

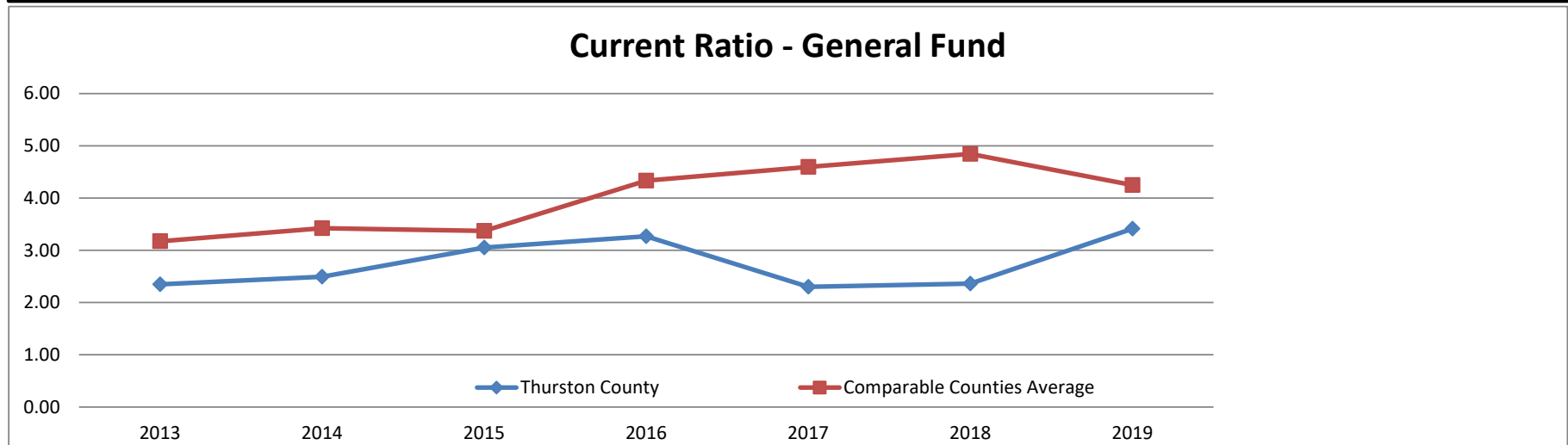
## Current Ratio - General Fund

### 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 liabilities. It assesses the County's ability to pay for its most immediate obligations focusing 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 2019, the County General Fund's Current Ratio increased by 44% over prior year to 3.41. The increase is mainly due to increased Sales Tax Receipts and the shifting of fixed costs related to the way the county internally accounts for its treatment Sales Tax Fund direct charges. These two instances worked to increase the cash balance during the year.



	2013	2014	2015	2016	2017	2018	2019
Current Assets (Total Assets)	\$ 18,870,971	\$ 19,705,747	\$ 22,429,096	\$ 24,953,256	\$ 21,017,131	\$ 22,144,410	\$ 31,142,835
Total Liabilities + Def Inflows	\$ 8,042,975	\$ 7,900,503	\$ 7,342,930	\$ 7,638,238	\$ 9,132,231	\$ 9,377,326	\$ 9,127,132
<b>Thurston County</b>	2.35	2.49	3.05	3.27	2.30	2.36	3.41
<b>Comparable Counties Average</b>	3.17	3.42	3.37	4.33	4.60	4.84	4.25

Formula:  $\text{Current Assets} / \text{Current Liabilities}$

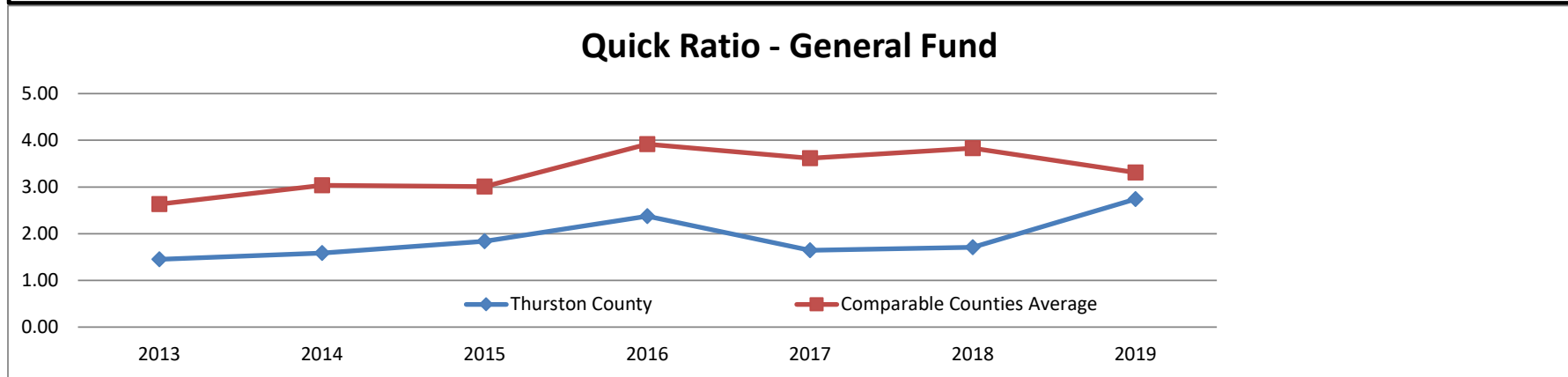
## Quick Ratio - General Fund

### *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 usually give a lower value than the Current Ratio.

**Results:** In 2019, the County General Fund Quick Ratio was 2.74 representing an increase of about 60% from 2018. The General Fund's cash balance increased by \$7.8 million over prior year due to increased sales tax receipts and a shifting of the payments of treatment sales tax allowable charges out of the General Fund. The liabilities stayed constant. This is a good indicator for county management and was a good move to shift allowable expenditures.



	2013	2014	2015	2016	2017	2018	2019
Cash and Pooled Investments	\$ 8,090,349	\$ 9,627,447	\$ 11,016,757	\$ 14,579,282	\$ 10,646,066	\$ 9,595,143	\$ 17,380,739
Due From Other Funds & Governments	\$ 3,579,860	\$ 2,906,178	\$ 2,487,880	\$ 3,559,211	\$ 4,364,792	\$ 3,166,153	\$ 3,162,702
Total Liabilities + Def Inflows (less Courts)	\$ 8,042,975	\$ 7,900,503	\$ 7,342,930	\$ 7,638,238	\$ 9,132,231	\$ 7,462,648	\$ 7,496,472
<b>Thurston County</b>	1.45	1.59	1.84	2.37	1.64	1.71	2.74
<b>Comparable Counties Average</b>	2.63	3.04	3.01	3.92	3.62	3.83	3.31

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

## Ending Fund Balance Trend - General Fund

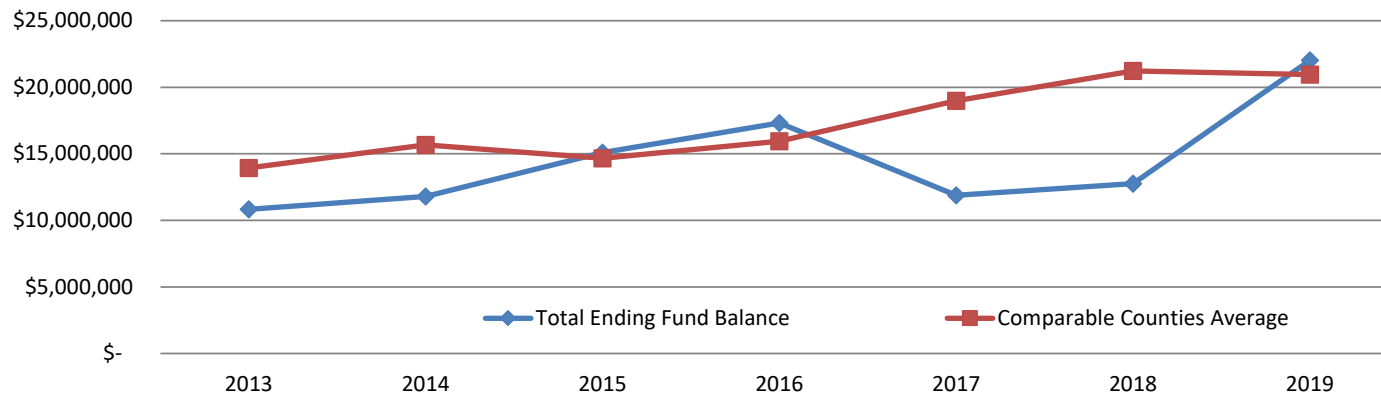
### What is the trend of the General Fund's Ending Fund Balance?

