



City of Olympia, Washington

2018 Comprehensive Annual Financial Report

For the year ended December 31, 2018

Prepared by the Administrative Services Department





2018 Comprehensive Annual Financial Report

For the year ended December 31, 2018



Prepared by the City of Olympia,
Administrative Services Department
P.O. Box 1967, Olympia, Washington 98507-1967

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Comprehensive Annual Financial Report



OlympiaTM

Introduction





City of Olympia | Capital of Washington State

P.O. Box 1967, Olympia WA 98507-1967

olympiawa.gov

June 27, 2019

To the Honorable Mayor, Members of the City Council, and the Citizens of Olympia:

It is our pleasure to present to you the Comprehensive Annual Financial Report (CAFR) of the City of Olympia, Washington for the fiscal year ended December 31, 2018. The CAFR is published annually as the City's official financial report.

The City's management is responsible for both the accuracy of the data, and the completeness and fairness of the presentation, including all related disclosures.

The City operates under a system of accounting standards for internal controls that safeguard assets and the reliability of financial records. These standards assume reasonable, but not absolute, assurance the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes the cost of internal controls should not exceed the benefits expected to be derived.

The Washington State Auditor's Office (SAO) issued an unmodified opinion, which is the preferred outcome, on the City of Olympia's financial statements for the year ended December 31, 2018. "Unmodified" indicates there were no findings of non-compliance. The independent auditor's report is included in the financial section of this report. It is noteworthy the City of Olympia has always received unmodified audit opinions.

The independent audit of the City's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the auditor to report on the fair presentation of the financial statements, as well as the City's internal controls and compliance with legal requirements. The City's Single Audit Report is issued separately and is available upon request.

Generally Accepted Accounting Principles (GAAP) require management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Olympia's MD&A can be found immediately following the independent auditor's report.

HISTORY AND PROFILE OF THE CITY

The City of Olympia, is the capital city of Washington State. Incorporated in 1859, it is a diverse community located within Thurston County at the southern tip of Puget Sound. Located near Interstate 5 between the two major metropolitan areas of Seattle, Washington and Portland, Oregon. The City serves a population of approximately 52,490 while occupying a land area of approximately 20 square miles. While providing residents with ready access to the shores of the Pacific Ocean and the resorts of the Cascade Mountains, the City of Olympia enjoys a low crime rate, excellent schools, and a nationally recognized reputation as one of the most livable cities in the United States.

The Olympia and Thurston County area has a rich history and culture. The area was originally settled by Salish Indian groups including the Nisqually, Squaxin and Chehalis tribes. In 1792, Captain George Vancouver led a British expedition along with Lt. Peter Puget, to explore the area looking for the Northwest Passage. American exploration of the area began in 1841 with an expedition lead by Lt. Commander Charles Wilkes. He was followed by Michael T. Simmons who led the first permanent settlers to the area around Tumwater Falls. In 1852, Thurston County was organized with Olympia as the county seat, and in 1853 Olympia was named territorial capital of the newly formed Washington Territory. Statehood followed in 1889 with Olympia fighting to retain its place as the seat of state government.

Since 1982, the City has operated under a Council-Manager form of government which is similar to a business corporate model, with the Council serving as the Board of Directors and setting policy. The Mayor, elected to position 1 of the Council, is the Chair and a voting member of the Council. The City Manager is hired by the City Council as the Chief Executive Officer. Council members serve four-year staggered terms, with positions ending for three members one year and four members the next election. Elections are held on odd numbered years.

MAYOR: Cheryl Selby **MAYOR PRO TEM:** Jessica Bateman **CITY MANAGER:** Steven R. Hall
COUNCILMEMBERS: Clark Gilman, Lisa Parshley, Nathaniel Jones, Jim Cooper, Renata Rollins

Olympia provides a full range of municipal services including public safety (police, fire, court, and jail), streets, parks and recreation, arts, utilities, community planning and development, zoning, and general administrative services. The City provides specific transportation improvement projects through the Olympia Transportation Benefit District (TBD), which functions as a blended component unit of the City, and therefore has been included as an integral part of the City of Olympia's financial statements. Similarly, the City provides administrative and fiscal reporting functions for the Olympia Metropolitan Park District (OMPD). Through the OMPD, the City provides specific parks operations, maintenance, and capital improvement projects for the City's parks, arts, and recreation functions.

The City prepares and maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Council. Activities of the General Fund, General Obligation Debt Service Funds, Enterprise, and selected Internal Service Funds are included in the annual operating budget and lapse at the end of the calendar year. The City also adopts budgets for the Capital Projects and Special Revenue Funds, these budgets do not lapse at year end. Trust and Agency Funds are not required to be budgeted. The budget constitutes the legal authority for expenditures. The City's budget is adopted at the fund level; therefore, expenditures may not legally exceed appropriations at that level of detail. The City Manager has the authority to transfer internal budget amounts within a fund, however the City Council must approve any budget transfers between funds.

