

Current Ratio - General Fund

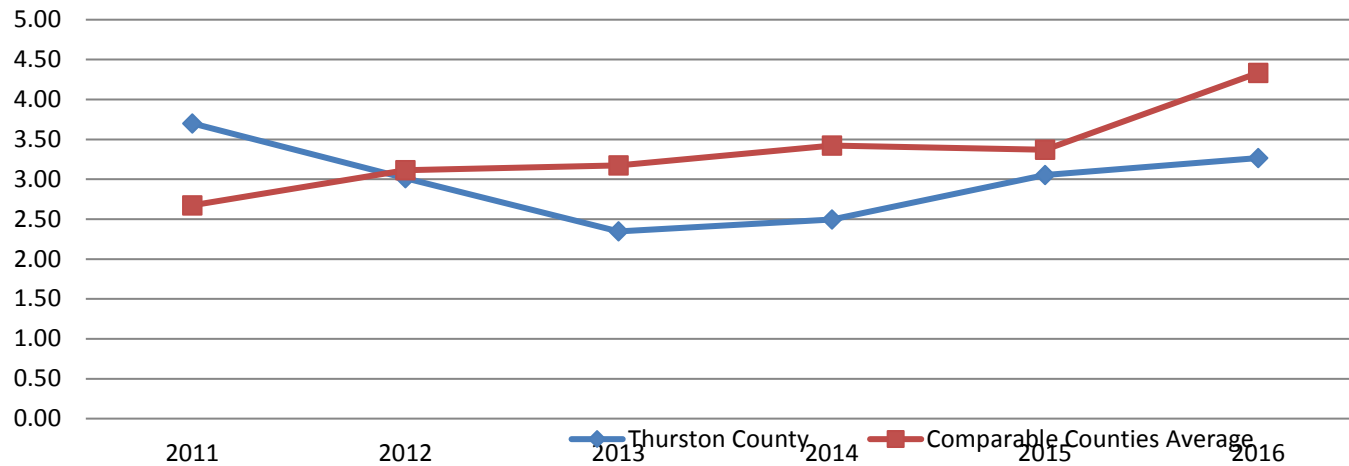
Are General Fund expenses able to be paid as they come due?

Description: This measure is designed to focus on the liquidity position of the County's General Fund that has arisen from past transactions. It shows how many times the current General Fund assets cover current General Fund liabilities. It assesses the County's ability to pay for its most immediate obligations and focuses on working capital. Current assets include cash and other assets that should be converted to cash or used within a year. Current liabilities include those obligations that are due within a year and will require the use of current assets or establishment of additional current liabilities.

Benchmark: A ratio greater than 1.0 is preferred. If this amount is above 1.0, it implies the County will be able to pay General Fund expenses as they come due. If this amount is less than 1.0, it implies that County has more immediate obligations than assets available to make payments and will need to either borrow or receive excess revenue in the short term.

Results: In 2016, the County General Fund's Current Ratio was 3.27, representing an increase of about 7% from 2015. Even though it is still below 2011's recent year high-water mark of 3.70, this ratio has been increasing each of the past three years. This trend looks to be tracking similar to that of the comparable counties.

Current Ratio - General Fund



	2011	2012	2013	2014	2015	2016
Current Assets (Total Assets)	\$ 25,284,616	\$ 24,770,737	\$ 18,870,971	\$ 19,705,747	\$ 22,429,096	\$ 24,953,256
Total Liabilities + Def Inflows	\$ 6,832,695	\$ 8,220,791	\$ 8,042,975	\$ 7,900,503	\$ 7,342,930	\$ 7,638,238
Thurston County	3.70	3.01	2.35	2.49	3.05	3.27
Comparable Counties Average	2.67	3.11	3.17	3.42	3.37	4.33

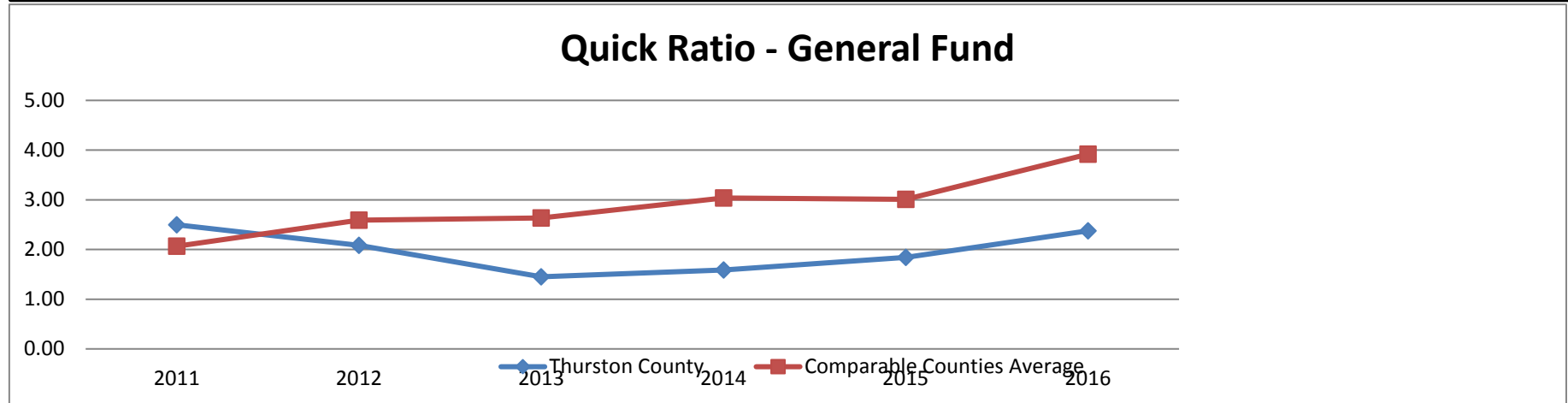
Quick Ratio - General Fund

Are General Fund expenses able to be paid as they come due with “quick” assets, rather than current assets?

Description: Like the Current Ratio just described, this measure shows how many times the current General Fund assets cover current General Fund liabilities and it assesses the County’s ability to pay for its most immediate obligations. However, this is a more conservative approach to measuring liquidity as it uses quick assets, or assets that are normally convertible into cash within a relatively short period, such as Cash and Pooled Investments, Due From Other Funds, and Due From Other Governments. Unlike current assets, quick assets exclude receivables related to taxes and court fines because of the nature of these receivables at the County, they are not normally converted to cash in a relatively short period of time. As with the Current Ratio, the current liabilities include those obligations that are due within a year and will require the use of current assets or establishment of additional current liabilities.

Benchmark: If this amount is above 1.0, it implies the County will be able to pay Gen Fund expenses with highly liquid assets as they come due. If this amount is less than 1.0, it implies that County has more immediate obligations than highly liquid assets available to make payments and will need to either borrow or receive excess revenue in the short term. The Quick Ratio will always give a lower value than the Current Ratio.

Results: In 2016, the County General Fund Quick Ratio was 2.37 representing an increase of about 30% from 2015. Much like the Current Ratio just described, this number is still below the 2011 high-water mark. However, there is a three year increasing trend which looks positive. The comparable counties ratio increased by quite a bit from 2015 just as the current ratio above. This is a positive indicator for Thurston County through 2016.



	2011	2012	2013	2014	2015	2016
Cash and Pooled Investments	\$ 13,595,743	\$ 14,545,218	\$ 8,090,349	\$ 9,627,447	\$ 11,016,757	\$ 14,579,282
Due From Other Funds & Governments	\$ 3,466,189	\$ 2,573,578	\$ 3,579,860	\$ 2,906,178	\$ 2,487,880	\$ 3,559,211
Current Liabilities	\$ 6,832,695	\$ 8,220,791	\$ 8,042,975	\$ 7,900,503	\$ 7,342,930	\$ 7,638,238
Thurston County	2.50	2.08	1.45	1.59	1.84	2.37
Comparable Counties Average	2.07	2.59	2.63	3.04	3.01	3.92

Ending Fund Balance Trend - General Fund

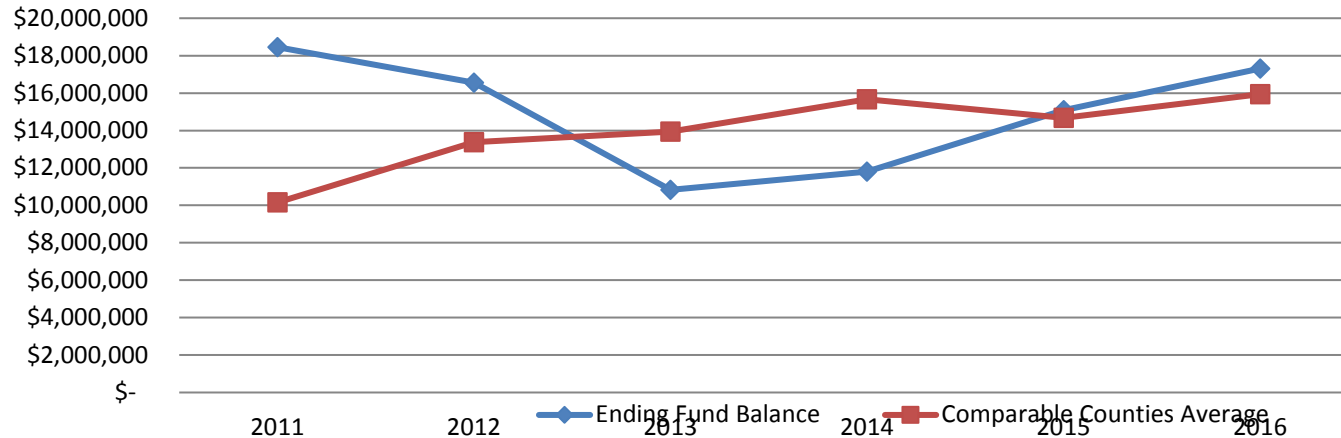
What is the trend of the General Fund's Ending Fund Balance?

Description: This measure plots the trend of the annual ending fund balance in the General Fund. It also calculates a percentage change year over year (not plotted). This is a very important measure as fund balance represents the net worth of the General Fund. Having an adequate fund balance helps reduce the risk to the fund due to revenue shortfalls and unexpected expenditure increases. Note that the figure for the county has an amount for Court Fines and Forfeitures Receivable factored in.