**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.

**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. Current county policy says one month of budgeted annual expenditures is required.

**Results:** In 2019, the ending fund balance in the county's general fund increased by over \$9.2 million, or 72%. The reasons for this was a one-time increase in a tax revenue accrual at year-end, tax collections exceeding prior year, and expenditure reductions due to a shift in charging allowable costs to a restricted revenues. This is a good indication for the country's financial health and it shows a more positive trend than comparable counties. The County current fund balance policy states the fund balance to be equal or greater than at least one month's budgeted expenditures. In 2019, that was \$8.6 million.

## Ending Fund Balance Trend - General Fund



	2013	2014	2015	2016	2017	2018	2019
<b>Total Ending Fund Balance</b>	\$ 10,827,996	\$ 11,805,244	\$ 15,086,166	\$ 17,315,018	\$ 11,884,900	\$ 12,767,084	\$ 22,015,703
Thurston County % change	-34.57%	9.03%	27.79%	14.77%	-31.36%	7.42%	72.44%
<b>Comparable Counties Average</b>	\$ 13,942,040	\$ 15,662,235	\$ 14,673,822	\$ 15,940,523	\$ 18,986,237	\$ 21,225,308	\$ 20,959,449

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

The 2012 amt: \$ 16,549,946

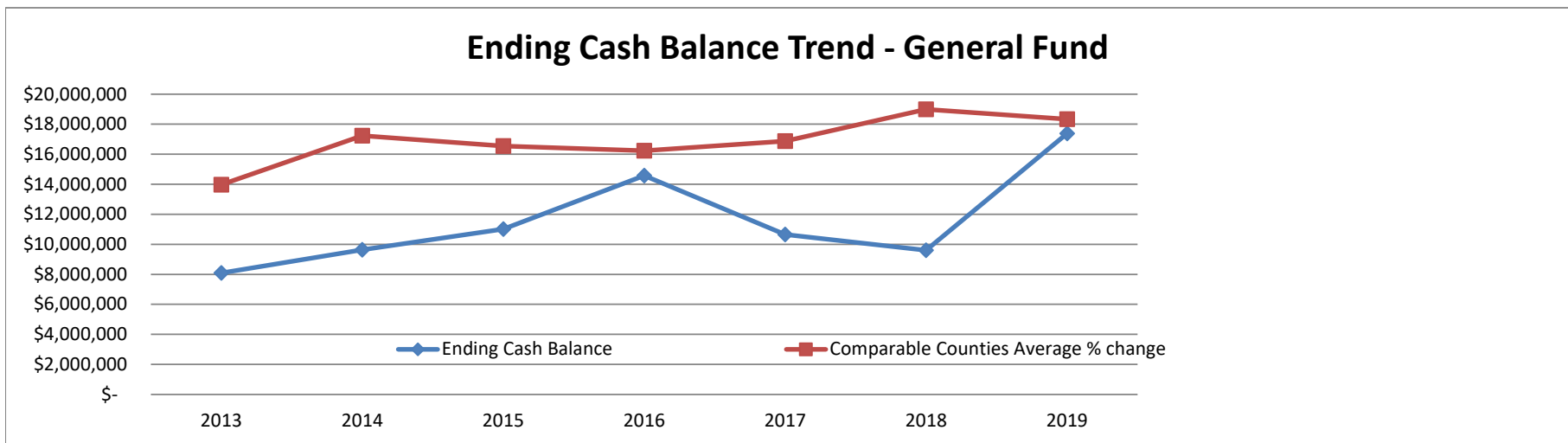
## Ending Cash Balance Trend - General Fund

### 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, but having an end of year balance for comparison is very useful.

**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 2019, the ending cash balance in the county's general fund increased by \$7.8 million compared to 2018. This is a good sign as it represents a trend reversal from the prior two years. The reasons for the increase have been identified in the explanations above to other ratios. This is a large increase that should ease the minds of some county officials some as the General Fund appears to be getting financially healthy doing the year. This also represents a stark contrast to the comparable counties equivalent General Fund cash balance trend.



	2013	2014	2015	2016	2017	2018	2019
<b>Ending Cash Balance</b>	\$ 8,090,349	\$ 9,627,447	\$ 11,016,757	\$ 14,579,282	\$ 10,646,066	\$ 9,595,143	\$ 17,380,739
Thurston County % change	-40.49%	19.00%	14.43%	32.34%	-26.98%	-9.87%	81.14%
<b>Comparable Counties Average % change</b>	\$ 13,973,661	\$ 17,239,605	\$ 16,538,181	\$ 16,232,878	\$ 16,878,098	\$ 18,991,143	\$ 18,339,053

Formula:  $(\text{Ending Cash Balance Current Year} - \text{Ending Cash Balance Prior Year}) / \text{Ending Cash Balance Prior Year}$

The 2012 amt: \$ 13,595,743

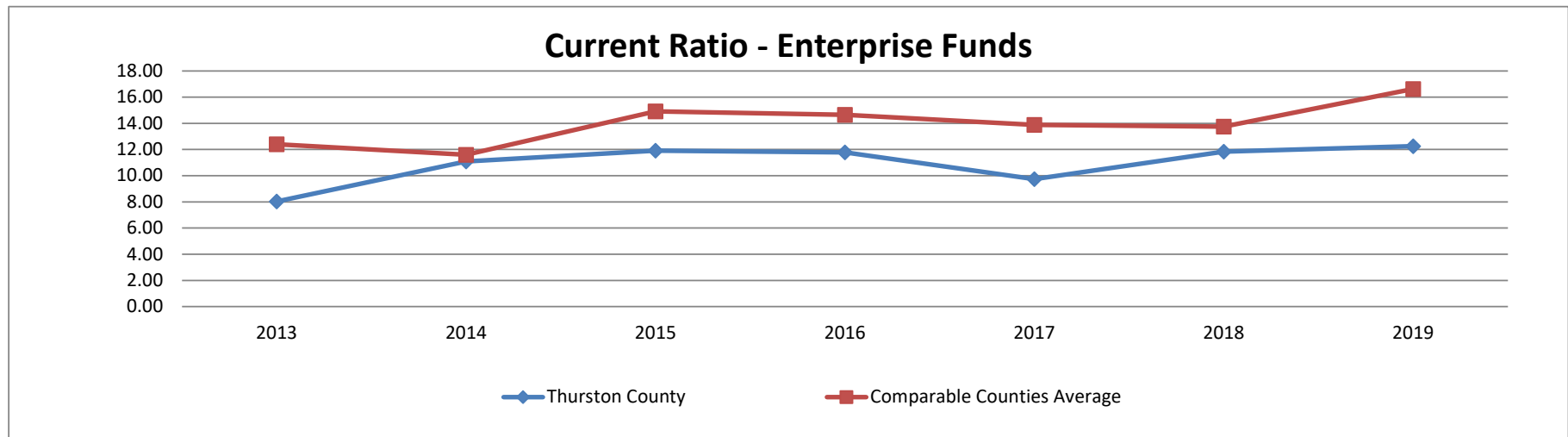
## Current Ratio - Enterprise Funds

### 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 2019, the Current Ratio was 12.26 and represents an increase over 2018 of 4% . This increase is positive and can be attributed to increases in population (more customers to spread the fixed costs over without any new construction required) and annual inflation. Having a high current ratio is fairly normal for enterprise funds, unlike the General Fund. The County is lower than comparable counties due to Kitsap Counties Sanitary Sewer Fund which Thurston County does not have. The trend remains good for the county over the past several years.