LOCAL ECONOMY

Since original incorporation, Olympia has evolved from a small town with logging and farming as its chief industries into a modern urban city. Government has been the driving force behind the area's economy due to Olympia's designation as the seat for county and state governments.

Washington State and local governments are the largest employers in Olympia. Approximately 17,000 workers make state government Olympia's largest employer. Local governments rank second, employing approximately 3,600 workers, including public education employees. Other major employers in the area include private education, health services, professional services, retail trade, recreation and food services. Thurston County is just south of Joint Base Lewis-McChord, a federal military base, and Olympia is proud to serve as the residence for thousands of military personnel and their families.

During the recession, the City of Olympia experienced an increase in unemployment statistics; from an initial low of 4.3% (December 2006) to a high of 8% (December 2009). Employment has gradually improved and as of December 2018, the unemployment rate for the City was 5%, slightly higher than the 4.5% unemployment recorded for Washington State as a whole.

Property tax revenues are the second largest source of tax revenue for the City. Property tax rates for regular property tax collections for 2018 were \$2.6 per \$1000 of the assessed valuation. The valuation of property in 2018 was \$6,690,364,182.

In 2017, City of Olympia voters approved a .1% increase in sales tax, effectively increase the City's portion of sales tax to 8.9%. The new tax was established to help address the growing and urgent impact of homelessness on the community, particularly Olympia's most vulnerable citizen, as well as the need for sufficient stock of affordable housing for cost-burdened Olympians at risk of being homeless. The "Home Fund tax," as it is referenced went into effect July 1, 2018 and generated \$407,187 in operating funds and \$756,204 in capital funds. Funds were used for operational and capital purposes identified in the City's homelessness response plan with 65% of the Home Fund tax reserved for capital expenditures and 35% reserved for operating. In 2018, using this funding, the City purchased property at 2828 Martin Way in Olympia and plans to partner with a nonprofit to provide for supportive housing and shelter. The Council authorized the remaining 35% of Home Fund dollars for purposes to support operations of homeless and housing programs. In 2018, the operational funding supported the set-up and management of Plum Street Tiny House Village, a safe camping mitigation site, and secure storage facility. All these projects serve individuals experiencing homelessness.

The following table illustrates changes in key aspects of the City's economy compared to ten years ago. Our statistical tables located at the end of this report provide additional detail in employment, population and other pertinent data.

Growth Indicator	2009	2018	Change	% of Change
Population	45,250	52,490	7,240	16%
Unemployment Rate	8.0%	5.0%	-3.0%	(38%)
Median Household Income	\$50,877	\$55,539	\$4,662	9%
Assessed Valuation	\$5,963,060,847	\$6,690,364,182	\$727,303,335	12%
Regular Property Tax Rate	\$1.94	\$2.60	\$0.66	34%
OMPD Property Tax Rate**	\$0.00	\$0.54	\$0.54	
Property Tax Revenue	\$10,448,992	\$21,825,585	\$11,376,593	109%
Building Permits Issued*	145	1,061	916	632%
Building Permit Value *	\$149,316,475	\$143,775,075	\$(5,541,400)	(4%)
Impact Fee Revenues	\$2,686,775	\$1,586,376	\$(1,100,399)	(41%)
Sales Tax Revenues	\$15,531,639	\$24,048,130	\$8,516,491	55%
Total Tax Revenues	\$43,860,505	\$71,282,696	\$27,422,191	63%

* Commercial and Residential permits, 2018 data revised to reflect citizen investments in real property; includes permits for construction, remodel, major repair, and improvements to real property.

** OMPD - Olympia Metropolitan Parks District was approved by voters in 2015, 2017 is the first year of collections.

LONG-TERM FINANCIAL PLANNING

General Operating Reserve

The City adheres to a long held policy to maintain a minimum reserve of at least 10% of the next years General Fund budgeted revenue. This reserve helps to ensure the City will not have to incur short-term debt to pay for current operating expenditures. As of December 31, 2018 the City had a General Fund reserve of \$17.9 million (21.8% of next years budgeted revenue), which exceeds the 10% minimum required reserve minimum. In light of the very positive ending financial position, in 2019, City management and Council will be considering establishing a budget stabilization reserve for the purposes of reducing operational impacts in the event of another recession. The budget stabilization reserve would be in addition to the existing 10% minimum reserve.

General Government

The 2018 budget exhibited a practical, responsible, and strategic focus on providing reliable public services while working toward a sustainable future. 2018 was the first year the City received funds from the Public Safety Property Tax Levy Lid lift. This lift in property taxes provided \$2.8 million in property taxes to create new programs and services within the City's Public Safety program. This new tax was used to fund public safety services such as a police walking patrol, crisis response team, neighborhood liaison, contemporary training. In addition funding was used to support Olympia's Community Court Program; a non-traditional approach that works to provides practical, targeted solution rather than the traditional punishment. Working together with community partners specializing in housing services, education, employment, chemical dependency, health care, licensing, mental health services, and veterans services, Community Court offers individual a hand-up, with the goal of restoring the person and community.

