensated absences	37,710	-	-	-	-	-	-	37,710
Total noncurrent liabilities	37,710	-	-	-	-	-	-	37,710
Total liabilities	377,425	-	-	9,366	-	-	8,430	395,222
NET ASSETS								
Invested in capital assets	6,130,637	-	-	-	-	-	-	6,130,637
Unrestricted	2,963,723	-	-	355,572	163,613	80,033	485,252	4,048,192
Total net assets	9,094,360	-	-	355,572	163,613	80,033	485,252	10,178,829

CHELAN COUNTY, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Net Assets
Internal Service Funds
For the Year Ending December 31, 2008

	Equipment Rental & Revolving	RJC ER&R	RJC Safety	Industrial Insurance	Health Insurance	Unemployment Compensation	Insurance Admin & Purchasing	Total
OPERATING REVENUES								
Charges for services	493,877	-	-	-	-	-	-	493,877
Miscellaneous	1,276,104	-	2,334	640,556	5,465,123	45,825	885,908	8,315,850
Total operating revenues	1,769,981	-	2,334	640,556	5,465,123	45,825	885,908	8,809,727
OPERATING EXPENSES								
Salaries	512,632	-	-	-	-	-	-	512,632
Personnel benefits	162,141	-	-	-	-	-	-	162,141
Supplies	1,524,154	-	6,593	-	-	-	-	1,530,747
Other services and charges	80,107	-	-	512,937	4,563,879	38,462	844,098	6,039,483
Interfund payments for services	96,312	-	43	22,620	20,039	259	62,251	201,524
Depreciation	1,438,560	4,964	-	-	-	-	-	1,443,524
Total operating expenses	3,813,905	4,964	6,636	535,557	4,583,918	38,721	906,349	9,890,050
Operating income (loss)	(2,043,924)	(4,964)	(4,303)	104,999	881,205	7,104	(20,441)	(1,080,323)
NONOPERATING REVENUES (EXPENSES)								
Gain/loss on sale of capital assets	56,258	-	-	-	-	-	-	56,258
Total nonoperating revenues (expenses)	56,258	-	-	-	-	-	-	56,258
Income (loss) before transfers	(1,987,665)	(4,964)	(4,303)	104,999	881,205	7,104	(20,441)	(1,024,064)
Transfers In	14,547	-	-	3	-	-	-	14,550
Transfers Out	-	(50,099)	(16,968)	-	(800,000)	(50,000)	-	(917,067)
Change in net assets	(1,973,118)	(55,063)	(21,271)	105,002	81,205	(42,896)	(20,441)	(1,926,582)
Total net assets - beginning	11,067,478	55,063	21,271	250,569	82,408	122,929	505,693	12,105,411
Total net assets - ending	9,094,360	-	-	355,572	163,613	80,033	485,252	10,178,829

CHELAN COUNTY, WASHINGTON

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:

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

	Equipment Rental & Revolving	RJC ER&R	RJC Safety	Industrial Insurance	Health Insurance	Unemploy. Comp.	Insurance Admin & Purchasing	Total
	2,090,680	-	2,334	640,556	5,465,123	45,825	885,908	9,130,426
	(2,065,004)	-	(6,636)	(564,060)	(4,583,918)	(38,721)	(897,918)	(8,156,257)
	(660,112)	-	-	19	-	-	-	(660,093)
	(634,436)	-	(4,303)	76,515	881,205	7,104	(12,010)	314,075

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers In
Transfers Out
Net cash provided (used) by noncapital financing activities

	14,547	-	-	3	-	-	-	14,550
	-	(50,099)	(16,968)	-	(800,000)	(50,000)	-	(917,067)
	14,547	(50,099)	(16,968)	3	(800,000)	(50,000)	-	(902,517)

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

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

	64,817	-	-	-	-	-	-	64,817
	(524,192)	24,791	-	-	-	-	-	(499,401)
	(459,375)	24,791	-	-	-	-	-	(434,584)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments
Purchase of investments
Interest on investments
Net cash provided (used) by investing activities

	-	-	-	-	2,680	38,769	-	41,450
	-	-	-	(5,635)	(1,492)	(3,117)	(6,879)	(17,123)
	-	-	-	432	131	305	527	1,395
	-	-	-	(5,203)	1,319	35,958	(6,352)	25,722

Net increase (decrease) in cash and cash equivalents

	(1,079,265)	(25,308)	(21,271)	71,315	82,524	(6,938)	(18,362)	(997,305)
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Cash and cash equivalents, January 1

	3,492,955	25,308	21,271	52,878	24,693	6,938	265,518	3,889,559
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Cash and cash equivalents, December 31

	2,413,690	-	-	124,193	107,217	-	247,155	2,892,255
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Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

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

	(2,043,924)	(4,964)	(4,303)	104,999	881,205	7,104	(20,441)	(1,080,323)
	1,438,560	4,964	-	-	-	-	-	1,443,524
	(8,506)	-	-	-	-	-	-	(8,506)
	329,205	-	-	-	-	-	-	329,205
	(412,218)	-	-	-	-	-	-	(412,218)
	(64,527)	-	-	(2,959)	-	-	8,430	(59,055)
	112,313	-	-	(25,544)	-	-	-	86,769
	11,064	-	-	19	-	-	-	11,082
	3,597	-	-	-	-	-	-	3,597
	1,409,487	4,964	-	(28,484)	-	-	8,430	1,394,398
	(634,436)	-	(4,303)	76,515	881,205	7,104	(12,010)	314,075

Net cash provided (used) by operating activities

The County is not aware of any material noncash transactions.

CHELAN COUNTY, WASHINGTON

Description of Agency Funds

AGENCY FUNDS

Agency Funds are established to account for assets held by Chelan County acting in the capacity of agent. Agency funds are funds over which the County has no oversight responsibility or financial interdependency. Many independent districts are required by State statute to process all monies through the County Treasurer's office. Such funds do not represent assets of Chelan County. Agency funds are custodial in nature, and therefore do not involve measurement of results of operations. Each independent district is responsible to prepare its own annual 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, 2008

	Regional Jail Prisoner	County Roads Retainage	CASA	Network Grant	Substance Abuse	Infrastructure Improvement
ASSETS						
Cash	8,000	-	-	9,624	14,672	-
Investments	39,801	350,564	-	-	-	178,979
Deposits with fiscal agents	-	-	-	-	-	-
Accounts receivable	-	10,374	6,426	-	-	-
Taxes receivable	-	-	-	-	-	-
Interest receivable	56	521	-	-	-	266
Due from other governments	-	-	-	-	228,999	-
Total assets	<u>47,857</u>	<u>361,459</u>	<u>6,426</u>	<u>9,624</u>	<u>243,671</u>	<u>179,246</u>
LIABILITIES						
Accounts payable	4,674	-	2,755	9,624	121,680	-
Other accrued liabilities	-	-	-	-	-	-
Custodial accounts	<u>43,183</u>	<u>361,459</u>	<u>3,671</u>	<u>-</u>	<u>121,991</u>	<u>179,246</u>
Total liabilities	<u>47,857</u>	<u>361,459</u>	<u>6,426</u>	<u>9,624</u>	<u>243,671</u>	<u>179,246</u>

LID 85-1	Chelan/Douglas Health District	RJC Partnership	Columbia River Drug Task Force	NCR Library	Link	TV Reception Improvement Dist No 1
61	5,812	54	-	-	985,140	-
27,381	330,103	-	337,616	9,340,188	1,751,195	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	117,871	-	-
41	370	-	477	14,373	3,296	-
-	-	-	-	-	-	-
<u>27,483</u>	<u>336,284</u>	<u>54</u>	<u>338,093</u>	<u>9,472,432</u>	<u>2,739,630</u>	<u>-</u>
-	7,877	-	-	212,636	-	-
-	212,453	-	-	24,697	-	-
<u>27,483</u>	<u>115,954</u>	<u>54</u>	<u>338,093</u>	<u>9,235,100</u>	<u>2,739,630</u>	<u>-</u>
<u>27,483</u>	<u>336,284</u>	<u>54</u>	<u>338,093</u>	<u>9,472,432</u>	<u>2,739,630</u>	<u>-</u>