	2013	2014	2015	2016	2017	2018	2019
Current Assets	\$ 31,314,247	\$ 36,189,285	\$ 41,674,145	\$ 46,006,924	\$ 49,576,197	\$ 54,691,953	\$ 62,405,049
Current Liabilities	\$ 3,899,128	\$ 3,261,889	\$ 3,500,530	\$ 3,907,272	\$ 5,091,971	\$ 4,621,264	\$ 5,092,163
<b>Thurston County</b>	8.03	11.09	11.91	11.77	9.74	11.83	12.26
<b>Comparable Counties Average</b>	12.41	11.60	14.91	14.66	13.88	13.76	16.63

Formula:  $\text{Current Assets} / \text{Current Liabilities}$

## Quick Ratio - Enterprise Funds

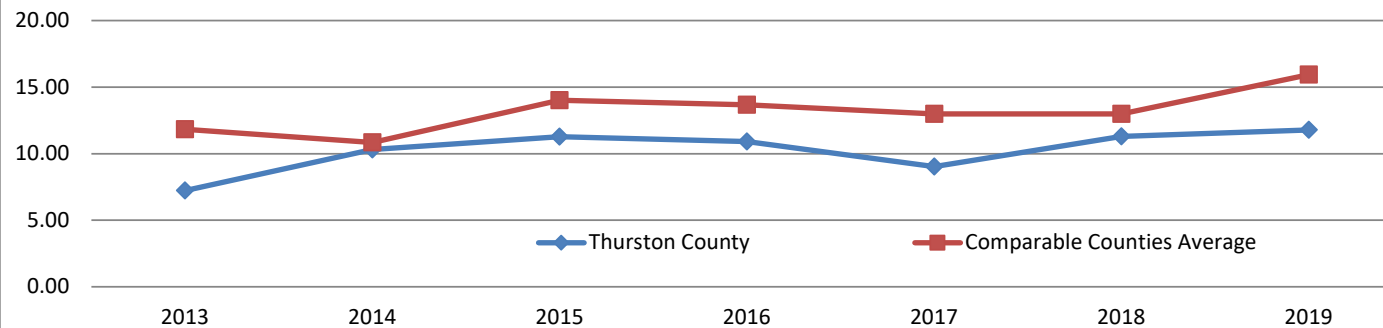
### Are Enterprise Fund expenses able to be paid as they come due with “quick” assets, rather than current assets?

**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 2019, the Quick Ratio was 11.78, an increase of 4% over 2018. This represents a three year trend seeing increases each year. It is due to the enterprise funds ending with a higher cash balance every year with expenditure increases less than revenues. Thurston County is currently slightly below the comparable because of a large Sanitary Sewer fund in Kitsap County which Thurston County does not have. The trend remains positive for the county over the past several years.

### Quick Ratio-Enterprise Funds



	2013	2014	2015	2016	2017	2018	2019
Cash and Pooled Investments	\$ 26,783,810	\$ 32,175,127	\$ 38,547,141	\$ 41,701,479	\$ 45,034,898	\$ 51,115,952	\$ 58,135,550
Due From Other Funds & Governments	\$ 1,388,043	\$ 1,428,372	\$ 913,896	\$ 944,225	\$ 899,591	\$ 1,065,164	\$ 1,849,831
Current Liabilities	\$ 3,899,128	\$ 3,261,889	\$ 3,500,530	\$ 3,907,272	\$ 5,091,971	\$ 4,621,264	\$ 5,092,163
<b>Thurston County</b>	7.23	10.30	11.27	10.91	9.02	11.29	11.78
<b>Comparable Counties Average</b>	11.84	10.84	14.01	13.67	12.98	12.99	15.93

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

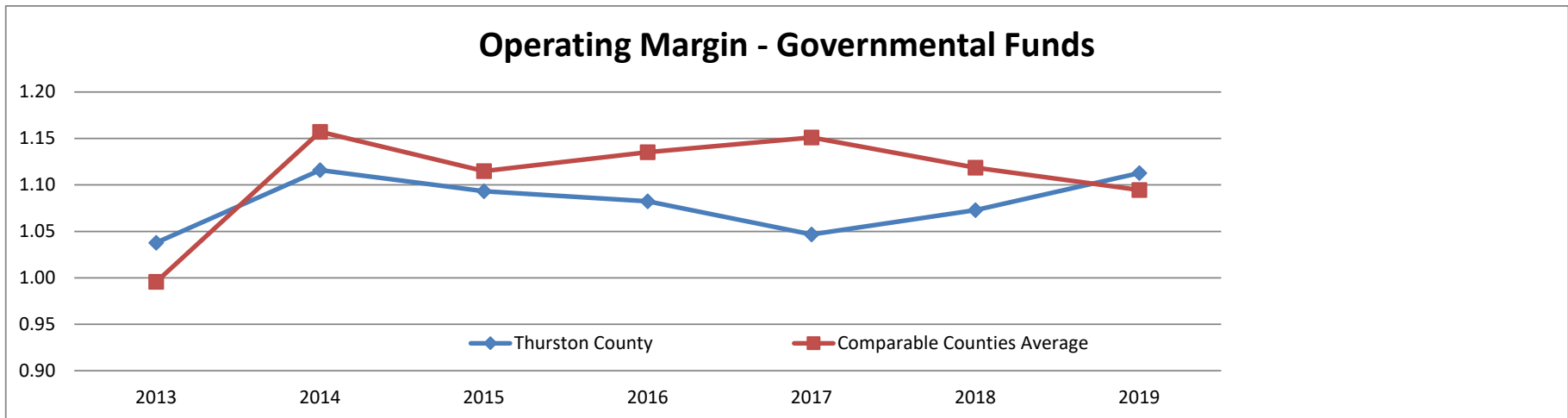
## Operating Margin - Governmental Funds

### 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 2019, the governmental funds Operating Margin was 1.11 and is stable compared to prior year (1.07), increasing by 4%. 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 few years tracks closely with that of Thurston County which is an indication the county is financially healthy. However, there was a slight drop in 2018, 2017, and 2016 for the comparables. The graph below may appear to show some fluctuation at first glance, however the way the graph is layed out, the operating margin amounts are very close together and a small fluctuation in amounts will appear larger when graphed. The county's trend has reversed and has increased the past couple years which is a good sign.



	2013	2014	2015	2016	2017	2018	2019
Revenues	\$ 188,292,419	\$ 203,040,349	\$ 203,208,156	\$ 189,374,051	\$ 186,833,834	\$ 199,591,347	\$ 208,257,296
Current Expenditures and Debt Service (excludes Capital Outlay)	\$ 181,428,804	\$ 181,948,240	\$ 185,880,970	\$ 174,943,736	\$ 178,474,372	\$ 186,015,472	\$ 187,161,610
<b>Thurston County</b>	1.04	1.12	1.09	1.08	1.05	1.07	1.11
<b>Comparable Counties Average</b>	1.00	1.16	1.11	1.14	1.15	1.12	1.09

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

## Unrestricted Fund Balance Sufficiency - General Fund

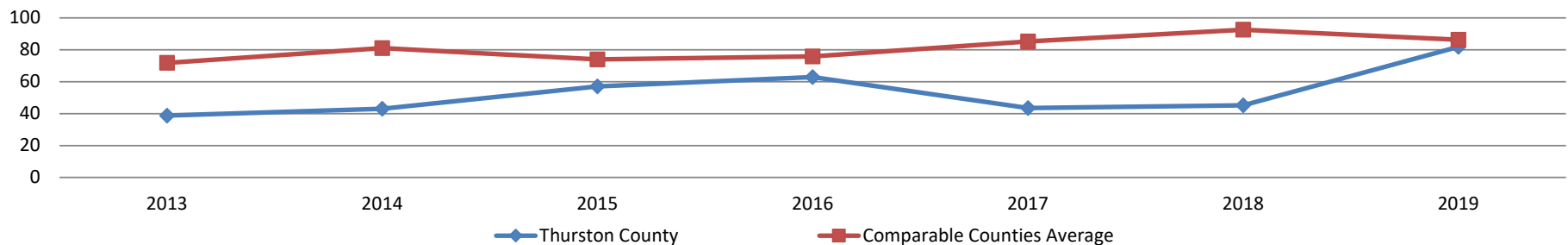
### How is the County's General Fund able to financially deal with emergencies, unanticipated needs, and unforeseen costs?