Benchmark: A positive trend indicates that the county's General Fund ended the year in better fiscal condition than it did in the prior year and a negative trend indicates that the fund ended the year in worse condition. The dollar figure each year taken alone will not necessarily indicate good or bad financial health of the fund. It must be viewed in terms of the trend of the measure. GFOA recommends a fund balance of at least two months budgeted annual expenditures, which at present level of spending is approximately \$13.5 million. Current county policy says one month of budgeted annual expenditures which is approximately \$7.5 million.

Results: In 2016, the ending fund balance in the county's general fund increased by 15% compared to 2015. Again, like the Current and Quick ratios above, the 2016 dollar amount is still below the 2011 high-water mark, but a three year positive trend has happened. As with both the Current and Quick Ratios above, this graph is very similar for Thurston County showing a steady increase each of the last three years. The comparable counties average has stayed mostly flat the past three years. Thurston County is now above the comparable counties for the second time since 2012.

Ending Fund Balance Trend - General Fund



	2011	2012	2013	2014	2015	2016
Ending Fund Balance	\$ 18,451,651	\$ 16,549,946	\$ 10,827,996	\$ 11,805,244	\$ 15,086,166	\$ 17,315,018
Thurston County % change	22.47%	-10.31%	-34.57%	9.03%	27.79%	14.77%
Comparable Counties Average	\$ 10,155,976	\$ 13,382,850	\$ 13,942,040	\$ 15,662,235	\$ 14,673,822	\$ 15,940,523

The 2010 amt: \$ 15,066,274

Ending Cash Balance Trend - General Fund

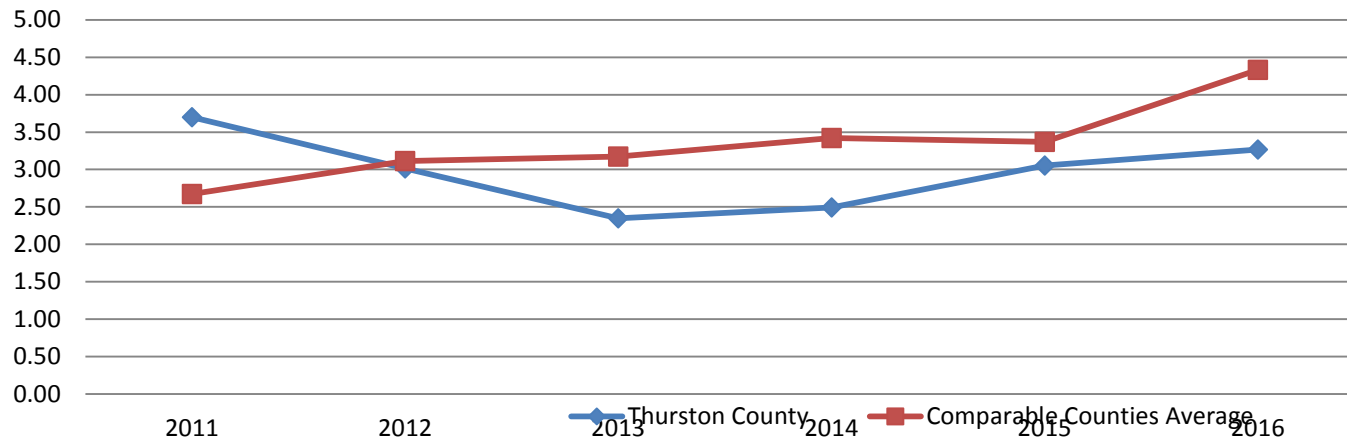
What is the trend of the General Fund's Ending Fund Balance?

Description: This measure plots the trend of the annual ending cash balance in the General Fund. It also calculates a percentage change year over year (not plotted). This is a very important measure as cash balance represents the county's ability to pay the immediate obligations of the General Fund. Note that in most situations, because of the nature of the modified accrual basis of accounting, this trend line should (somewhat) closely mirror the ending fund balance trend line above. The difference is any recorded short term receivables and payables. Also note that because of the nature of counties, this cash balance will fluctuate widely during the year depending on the timing of property tax receipts.

Benchmark: A positive trend indicates that the county's General Fund ended the year in better cash condition than it did in the prior year and a negative trend indicates that the fund ended the year in worse condition.

Results: In 2016, the ending cash balance in the county's general fund increased by 32% compared to 2015. This is a sizeable increase compared to annual changes of prior years and is good news for the county. This tracks closely with the Current/Quick ratios described above with the three year trend. The graph appears somewhat similar with the comparables as well.

Ending Cash Balance Trend - General Fund



	2011	2012	2013	2014	2015	2016
Ending Cash Balance	\$ 13,595,743	\$ 14,545,218	\$ 8,090,349	\$ 9,627,447	\$ 11,016,757	\$ 14,579,282
Thurston County % change	20.03%	6.98%	-44.38%	19.00%	14.43%	32.34%
Comparable Counties Average % change	\$ 10,249,698	\$ 13,266,684	\$ 13,973,661	\$ 17,239,605	\$ 16,538,181	\$ 16,232,878

Formula: (Ending Cash Balance Current Year - Ending Cash Balance Prior Year) / Ending Cash Balance Prior year

The 2010 amt: \$ 11,326,879

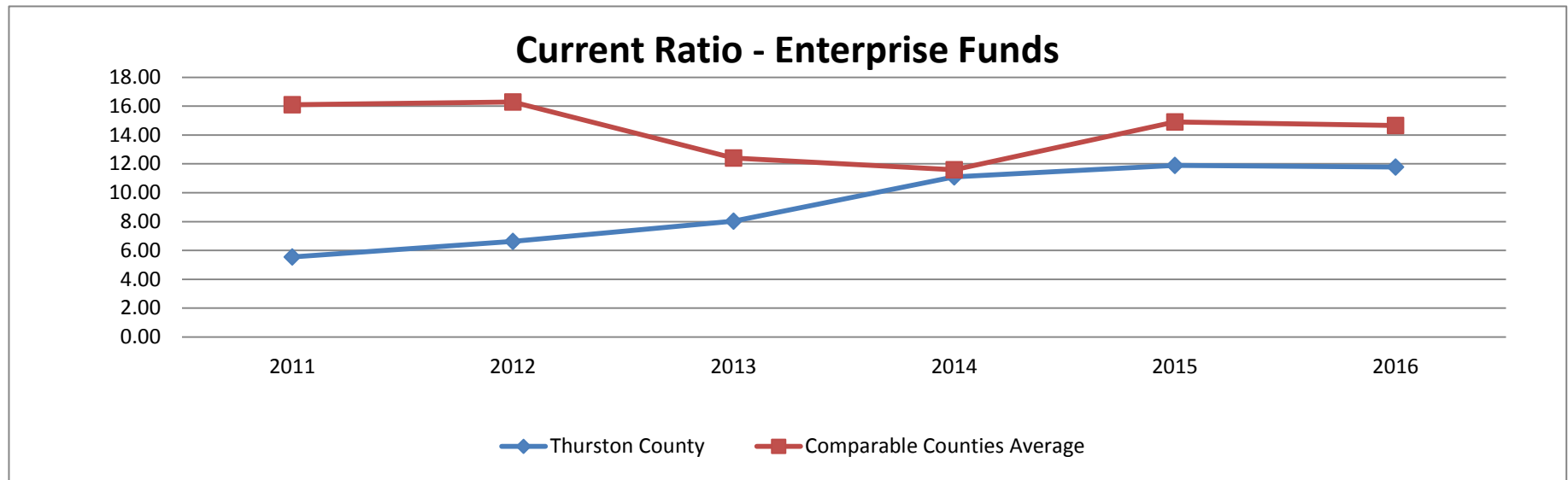
Current Ratio - Enterprise Funds

Are General Fund expenses able to be paid as they come due?

Description: This measure is designed to focus on the liquidity position of the County's Enterprise Funds that has arisen from past transactions. It shows how many times the current Enterprise Fund assets cover current liabilities. It assesses the Enterprise funds ability to pay for its most immediate obligations and focuses on working capital. Current assets include cash and other assets that should be converted to cash or used within a year. Current liabilities include those obligations that are due within a year and will require the use of current assets or establishment of additional current liabilities.

Benchmark: A ratio greater than 1.0 is preferred. If this amount is above 1.0, it implies the County will be able to pay Enterprise Fund expenses as they come due. If this amount is less than 1.0, it implies that the Enterprise Funds have more immediate obligations than assets available to make payments and will need to either borrow or receive excess revenue in the short term.

Results: In 2016, the Current Ratio was 11.77 and is very stable compared to the prior two years. This is a positive measurement for the County's Enterprise Funds. For the comparable counties, the values a few years ago were skewed upward by a large Sanitary Sewer fund in Kitsap County which Thurston County does not have. However, Thurston County is currently slightly below the comparables. That is because of the Solid Waste rate increase at Thurston County a few years ago.