Expenses such as medical insurance, retirement costs and new mandates continue to grow beyond the City's control. The City is driven to creative and innovative ways to balance the budget. The 2018 budget maintained all of the City's current services and programs without eliminating jobs, as well as creating new positions as part of the Public Safety Levy Lid lift.

During the year The City focus shifted when the Council declared a state of emergency relating to the crisis of homelessness discussed earlier in this transmittal message.

The City continues to work toward a sustainable future with a commitment to innovation, efficiency, community partnership and focus on core services while we move toward our vision of a vibrant urban core, a thriving business sector, and safe and connected neighborhoods.

General government functions are reported in the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds. These funds account for the majority of the City's operating revenues and expenditures. The 2018 budget and financial strategy also includes the 2018-2023 Capital Facilities Plan, which anticipates \$94.6 million in capital expenditures over the next six years. The main principle for both the operating and capital budgets is to maintain existing assets and develop core services.

The key emphasis on maintaining existing capital infrastructure preserves existing assets as an important step to hold down future costs. The Capital Improvement Program is developed during a separate budget process. Analysis of each capital project to determine its financial impact on operations, operating expenditures, and revenues is performed prior to project approval. Capital projects are funded by current revenues, bonds backed by taxes, state and federal grants, donations, and special assessments. The 2018-2023 Transportation Capital Budget was reduced by \$2.4 million in 2018 compared to 2017. This was a result of large grant-funded projects completed in 2017. General Capital Facilities capital expenditures remained the same and the Parks Capital projects increased minimally, by \$0.13 million.

2018-2023 Capital Budget by Project Category			
	2018	2019-2023	TOTAL
Parks	\$5,764,000	\$27,943,000	\$33,707,000
Transportation	7,281,766	46,209,061	53,490,826
General Capital Facilities	1,510,000	7,500,000	9,010,000
Total	\$14,555,766	\$81,652,061	\$96,207,826

The following table illustrates the revenues and expenditures from the various sources of the Governmental Funds, as well as increases or decreases from the previous year. In 2018, the City adjusted certain non-exchange revenue recognition based on GASB-33. The details of this adjustment are outlined in the Management Discussion and Analysis and also in Note 17.

The table below shows the changes in revenues and expenditures between 2017 to 2018.

Revenues and Other Operating Sources Governmental Funds	2017	2018	Variance Increase/(Decrease)	% Variance
Property Tax	\$18,708,063	\$21,825,585	\$3,117,522	16.7%
Sales and Use Tax	22,730,768	24,048,130	1,317,362	5.8%
Other Tax	25,982,775	25,408,981	(573,794)	-2.2%
Licenses and Permits	3,660,352	3,565,784	(94,568)	-2.6%
Intergovernmental	6,068,753	9,549,475	3,480,722	57.4%
Charges for Services	17,581,378	18,474,195	892,817	5.1%
Fines and Forfeits	838,342	851,045	12,703	1.5%
Transfers In	12,125,395	17,289,000	5,163,605	42.6%
Other Sources	9,193,709	8,685,411	(508,298)	-5.5%
Total	\$116,889,535	\$129,697,606	\$12,808,071	11.0%

Expenditures and Other Uses Governmental Funds	2017	2018	Variance Increase/(Decrease)	% Variance
General Government	\$27,148,516	\$27,022,180	\$(126,336)	-0.5%
Security of Persons and Property	37,079,378	39,095,438	2,016,060	5.4%
Transportation	4,005,139	4,135,756	130,617	3.3%
Economic Environment	6,106,882	7,216,330	1,109,448	18.2%
Mental and Physical Health	100,953	860,978	760,025	752.9%
Culture and Recreation	8,215,939	9,474,828	1,258,889	15.3%
Debt Service Principal and Interest	5,996,009	6,075,256	79,247	1.3%
Capital Outlays	10,241,964	15,693,909	5,451,945	53.2%
Transfers Out and Other Non-Operating Expense	10,822,761	17,116,421	6,293,660	58.2%
Total	\$109,717,613	\$126,692,658	\$16,975,045	15.5%

Areas of significant importance are:

- The 16.7% increase in property tax is due to the voted levy lid lift for Public Safety.
- The City Intergovernmental revenue increased dramatically due to increased grants for projects in the Capital Improvement Fund.
- Transfer In increased by 42.6% as a result of Parks land acquisition in the CIP fund with funding coming from the Voted Utility Tax Fund.

- Security of Persons and Property expenditures increased due to expenditures of funds provided by the Public Safety Levy Lid lift.
- The increase in Economic Environment is due to the first full year of the Downtown Ambassador and Clean Team programs.
- The increase in Mental and Physical Health expenditures relates to programs instituted to help the homeless population of Olympia.
- Culture and Recreation saw an increase in spending as a result of new Recreation programs and such as "Oly on Ice".
- Capital Outlay saw a large increase in expenditures due to projects in the Capital Improvement Fund. The majority of the projects were a result of land purchases and associated development by the Parks, Arts and Recreation Department.