**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, this measure only focuses on the Unrestricted amount

**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 2019, the County only had 82 days of General Fund expenditures sitting in its Unrestricted Fund Balance. This represents an increase of 37 days, or 81%, from 2018. This is a huge increase to the upside for this ratio and was due to a couple of one-time adjustments described earlier. Sales tax receipts coming in better than expected also is an attributing factor.

## Unrestricted Fund Balance Sufficiency - General Fund



	2013	2014	2015	2016	2017	2018	2019
Unrestricted Fund Balance (Committed, Assigned, Unassigned)	\$ 9,068,302	\$ 9,865,708	\$ 13,247,655	\$ 15,360,721	\$ 11,509,260	\$ 12,656,536	\$ 21,779,196
Current Expenditures and Debt Service (excludes Capital Outlay)	\$ 85,340,728	\$ 83,591,835	\$ 84,664,608	\$ 89,038,632	\$ 96,655,868	\$ 102,052,452	\$ 97,126,406
<b>Thurston County</b>	39	43	57	63	43	45	82
<b>Comparable Counties Average</b>	72	81	74	76	85	93	86

Formula:  $\text{Unrestricted Fund Balance} / (\text{"Current" Expenditures and Debt Service (less Capital Outlay)} / 365)$



## Change in Net Position – Governmental Activities

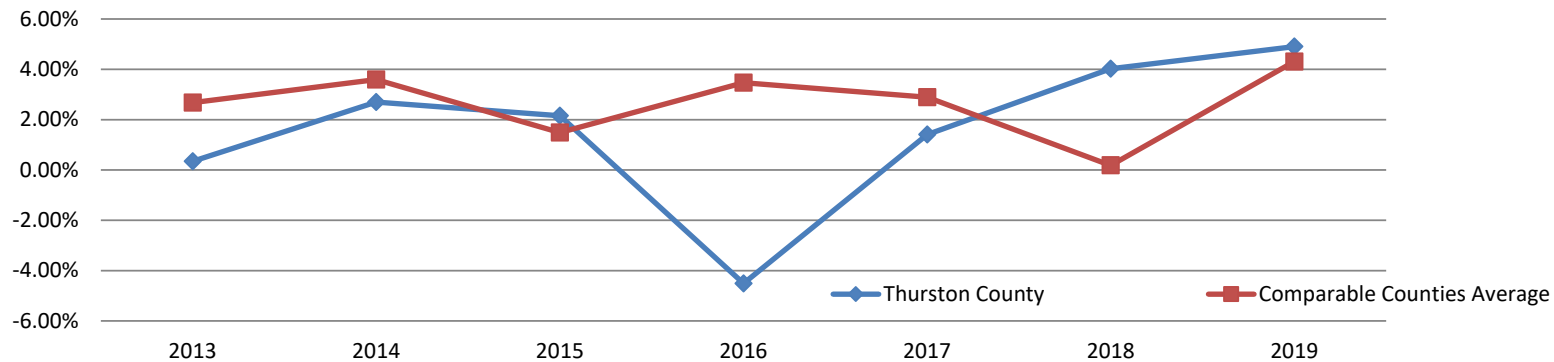
*Is the financial condition of the County's Governmental Activities improving, declining, or remaining steady?*

**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 2019, the trend line continued its positive appearance. Note that the 2016 underlying numbers are skewed 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 2016 Change in Net Position, excluding this large transfer, was more in line with the 2014 and 2015 numbers. For 2019, the change in net position increased again over prior year and has factors rooted in the explanations to several ratios above. Overall, this ratio indicates the county's Governmental Funds taken as a whole are in good overall financial health.

### Percent Change in Net Position - Governmental Activities



	2013	2014	2015	2016	2017	2018	2019
Change in Net Position	\$ 1,758,792	\$ 14,217,338	\$ 10,595,385	\$ (21,237,239)	\$ 6,610,060	\$ 19,505,633	\$ 25,081,134
Net Investment in Capital Assets	\$ 396,205,995	\$ 402,742,302	\$ 399,574,658	\$ 403,865,867	\$ 401,510,661	\$ 417,421,171	\$ 422,610,081
Restricted Net Position	\$ 70,574,027	\$ 72,910,583	\$ 68,052,131	\$ 61,898,850	\$ 59,678,896	\$ 61,570,890	\$ 68,277,233
Unrestricted Net Position	\$ 46,651,152	\$ 51,995,627	\$ 24,506,302	\$ 5,131,135	\$ 10,226,718	\$ 6,511,340	\$ 20,700,547
<b>Thurston County</b>	0.34%	2.69%	2.15%	-4.51%	1.40%	4.02%	4.90%
<b>Comparable Counties Average</b>	2.67%	3.59%	1.49%	3.47%	2.89%	0.18%	4.31%

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

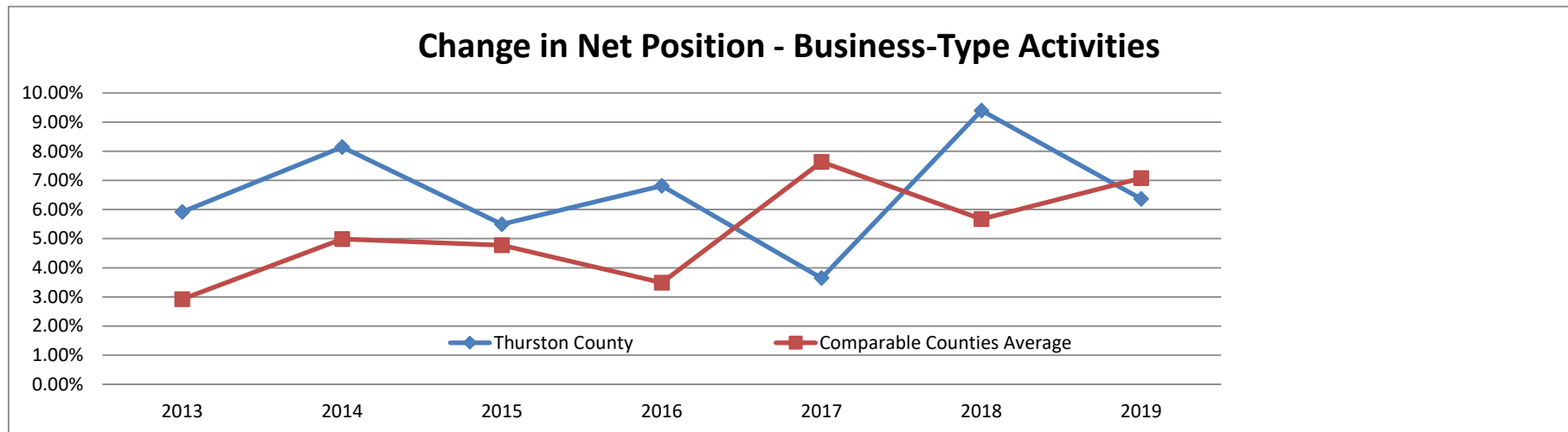
## Change in Net Position – Business-Type Activities

***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 2019, the County's Business-Type Activities had a decrease of Change in Net Position ratio of about 3% compared to 2018. Overall this is still a positive indicator and, if anything, the percent amounts over the past few years indicate that perhaps 2018 was an outlier to the upside and it looks like the average change each year ranges in the 6% range. The increase in change in net position is favorable, as indicated by the "benchmark" above, and is not an overall concern at the moment.