	2011	2012	2013	2014	2015	2016
Current Assets	\$ 20,519,976	\$ 26,167,090	\$ 31,314,247	\$ 36,189,285	\$ 41,674,145	\$ 46,006,924
Current Liabilities	\$ 3,698,986	\$ 3,949,658	\$ 3,899,128	\$ 3,261,889	\$ 3,500,530	\$ 3,907,272
Thurston County	5.55	6.63	8.03	11.09	11.91	11.77
Comparable Counties Average	16.10	16.28	12.41	11.60	14.91	14.66

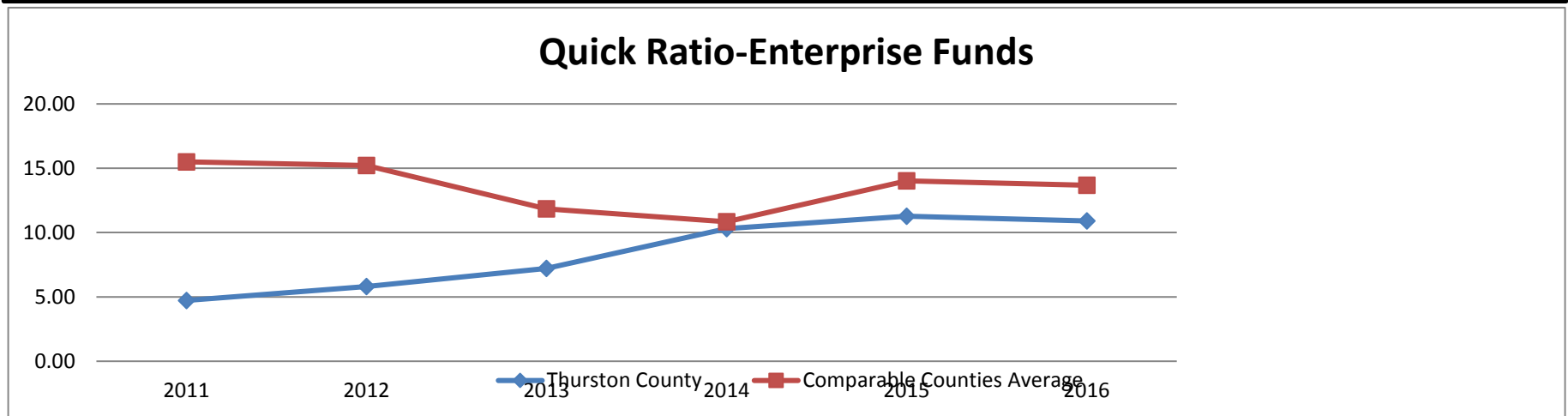
Quick Ratio - Enterprise Funds

Are Enterprise Fund expenses able to be paid as they come due with "quick" assets, rather than current assets?

Description: Like the Current Ratio just described, this measure shows how many times the current Enterprise Fund assets cover current Enterprise Fund liabilities and it assesses the ability to pay for its most immediate obligations. However, this is a more conservative approach to measuring liquidity as it uses quick assets, or assets that are normally convertible into cash within a relatively short period, such as Cash and Pooled Investments, Due From Other Funds, and Due From Other Governments. Unlike current assets, quick assets exclude receivables related to Customer Accounts and Special Assessments because of the nature of these receivables, they are usually not converted to cash in a relatively short period of time. As with the Current Ratio, the current liabilities include those obligations that are due within a year and will require the use of current assets or establishment of additional current liabilities.

Benchmark: If this amount is above 1.0, it implies the Enterprise Funds will be able to pay expenses with liquid assets as they come due. If this amount is less than 1.0, it implies that these funds have more immediate obligations than liquid assets available to make payments and will need to either borrow or receive excess revenue in the short term. The Quick Ratio will give a lower value than the Current Ratio.

Results: In 2016, the Quick Ratio was 10.91 and is very stable compared to the past two years. This is a positive measurement for the County's Enterprise Funds. For the comparable counties, the values a few years ago were skewed upward by a large Sanitary Sewer fund in Kitsap County which Thurston County does not have. Due to a Solid Waste rate increase at Thurston County a few years ago, the two graphs below are very close to one another.



	2011	2012	2013	2014	2015	2016
Cash and Pooled Investments	\$ 15,422,847	\$ 20,982,389	\$ 26,783,810	\$ 32,175,127	\$ 38,547,141	\$ 41,701,479
Due From Other Funds & Governments	\$ 2,057,943	\$ 1,989,641	\$ 1,388,043	\$ 1,428,372	\$ 913,896	\$ 944,225
Current Liabilities	\$ 3,698,986	\$ 3,949,658	\$ 3,899,128	\$ 3,261,889	\$ 3,500,530	\$ 3,907,272
Thurston County	4.73	5.82	7.23	10.30	11.27	10.91
Comparable Counties Average	15.50	15.21	11.84	10.84	14.01	13.67

Formula: $(\text{Cash} + \text{Due From Other Funds} + \text{Due From Other Governments}) / \text{Current Liabilities}$

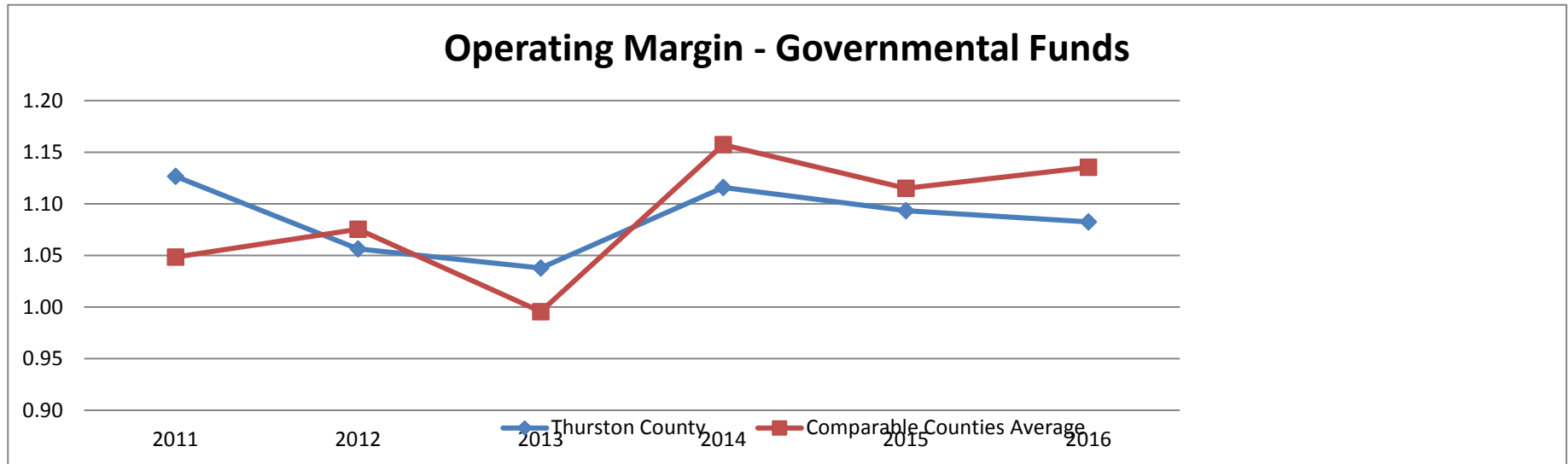
Operating Margin - Governmental Funds

Are the County's governmental funds financially sustainable?

Description: This measure shows the margin between revenues and expenditures for governmental funds. The figures exclude Capital Outlay and Other Financing Sources (Uses) and focuses on whether revenues were sufficient to cover spending on operations and debt service.

Benchmark: If this amount is positive, it implies the county received funding in the current year sufficient to cover spending on its operations and contribute toward capital outlays, transfers to business-type activities, increases in fund balances, and other uses. If this amount is negative, it implies the County may not be living within its means and the county will need to increase revenues or decrease expenditures in order to continue sustained operations.

Results: In 2016, the governmental funds Operating Margin was 1.08 and is very stable compared to prior year (1.09). Going back over the past several years, this ratio has remained mostly flat, which is not a negative sign for the county. The comparable counties line the past three years tracks closely with that of Thurston County which is an indication the county is financially healthy. Note that the amounts in both the Revenues and Expenditures decreased from 2015 by quite a bit. This was due to the breaking off of the BHO from the county's Public Health fund.



	2011	2012	2013	2014	2015	2016
Revenues	\$ 181,611,504	\$ 181,154,659	\$ 188,292,419	\$ 203,040,349	\$ 203,208,156	\$ 189,374,051
(excludes Capital Outlay)	\$ 161,197,034	\$ 171,492,717	\$ 181,428,804	\$ 181,948,240	\$ 185,880,970	\$ 174,943,736
Thurston County	1.13	1.06	1.04	1.12	1.09	1.08
Comparable Counties Average	1.05	1.08	1.00	1.16	1.11	1.14

Formula: Revenues / "Current" Expenditures plus Debt Service (Less Capital Outlay)

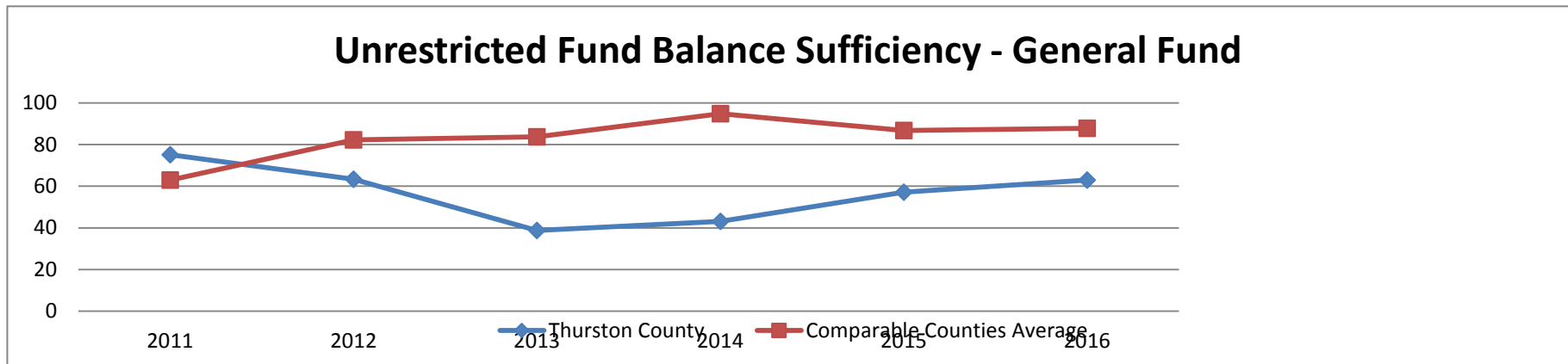
Unrestricted Fund Balance Sufficiency - General Fund

How is the County's General Fund able to financially deal with emergencies, unanticipated needs, and unforeseen costs?