Enterprise Operations

Olympia's enterprise operations are comprised of Drinking Water, Wastewater, Solid Waste, and Storm and Surface Water Utilities. The Drinking Water and Wastewater Utility have two major components: a water distribution system including potable and reclaimed water and a sewer collection system. Through an interlocal agreement, the Lacey-Olympia-Tumwater-Thurston County (LOTT) Wastewater Alliance handles sewage treatment and reclaimed water. The solid waste collection system operates only within the City of Olympia, and provides commercial and residential solid waste, yard waste, and recycling services. Waste is transported to a transfer station owned and operated by Thurston County. Recyclable material is transported to various private recyclers. The Storm and Surface Water Utility accounts for planning, maintenance, and education necessary for environmentally appropriate storm and surface water management capital programs.

Under state law, the utilities are self-supported through rates and charges, thus the reference to "enterprise" funds. The financial strategy established for the utility funds is to keep costs stable and avoid rate increase spikes. Consistent with this approach, revenues are raised in advance of debt issuance, a policy that is viewed favorably by bond rating agencies and investors.

The City adopts and annually updates a Utility Capital Facilities Plan. The six-year, \$56.6 million plan focuses on additional storage for treated water as well as transmission and distribution of water, enhanced treatment of wastewater, stormwater flood control, and overall increased capacity of each utility.

2018-2023 Capital Budget by Project Category			
	2018	2019-2023	TOTAL
Drinking Water	\$5,551,000	\$24,003,000	\$29,554,000
Wastewater	2,322,000	7,901,000	10,223,000
Stormwater	1,774,700	15,055,000	16,829,700
Total	\$9,647,700	\$46,959,000	\$56,606,700

The following tables summarize the total revenues, expenses and net income (loss) for each of the enterprise funds in 2018, as well as the variance increase or decreases from the previous year. The Drinking Water and Wastewater Utility's significant net income is the result of the above-mentioned policy of increased revenues ahead of debt issuance. Also mentioned above, and discussed further in the Capital Assets and Debt Administration section of the MD&A, the Drinking Water Utility uses low interest loans to invest in expansion of the Drinking Water Utility. The net loss in Storm and Surface Water Utility is the result of using the fund balance of the utility to smooth and maintain lower rates.

Along with other recycling utilities throughout the country, the Waste ReSources utility experienced substantial revenue reductions in the recycling program when China imposed restrictions on imports and followed with an outright ban. The loss of this recycling revenue is expected to continue for at least the next 18-36 months because of import restrictions placed by China and other nations. In the Waste ReSources utility, operational efficiency and waste prevention remain a high priority.

Summary Net Income (loss) for Enterprise Operations				
Utility	Total Revenues & Operating Transfers	Expenses/ Transfers Before Depreciation	Depreciation	Net Income (Loss)
Drinking Water and Wastewater	\$36,310,468	\$29,452,787	\$3,718,946	\$3,138,735
Waste Resources	12,417,127	11,993,583	38,560	384,984
Storm and Surface Water	5,965,030	5,222,307	780,127	(37,404)
Total	\$54,692,625	\$46,668,677	\$4,537,633	\$3,486,315

Comparison of Enterprise Revenues and Expenses 2017 – 2018				
Enterprise Operations	2017	2018	Variance Increase/ (Decrease)	% Variance
Revenues – Drinking Water & Wastewater	\$35,995,090	\$36,310,468	\$315,378	.9%
Expenses – Drinking Water & Wastewater	32,935,973	33,171,733	235,760	.7%
Revenues – Waste ReSources	11,852,573	12,417,127	564,554	4.8%
Expenses – Waste ReSources	11,407,284	12,032,143	624,859	5.5%
Revenues – Storm & Surface Water	6,102,374	5,965,030	(137,344)	-2.3%
Expenses – Storm & Surface Water	6,794,546	6,002,434	(792,112)	-11.7%

The City has implemented new revenue sources, yet remains committed to a practical, responsible, and strategic budget. Fiscal year 2018 represented another year with increased costs, including employee benefits, building maintenance, increased liability insurance, and election costs. The growing expenses continue to exceed revenue growth, therefore the City recognizes that redefining and reorganizing core services is not enough. Services are not being added or expanded that can't be sustained. To stay ahead of fiscal impacts and maintain a diversified and stable revenue stream, the City continually develops long-term financial plans and adjusts revenue strategies. As noted above, in 2019, the City will consider implementing a budget stabilization revenue with the goal of reducing impact on operations in the event of another recession.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Olympia for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017. To receive this award, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A certificate of achievement is valid for a period of one year only. We believe our current comprehensive annual financial report will meet the Certificate of Achievement Program requirements. Therefore, we are submitting it to the GFOA to determine our eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2018. To qualify, the City's budget document was judged proficient as a policy document, a financial plan, an operations guide, and a communications device. 2018 was the 34th consecutive year the City has received the award for budgeting. Olympia is the only city in Washington State to have received the award for 34 consecutive years.