Combining Statement of Fiduciary Net Assets
 Agency Funds
 December 31, 2008

	<u>State</u>	<u>NCESD</u>	<u>School Districts</u>	<u>Fire Districts</u>	<u>Cemetery Districts</u>	<u>Port of Chelan County</u>
ASSETS						
Cash	308,050	350,166	192,409	1,078,808	249,759	235,940
Investments	-	10,326,014	20,924,016	3,697,445	517,713	3,960,595
Deposits with fiscal agents	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Taxes receivable	724,490	-	902,333	167,975	7,187	85,992
Interest receivable	-	16,278	34,454	6,494	770	4,742
Due from other governments	-	-	-	-	-	-
Total assets	<u>1,032,540</u>	<u>10,692,459</u>	<u>22,053,212</u>	<u>4,950,721</u>	<u>775,430</u>	<u>4,287,269</u>
LIABILITIES						
Accounts payable	-	-	-	14,803	145	-
Other accrued liabilities	-	-	-	163,622	6,090	-
Custodial accounts	<u>1,032,540</u>	<u>10,692,459</u>	<u>22,053,212</u>	<u>4,772,297</u>	<u>769,195</u>	<u>4,287,269</u>
Total liabilities	<u>1,032,540</u>	<u>10,692,459</u>	<u>22,053,212</u>	<u>4,950,721</u>	<u>775,430</u>	<u>4,287,269</u>

Pangborn Field	Lake Chelan Sewer Revenue Bond	Park Districts	Upper Valley Park and Rec	Mosquito Districts	Water Districts	Irrigation Districts	Water Conservancy Board
39,455	77,071	2,000	50,854	97,707	619,819	302,423	9,839
114	982,247	86,317	984	-	1,206,542	4,277,609	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	8,035	5,867	137	304	-	-
-	1,674	130	1	-	1,902	6,648	-
-	-	-	-	-	-	-	-
<u>39,570</u>	<u>1,060,992</u>	<u>96,482</u>	<u>57,707</u>	<u>97,844</u>	<u>1,828,567</u>	<u>4,586,680</u>	<u>9,839</u>
-	-	8,117	-	480	13,288	176,255	1,890
-	-	5,560	-	-	10,952	21,080	-
<u>39,570</u>	<u>1,060,992</u>	<u>82,804</u>	<u>57,707</u>	<u>97,364</u>	<u>1,804,327</u>	<u>4,389,346</u>	<u>7,949</u>
<u>39,570</u>	<u>1,060,992</u>	<u>96,482</u>	<u>57,707</u>	<u>97,844</u>	<u>1,828,567</u>	<u>4,586,680</u>	<u>9,839</u>

Combining Statement of Fiduciary Net Assets
 Agency Funds
 December 31, 2008

	<u>Hospital Districts</u>	<u>Cities</u>	<u>County</u>	<u>Total</u>
ASSETS				
Cash	505,916	375,690	103,077	5,622,347
Investments	12,858,161	-	-	71,193,584
Deposits with fiscal agents	-	-	2,224,248	2,224,248
Accounts receivable	-	-	-	16,800
Taxes receivable	129,780	266,629	-	2,416,600
Interest receivable	23,164	-	-	115,657
Due from other governments	-	-	-	228,999
Total assets	<u>13,517,021</u>	<u>642,319</u>	<u>2,327,324</u>	<u>81,818,234</u>
LIABILITIES				
Accounts payable	-	-	-	574,223
Other accrued liabilities	-	-	-	444,454
Custodial accounts	<u>13,517,021</u>	<u>642,319</u>	<u>2,327,324</u>	<u>80,799,557</u>
Total liabilities	<u>13,517,021</u>	<u>642,319</u>	<u>2,327,324</u>	<u>81,818,234</u>

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Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2008

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
REGIONAL JAIL PRISONER				
Assets				
Cash	8,000	215,171	215,171	8,000
Investments	39,884	20,025	20,108	39,801
Interest receivable	142	56	142	56
Total assets	<u>48,025</u>	<u>235,253</u>	<u>235,421</u>	<u>47,857</u>
Liabilities				
Accounts payable	8,598	180,426	184,350	4,674
Due to other governments	540	-	540	-
Other accrued liabilities	-	2,392	2,392	-
Custodial accounts	38,887	185,851	181,555	43,183
Total liabilities	<u>48,025</u>	<u>368,668</u>	<u>368,837</u>	<u>47,857</u>
COUNTY ROADS RETAINAGE				
Assets				
Cash	-	489,865	489,865	-
Investments	195,183	304,862	149,481	350,564
Accounts receivable	14,522	312,142	316,290	10,374
Interest receivable	595	521	595	521
Total assets	<u>210,300</u>	<u>1,107,390</u>	<u>956,232</u>	<u>361,459</u>
Liabilities				
Custodial accounts	210,300	336,161	185,003	361,459
Total liabilities	<u>210,300</u>	<u>336,161</u>	<u>185,003</u>	<u>361,459</u>
CASA				
Assets				
Cash	3,668	91,531	95,199	-
Accounts receivable	19,269	84,108	96,951	6,426
Total assets	<u>22,937</u>	<u>175,639</u>	<u>192,150</u>	<u>6,426</u>
Liabilities				
Accounts payable	6,423	93,286	96,954	2,755
Custodial accounts	16,514	77,688	90,531	3,671
Total liabilities	<u>22,937</u>	<u>170,974</u>	<u>187,485</u>	<u>6,426</u>

	Balance January 1	Additions	Deductions	Balance December 31
NETWORK GRANT				
Assets				
Cash	-	84,972	75,348	9,624
Accounts receivable	-	84,972	84,972	-
Due from other governments	12,750	-	12,750	-
Total assets	<u>12,750</u>	<u>169,944</u>	<u>173,070</u>	<u>9,624</u>
Liabilities				
Accounts payable	-	84,972	75,348	9,624
Custodial accounts	12,750	72,222	84,972	-
Total liabilities	<u>12,750</u>	<u>157,194</u>	<u>160,320</u>	<u>9,624</u>
SUBSTANCE ABUSE				
Assets				
Cash	112,632	1,083,439	1,181,399	14,672
Accounts receivable	-	1,302,632	1,302,632	-
Due from other governments	110,963	228,999	110,963	228,999
Total assets	<u>223,595</u>	<u>2,615,070</u>	<u>2,594,994</u>	<u>243,671</u>
Liabilities				
Accounts payable	102,846	1,198,869	1,180,035	121,680
Custodial accounts	120,749	1,200,111	1,198,869	121,991
Total liabilities	<u>223,595</u>	<u>2,398,980</u>	<u>2,378,904</u>	<u>243,671</u>
INFRASTRUCTURE IMPROVEMENT				
Assets				
Cash	-	5,002	5,002	-
Investments	173,977	5,002	-	178,979
Interest receivable	650	266	650	266
Total assets	<u>174,627</u>	<u>10,270</u>	<u>5,652</u>	<u>179,246</u>
Liabilities				
Custodial accounts	174,627	4,619	-	179,246
Total liabilities	<u>174,627</u>	<u>4,619</u>	<u>-</u>	<u>179,246</u>
LID 85-1				
Assets				
Cash	61	765	765	61
Investments	26,616	765	-	27,381
Interest receivable	99	41	99	41
Total assets	<u>26,776</u>	<u>1,571</u>	<u>865</u>	<u>27,483</u>
Liabilities				
Custodial accounts	26,776	707	-	27,483
Total liabilities	<u>26,776</u>	<u>707</u>	<u>-</u>	<u>27,483</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended December 31, 2008

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
CHELAN/DOUGLAS HEALTH DISTRICT				
Assets				
Cash	15,956	5,091,986	5,102,131	5,812
Investments	350,431	457,306	477,635	330,103
Interest receivable	1,223	370	1,223	370
Total assets	<u>367,611</u>	<u>5,549,662</u>	<u>5,580,989</u>	<u>336,284</u>
Liabilities				
Accounts payable	300	2,550,078	2,542,501	7,877
Other accrued liabilities	231,061	3,620,733	3,639,341	212,453
Custodial accounts	136,250	4,230,643	4,250,939	115,954
Total liabilities	<u>367,611</u>	<u>10,401,454</u>	<u>10,432,781</u>	<u>336,284</u>
REGIONAL JUSTICE CENTER PARTNERSHIP				
Assets				
Cash	54	-	-	54
Total assets	<u>54</u>	<u>-</u>	<u>-</u>	<u>54</u>
Liabilities				
Custodial accounts	54	-	-	54
Total liabilities	<u>54</u>	<u>-</u>	<u>-</u>	<u>54</u>
COLUMBIA RIVER DRUG TASKFORCE				
Assets				
Cash	-	666,598	666,598	-
Investments	383,065	194,886	240,335	337,616
Interest receivable	1,459	477	1,459	477
Total assets	<u>384,525</u>	<u>861,961</u>	<u>908,393</u>	<u>338,093</u>
Liabilities				
Accounts payable	-	471,673	471,673	-
Custodial accounts	384,525	424,241	470,673	338,093
Total liabilities	<u>384,525</u>	<u>895,914</u>	<u>942,346</u>	<u>338,093</u>