Description: This measure is the number of days that the General Fund could operate on its existing Unrestricted fund balance. This measure compares Unrestricted Fund Balance to the average daily General Fund current expenditures and debt service (excludes capital outlay and other financing uses). Fund balance represents the cumulative results of General Fund operations and is the amount of current assets the County has accumulated over time. It acts like a "savings account" that can be drawn on in times need. Effective in 2011, GASB 54 changed the categories of fund balance to Non-Spendable, Restricted, and Unrestricted (Committed, Assigned, & Unassigned). In a general sense, the Non-Spendable and Restricted amounts are not considered available for spending whereas the Unrestricted amounts are available for spending. Therefore, we only focus on the Unrestricted amount in this ratio for 2011. In years prior, we used the "Unreserved" figure as these are comparable for the General Fund.

Benchmark: The higher this figure, the better able the County is to cope with future needs or shortfalls. Amongst local governments, 60 days is generally considered to be healthy.

Results: At the end of 2016, the County had 63 days of General Fund expenditures sitting in its Unrestricted Fund Balance. This represents an increase of 5 days, or 11%, from 2015 and is 24 days above the lowest year in the study, 2013. The 2016 figure is still below the high-water mark of 75 days for 2011 but it increased above the 60 day benchmark for the first time since 2012. Overall, this is a positive sign for the county. The comparable counties measure is still well above Thurston mainly due to the larger cash balance at Kitsap.



	2011	2012	2013	2014	2015	2016
Unrestricted Fund Balance (Committed, Assigned, Unassigned)	\$ 16,119,833	\$ 14,197,193	\$ 9,068,302	\$ 9,865,708	\$ 13,247,655	\$ 15,360,721
(excludes Capital Outlay)	\$ 78,307,549	\$ 81,795,535	\$ 85,340,728	\$ 83,591,835	\$ 84,664,608	\$ 89,038,632
Thurston County	75	63	39	43	57	63
Comparable Counties Average	63	82	84	95	87	88

Formula: Unrestricted Fund Balance / ("Current" Expenditures and Debt Service (less Capital Outlay) / 365)

Change in Net Position – Governmental Activities

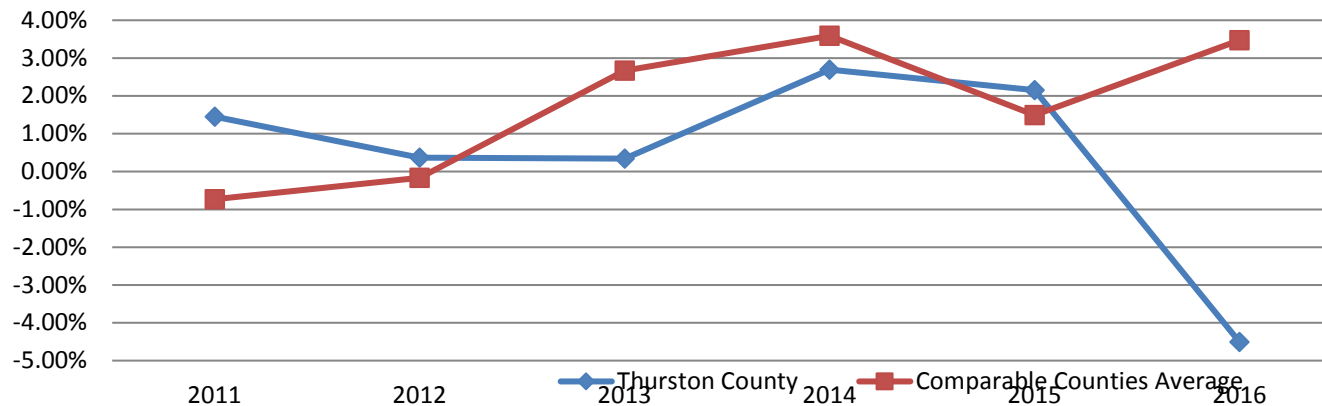
Is the financial condition of the County's Governmental Activities improving, declining, or remaining steady?

Description: This measure is the percent change in Net Position balance compared to last year for the County's Governmental Activities. This measure includes the effects of changes in long-term assets and liabilities, capital outlay, and other financing sources and uses.

Benchmark: If this amount is positive, it indicates that the County's Governmental Activities financial position has improved. If this amount is negative, it implies the Governmental Activities financial condition has declined due to spending down assets or increasing liabilities. A more in-depth analysis of each of the major line items of the Statement of Activities will help identify the major sources of the changes, if any.

Results: In 2016, the trend line looks very negative. The underlying numbers are skewed here quite a bit due to the BHO splitting off. When the BHO split off, the County transferred approximately \$33 million in cash to the newly formed organization. If one takes this into account, the Change in Net Position excluding this large transfer would be more in line with the 2014 and 2015 numbers. We expect the 2017 amount to be much higher than the 2016 number. The comparable counties line increased by quite a bit in 2016.

Percent Change in Net Position - Governmental Activities



	2011	2012	2013	2014	2015	2016
Change in Net Position	\$ 7,494,913	\$ 1,902,030	\$ 1,758,792	\$ 14,217,338	\$ 10,595,385	\$ (21,237,239)
Net Investment in Capital Assets	\$ 379,700,249	\$ 388,913,237	\$ 396,205,995	\$ 402,742,302	\$ 399,574,658	\$ 403,865,867
Restricted Net Position	\$ 114,171,619	\$ 112,519,421	\$ 70,574,027	\$ 72,910,583	\$ 68,052,131	\$ 61,898,850
Unrestricted Net Position	\$ 22,407,924	\$ 16,589,052	\$ 46,651,152	\$ 51,995,627	\$ 24,506,302	\$ 5,131,135
Thurston County	1.45%	0.37%	0.34%	2.69%	2.15%	-4.51%
Comparable Counties Average	-0.73%	-0.17%	2.67%	3.59%	1.49%	3.47%

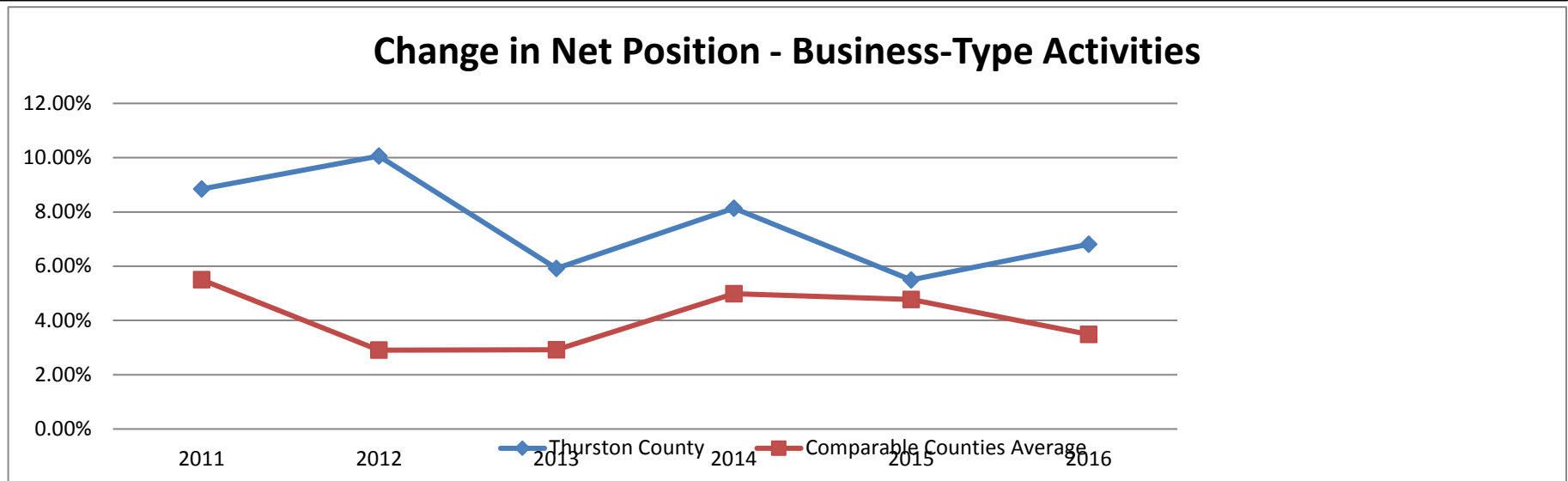
Change in Net Position – Business-Type Activities

Did the County’s financial condition of its Business-Type Activities improve, decline, or remain steady?

Description: This measure is the percent change in Net Position balance compared to last year for the County’s Business-Type Activities. This measure includes the effects of changes in long-term assets and liabilities, capital outlay, and other financing sources and uses.

Benchmark: If this amount is positive, it indicates that the County’s business-type funds financial position has improved. If this amount is negative, it implies the business-type funds financial condition has declined due to spending down assets or increasing liabilities. A more in-depth analysis of each of the major line items of the Statement of Activities will help identify the major sources of the changes, if any.

Results: In 2016, the County’s Business-Type Activities had an increase of Change in Net Position of 6.8% compared to 2015. This marks the ninth straight year this percentage has been positive and indicates good financial health with these Enterprise funds. The same can be said for the comparable counties as the percent is positive, which should be the main focus with this ratio.