	2013	2014	2015	2016	2017	2018	2019
Change in Net Position	\$ 3,440,908	\$ 5,153,036	\$ 3,319,512	\$ 4,417,049	\$ 2,452,074	\$ 6,904,241	\$ 4,994,729
Net Investment in Capital Assets	\$ 30,617,626	\$ 29,842,737	\$ 28,885,135	\$ 30,342,696	\$ 30,282,873	\$ 30,295,391	\$ 32,013,331
Restricted Net Position	\$ 3,970,011	\$ 2,458,875	\$ 2,030,134	\$ 875,759	\$ 653,567	\$ 431,544	\$ 185,497
Unrestricted Net Position	\$ 23,558,098	\$ 30,997,159	\$ 29,482,869	\$ 33,596,732	\$ 36,330,821	\$ 42,724,863	\$ 46,247,699
<b>Thurston County</b>	5.92%	8.14%	5.50%	6.81%	3.65%	9.40%	6.37%
<b>Comparable Counties Average</b>	2.92%	4.98%	4.78%	3.49%	7.64%	5.67%	7.08%

Formula:  $(\text{Change in Net Position} / \text{Prior Year Sum Total Net Assets})$

## Debt Load - Governmental Funds

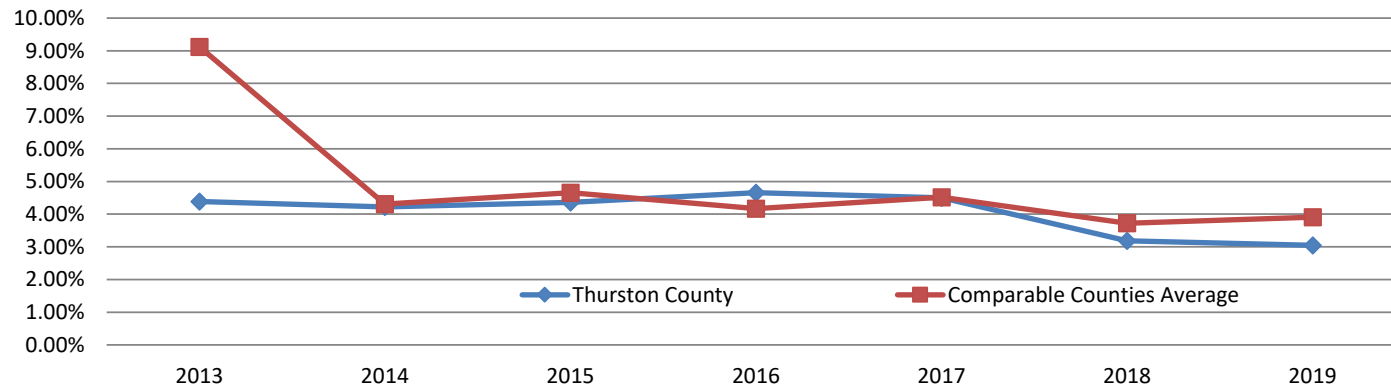
### How much of the County's Governmental Fund revenues are going toward debt service payments?

**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 2019, the County had a Debt Service Load of 3.05%. As witnessed by the blue line in the chart below, this measure has stayed very constant with the past few years and is still well below the threshold of 12% set by industry practice. In 2018 the debt load rate decreased due to the remainder of the balance for the 2009 Bonds being paid off, in 2016 part of the 2009 LTGO was refinanced with the 2016 LTGO. 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 comparable debt load to other counties. 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. This is a positive indicator for the county and is of no concern as of now.

## Debt Load - Governmental Funds



	2013	2014	2015	2016	2017	2018	2019
Principal Payments	\$ 4,613,266	\$ 5,086,459	\$ 5,519,994	\$ 5,699,854	\$ 5,821,579	\$ 3,982,347	\$ 4,125,298
Interest Payments	\$ 3,656,379	\$ 3,486,921	\$ 3,341,693	\$ 3,120,291	\$ 2,592,301	\$ 2,380,830	\$ 2,220,527
Governmental Fund Revenues	\$ 188,292,419	\$ 203,040,349	\$ 203,208,156	\$ 189,374,051	\$ 186,833,834	\$ 199,591,347	\$ 208,257,296
<b>Thurston County</b>	4.39%	4.22%	4.36%	4.66%	4.50%	3.19%	3.05%
<b>Comparable Counties Average</b>	9.12%	4.31%	4.66%	4.17%	4.52%	3.72%	3.91%

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

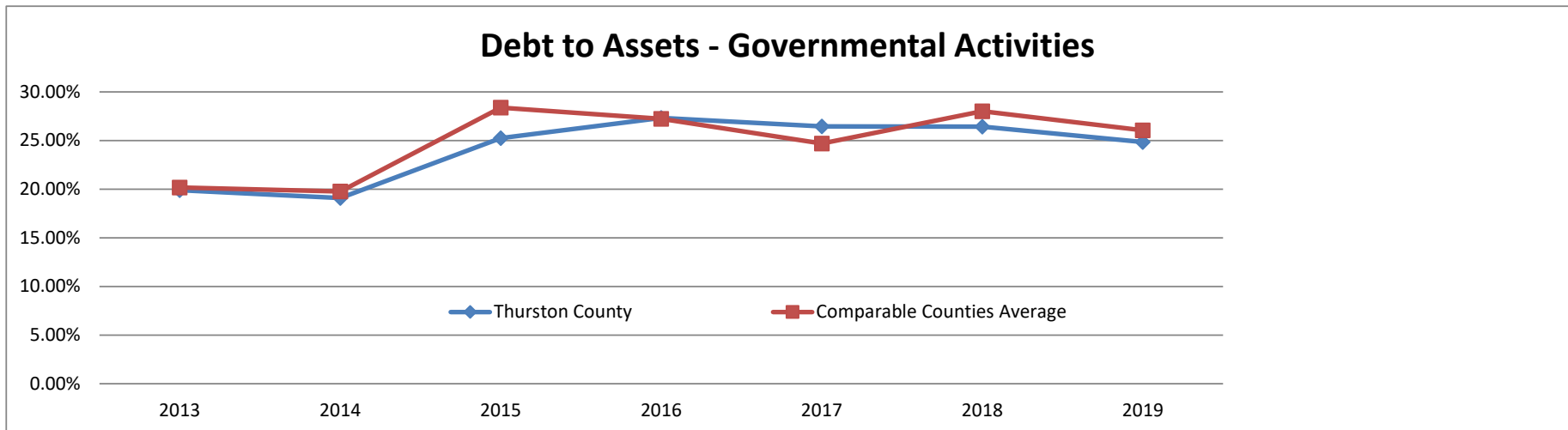
## Debt to Assets - Governmental Activities

### *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 2019, the County had a Debt to Assets ratio of 24.85%. 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. It is positive that the rate has not increased. This ration has gone down every year since 2015.



	2013	2014	2015	2016	2017	2018	2019
Governmental Activities Total Liabilities (plus Deferred Inflows)	\$ 127,279,009	\$ 124,345,799	\$ 166,970,473	\$ 173,026,816	\$ 169,491,174	\$ 174,373,823	\$ 169,191,271
Governmental Activities Total Assets (plus Deferred Outflows)	\$ 640,065,548	\$ 651,410,106	\$ 661,165,728	\$ 633,215,065	\$ 640,907,449	\$ 659,877,224	\$ 680,779,132
<b>Thurston County</b>	19.89%	19.09%	25.25%	27.33%	26.45%	26.43%	24.85%
<b>Comparable Counties Average</b>	20.18%	19.76%	28.38%	27.23%	24.70%	28.00%	26.06%

Formula: (Total Liabilities / Total Assets)

## Capital Asset Condition - Governmental Activities

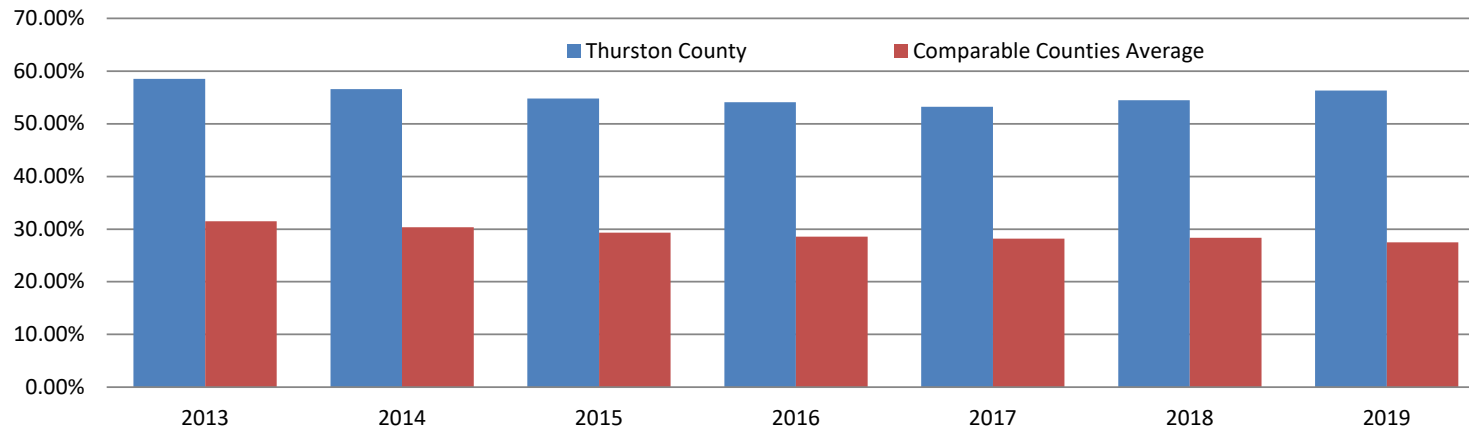
### What is the remaining life left in the County's Governmental Activities Capital Assets?