	Balance January 1	Additions	Deductions	Balance December 31
NCR LIBRARY				
Assets				
Cash	1,385,800	18,406,225	19,792,025	-
Investments	7,765,545	10,293,712	8,719,069	9,340,188
Taxes receivable	74,757	117,871	74,757	117,871
Interest receivable	30,272	14,373	30,272	14,373
Total assets	<u>9,256,374</u>	<u>28,832,181</u>	<u>28,616,123</u>	<u>9,472,432</u>
Liabilities				
Accounts payable	265,157	6,417,318	6,469,839	212,636
Other accrued liabilities	24,097	4,059,828	4,059,227	24,697
Custodial accounts	8,967,121	19,047,024	18,779,045	9,235,100
Total liabilities	<u>9,256,374</u>	<u>29,524,169</u>	<u>29,308,112</u>	<u>9,472,432</u>
LINK				
Assets				
Cash	252,693	17,321,047	16,588,600	985,140
Investments	3,270,815	1,968,774	3,488,395	1,751,195
Interest receivable	-	3,296	-	3,296
Total assets	<u>3,523,508</u>	<u>19,293,116</u>	<u>20,076,995</u>	<u>2,739,630</u>
Liabilities				
Custodial accounts	<u>3,523,508</u>	<u>13,733,882</u>	<u>14,517,760</u>	<u>2,739,630</u>
Total liabilities	<u>3,523,508</u>	<u>13,733,882</u>	<u>14,517,760</u>	<u>2,739,630</u>
TV RECEPTION IMPROVEMENT DIST NO 1				
Assets				
Cash	2,377	9,349	11,727	-
Investments	8,856	239	9,095	-
Interest receivable	33	-	33	-
Total assets	<u>11,266</u>	<u>9,588</u>	<u>20,854</u>	<u>-</u>
Liabilities				
Accounts payable	-	1,063	1,063	-
Custodial accounts	11,266	222	11,488	-
Total liabilities	<u>11,266</u>	<u>1,285</u>	<u>12,551</u>	<u>-</u>
STATE				
Assets				
Cash	321,932	25,398,631	25,412,513	308,050
Taxes receivable	469,907	724,490	469,907	724,490
Total assets	<u>791,839</u>	<u>26,123,121</u>	<u>25,882,420</u>	<u>1,032,540</u>
Liabilities				
Custodial accounts	<u>791,839</u>	<u>26,053,109</u>	<u>25,812,408</u>	<u>1,032,540</u>
Total liabilities	<u>791,839</u>	<u>26,053,109</u>	<u>25,812,408</u>	<u>1,032,540</u>

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2008

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
NCESD				
Assets				
Cash	171,997	20,357,932	20,179,763	350,166
Investments	9,584,247	2,681,863	1,940,096	10,326,014
Interest receivable	37,297	16,278	37,297	16,278
Total assets	<u>9,793,542</u>	<u>23,056,074</u>	<u>22,157,156</u>	<u>10,692,459</u>
Liabilities				
Custodial accounts	9,793,542	18,269,412	17,370,495	10,692,459
Total liabilities	<u>9,793,542</u>	<u>18,269,412</u>	<u>17,370,495</u>	<u>10,692,459</u>
SCHOOL DISTRICTS				
Assets				
Cash	3,230,832	208,868,188	211,906,612	192,409
Investments	13,842,278	55,139,191	48,057,452	20,924,016
Taxes receivable	647,166	902,333	647,166	902,333
Interest receivable	9,830	34,454	9,830	34,454
Total assets	<u>17,730,106</u>	<u>264,944,166</u>	<u>260,621,060</u>	<u>22,053,212</u>
Liabilities				
Custodial accounts	17,730,106	132,339,330	128,016,224	22,053,212
Total liabilities	<u>17,730,106</u>	<u>132,339,330</u>	<u>128,016,224</u>	<u>22,053,212</u>
FIRE DISTRICTS				
Assets				
Cash	305,525	7,205,969	6,432,686	1,078,808
Investments	3,421,242	1,126,117	849,914	3,697,445
Taxes receivable	103,527	167,975	103,527	167,975
Interest receivable	-	6,493	-	6,493
Total assets	<u>3,830,294</u>	<u>8,506,554</u>	<u>7,386,127</u>	<u>4,950,721</u>
Liabilities				
Accounts payable	62,973	2,981,264	3,029,435	14,803
Other accrued liabilities	144,759	2,295,591	2,276,728	163,622
Custodial accounts	3,622,561	6,501,210	5,351,474	4,772,297
Total liabilities	<u>3,830,294</u>	<u>11,778,065</u>	<u>10,657,638</u>	<u>4,950,721</u>

	Balance January 1	Additions	Deductions	Balance December 31
CEMETERY DISTRICTS				
Assets				
Cash	214,849	256,711	221,801	249,759
Investments	503,115	14,598	-	517,713
Taxes receivable	2,842	7,187	2,842	7,187
Interest receivable	1,922	770	1,922	770
Total assets	<u>722,729</u>	<u>279,266</u>	<u>226,565</u>	<u>775,430</u>
Liabilities				
Accounts payable	4,616	103,703	108,174	145
Other accrued liabilities	5,367	130,538	129,816	6,090
Custodial accounts	712,745	262,707	206,256	769,195
Total liabilities	<u>722,729</u>	<u>496,947</u>	<u>444,246</u>	<u>775,430</u>
PORT OF CHELAN COUNTY				
Assets				
Cash	145,084	7,457,750	7,366,893	235,940
Investments	3,823,606	823,377	686,389	3,960,595
Taxes receivable	56,234	85,992	56,234	85,992
Interest receivable	-	4,742	-	4,742
Total assets	<u>4,024,924</u>	<u>8,371,860</u>	<u>8,109,516</u>	<u>4,287,269</u>
Liabilities				
Custodial accounts	4,024,924	6,913,853	6,651,508	4,287,269
Total liabilities	<u>4,024,924</u>	<u>6,913,853</u>	<u>6,651,508</u>	<u>4,287,269</u>
PANGBORN FIELD				
Assets				
Cash	31,319	3,484,125	3,475,989	39,455
Investments	111	3	-	114
Total assets	<u>31,430</u>	<u>3,484,128</u>	<u>3,475,989</u>	<u>39,570</u>
Liabilities				
Custodial accounts	31,430	3,484,125	3,475,985	39,570
Total liabilities	<u>31,430</u>	<u>3,484,125</u>	<u>3,475,985</u>	<u>39,570</u>
LAKE CHELAN SEWER REVENUE BOND				
Assets				
Cash	119,299	366,879	409,107	77,071
Investments	1,170,029	28,293	216,075	982,247
Interest receivable	-	1,674	-	1,674
Total assets	<u>1,289,327</u>	<u>396,847</u>	<u>625,181</u>	<u>1,060,992</u>
Liabilities				
Custodial accounts	1,289,327	152,479	380,814	1,060,992
Total liabilities	<u>1,289,327</u>	<u>152,479</u>	<u>380,814</u>	<u>1,060,992</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended December 31, 2008

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
PARK DISTRICTS				
Assets				
Cash	2,000	447,715	447,715	2,000
Investments	103,282	61,874	78,840	86,317
Taxes receivable	4,757	8,035	4,757	8,035
Interest receivable	401	130	401	130
Total assets	<u>110,441</u>	<u>517,754</u>	<u>531,713</u>	<u>96,482</u>
Liabilities				
Accounts payable	5,604	250,469	247,956	8,117
Other accrued liabilities	4,057	180,567	179,063	5,560
Custodial accounts	100,779	345,101	363,076	82,804
Total liabilities	<u>110,441</u>	<u>776,137</u>	<u>790,096</u>	<u>96,482</u>
UPPER VALLEY PARK AND REC				
Assets				
Cash	51,270	222,645	223,061	50,854
Investments	957	28	-	984
Taxes receivable	4,157	5,867	4,157	5,867
Interest receivable	4	1	4	1
Total assets	<u>46,435</u>	<u>228,541</u>	<u>227,222</u>	<u>57,707</u>
Liabilities				
Accounts payable	-	139,500	139,500	-
Custodial accounts	56,388	228,509	227,191	57,707
Total liabilities	<u>56,388</u>	<u>368,009</u>	<u>366,691</u>	<u>57,707</u>
MOSQUITO DISTRICTS				
Assets				
Cash	94,818	43,990	41,100	97,707
Taxes receivable	323	137	323	137
Total assets	<u>95,141</u>	<u>44,127</u>	<u>41,423</u>	<u>97,844</u>
Liabilities				
Accounts payable	-	27,271	26,791	480
Other accrued liabilities	-	20,579	20,579	-
Custodial accounts	95,141	44,127	41,903	97,364
Total liabilities	<u>95,141</u>	<u>91,977</u>	<u>89,273</u>	<u>97,844</u>