	2011	2012	2013	2014	2015	2016
Change in Net Position	\$ 4,315,479	\$ 5,782,184	\$ 3,440,908	\$ 5,153,036	\$ 3,319,512	\$ 4,417,049
Net Investment in Capital Assets	\$ 30,267,496	\$ 34,019,243	\$ 30,617,626	\$ 29,842,737	\$ 28,885,135	\$ 30,342,696
Restricted Net Position	\$ 5,198,356	\$ 5,596,734	\$ 3,970,011	\$ 2,458,875	\$ 2,030,134	\$ 875,759
Unrestricted Net Position	\$ 13,309,861	\$ 17,874,279	\$ 23,558,098	\$ 30,997,159	\$ 29,482,869	\$ 33,596,732
Thurston County	8.85%	10.06%	5.92%	8.14%	5.50%	6.81%
Comparable Counties Average	5.50%	2.91%	2.92%	4.98%	4.78%	3.49%

Formula: (Change in Net Position / Prior Year Sum Total Net Assets)

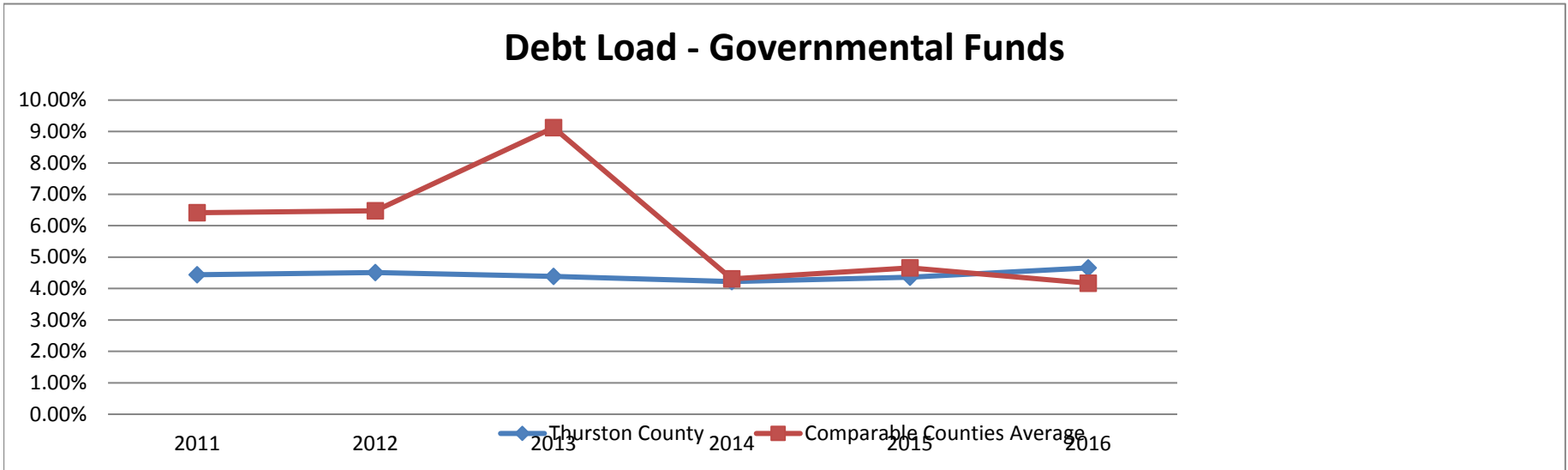
Debt Load - Governmental Funds

How much of the County's Governmental Fund revenues are going toward debt service payments?

Description: This ratio measures the County's ability to service its governmental fund debt out of its available governmental fund revenues. It shows the percent of the County's total governmental fund revenues that are being used for debt service payments (principal and interest).

Benchmark: A ratio of at or under 10% is desirable and industry practice considers a 12% or higher debt load to be high. Since debt service, in essence, represents money that is already spent, the lower the ratio the greater the ability of the County to service its debt. The higher the ratio, the less flexibility the County has for future spending needs or opportunities. As with many ratios, other factors need to be considered so as to get the whole picture, including length of maturities, nature of debt, and balloon or other back-ended payments.

Results: In 2016, the County had a Debt Service Load of 4.66%. As witnessed by the blue line in the chart below, this measure has stayed very constant the past few years and is still well below the threshold of 12% set by industry practice. The county's debt load indicates that its ability to meet its Governmental fund debt service requirements is not in jeopardy at this time. This measure also shows that the county carries slightly less debt, and is not as highly levered, as the other comparable counties. However, the percentages are much closer than in years past. For the comparable counties, the reason 2013 is much higher is Kitsap County did a bond refunding that increased the bond principal payments way above normal for just that one year.



	2011	2012	2013	2014	2015	2016
Principal Payments	\$ 4,042,259	\$ 4,365,372	\$ 4,613,266	\$ 5,086,459	\$ 5,519,994	\$ 5,699,854
Interest Payments	\$ 4,023,798	\$ 3,806,411	\$ 3,656,379	\$ 3,486,921	\$ 3,341,693	\$ 3,120,291
Governmental Fund Revenues	\$ 181,611,504	\$ 181,154,659	\$ 188,292,419	\$ 203,040,349	\$ 203,208,156	\$ 189,374,051
Thurston County	4.44%	4.51%	4.39%	4.22%	4.36%	4.66%
Comparable Counties Average	6.41%	6.48%	9.12%	4.31%	4.66%	4.17%

Formula: (Principal & Interest payments / Revenues (excludes Transfers))

Debt to Assets - Governmental Activities

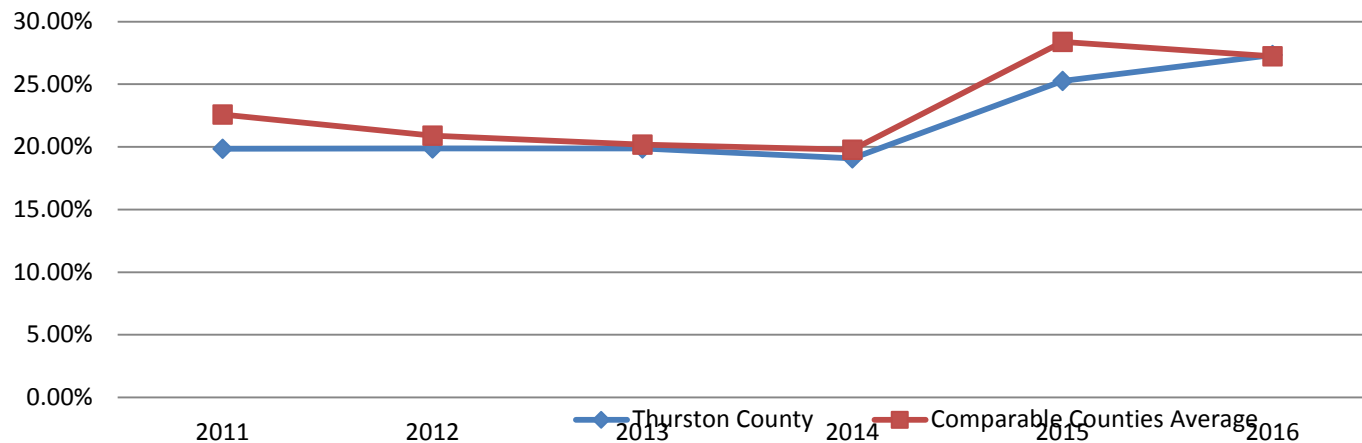
To what degree are the County's Governmental Activities assets financed by its debt?

Description: This measure shows the County's governmental-activities financial risk by determining how much of the County's assets have been financed by debt. This measure takes the Governmental Activities Total Liabilities and divides it by the Governmental Activities Total Assets. It will show the number of times total liabilities are covered by total assets.

Benchmark: A ratio of below 40% is desirable. In general, a low ratio here indicates that the majority of the County's assets are financed by fund balance. The higher the ratio, the greater risk will be associated with the County's operations as it would be considered to be "highly leveraged". Highly levered counties lose some flexibility in making operating decisions and could be in danger if creditors start to demand repayment of debt sooner than scheduled.

Results: In 2016, the County had a Debt to Assets ratio of 27.33% This indicates that the County is not highly leveraged (below 40% desired) and does still have a good deal of flexibility in spending on operations going forward. The amount is higher this year vs. prior years mainly because of the \$33 million transfer to the BHO previously described. The denominator in the calculation was reduced by approximately this amount. For comparable counties, their trend went down likely because they did not sell any new debt recently.

Debt to Assets - Governmental Activities



	2011	2012	2013	2014	2015	2016
Governmental Activities Total Liabilities	\$ 127,781,645	\$ 128,565,580	\$ 127,279,009	\$ 124,345,799	\$ 166,970,473	\$ 173,026,816
Governmental Activities Total Assets	\$ 644,061,437	\$ 646,587,290	\$ 640,065,548	\$ 651,410,106	\$ 661,165,728	\$ 633,215,065
Thurston County	19.84%	19.88%	19.89%	19.09%	25.25%	27.33%
Comparable Counties Average	22.59%	20.89%	20.18%	19.76%	28.38%	27.23%

Capital Asset Condition - Governmental Activities

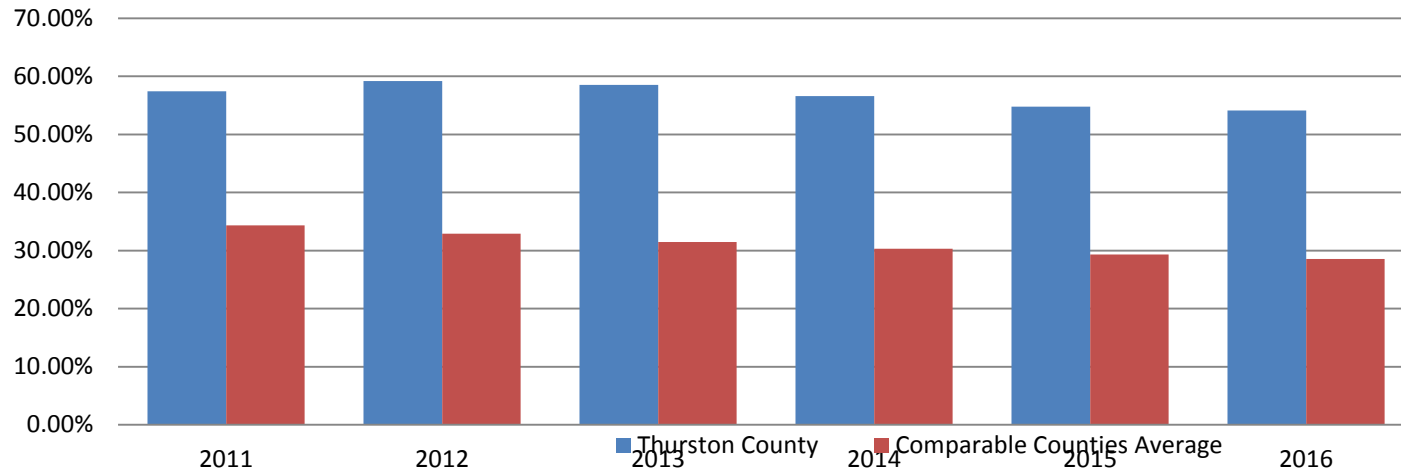
What is the remaining life left in the County's Governmental Activities Capital Assets?