**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 2019, the county had an average Remaining Useful Life of 56.30%. This indicates that the remaining life of the county's governmental assets is strong as the trend has remained constant the past few years. This does not take into account, however, the county's desire to replace the county courthouse buildings with a new one in the next few years. The current buildings are getting older, were build cheaply back in the 1970's, are too small, and have lacked some needed maintenance over the past few years. The measure below is an accounting measure only. The comparable counties percent is much smaller than the county indicating these counties have older assets in total.

## Capital Asset Condition - Governmental Activities



	2013	2014	2015	2016	2017	2018	2019
Capital Assets, Depreciable, Net	\$ 201,728,649	\$ 195,809,021	\$ 187,676,844	\$ 187,440,498	\$ 173,757,184	\$ 179,637,183	\$ 203,699,846
Capital Assets, Original Cost	\$ 344,597,331	\$ 346,039,330	\$ 342,694,318	\$ 346,467,697	\$ 326,495,946	\$ 329,754,333	\$ 361,802,780
<b>Thurston County</b>	58.54%	56.59%	54.77%	54.10%	53.22%	54.48%	56.30%
<b>Comparable Counties Average</b>	31.48%	30.33%	29.34%	28.57%	28.19%	28.34%	27.47%

Formula: (Capital Assets, Depreciable Net / Capital Assets, Original Cost, From Note VII)

## Fixed Costs as a Percentage of Total Expenditures - General Fund

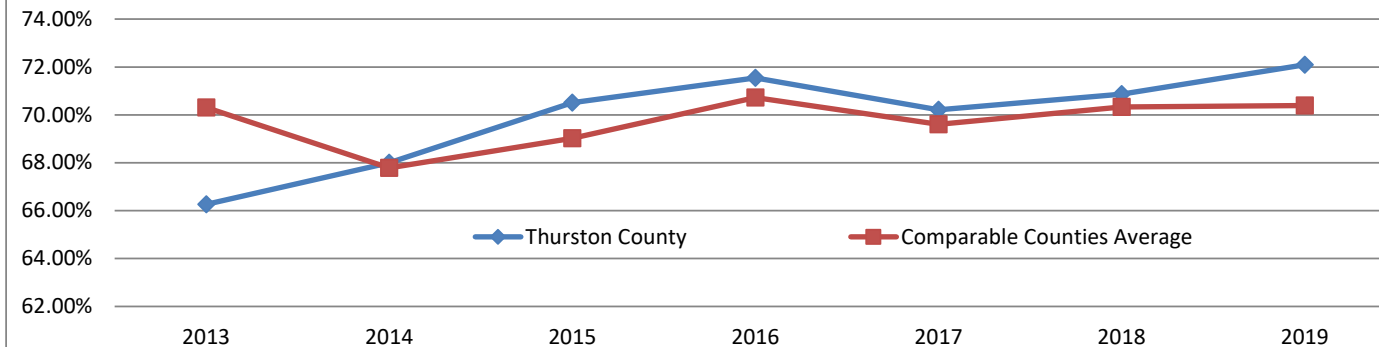
### How much of the County's General Fund total costs are fixed ?

**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 2019, the General Fund's Fixed Costs as a Percentage of Total Expenditures was 72.09%. This is a 1.7% increase over 2018. The trend over the past few years indicates that this percentage has been slowly but steadily increasing. This trend should still periodically be monitored. The near mirroring of the two comparable lines in the graph in the past five 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.

## Fixed Costs as a Percentage of Total Expenditures - General Fund



	2013	2014	2015	2016	2017	2018	2019
Salaries and Benefits	\$ 56,990,890	\$ 56,884,067	\$ 59,680,178	\$ 63,709,503	\$ 67,883,954	\$ 72,362,545	\$ 69,996,833
Debt Service Costs (Princ and Interest)	\$ 125,635	\$ 115,222	\$ 110,135	\$ 110,971	\$ 100,654	\$ 93,988	\$ 97,062
Total Expenditures	\$ 86,197,894	\$ 83,830,636	\$ 84,792,425	\$ 89,211,931	\$ 96,822,358	\$ 102,247,915	\$ 97,228,927
<b>Thurston County</b>	66.26%	67.99%	70.51%	71.54%	70.22%	70.86%	72.09%
<b>Comparable Counties Average</b>	70.31%	67.78%	69.03%	70.72%	69.61%	70.34%	70.39%

Formula: (Salaries & Benefits + Debt Service Costs) / Total Expenditures

Note: Data Source for Salaries & Benefits is a MUNIS query: fund 0010, obj 510000:529999

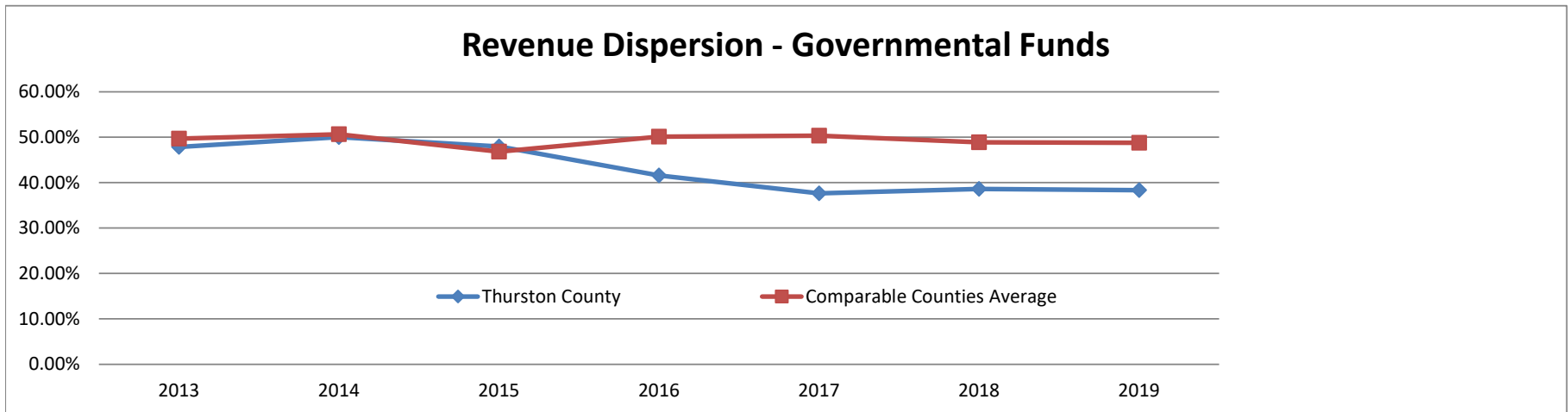
## Revenue Dispersion - Governmental Funds

***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 2019, the County's non-tax revenues as a percentage of total revenues was 38.32%. In the last three years we have not seen a large fluctuation in this indicator. However, prior to that, the rate was much higher. This is further indication the County has started to rely heavier on tax revenue than non-tax revenue, which is a positive indicator in terms of risk. We could be seeing a large decrease due to large grants obtained in prior years or a shift in funding sources. All-in-all, seeing the rate decrease over the years is positive, in comparison to other Counties The County is 10% lower.