	Balance January 1	Additions	Deductions	Balance December 31
WATER DISTRICTS				
Assets				
Cash	461,329	8,433,437	8,274,946	619,819
Investments	1,030,087	1,924,684	1,748,229	1,206,542
Taxes receivable	726	304	726	304
Interest receivable	-	1,902	-	1,902
Total assets	<u>1,207,026</u>	<u>10,360,327</u>	<u>10,023,901</u>	<u>1,828,567</u>
Liabilities				
Accounts payable	19,211	5,747,475	5,753,397	13,288
Other accrued liabilities	12,469	149,897	151,414	10,952
Custodial accounts	1,460,462	6,699,912	6,356,046	1,804,327
Total liabilities	<u>1,492,141</u>	<u>12,597,283</u>	<u>12,260,858</u>	<u>1,828,567</u>
IRRIGATION DISTRICTS				
Assets				
Cash	511,625	6,020,284	6,229,486	302,423
Investments	4,046,286	1,484,854	1,253,531	4,277,609
Interest receivable	16,223	6,648	16,223	6,648
Total assets	<u>4,460,168</u>	<u>7,511,786</u>	<u>7,499,240</u>	<u>4,586,680</u>
Liabilities				
Accounts payable	259,340	3,468,896	3,551,981	176,255
Other accrued liabilities	18,255	214,511	211,686	21,080
Custodial accounts	4,296,540	5,601,657	5,508,851	4,389,346
Total liabilities	<u>4,574,135</u>	<u>9,285,065</u>	<u>9,272,519</u>	<u>4,586,680</u>
WATER CONSERVANCY BOARD				
Assets				
Cash	11,848	12,664	14,673	9,839
Total assets	<u>11,848</u>	<u>12,664</u>	<u>14,673</u>	<u>9,839</u>
Liabilities				
Accounts payable	1,331	15,232	14,673	1,890
Custodial accounts	10,517	14,546	17,115	7,949
Total liabilities	<u>11,848</u>	<u>29,779</u>	<u>31,787</u>	<u>9,839</u>
HOSPITALS				
Assets				
Cash	160,599	28,238,797	27,893,479	505,916
Investments	12,746,616	1,673,554	1,562,009	12,858,161
Taxes receivable	71,499	129,780	71,499	129,780
Interest receivable	-	23,164	-	23,164
Total assets	<u>12,978,714</u>	<u>30,065,294</u>	<u>29,526,987</u>	<u>13,517,021</u>
Liabilities				
Custodial accounts	12,978,714	26,811,259	26,272,951	13,517,021
Total liabilities	<u>12,978,714</u>	<u>26,811,259</u>	<u>26,272,951</u>	<u>13,517,021</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended December 31, 2008

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
CITIES				
Assets				
Cash	154,349	9,078,593	8,857,252	375,690
Taxes receivable	180,746	266,629	180,746	266,629
Total assets	<u>335,095</u>	<u>9,345,222</u>	<u>9,037,998</u>	<u>642,319</u>
Liabilities				
Custodial accounts	335,095	9,154,528	8,847,304	642,319
Total liabilities	<u>335,095</u>	<u>9,154,528</u>	<u>8,847,304</u>	<u>642,319</u>
COUNTY				
Assets				
Cash	97,403	14,088,206	14,082,532	103,077
Deposits with fiscal agents	1,404,355	819,892	-	2,224,248
Total assets	<u>1,501,758</u>	<u>14,908,098</u>	<u>14,082,532</u>	<u>2,327,324</u>
Liabilities				
Custodial accounts	1,501,758	5,324,809	4,499,243	2,327,324
Total liabilities	<u>1,501,758</u>	<u>5,324,809</u>	<u>4,499,243</u>	<u>2,327,324</u>
TOTAL AGENCY FUNDS				
Assets				
Cash	7,867,319	383,448,465	385,693,438	5,622,347
Investments	62,486,229	78,204,007	69,496,652	71,193,584
Deposits with fiscal agents	1,404,355	819,892	-	2,224,248
Accounts receivable	33,791	1,783,854	1,800,845	16,800
Taxes receivable	1,616,641	2,416,600	1,616,641	2,416,600
Interest receivable	100,150	115,657	100,150	115,657
Due from other governments	123,713	228,999	123,713	228,999
Total assets	<u>73,632,198</u>	<u>467,017,474</u>	<u>458,831,439</u>	<u>81,818,234</u>
Liabilities				
Accounts payable	736,400	23,731,494	23,893,670	574,223
Due to other governments	540	-	540	-
Other accrued liabilities	440,065	10,674,637	10,670,247	444,454
Custodial accounts	72,455,194	287,514,044	279,169,681	80,799,557
Total liabilities	<u>73,632,198</u>	<u>321,920,175</u>	<u>313,734,139</u>	<u>81,818,234</u>

CHELAN COUNTY, WASHINGTON

Statistical Section

STATISTICAL SECTION

This part of Chelan County’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the county’s overall financial health.

Page

Financial Trends

These schedules contain trend information to help the reader understand how the county’s financial performance and well-being have changed over time.

Net Assets by Component	129
Changes in Net Assets	130
Fund Balances of Governmental Funds	132
Changes in Fund Balances of Governmental Funds	133
General Government Tax Revenues by Source	134

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	135
Property Tax Rates – Direct and Overlapping Governments	136
Principal Property Taxpayers	137
Property Tax Levies and Collections	138

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	139
Ratios of General Bonded Debt Outstanding	140
Legal Debt Margin Information	141

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	142
Principal Employers	143

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.

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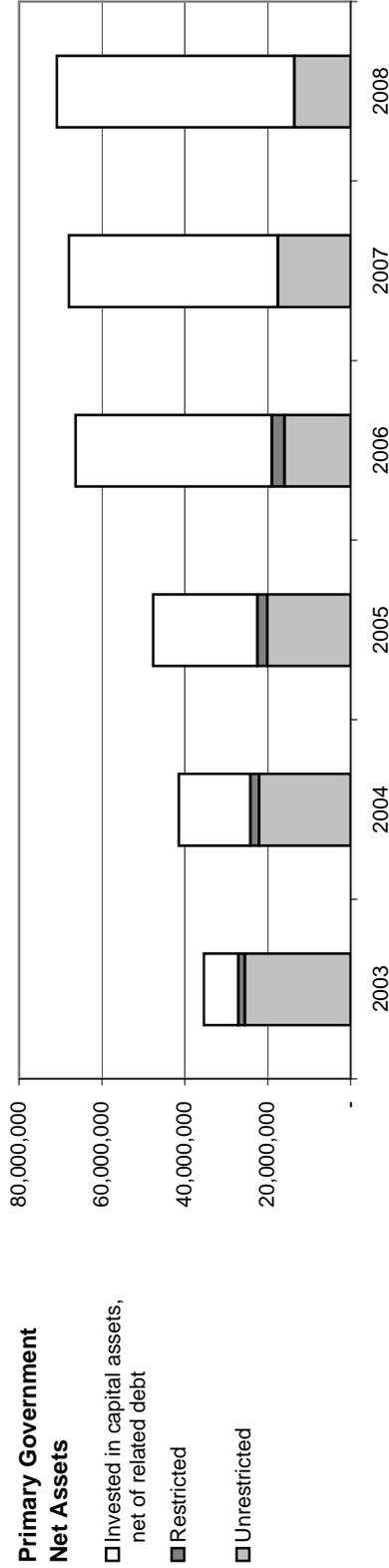
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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CHELAN COUNTY, WASHINGTON

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental activities						
Invested in capital assets, net of related debt	5,982,622	15,229,008	23,064,659	45,256,287	48,436,910	55,303,823
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	12,054,056
Total governmental activities net assets	32,637,826	38,377,850	44,250,429	63,552,926	65,068,927	67,357,879
Business-type activities						
Invested in capital assets, net of related debt	2,357,662	2,075,020	2,138,608	2,106,615	2,034,312	1,940,914
Unrestricted	429,108	994,720	1,304,432	682,535	902,526	1,545,175
Total business-type activities net assets	2,786,770	3,069,740	3,443,039	2,789,150	2,936,838	3,486,089
Primary government						
Invested in capital assets, net of related debt	8,340,284	17,304,028	25,203,267	47,362,902	50,471,222	57,244,737
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	13,599,231
Total primary government net assets	35,424,595	41,447,590	47,693,468	66,342,076	68,005,765	70,843,969



