



# - CHELAN COUNTY - MONTHLY FINANCIAL REPORT

## SEPTEMBER 2016

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

**General Fund Revenue:** To get a picture of the economic and operational functions that drive revenue, the General fund revenues have been categorized by major revenue source and projected based on a five year history.

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

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

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

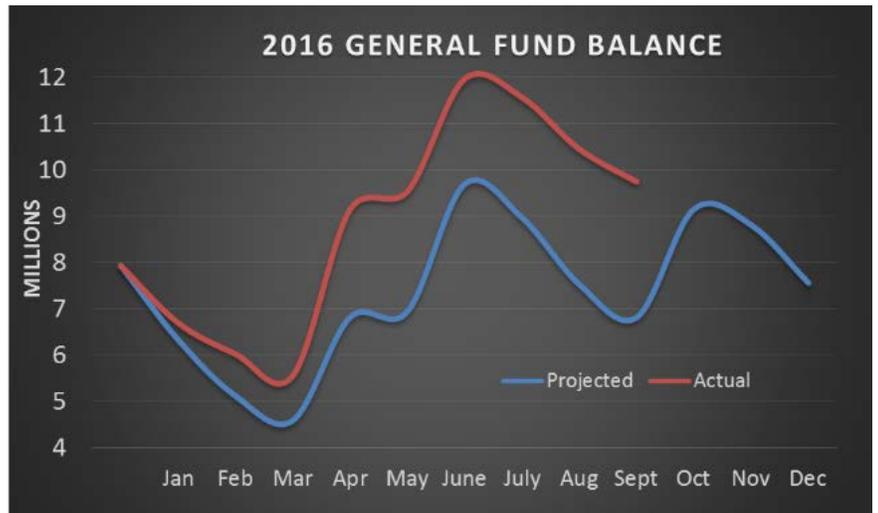
**General Fund Expenditures:** Expenditures are projected in a similar manner as revenues, but expenditures are spent more evenly than revenues are received. The variances below reflect current 2016 expenditures in relation to the original budget.

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

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

**General Fund Balance:** The General Fund balance chart below shows the cyclical nature of Chelan County's cash flow. Increases in April and October coincide with the due dates of the first and second half of property taxes. In June the cycle is at its highest due to the once-a-year PUD privilege and Federal PILT revenues.

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



Prepared by:  
**Brad Posenjak, CPA** 509-667-6800  
 Chief Deputy Auditor [brad.posenjak@co.chelan.wa.us](mailto:brad.posenjak@co.chelan.wa.us)

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

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

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

Solid Waste Planning fund is currently borrowing \$18,234 from Equipment Rental & Revolving fund to finance the Moderate Risk Waste Facility.

Regional Justice Center fund is currently borrowing \$15,000 from Distressed Counties Tax fund to meet cash flow needs due to an ongoing downturn in contract bed revenue. At the beginning of October, the Commissioners approved a \$150,000 transfer from the General fund to the Regional Justice Center, which should resolve this loan.

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

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

Accounts Receivable Outstanding - Older than 60 Days			
<b>District Court Probation</b>			
010066-00031	5/4/2016	City of Wenatchee	6,386.50
<b>Public Works</b>			
530001-01138	7/15/2016	Chelan County HR Dept	199.92
530001-01146	7/26/2016	Chelan County Auditor	1.53
<b>Horticulture</b>			
125001-00032	12/31/2015	Theo Collier	310.00
<b>Regional Justice Center</b>			
150001-00422	6/6/2016	Department of Corrections	1,045.52
150001-00439	6/30/2016	Department of Corrections	82.50
150001-00472	7/31/2016	Wen. Valley Humane Society	107.25
<b>Natural Resources</b>			
180001-00994	12/31/2014	WA St Dept of Ecology	12,192.99
If any of these outstanding receivables have been paid, will not be paid, or need adjustment, please contact the County Auditor's Office.			

Cash Balance of Selected Funds		7/31/2016	8/31/2016	9/30/2016
010	General	13,295,021	12,313,295	10,956,566
014	Traffic Safety	151,374	125,759	130,339
103	Solid Waste Planning	3,931	19,832	21,141
110	County Roads	3,330,667	2,778,666	1,555,698
118	Wenatchee River Park	87,457	103,843	115,368
119	Ohme Gardens	72,834	81,871	84,283
120	Expo Center	277,673	279,891	267,544
121	Fair	290,199	284,123	387,746
124	Farm Worker Housing	60,537	35,093	109,701
125	Horticulture Pest & Disease	45,521	33,560	15,220
128	Noxious Weed	56,020	36,891	13,335
140	Cashmere-Dryden Airport	54,954	55,843	58,523
150	Regional Justice Center	370,658	353,338	339,253
180	Natural Resources	69	83,871	840
190	Criminal Justice Tax	2,507,670	2,589,020	2,635,748
301	REET I	966,611	1,320,450	1,227,693
510	ER&R	1,433,428	1,352,783	1,536,702
526	Health Insurance	3,497,643	3,534,110	3,571,416
530	Motor Pool	429,724	461,731	479,257
535	Unemployment Comp	286,584	281,072	285,491
540	Tort Claims & Insurance	997,056	992,426	590,327

**Budget:** September is 75% of the way through the calendar year. This percentage is a reasonable benchmark for departments with even expenditures throughout the year. The actual YTD expenditures and revenues chart (below) is provided for department heads to evaluate if they are over or under the straight-line benchmark.

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