Appreciation is extended to the entire City Council and City Manager for their encouragement, interest, and support in conducting the financial operations for the City in a sound and fiscally responsible manner. Preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the Fiscal Services staff of the Administrative Services Department, particularly Olivia Oudman, Bill Sampson and Jodi Hoebing who coordinated the preparation of the report.

I will be happy to respond to any questions or comments about the information contained in this report

Respectfully,



Debbie Sullivan

Administrative Services Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Olympia
Washington**

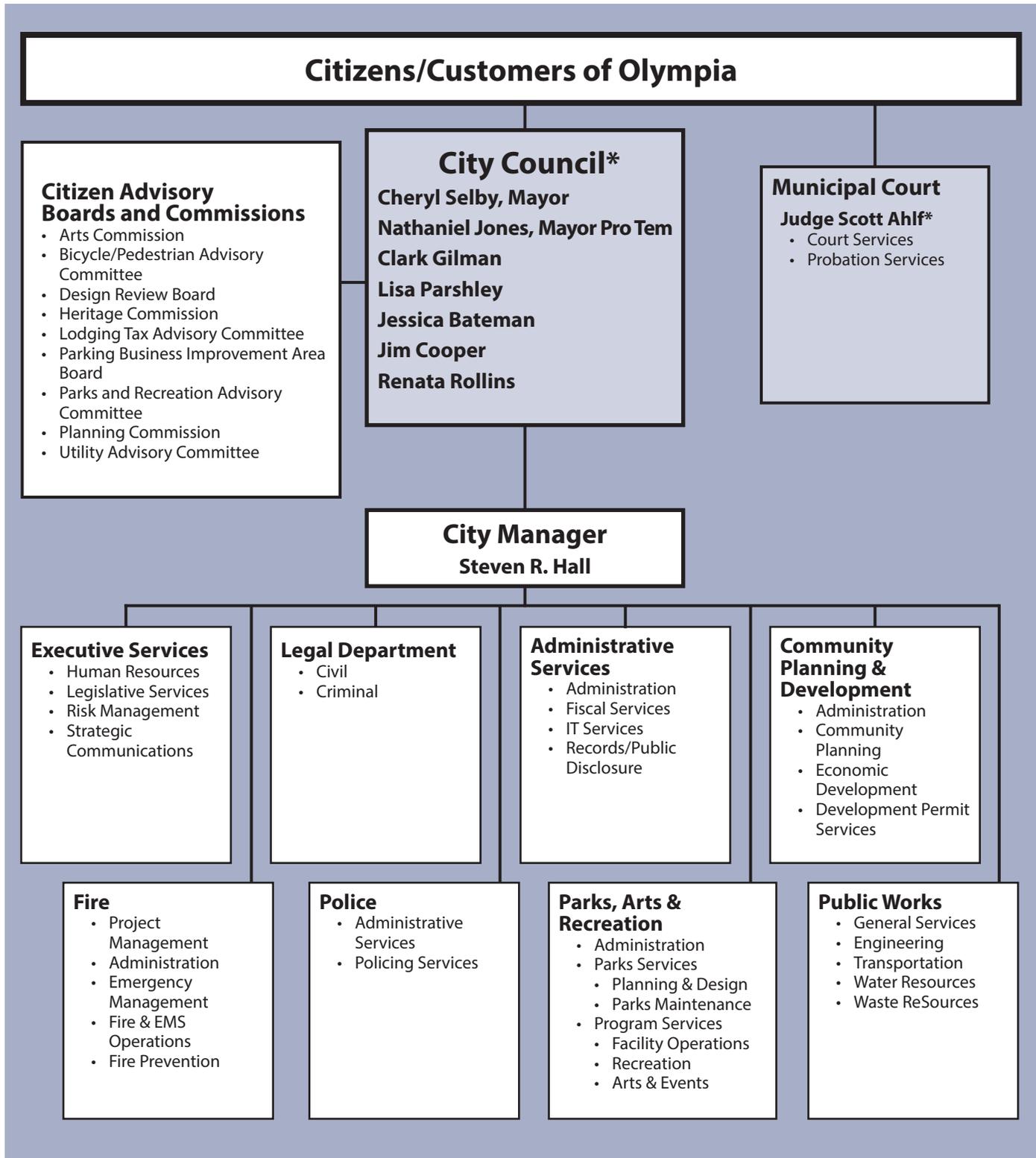
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