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 Six Fiscal Years
 (accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
General government	15,704,699	14,983,530	15,820,567	16,875,815	19,779,898	20,075,480
Judicial	2,518,104	2,583,105	2,788,489	2,878,666	3,093,301	3,330,840
Public safety	11,039,550	15,411,584	15,300,244	14,505,817	16,196,980	17,219,829
Physical environment	1,665,874	1,430,752	2,298,744	2,218,962	3,921,161	3,267,209
Transportation	4,032,318	5,728,453	8,564,054	12,860,070	16,734,747	12,763,691
Health and human services	491,423	497,421	501,035	466,656	530,354	501,462
Economic environment	1,772,667	1,722,704	2,090,119	2,762,824	3,460,391	5,455,692
Culture and recreation	678,752	763,942	837,424	780,326	935,089	976,024
Interest on long-term debt	607,156	631,657	592,364	544,672	488,311	421,294
Total governmental activities expenses	38,510,542	43,753,148	48,793,040	53,893,807	65,140,233	64,011,522
Business-type activities:						
Utilities	918,952	1,369,149	980,186	1,088,631	1,357,762	1,888,505
Public safety	4,642,425	4,911,932	5,917,493	7,116,572	7,707,781	8,399,137
Other	486,114	524,758	624,481	615,657	592,670	649,449
Total business-type activities expenses	6,047,492	6,805,839	7,522,161	8,820,861	9,658,213	10,937,091
Total primary government expenses	44,558,034	50,558,986	56,315,201	62,714,668	74,798,445	74,948,614
Program Revenues						
Governmental activities:						
Charges for services:						
General government	3,142,742	5,270,139	7,042,373	8,268,024	10,168,264	10,273,848
Judicial	1,448,838	2,086,950	2,318,144	2,634,870	2,866,511	2,761,898
Public safety	570,103	2,023,007	1,758,700	2,198,422	2,120,818	2,264,493
Physical environment	48,060	182,762	261,758	85,411	13,373	22,640
Transportation	121,870	260,659	2,742,542	3,659,967	3,884,330	1,063,365
Health and human services	-	-	-	751	495	-
Economic environment	1,169,163	1,207,780	1,486,343	1,771,371	1,739,092	1,802,103
Culture and recreation	158,289	364,966	370,846	204,010	192,718	212,802
Operating grants and contributions	7,523,707	6,202,763	6,714,602	4,888,389	10,685,200	9,856,702
Capital grants and contributions	362,022	1,809,396	2,263,123	1,551,641	2,324,298	6,682,665
Total governmental activities program revenues	14,544,794	19,408,422	24,958,431	25,262,855	33,995,099	34,940,516

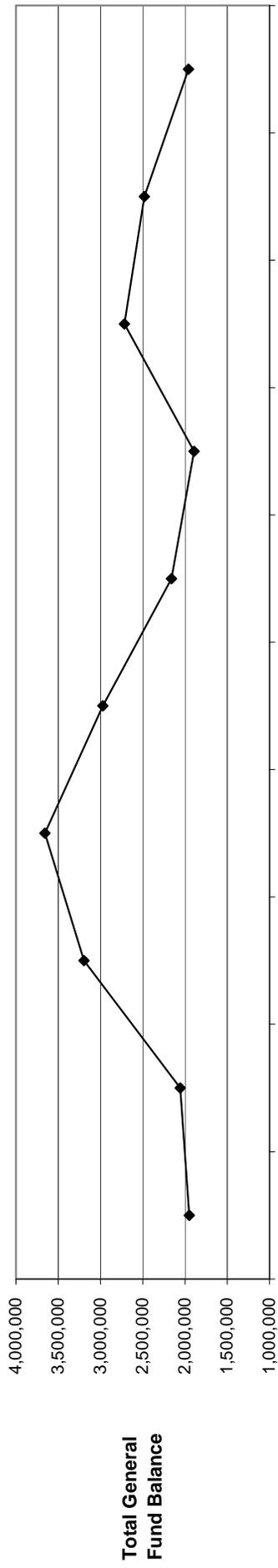
	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Business-type activities:						
Charges for services:						
Utilities	718,523	796,490	834,517	1,048,184	1,568,913	1,649,101
Public safety	2,891,934	6,002,190	5,847,098	6,083,928	7,256,312	8,516,446
Other	393,457	519,050	456,199	485,751	486,657	564,439
Operating grants and contributions	2,446,887	256,809	412,792	378,208	341,233	324,842
Total business-type activities program revenues	6,450,801	7,574,539	7,550,606	7,996,070	9,653,115	11,054,828
Total primary government program revenues	20,995,595	26,982,961	32,509,037	33,258,925	43,648,214	45,995,344
Net (expense)/revenue:						
Governmental activities	(23,965,749)	(24,344,725)	(23,834,608)	(28,630,953)	(31,145,133)	(29,071,006)
Business-type activities	403,310	768,700	28,445	(824,790)	(5,098)	117,737
Total primary government net expense	<u>(23,562,439)</u>	<u>(23,576,025)</u>	<u>(23,806,163)</u>	<u>(29,455,743)</u>	<u>(31,150,231)</u>	<u>(28,953,270)</u>
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
Property taxes	12,932,495	13,452,658	14,437,672	14,079,978	14,706,768	15,036,880
Sales and use taxes	5,033,958	4,976,610	5,611,908	6,230,355	7,059,665	8,034,200
Motor vehicle fuel tax	2,078,464	2,101,802	2,162,824	2,238,789	2,290,340	2,247,026
Other taxes	3,911,797	5,169,333	5,806,352	6,535,512	7,088,030	5,502,341
Interest and investment earnings	622,193	509,483	888,244	1,541,264	1,586,330	941,965
Miscellaneous	2,520,597	778,147	794,711	5,606	-	-
Transfers	535,398	675,229	4,476	(55,835)	(70,000)	(402,453)
Total governmental activities	27,634,903	27,663,263	29,706,188	30,575,669	32,661,133	31,359,959
Business-type activities:						
Other taxes	48,167	48,329	46,768	46,001	52,306	12,441
Interest and investment earnings	7,684	3,936	11,210	27,501	30,479	16,621
Miscellaneous	90,037	137,235	291,352	41,565	-	-
Transfers	(535,398)	(675,229)	(4,476)	55,835	70,000	402,453
Total business-type activities	(389,510)	(485,730)	344,854	170,901	152,785	431,515
Total primary government	<u>27,245,393</u>	<u>27,177,533</u>	<u>30,051,042</u>	<u>30,746,570</u>	<u>32,813,918</u>	<u>31,791,473</u>
Change in Net Assets						
Governmental activities	3,669,154	3,318,538	5,871,580	1,944,716	1,516,000	2,288,952
Business-type activities	13,800	282,970	373,300	(653,889)	147,687	549,251
Total primary government	<u>3,682,954</u>	<u>3,601,508</u>	<u>6,244,879</u>	<u>1,290,827</u>	<u>1,663,688</u>	<u>2,838,204</u>

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

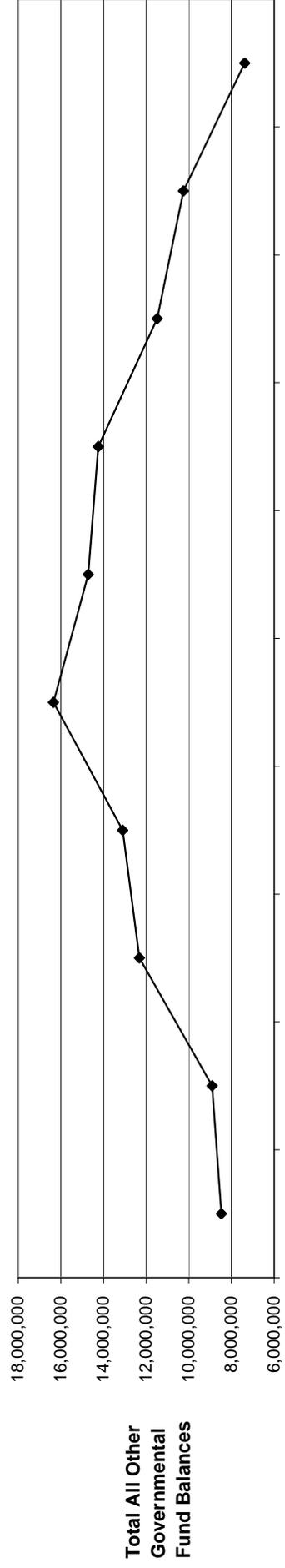
CHELAN COUNTY, WASHINGTON

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund	-	-	-	-	-	120,000	-	-	-	-
Reserved	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	1,960,442
Unreserved	1,949,613	2,055,514	3,194,740	3,655,861	2,970,554	2,160,710	1,893,826	2,717,995	2,480,438	1,960,442
Total General fund										



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
All other governmental funds										
Reserved	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	6,087,013	6,891,908	8,528,838	8,726,835	9,664,676	8,865,378	9,995,517	7,086,530	7,408,546	4,949,269
Capital project funds	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	2,435,897
Total all other governmental funds	<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>	<u>7,385,167</u>