	2013	2014	2015	2016	2017	2018	2019
Non-Tax Revenues	\$ 90,094,909	\$ 101,574,630	\$ 97,473,719	\$ 78,789,050	\$ 70,341,523	\$ 77,116,573	\$ 79,812,009
Total Revenues	\$ 188,292,419	\$ 203,040,349	\$ 203,208,156	\$ 189,374,051	\$ 186,833,834	\$ 199,591,347	\$ 208,257,296
<b>Thurston County</b>	47.85%	50.03%	47.97%	41.60%	37.65%	38.64%	38.32%
<b>Comparable Counties Average</b>	49.71%	50.65%	46.82%	50.14%	50.32%	48.89%	48.75%

Formula:  $\text{Non-tax Revenues} / \text{Total Revenues}$

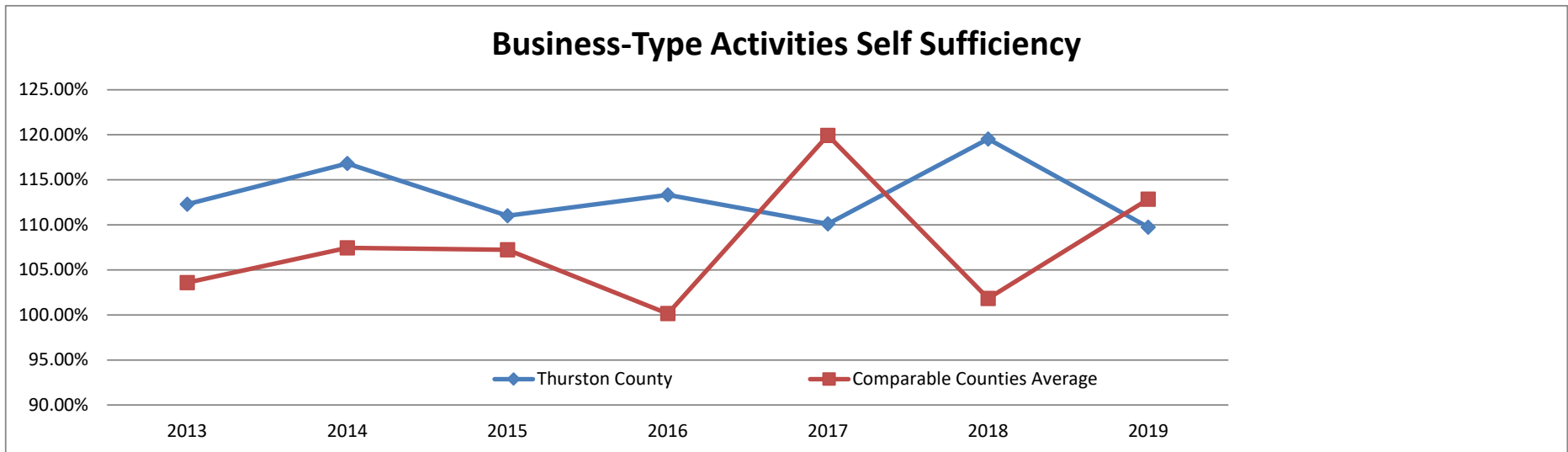
## Business-Type Activities Self Sufficiency

### *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 2019, the County's Business-Type Activities ratio of Charges for Services to total expenditures was 109.74%. 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 with some fluctuation up and then down the past two years. It is well above the 100% benchmark mentioned above so this is a positive indicator for the county. The decrease in 2019 compared to 2018 was due to the addition of a new fund, Environmental Health. This fund currently is operating at a loss and there was approximately \$3 million more in expenses vs. charges for services that came in during the year. The comparable counties had a large increase in 2017 vs. 2016 mainly due to a large reduction in Yakima County's Solid Waste fund expenses. Their land fill closure expenses decreased and this appears to be a one-time adjustment in expenses that appears to have corrected back to near



	2013	2014	2015	2016	2017	2018	2019
Charges for Services	\$ 29,671,170	\$ 31,823,551	\$ 32,350,635	\$ 35,146,369	\$ 37,672,623	\$ 39,509,998	\$ 43,173,430
Total Expenses (excludes Indirect)	\$ 26,421,870	\$ 27,239,933	\$ 29,139,333	\$ 31,013,949	\$ 34,217,624	\$ 33,050,818	\$ 39,341,260
<b>Thurston County</b>	112.30%	116.83%	111.02%	113.32%	110.10%	119.54%	109.74%
<b>Comparable Counties Average</b>	103.60%	107.44%	107.22%	100.14%	119.95%	101.82%	112.84%

Formula: Charges for Services / Total Expenses (excludes indirect expenses) From Statement of Activities



## Sales Tax Collection Growth - General Fund

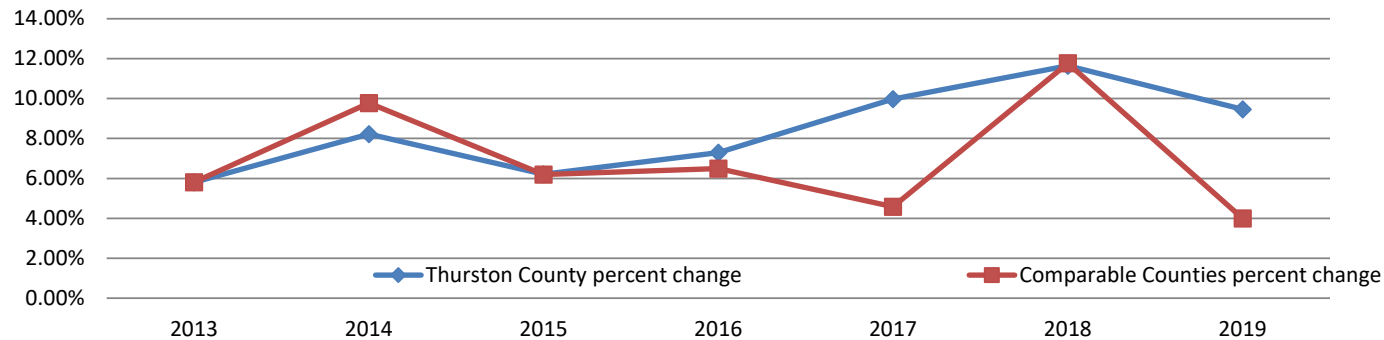
***How much did the County's collection of sales tax grow compared to prior year?***

**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 2019, the Sales Tax Collection Growth percentage was a positive 9.47% and has increased each year since before 2013. Several 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 increased by a large amount in 2018 due to Kitsap County also making an accounting adjustment, per GASB 33 as Thurston County did, which slightly, and temporarily, skews this measure.

## Sales Tax Collection Growth - General Fund



	2013	2014	2015	2016	2017	2018	2019
Sales and Use Tax Revenues	\$ 11,527,383	\$ 12,475,708	\$ 13,249,535	\$ 14,216,620	\$ 15,635,085	\$ 17,455,679	\$ 19,108,085
<b>Thurston County percent change</b>	5.81%	8.23%	6.20%	7.30%	9.98%	11.64%	9.47%
<b>Comparable Counties percent change</b>	5.81%	9.78%	6.20%	6.49%	4.58%	11.77%	4.00%

Formula:  $(\text{Sales and Use Tax Current Year} - \text{Sales and Use Tax Prior Year}) / \text{Sales and Use Tax Prior year}$ , MUNIS query on 0010, 313110