City of Olympia | 2018 Organizational Chart



*Separately Elected Officials

City of Olympia | 2018 Council Members



Cheryl Selby
Mayor



Nathaniel Jones
Mayer Pro Tem



Clark Gilman



Lisa Parshley



Jessica Bateman



Jim Cooper



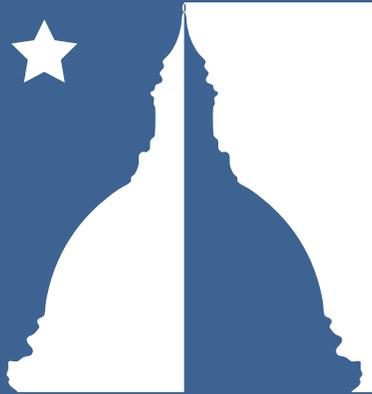
Renata Rollins

2018 ADMINISTRATION

Steven R. Hall	City Manager
Mark Barber	City Attorney
Debbie Sullivan	Administrative Services Director
Keith Stahley	Community Planning & Development Director
Larry Dibble	Fire Chief
Ronnie Roberts	Police Chief
Paul Simmons	Parks, Arts & Recreation Director
Rich Hoey	Public Works Director



**Comprehensive Annual
Financial Report**



OlympiaTM

Auditor Report





Office of the Washington State Auditor Pat McCarthy

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

June 27, 2019

Mayor and City Council
City of Olympia
Olympia, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Olympia, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness

of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Olympia, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 19 to the financial statements, in 2018, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Matters of Emphasis – Correction of Prior Year Misstatements

As discussed in Note 19 to the financial statements, the City's 2017 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements and other supplementary information are presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was conducted for the sole purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 27, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,



Pat McCarthy
State Auditor
Olympia, WA



**Comprehensive Annual
Financial Report**



OlympiaTM

**Financial
Section**



Management's Discussion and Analysis

This management's discussion and analysis (MD&A) is an overview of the financial activity of the City of Olympia for the year ended December 31, 2018. The MD&A is included in the scope of the financial audit by the State of Washington, State Auditor's Office. We encourage readers to consider this information in conjunction with additional information that we have furnished in the letter of transmittal, which is not included in the scope of the audit, and can be found at the beginning of this document.

Using this Report

This report presents the financial activity of the City as a whole (government-wide) in the Statement of Net Position and the Statement of Activities. These statements provide a roll-up of financial information with governmental and business type activities each reported in a single column. The report also provides Major Fund Financial Statements for significant funds and Combining Fund Financial Statements for minor funds, which provide more detail than the government-wide statements. More detailed statements are also provided for the business type activities. Budgetary information is provided for the General Fund. Fiduciary (trust and agency) activities are not included in the government-wide statement, but statements of net position for these activities are separately included in the report. The notes to the financial statements are an integral part of this report. Finally, there is supplemental information related to the financial activity of the City.

Financial Highlights

- The assets and deferred outflows of the City of Olympia exceeded liabilities and deferred inflows at the close of the most recent fiscal year by \$349.3 million (net position). Of this amount, \$23.6 million represents unrestricted net position; of which \$7.0 million is a deficit in unrestricted net position of the Governmental Activities and \$30.6 million is unrestricted net position of the Business Type Activities. The deficit in Governmental Activities is related to Pension and OPEB liabilities. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- At the close of the current fiscal year, the City of Olympia's governmental funds reported a combined fund balance of \$68.8 million, a \$17.3 million increase in comparison with the prior year. Approximately 23 percent of this amount (\$15.8 million) is available for spending at the government's discretion (unassigned fund balance). Approximately 29.8 percent of this amount (\$20.5 million) would require council action to re-allocate the resources (assigned and committed fund balance). The remaining 47.1 percent (\$32.4 million) is not available for discretionary spending (nonspendable and restricted fund balance).

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the City of Olympia's basic financial statements. The City's basic financial statements consist of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. The notes to the financial statements.

This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Financial Statements

Government-wide statements provide information on the financial status and activities of the City as a whole and are presented on an accrual basis of accounting, similar to private business accounting. The statements are presented for Governmental and Business-Type activities. Governmental activities include all operations of the City, except for the Business-Type activities which includes the operations of its utilities. Excluded from the government-wide statements are the Fiduciary Funds (Trust and Agency funds). Fiduciary Funds of the City include the Firemen's Pension Fund, Municipal Court Trust, and Law Enforcement Records Management Fund.

Government-wide statements are presented in two groups:

Governmental Activities – These activities are for general governmental services such as fire and police services, non-utility public works (such as street maintenance), criminal justice, community development and planning, parks, arts and recreation, and general government administration. These activities are primarily supported by taxes, licenses and permits, fines and forfeitures, and charges for general governmental services.

Business-Type Activities – These activities are mainly supported by charges to customers for services. The Business-Type activities of the City are: Water from sources owned by the City, Sewer collection (the City contracts with the LOTT Wastewater Alliance for sewage treatment), Solid Waste (garbage and recycling) collection, and Stormwater management.

Government-Wide Statements: Statement of Net Position and Statement of Activities

Statement of Net Position

This statement provides information on all of the City of Olympia's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of

whether the financial position of the City of Olympia is improving or deteriorating. The statement presents separately a roll-up of all Governmental activities and Business-Type activities. The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, known as net position, is one way to measure the financial status of the City.