CHELAN COUNTY, WASHINGTON

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(accrual basis of accounting)

Revenues	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Taxes	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	25,869,996
Licenses and permits	443,647	485,118	488,015	510,579	575,042	659,499	749,512	832,002	883,035	828,632
Intergovernmental revenues	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	21,150,213
Charges for services	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	5,244,527
Fees and fines	883,175	925,891	848,442	1,095,754	1,130,273	1,218,182	1,133,455	1,303,721	1,377,250	1,271,913
Miscellaneous	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	2,517,035
Total revenues	32,939,274	35,455,508	39,137,910	36,495,480	38,393,668	42,423,870	46,005,512	46,552,086	55,326,979	56,882,317
Expenditures										
General government	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	13,966,147
Security of persons and property	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	16,516,677
Utilities & environment	390,266	380,706	769,887	901,138	1,701,870	1,467,956	2,297,620	2,217,838	3,925,161	3,343,268
Transportation	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	8,331,859
Economic environment	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	6,511,228
Mental health and physical health	1,124,713	1,201,862	1,321,188	571,528	569,236	573,150	595,995	552,469	555,406	571,622
Culture and recreation	1,022,179	700,797	702,310	786,826	568,238	640,847	639,202	655,953	732,406	723,409
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	697,697
Interest and other charges	-	-	-	-	657,083	631,657	594,889	549,479	538,550	427,180
Capital outlay	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	9,686,066
Total expenditures	35,957,893	34,625,245	34,783,648	35,144,506	39,346,374	44,852,348	46,906,471	48,423,804	55,636,982	60,775,152
Excess of revenues over (under) expenditures.	(3,018,619)	830,263	4,354,262	1,350,974	(952,706)	(2,428,478)	(900,959)	(1,871,719)	(310,003)	(3,892,835)
Other financing sources (uses)										
Proceeds from sale of capital assets	126,177	80,294	39,518	13,057	12,063	13,074	17,097	15,188	29,256	7,825
Transfers in	780,763	193,980	394,578	(79,238)	327,070	272,369	466,287	2,606,568	894,892	2,009,029
Transfers out	(632,907)	(532,962)	(193,457)	(1,096,244)	(274,064)	(384,454)	(324,850)	(2,684,402)	(964,892)	(1,508,965)
Other	(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)	-
Total other financing sources (uses)	213,340	(250,353)	235,165	(1,284,190)	3,512,334	(14,733)	158,534	(62,647)	(1,160,526)	507,890
Net change in fund balances	(2,805,279)	579,910	4,589,427	66,784	2,559,628	(2,443,211)	(742,425)	(1,934,366)	(1,470,529)	(3,384,946)
Debt service as a percentage of noncapital expenditures	3.51%	3.54%	3.76%	4.39%	7.96%	4.23%	4.65%	4.46%	4.13%	2.20%

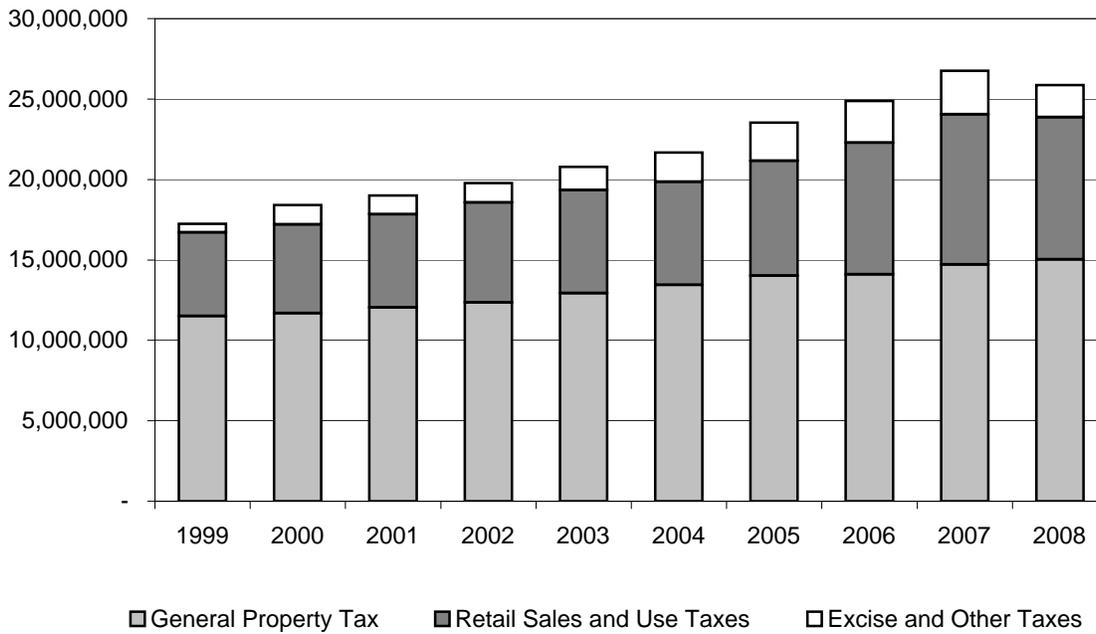
CHELAN COUNTY, WASHINGTON

General Government Tax Revenues By Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

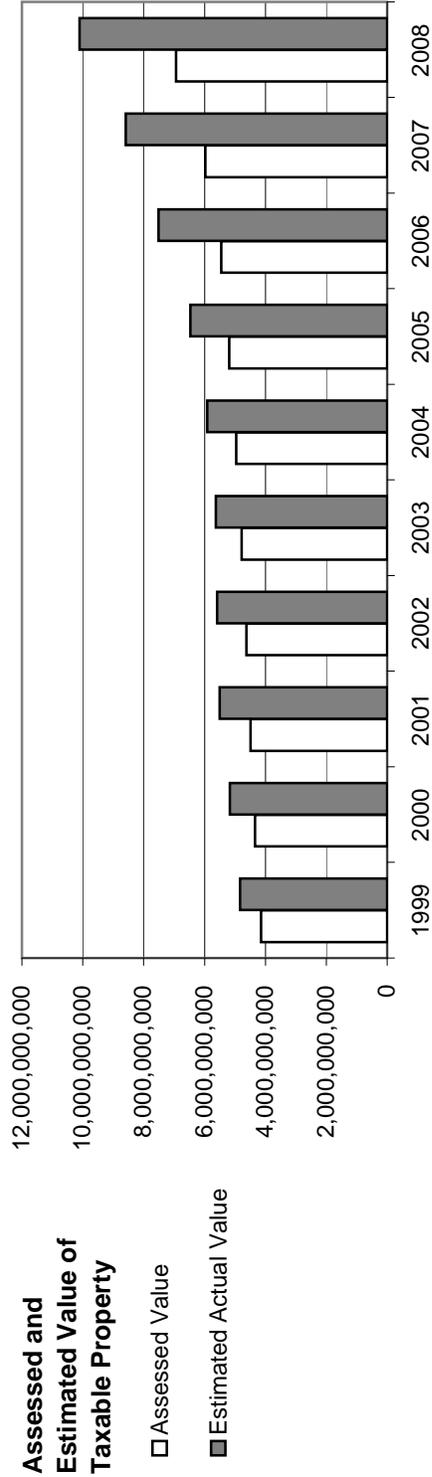
Fiscal Year	General Property Tax	Retail Sales and Use Taxes	Excise and Other Taxes	Total
1999	11,503,447	5,207,922	524,130	17,235,498
2000	11,696,315	5,515,259	1,190,388	18,401,962
2001	12,041,381	5,802,234	1,152,133	18,995,748
2002	12,360,714	6,210,989	1,210,551	19,782,253
2003	12,932,495	6,409,121	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
2008	15,036,880	8,823,307	2,009,810	25,869,996



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
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%
2008	6,827,144,362	195,716,362	87,499,133	6,935,361,591	2.6827	10,109,856,547	68.6%



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		
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	
2008	1.3844	1.2983	2.6827	0.9024	0.8119	0.0696	3.4134	0.3140	2.1238	10.3177	

Source: Chelan County Assessor's Office

Overlapping rates are those of local governments that apply to property owners within Chelan County. Not all overlapping rates apply to all Chelan County property owners (e.g., the rates for districts apply only to the proportion of the county's property owners whose property is located within the geographic boundaries of the district). Overlapping rates have been averaged within each district category.