Description: This measure shows the remaining life of the County's governmental capital assets. On the government-wide statements, capital outlays are capitalized as assets and depreciated over their expected useful life. While replacement costs will likely exceed the original cost of capital assets, this ratio will show how much useful life remains before assets need to be replaced.

Benchmark: When the average useful life is less than 25%, it generally indicates major capital asset replacements will be needed in the near term. Other important factors to consider along with the capital asset condition are: a) whether certain major assets are almost fully depreciated; and b) an identification of anticipated infrastructure improvements needed to accommodate growth, which should be reflected in the County's capital facilities plan.

Results: In 2016, the county had an average Remaining Useful Life of 54.10%. This indicates that the remaining life of the county's governmental assets is strong and it does not appear that the county will be incurring large sums of replacement costs for its existing capital assets in the near future. The trend has remained constant the past few years. This is a positive measure for the county. The county's capital assets appear to be newer, than those of the comparable counties. The difference between Thurston County and the comparables each year has been roughly the same or getting larger since 2008, which makes sense given the more recent debt the county has issued to fund construction of capital assets.

Capital Asset Condition - Governmental Activities



	2011	2012	2013	2014	2015	2016
Capital Assets, Depreciable, Net	\$ 171,644,614	\$ 194,183,006	\$ 201,728,649	\$ 195,809,021	\$ 187,676,844	\$ 187,440,498
Capital Assets, Original Cost	\$ 299,037,190	\$ 328,215,244	\$ 344,597,331	\$ 346,039,330	\$ 342,694,318	\$ 346,467,697
Thurston County	57.40%	59.16%	58.54%	56.59%	54.77%	54.10%
Comparable Counties Average	34.31%	32.89%	31.48%	30.33%	29.34%	28.57%

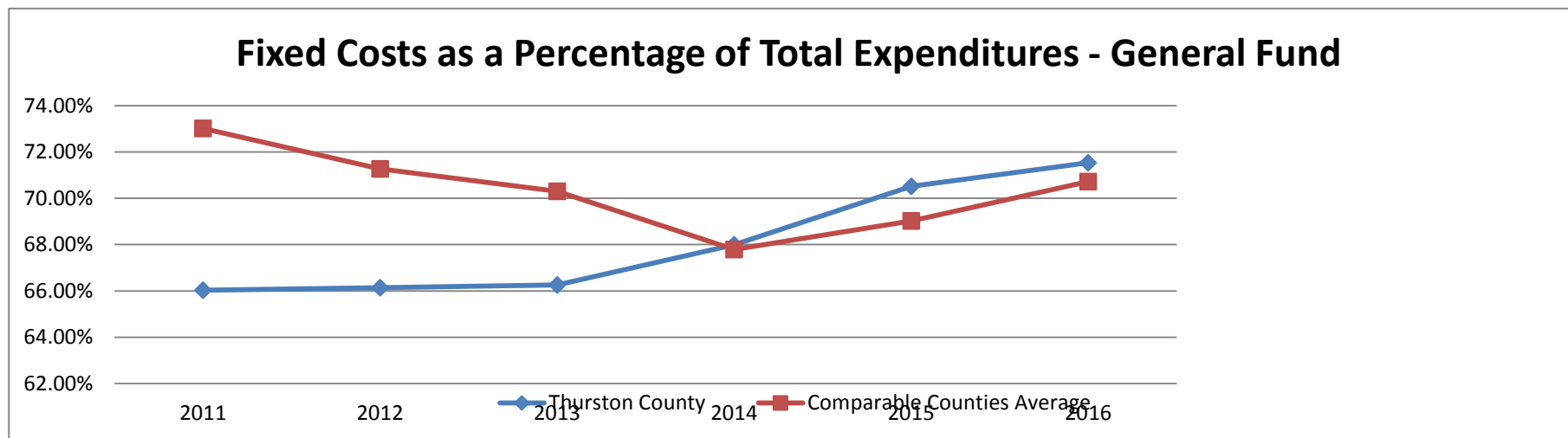
Fixed Costs as a Percentage of Total Expenditures - General Fund

How much of the County's General Fund total costs are fixed ?

Description: This measure shows the ratio of salaries, benefits, and debt service costs to total expenditures in the General Fund. These "fixed" costs are more difficult to control in times of fiscal stress. A high level of fixed costs also lessens the amount of money available for discretionary or unexpected expenses and reduces the flexibility to respond to economic changes. The generally fixed nature of personnel costs and debt service makes it more difficult to adjust service levels if resources decline.

Benchmark: A review of the trend of this ratio over time is the most important analysis here as opposed to comparing it to a benchmark as each County is slightly different in its operations and organizational goals and priorities. If the ratio is increasing, it could indicate that the County is losing flexibility to adapt to changing circumstances.

Results: In 2016, the General Fund's Fixed Costs as a Percentage of Total Expenditures was 71.54%. This is a 1.5% increase over 2015. The trend over the past few years indicates this percentage has been increasing slightly. Although not at an alarming level just yet, this trend is a cause for concern and should be monitored. The near mirroring of the two comparable lines in the graph in the past four years makes sense given that most counties operate on nearly the same business model with salaries and benefits being the dominate type of cost. As conditions in the general economy affects one county, it should affect other counties to a similar, but not absolute, degree.



	2011	2012	2013	2014	2015	2016
Salaries and Benefits	\$ 51,771,827	\$ 54,130,808	\$ 56,990,890	\$ 56,884,067	\$ 59,680,178	\$ 63,709,503
Debt Service Costs (Princ and Interest)	\$ 131,828	\$ 132,469	\$ 125,635	\$ 115,222	\$ 110,135	\$ 110,971
Total Expenditures	\$ 78,603,882	\$ 82,045,944	\$ 86,197,894	\$ 83,830,636	\$ 84,792,425	\$ 89,211,931
Thurston County	66.03%	66.14%	66.26%	67.99%	70.51%	71.54%
Comparable Counties Average	73.02%	71.27%	70.31%	67.78%	69.03%	70.72%

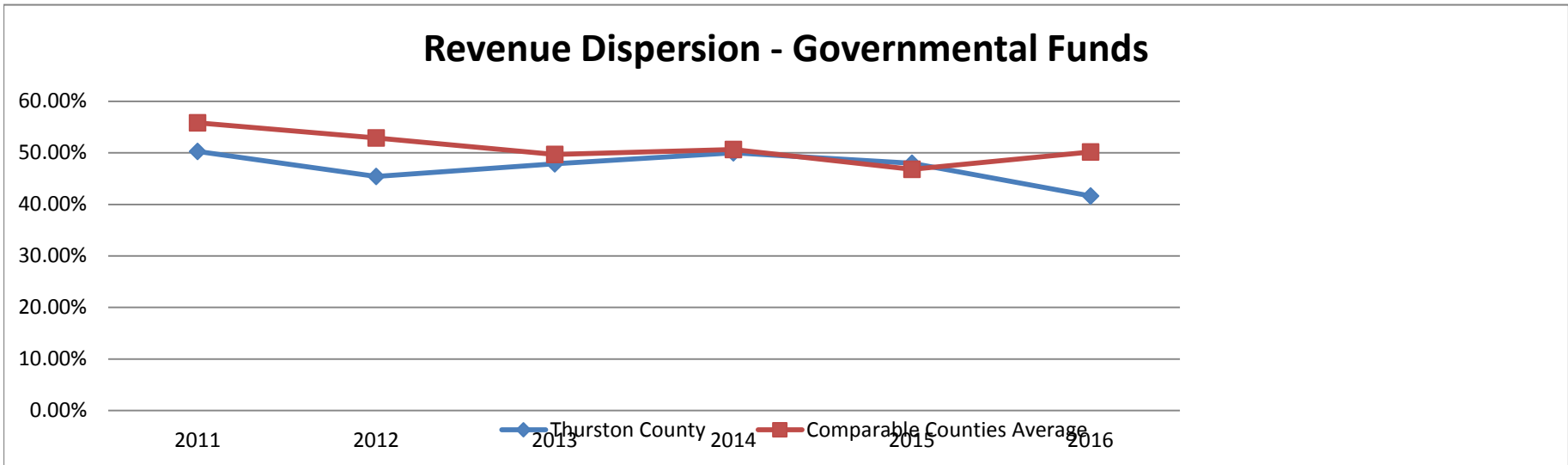
Revenue Dispersion - Governmental Funds

How much of the County's Governmental Fund revenue is from sources beyond its control?

Description: This measure shows the ratio of non-tax revenue to total revenue for all of the County's Governmental Funds. It is a measure of the exposure to potential financial difficulties resulting from reliance on revenue sources beyond the direct control of the County. Because the County does not directly control most of these revenue sources, there is risk that they may not be available to fund operations. This is particularly true of intergovernmental revenues such as grants or entitlements that require no action by the County. Changes in State or Federal policy could also have an impact on the revenue streams, since budgetary stress at these levels could result in aid reductions.

Benchmark: The goal of this measure is to identify trends in the data compared to past years. In general, the higher the percentage of operations funded by non-tax revenues, the greater the revenue risk to the County.

Results: In 2016, the County's non-tax revenues as a percentage of total revenues was 41.6%. This is a large decrease over prior years but it is skewed because of the transferring of revenues out of the Public Health fund and to the BHO. Therefore, comparison from prior years vs. 2016 is not advisable. A quick analysis shows a reduction of approximately \$20 million in Mental Health Services in the PH fund. Taking that into account, the trend would've been much closer to prior years had the BHO not split off. Regardless, the trend of the county is still in line to that of the comparable counties and there is no real cause for concern at this point with this measure.