The 2012 amt: \$ 10,894,785

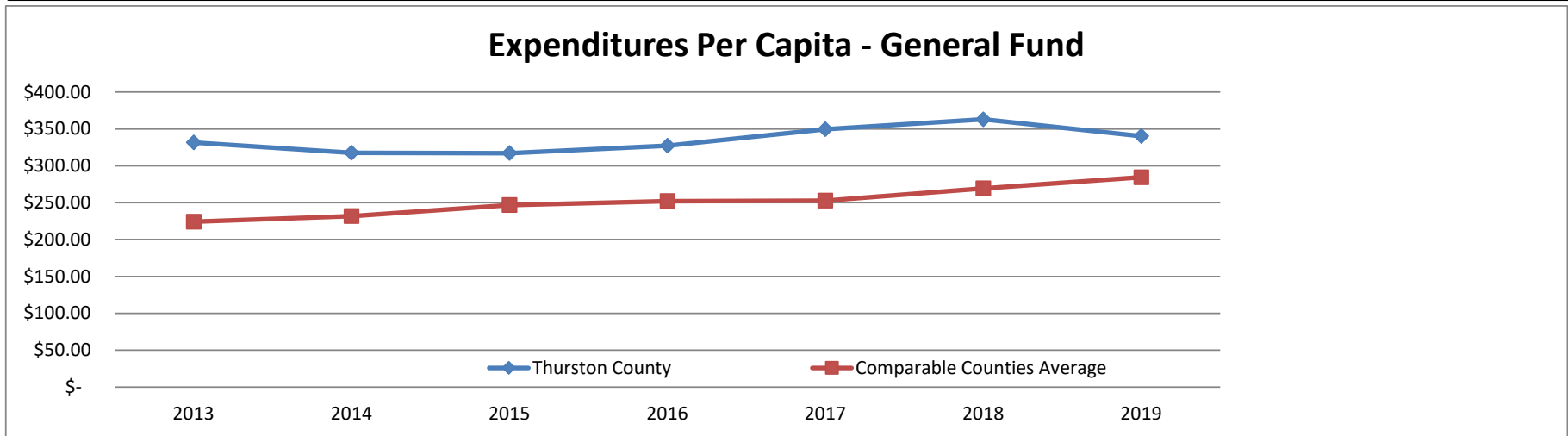
## Expenditures Per Capita - General Fund

### 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 2019, the County's General Fund expenditures per capita were \$340.20. This is a decrease of 6% over 2018. This indicates that the County's General Fund spent, on average, about \$340 per citizen in 2019. 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 lower, 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 comparable.



	2013	2014	2015	2016	2017	2018	2019
Total Expenditures	\$ 86,197,894	\$ 83,830,636	\$ 84,792,425	\$ 89,211,931	\$ 96,822,358	\$ 102,247,915	\$ 97,228,927
County Population	260,095	264,000	267,410	272,685	276,900	281,700	285,800
<b>Thurston County</b>	\$ 331.41	\$ 317.54	\$ 317.09	\$ 327.16	\$ 349.67	\$ 362.97	\$ 340.20
<b>Comparable Counties Average</b>	\$ 224.20	\$ 231.59	\$ 246.79	\$ 251.94	\$ 252.55	\$ 269.38	\$ 284.46

Formula: Total Expenditures / County Population, from Statistical section "Demographic and Economic Information", Schedule 13

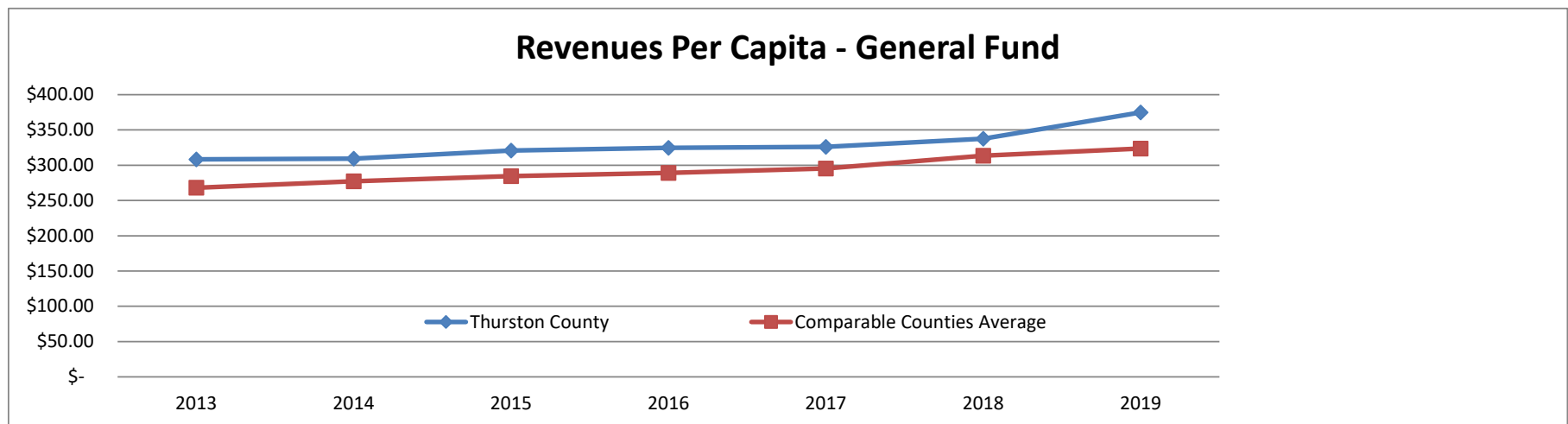
## Revenues Per Capita - General Fund

***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 2019, the county's revenues per capita were \$374.86 and represents an increase of 11%. This indicates that the County's General Fund collected, on average, \$375 per person in 2019. 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 further indicates that expenditures are increasing at a much faster rate than revenues.



	2013	2014	2015	2016	2017	2018	2019
Total Revenues	\$ 80,195,292	\$ 81,672,857	\$ 85,820,629	\$ 88,486,920	\$ 90,303,664	\$ 95,127,910	\$ 107,135,048
County Population	260,095	264,000	267,410	272,685	276,900	281,700	285,800
<b>Thurston County</b>	\$ 308.33	\$ 309.37	\$ 320.93	\$ 324.50	\$ 326.12	\$ 337.69	\$ 374.86
<b>Comparable Counties Average</b>	\$ 268.02	\$ 277.22	\$ 284.73	\$ 289.23	\$ 295.31	\$ 313.44	\$ 323.65

Formula: Total Revenues / County Population

## Debt Per Capita - Governmental Activities

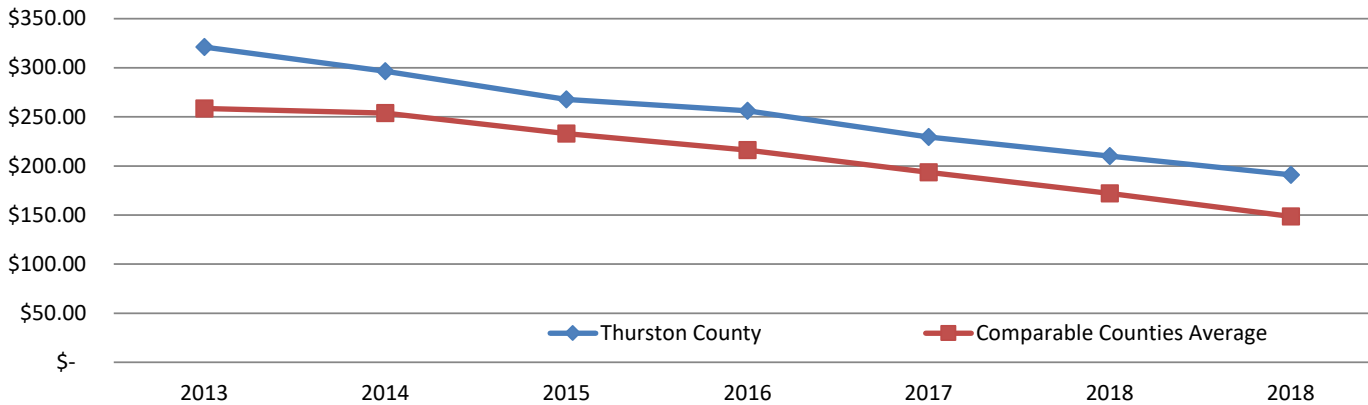
***How much has the County's Governmental Activities debt changed compared to changes in population?***

**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 capita 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 2019, the County's debt per capita was \$190.95 and represents a decrease of about 9% from 2018. 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



	2013	2014	2015	2016	2017	2018	2018
Total Governmental Debt	\$ 83,515,000	\$ 78,250,000	\$ 71,621,430	\$ 69,838,073	\$ 63,573,036	\$ 59,137,000	\$ 54,574,809
County Population	260,095	264,000	267,410	272,685	276,900	281,700	285,800
<b>Thurston County</b>	\$ 321.09	\$ 296.40	\$ 267.83	\$ 256.11	\$ 229.59	\$ 209.93	\$ 190.95
<b>Comparable Counties Average</b>	\$ 258.52	\$ 253.89	\$ 233.07	\$ 216.14	\$ 193.46	\$ 172.03	\$ 148.57

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