Statement of Activities

This statement provides information on how the City of Olympia's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have to be segregated for specific activities or objectives. The City of Olympia, like other state and local governments, uses fund accounting to ensure compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in assessing the City's near-term financing requirements. Because the focus of the governmental funds is narrower than the government-wide financial statement, the City provides a reconciliation to facilitate the comparison of the Government-wide financial statements and the Fund financial statements.

The Basic Governmental Fund financial statements can be found right after the Government-wide financial statements.

Proprietary Funds

Proprietary Funds are reported under two categories, Enterprise Funds for business-type activities and Internal Service Funds for internal service activities. The City uses the enterprise funds to account for its Water, Sewer, Stormwater, and Solid Waste services. The Internal Service Funds are used to account for the City's Fleet Vehicle Operations, Unemployment Compensation, Risk Management (insurance fund), and Workers' Compensation Fund. The Internal Services Funds predominately benefit governmental rather than business-type functions; therefore they have been included within governmental activities in the government-wide financial statements.

The Basic Proprietary Fund financial statements can be found right after the Basic Governmental Fund statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties other than the City. Fiduciary funds are not reported in the government-wide financial statement because the resources of these funds are not available to support the City's own programs. The City maintains three different types of Fiduciary funds; Pension Trust Fund, Private-purpose Trust Fund, and Agency Funds. The Pension trust fund is used to report resources held in trust for retired firefighters hired prior to March 1970 and their beneficiaries covered by the Firemens' Pension Plan. The Agency fund reports resources held by the City in a custodial capacity for the Municipal Court and Law Enforcement Records Management System.

The Fiduciary Fund financial statements can be found right after the Basic Proprietary Fund statements.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the basic financial statements. The notes can be found right after the Basic Fiduciary Fund statements.

Other Information

Following the Notes to the Financial Statements, the City presents the required supplementary information (RSI). Within the RSI the City reports on its General Fund Budget, its proportionate share of the state sponsored pension plans, its contributions to the state sponsored pension plans, and its obligation to provide pension and other post-employment benefits (OPEB) for its Fire Pension and LEOFF 1 employees. The only OPEB obligation of the City is to the 65 qualifying police officers and firefighters hired prior to October 1, 1977. Additional financial information and data is provided in the combining statements, other supplementary information, and statistical information, which follow the RSI.

Government-wide Overall Financial Analysis Statement of Net Position.

As discussed earlier, net position over time may serve as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$349.3 million as of December 31, 2018. The following statement provides information on all assets and liabilities of the City.

Summary of Statement of Net Position (in million \$)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current Assets	\$80.6	\$76.1	\$37.9	\$32.0	\$118.5	\$108.1
Other Assets	22.0	17.3	1.3	1.3	23.3	18.6
Capital Assets	258.6	248.7	128.3	127.6	386.9	376.3
Total Assets	361.62	342.1	167.5	160.9	528.7	503.0
Deferred Outflows of Resources	4.2	3.8	0.8	0.8	5.0	4.6
Total Deferred Inflows of Resources	4.2	3.8	0.8	0.8	5.0	4.6
Current Liabilities	29.0	13.8	5.6	6.9	34.6	20.7
Unearned Revenue	2.5	7.1	0.0	0.0	2.5	7.1
Non-Current Liabilities	97.5	97.4	38.7	34.8	136.2	132.2
Total Liabilities	133.4	118.3	44.3	41.7	173.3	160.0
Deferred Inflows of Resources	9.5	5.6	1.5	1.0	11.0	6.6
Total Deferred Inflows of resources	9.5	5.6	1.5	1.0	11.0	6.6
Net Position						
Net Investment in Capital Assets	181.9	178.1	90.6	95.7	272.5	273.8
Restricted	51.9	40.9	1.3	1.3	53.2	42.2
Unrestricted	(7.0)	3.0	30.6	22.0	23.6	25.0
Total Net Position	\$226.8	\$222.0	\$122.5	\$119.0	\$349.3	\$341.0

The largest portion of the City's net position is its net investment of capital assets. This category makes up 78.0 percent of the City's total net position and though the City uses these capital assets to provide services to its citizens, these assets are not available for future spending.