CHELAN COUNTY, WASHINGTON

Principal Property Taxpayers - Top Ten
Current Year and Seven Years Ago

Taxpayer	2008			2001		
	2008 Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	2001 Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Verizon Northwest Inc	74,616,928	1	1.08%	-	-	-
BNSF Railway Company	60,566,888	2	0.87%	-	-	-
ALCOA Inc.	59,393,444	3	0.86%	51,363,142	1	1.15%
Stemilt Growers Inc	57,424,150	4	0.83%	36,847,900	2	0.82%
Trout Blue Chelan Inc	35,432,448	5	0.51%	31,606,504	3	0.70%
Wenatchee Valley Clinic	35,398,033	6	0.51%	20,519,416	5	0.46%
Tree Top Inc	21,011,390	7	0.30%	15,966,836	8	0.36%
Bear Mountain Ranch	19,812,907	8	0.29%	-	-	-
Dovex Fruit Company	18,251,730	9	0.26%	21,436,040	4	0.48%
Cascadian Fruitshippers Inc	16,859,633	10	0.24%	-	-	-
Longview Fibre Company	-	-	-	19,758,500	6	0.44%
Blue Bird Inc	-	-	-	16,460,266	7	0.37%
Chief Wenatchee	-	-	-	15,473,426	9	0.35%
Blue Star Growers Inc	-	-	-	11,493,815	10	0.26%
Totals	398,767,551		5.75%	240,925,845		5.37%
Total Taxable Value:	\$ 6,935,361,591			\$ 4,484,198,194		

Source: Chelan County Assessor

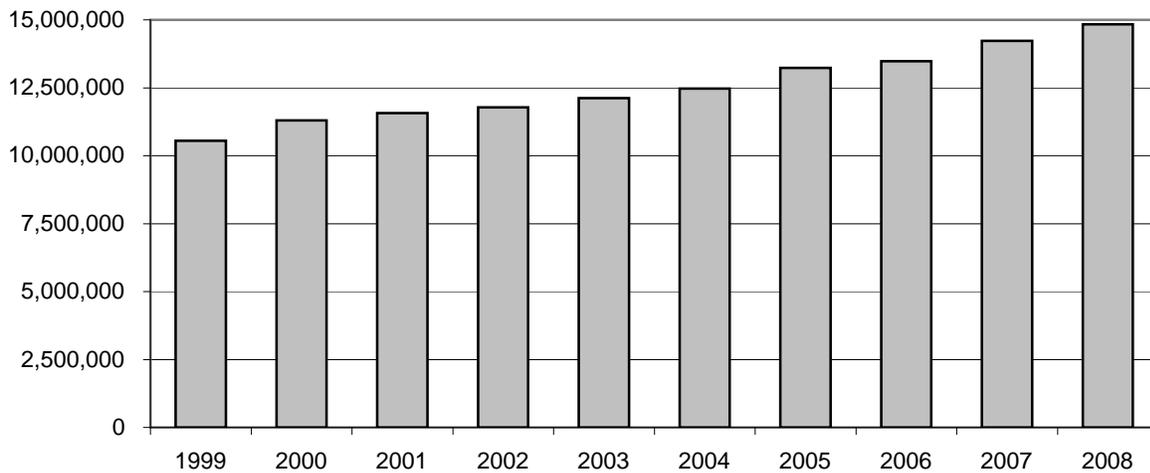
This list does not include lending institutions who are taxed on behalf of individual mortgages they are holding.
Data from 2001 was use for comparison since data from 10 years prior is not available.

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
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%	359,806	11,755,795	99.81%
2003	12,115,666	11,766,717	97.12%	346,574	12,113,290	99.98%
2004	12,469,748	12,198,777	97.83%	267,312	12,466,089	99.97%
2005	13,233,355	12,982,188	98.10%	247,616	13,229,803	99.97%
2006	13,476,608	13,218,345	98.08%	199,910	13,418,255	99.57%
2007	14,230,327	13,976,296	98.21%	139,267	14,115,563	99.19%
2008	14,838,833	14,415,873	97.15%	Not applicable	14,415,873	97.15%

Total Tax Levy

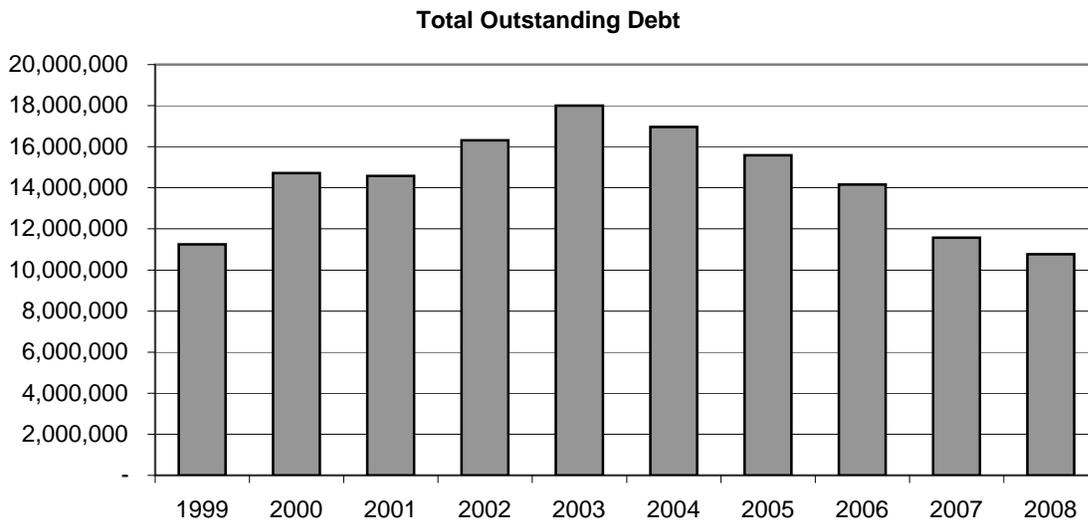


Source: Chelan County Treasurer, tax distribution report
Levy and collections include those of Chelan County's general and special revenue funds.

CHELAN COUNTY, WASHINGTON

Ratio of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation		Capital Leases			
	Bonds	Capital Leases	Capital Leases			
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	0.77%	226
2006	14,153,958	8,432	-	14,162,390	0.65%	202
2007	11,566,939	5,059	-	11,571,998	Not available	163
2008	10,759,242	2,583	-	10,761,825	Not available	149

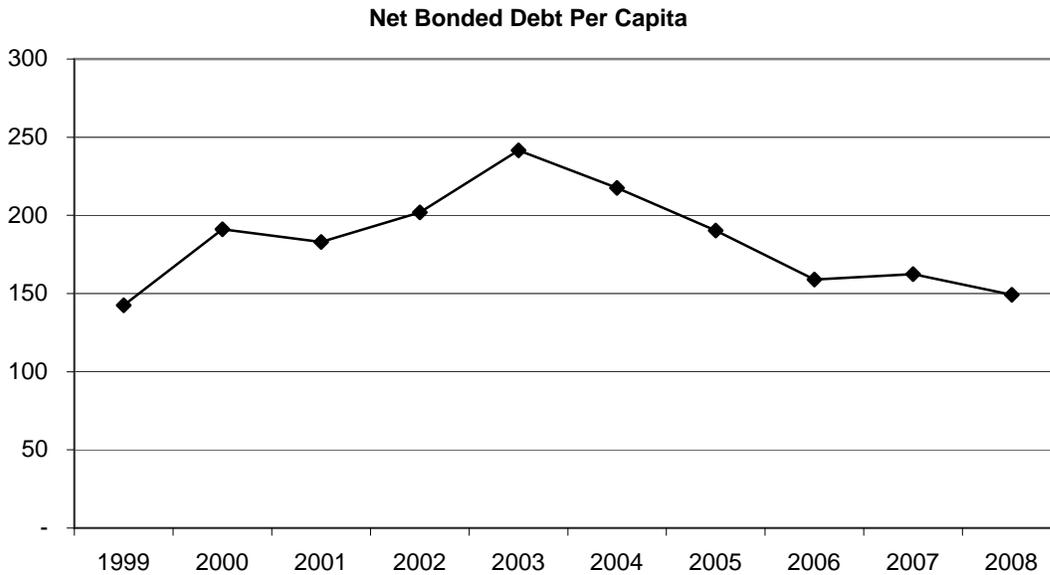


Details regarding the County's outstanding debt can be found in the notes to the financial statements. See the Schedule of Demographic and Economic Statistics for personal income and population data.