	2011	2012	2013	2014	2015	2016
Non-Tax Revenues	\$ 91,253,461	\$ 82,303,884	\$ 90,094,909	\$ 101,574,630	\$ 97,473,719	\$ 78,789,050
Total Revenues	\$ 181,611,504	\$ 181,154,659	\$ 188,292,419	\$ 203,040,349	\$ 203,208,156	\$ 189,374,051
Thurston County	50.25%	45.43%	47.85%	50.03%	47.97%	41.60%
Comparable Counties Average	55.85%	52.86%	49.71%	50.65%	46.82%	50.14%

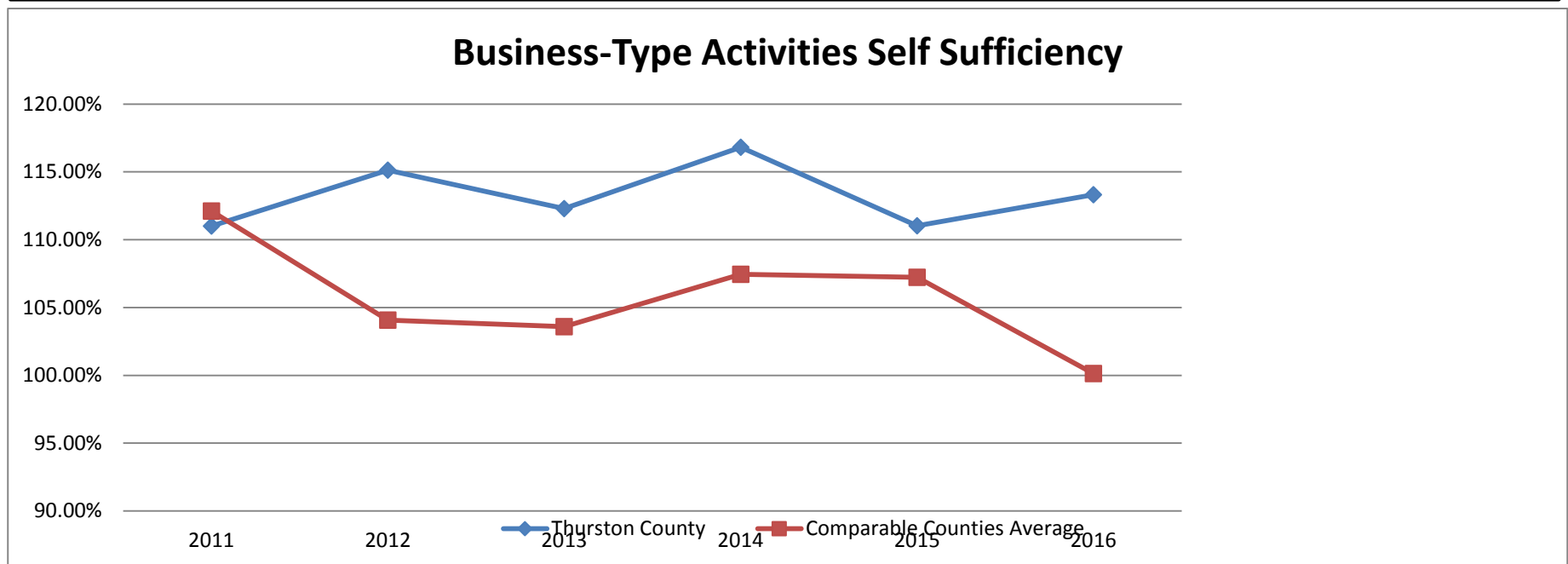
Business-Type Activities Self Sufficiency

How much of the County's Business-Type Activities are funded with current-year Charges for Services?

Description: This measure shows the percent of Business-Type Activity expenses that were covered by Charges for Service revenues rather than prior year resources or subsidies from other funds.

Benchmark: A measure of 100% or greater indicates that the Business-Type Activities were successful in recovering the full costs of service through Charges for Service revenues. A measure of less than 100% indicates that the business-type activities had to use prior year resources (net assets), borrowings, or use transfers from other funds to help subsidize operations.

Results: In 2016, the County's Business-Type Activities ratio of Charges for Services to total expenditures was 113.3%. This indicates the County's Business Type Activity funds were able to fund operations with their Charges for Services revenues. The trend for the county over the past few years is mostly flat and well above the 100% benchmark mentioned above. This is a positive indicator for county's Enterprise funds. Both Thurston County and the comparable have seen mostly increases lately but the comparable line decreased quite a bit in 2016.



	2011	2012	2013	2014	2015	2016
Charges for Services	\$ 26,996,503	\$ 29,612,038	\$ 29,671,170	\$ 31,823,551	\$ 32,350,635	\$ 35,146,369
Total Expenses (excludes Indirect)	\$ 24,317,882	\$ 25,722,924	\$ 26,421,870	\$ 27,239,933	\$ 29,139,333	\$ 31,013,949
Thurston County	111.02%	115.12%	112.30%	116.83%	111.02%	113.32%
Comparable Counties Average	112.11%	104.08%	103.60%	107.44%	107.22%	100.14%

Sales Tax Collection Growth - General Fund

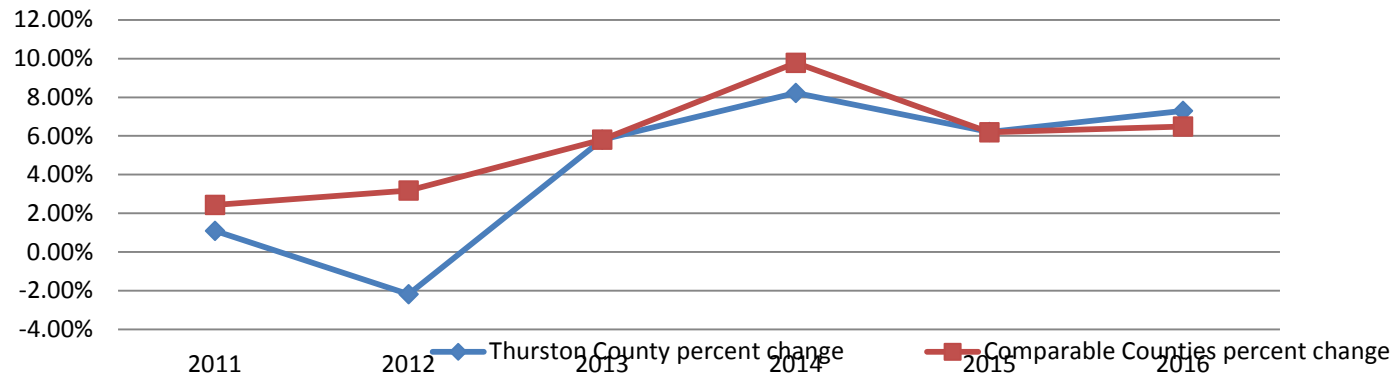
How much did the County's collection of sales tax grow compared to prior year?

Description: This is a measure of the state of the local economy by comparing the change in current year collections of sales and use taxes to the amount collected in prior year. While this measure is not directly related to the fiscal decisions of the County managers, it is an important measure for county decision makers to be cognizant of for budget and other planning purposes. This is collected only in the County's General Fund.

Benchmark: A positive percentage indicates that the county collected more than it did in the prior year and a negative percentage indicates that the county collected less than prior year. Further, the larger the positive percentage change compared to prior years indicates a higher level of collection increase. A smaller percentage increase indicates a smaller level increase. Strength of the local economy is the main variable driving this measure, but there are other things that managers need to consider when assessing the trend of this ratio such as: a) a change in sales tax rate, b) a new type of tax was added, such as internet sales, c) a change in the way sales tax is calculated (destination based), etc.

Results: In 2016, the Sales Tax Collection Growth percentage was a positive 7.3% and has increased each year since 2013. Four positive increases in a row is a very good indicator of the health of the local economy. Even though this measure is largely out of the county's control, it should be closely monitored as sales tax is a large source of revenue for the county. The main focus with this ratio is a positive percentage. Collections of comparable counties have been increasing each year since 2011 at a very constant rate as well.

Sales Tax Collection Growth - General Fund



	2011	2012	2013	2014	2015	2016
Sales and Use Tax Revenues	\$ 11,136,953	\$ 10,894,785	\$ 11,527,383	\$ 12,475,708	\$ 13,249,535	\$ 14,216,620
Thurston County percent change	1.10%	-2.17%	5.81%	8.23%	6.20%	7.30%
Comparable Counties percent change	2.44%	3.17%	5.81%	9.78%	6.20%	6.49%

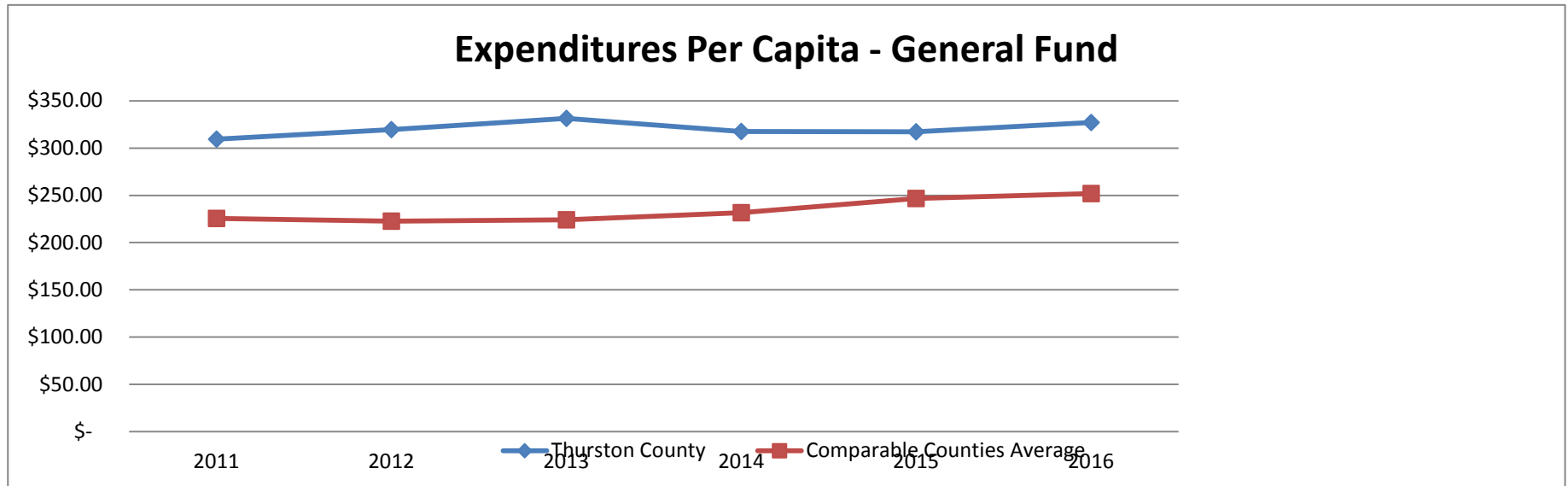
Expenditures Per Capita - General Fund

How much have the County's Governmental Activities Expenditures changed compared to changes in population?

Description: This measure reflects the changes in General Fund Expenditures relative to changes in population. Increasing per capita Expenditures can indicate that the cost of providing services is outstripping the population's ability to pay, especially if spending is increasing faster than the residents' collective personal income. In addition, if an increase in spending is greater than can be accounted for by inflation or the addition of new services, it may indicate declining productivity.

Benchmark: A level or decreasing trend line is desirable as it indicates the County's General Fund expenditures are remaining constant or reducing compared to population growth. An increasing trend line indicates could be cause for concern and should be examined closely. An effective analysis of this measure is also a comparison to other Counties of similar demographics.

Results: In 2016, the County's General Fund expenditures per capita were \$327.16. This is a decrease of 3.2% over 2015. This indicates that the County's General Fund spent, on average, about \$327 per person in 2016. The trend line is remaining fairly flat the past few years which is not much of a concern at this point for the county. Even though the rate compared to the comparable counties is higher, this ratio needs to be considered in conjunction with the Revenues Per Capital below. Intergovernmental revenue and expenditures play a role in Thurston County's amounts being higher than the comparables.



	2011	2012	2013	2014	2015	2016
Total Expenditures	\$ 78,603,882	\$ 82,045,944	\$ 86,197,894	\$ 83,830,636	\$ 84,792,425	\$ 89,211,931
County Population	254,095	256,795	260,095	264,000	267,410	272,685
Thurston County	\$ 309.35	\$ 319.50	\$ 331.41	\$ 317.54	\$ 317.09	\$ 327.16
Comparable Counties Average	\$ 225.44	\$ 222.73	\$ 224.20	\$ 231.59	\$ 246.79	\$ 251.94

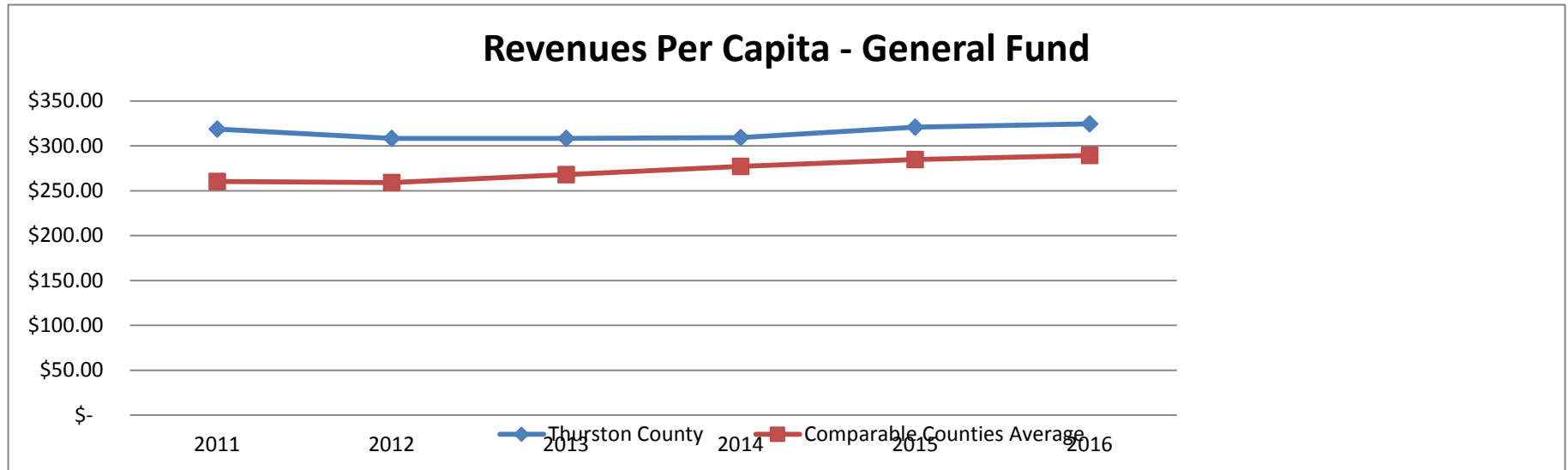
Revenues Per Capita - General Fund

How much have the County's Governmental Activities revenues changed compared to changes in population?

Description: This measure reflects the changes in General Fund Revenues relative to changes in population. As population increases, it may be expected that revenues and the need for services would increase proportionately and the level of per capita revenues would increase sufficiently to keep up with inflation. If per capita revenues are decreasing, the County would be unable to maintain existing service levels unless it was to find new revenue sources or financial savings. The revenues here are operating revenues, which exclude transfers-in.

Benchmark: A level or increasing trend line is desirable as it indicates the County's General Fund revenues are remaining constant or increasing compared to population growth. A decreasing trend line indicates a possible cause for concern and should be examined closely. An effective analysis of this measure is also a comparison to other Counties of similar demographics.

Results: In 2016, the county's revenues per capita were \$324.50 and represents a sizable increase compared to the past few years. This indicates that the County's General Fund collected, on average, \$324 per person in 2016. Monitoring of this measure should also take into consideration the Expenditures per capita measure above as changes in these are often related, such as an increase in grant awards. In comparing the results of this measure with the results of the Expenditures per Capita measure, it makes the discrepancy in Thurston County and the comparable counties more in line and is less of a concern than just looking at the Expenditure per Capita measure alone. The line for the comparable counties has been very constant since 2011, much like their expenditure per capita line.



	2011	2012	2013	2014	2015	2016
Total Revenues	\$ 80,951,867	\$ 79,159,254	\$ 80,195,292	\$ 81,672,857	\$ 85,820,629	\$ 88,486,920
County Population	254,095	256,795	260,095	264,000	267,410	272,685
Thurston County	\$ 318.59	\$ 308.26	\$ 308.33	\$ 309.37	\$ 320.93	\$ 324.50
Comparable Counties Average	\$ 260.35	\$ 259.10	\$ 268.02	\$ 277.22	\$ 284.73	\$ 289.23

Debt Per Capita - Governmental Activities

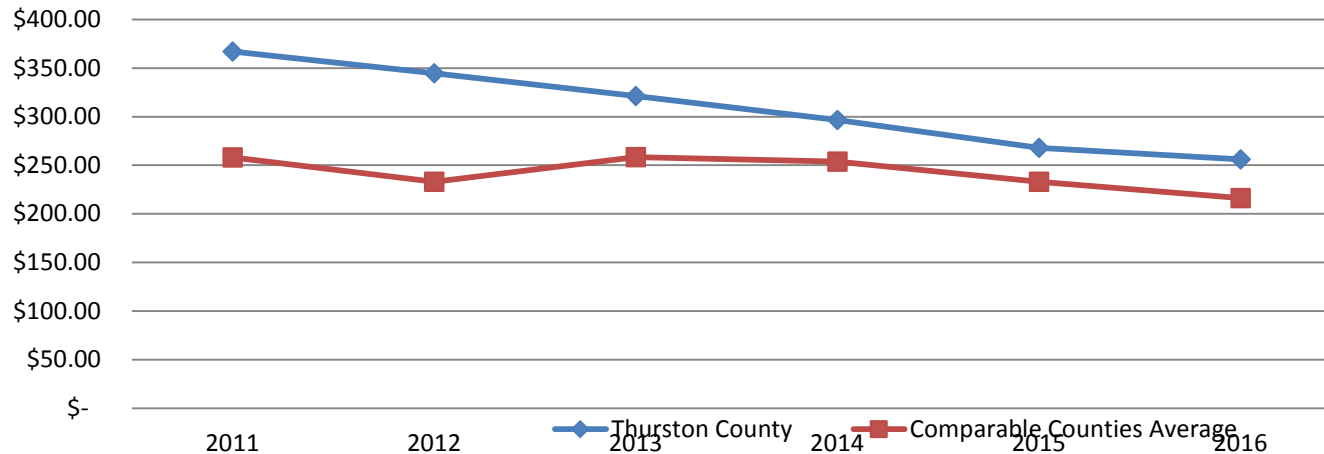
How much has the County's Governmental Activities debt changed compared to changes in population?

Description: This measure reflects the County's total Governmental bonded debt attributable to each resident. It shows how the growth in debt is changing relative to changes in population. As population increases, it would be expected that capital needs and associated long-term debt would also increase. It also measures the County's ability to repay its debts if they were all due today. This measure helps the County's managers, potential investors, and credit rating agencies get a feel for whether the County is over or under-leveraged. This measure does not adjust for inflation nor reflect the ability of each County taxpayer to repay the debt.

Benchmark: Generally, per capital debt ratios of around \$300-\$500 are considered acceptable. Also, analysis of the County's trend in recent years and a comparison to other Counties of similar demographics should be performed annually.

Results: In 2016, the County's debt per capita was \$256.11 and represents a decrease of about 4.4% from 2015. This is well within the acceptable benchmark range. The trend has been steadily decreasing since before 2010 and is a result of the county paying down its existing debt and not issuing new debt. If the County decides to do any more borrowing, it should take this measure, along with other ones, into consideration. Overall, this is a positive measure for the County. The line for the comparable counties decreased as well due to no debt being issued.

Debt Per Capita - Governmental Activities



	2011	2012	2013	2014	2015	2016
Total Governmental Debt	\$ 93,260,000	\$ 88,520,000	\$ 83,515,000	\$ 78,250,000	\$ 71,621,430	\$ 69,838,073
County Population	254,095	256,795	260,095	264,000	267,410	272,685
Thurston County	\$ 367.03	\$ 344.71	\$ 321.09	\$ 296.40	\$ 267.83	\$ 256.11
Comparable Counties Average	\$ 258.15	\$ 233.16	\$ 258.52	\$ 253.89	\$ 233.07	\$ 216.14

Formula: Total GO Debt / County Population. Total GO Bonds Payable Current and LT.