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>
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
2008	10,759,242	-	10,759,242	0.11%	149



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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Non-Voted Debt										
Legal debt limit	62,139	65,156	67,262	69,318	71,655	74,431	76,368	81,791	89,684	104,030
Total net debt applicable to limit	3,039	14,309	13,277	1,387	(9,515)	1,884	1,547	3,013	3,972	6,535
Legal debt margin	59,100	50,847	53,985	67,931	81,170	72,547	74,821	78,778	85,712	97,496

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

4.89% 21.96% 19.74% 2.00% -13.28% 2.53% 2.03% 3.68% 4.43% 6.28%

Voted and Non-Voted Debt

Legal debt limit	103,565	108,593	112,104	115,530	119,425	124,052	127,280	136,318	149,473	173,384
Total net debt applicable to limit	14,309	13,277	1,387	(9,515)	1,884	1,547	1,547	3,013	3,972	6,535
Legal debt margin	89,256	95,316	110,717	125,045	117,541	122,505	125,733	133,305	145,501	166,849

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

13.82% 12.23% 1.24% -8.24% 1.58% 1.25% 1.22% 2.21% 2.66% 3.77%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed Valuations	6,935,362
Limited Tax General Obligation Debt Capacity (non-voted):	
Legal limit of up to 1.5% on the assessed valuation	104,030
Less: outstanding debt	(17,154)
Add: available assets	10,619
Remaining Debt Capacity (non voted)	97,496
Total General Obligation Debt Capacity (voted and non-voted):	
Legal limit of up to 2.5% on the assessed valuation	173,384
Less: outstanding debt	(17,154)
Add: available assets	10,619
Remaining Debt Capacity (voted and non-voted)	166,849

CHELAN COUNTY, WASHINGTON

Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Income (2)	Median Age (3)	Public School Enrollment (4)	Unemployment Rate (5)
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	26,398	36.5	12,910	11.0%
2002	67,600	1,809,501,000	27,030	36.8	12,777	9.6%
2003	67,900	1,875,104,000	27,823	37.1	12,941	9.2%
2004	68,400	1,963,865,000	28,807	37.5	12,874	7.7%
2005	69,200	2,034,361,000	29,453	37.8	12,901	6.4%
2006	70,100	2,179,496,000	31,125	38.0	12,911	6.1%
2007	71,200	Not Available	Not Available	38.1	12,883	5.9%
2008	72,100	Not Available	Not Available	38.3	12,868	7.5%

Data sources:

- (1) Washington State Office of Financial Management (OFM) - 2001 through 2008 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 Two Years Ago

Employer (1)	2008			2006		
	Employees	Rank	Percentile of Total County Employment	Employees	Rank	Percentile of Total County Employment
Stemilt Growers, Inc	2,334	1	6.32%	1,402	2	3.89%
Wenatchee Valley Medical Center	1,554	2	4.21%	1,420	1	3.94%
Central Washington Hospital	1,450	3	3.93%	1,352	3	3.76%
Wenatchee School District	972	4	2.63%	963	4	2.67%
Dovex Fruit Company	725	5	1.96%	-	-	-
Chelan County PUD #1	665	6	1.80%	658	5	1.83%
Chelan Fruit, Inc	550	7	1.49%	610	6	1.69%
Chelan County	539	8	1.46%	590	9	1.64%
McDougall & Sons, Inc.	531	9	1.44%	-	-	-
Blue Star Growers	452	10	1.22%	412	10	1.14%
C&O Nursery	450	-	1.22%	600	8	1.67%
Blue Bird, Inc	300	-	0.81%	600	7	1.67%
Total County Employment (2):	36,936			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.

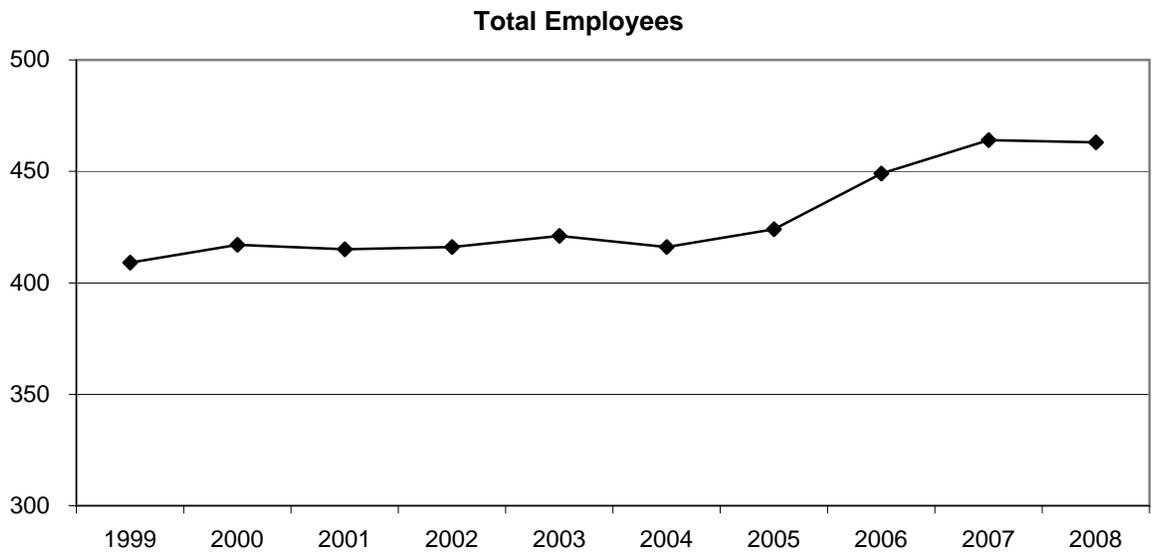
(2) Total county employment uses 2nd quarter data averaged over the past year. From the US Census Bureau at

<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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government	105	100	99	101	102	97	102	106	106	104
Judicial	38	37	38	42	41	41	43	44	45	45
Public safety	170	182	179	177	182	181	186	196	199	201
Physical environment	3	3	3	3	7	7	8	7	9	8
Transportation	64	65	65	64	61	60	53	56	63	66
Economic environment	17	22	23	19	20	21	21	28	29	27
Culture and recreation	10	6	6	7	6	7	9	9	10	9
Utilities	2	2	2	3	2	2	2	3	3	3
Total	409	417	415	416	421	416	424	449	464	463



Actual paid FTE as of December 31 is used for 2003 - 2008. Prior to this, budgeted FTE is used because actual data is not available.

Data sources:

1999-2002 data was obtained from the Chelan County budget books.

2003-2008 data was obtained from payroll data in the Chelan County Auditor's office.

CHELAN COUNTY, WASHINGTON

Operating Indicators by Function Last Ten Fiscal Years

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
Total documents recorded by Auditor	23,419	18,584	21,734	25,078	31,535	26,198	27,262	27,939	27,105	22,486
Total vehicle licensing transactions	N/A	61,068	54,854	52,665	51,930	52,699	60,003	57,462	56,119	59,656
General election:										
Number of registered voters	32,803	33,755	32,393	32,703	33,327	37,395	36,185	35,314	35,983	38,650
Number of votes	20,903	26,754	18,028	20,378	15,737	29,617	20,408	23,518	19,174	32,392
Percent of registered voters voting	63.72%	79.26%	55.65%	62.31%	47.22%	79.20%	56.40%	66.60%	53.29%	83.81%
Judicial										
Superior Court cases filed	4,191	3,536	3,732	3,829	4,037	3,961	4,101	4,095	3,920	4,119
Documents filed with Clerk	110,032	107,694	112,752	110,845	116,704	118,226	134,101	156,796	138,253	145,014
District Court filings	17,212	15,935	14,962	19,563	19,181	19,419	19,466	21,958	21,868	20,047
Public safety										
Sheriff										
Total warrants entered	N/A	N/A	N/A	N/A	667	1,846	1,972	2,298	2,128	1,957
Total arrests carried out	N/A	N/A	N/A	N/A	2,181	2,209	2,150	2,645	2,330	2,211
Total citations issued	N/A	N/A	N/A	N/A	4,101	4,783	4,721	5,053	5,055	4,072
Concealed weapons permits issued	N/A	N/A	N/A	N/A	425	392	384	591	533	767
Regional Justice Center										
Total bookings	5,164	5,247	5,568	5,867	6,307	6,175	6,131	7,278	7,224	7,017
Average daily population	272	279	270	305	314	306	332	367	357	358
Meals served	228,989	242,444	305,130	348,765	354,870	344,175	371,328	431,769	431,043	413,910
Juvenile average daily population	30	26	25	29	27	20	23	20	21	21
Transportation										
Miles of county road repaired/preserved	N/A	N/A	98	107	231	175	346	177	301	164
Economic environment										
Total residential building permits	N/A	N/A	N/A	296	351	369	441	504	500	375
Total commercial building permits	N/A	N/A	N/A	66	75	57	70	69	60	51

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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Motor pool vehicles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	48	36	26
Public safety										
Sheriff patrol vehicles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	59	66	63
Transportation										
Streets (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	643	655	646
Culture and recreation										
Parks	1	1	1	1	1	1	1	1	1	2

During 2008, ownership of Ohme Gardens was transferred from Washington State to Chelan County.

Data sources:

General government, public safety, and transportation data was obtained from the Public Works department.

Culture and recreation information was obtained from Chelan County's budget.