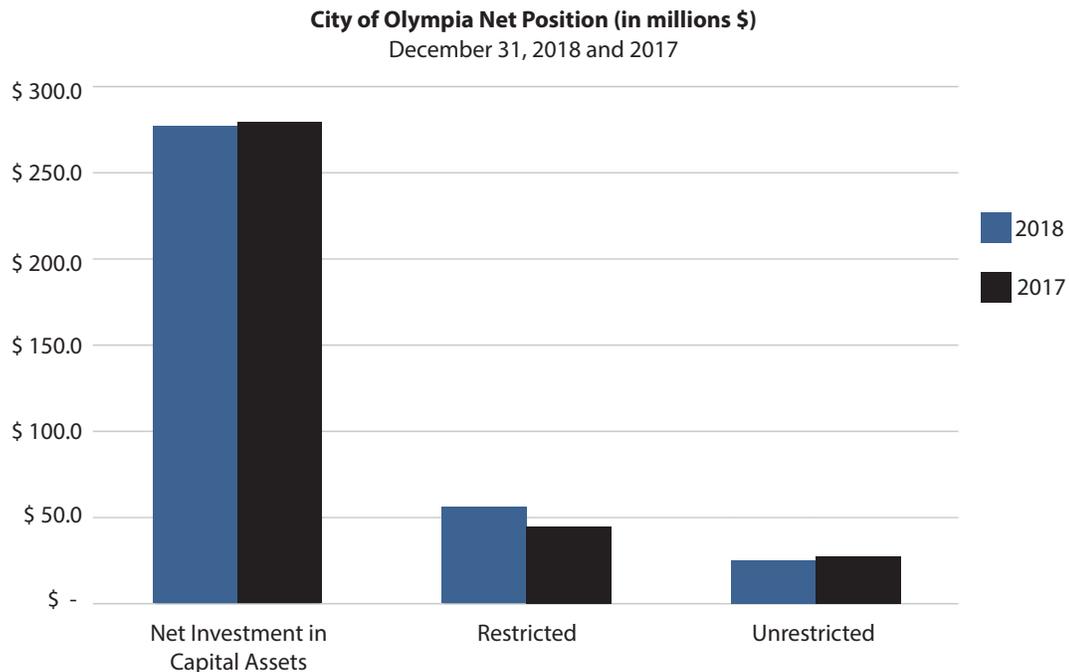
Restricted net position, makes up 15.2 percent of the total net position and represents the resources that are subject to external restrictions on how they may be used. These restrictions include debt covenants, laws (enabling legislation), grant requirements, or other legal or contractual reason which imposes a limit on the use of the assets which is outside the control of the City.

The remaining balance of \$23.6 million is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors. Although this amount is unrestricted, a significant portion has been reserved or set aside for various purposes.

Shown in the following chart are the funds and categories of net position. The restricted net position for the General Fund consists mostly of \$14.5 million in net pension assets (see note 7), the \$2.6 million in assets of the OPEB Fund, \$0.6 million in prepaid items and inventory and \$0.3 million in custodial accounts.

Allocation of Net Position (in million \$)			
	Investment in Capital Assets	Restricted	Unrestricted
General Fund	\$174.6	\$17.8	\$(18.4)
Special Revenue Funds			
HUD Program	-	4.4	-
Impact Fees and Mitigation Fees	-	9.4	-
Lodging Tax and Utility Tax	-	5.9	-
Home Fund	-	0.3	-
Parking and Transportation	-	8.1	-
Culture and Entertainment	-	3.4	-
Debt Service	-	0.2	-
Capital Projects			
General Capital Improvements	-	-	6.8
Home Fund Capital	-	-	(0.6)
Internal Services			
Equipment Rental	7.3	-	4.5
Risk Management	-	-	0.1
Unemployment, Workers' Compensation	-	2.4	0.6
Total Governmental Activities	181.9	51.9	(7.0)
Utility Operations			
Drinking Water and Wastewater	69.4	1.3	24.8
Waste Resources	0.3	-	1.9
Storm and Surface Water	21.0	-	3.9
Total Utility Operations	90.7	1.3	30.6

At the end 2018 Governmental Activities net position increased \$4.8 million and Business-Type Activities increased \$3.5 million. Overall net position of the City increased \$8.3 million from the prior fiscal year. The reasons for the changes are discussed in the following sections for governmental activities and business-type activities.



Governmental Activities

During the fiscal year, net position for governmental activities increased by \$4.8 million, to balance to \$226.8 million. Most of the increase in Net Position is due to a reclassification of the Long Term portion of HUD Loans Receivable to Restricted Fund Balance. During the fiscal year The City assets increased \$19.1 million from previous years. The majority of this increase was \$9.9 million in capital assets which is directly related to land purchases by the Parks and Recreation Department as well buildings purchased from Economic Development funding and the Home Fund. In 2018 current assets increased by \$5 million which is directly related to an increase in receivables from other governmental units as well as interfund loan receivables. The City issued three interfund loans in 2018 and had some large grant billings outstanding. The \$0.4 million increase in deferred outflow of resources and the \$3.9 million increase in deferred inflow are related to the changes in State Pension plans.

In 2018 there was an increase of \$15.2 million in current liabilities, of that \$10 million is due to a Bond Anticipation Note the Parks and Recreation Department currently has that is due in full in 2019. The City is refinancing this debt in 2019 to extend the BAN to later refinance into a long term debt. Another \$1.5 million is related to interfund loans, in the fiscal year. The City issued three interfund loans totaling \$1.5 million dollars. These loans were made to fund fire equipment, purchase of land by the Home Fund, and a loan to the HUD Fund. The remaining current liabilities are attributed to compensated absences and general accounts payable.

Business-Type Activities

During the fiscal year, net position for business-type activities increased by \$3.5 million, to a balance of \$122.5 million. While there was not a significant change in the Business-Type Activities net position, increases are seen in current assets and non-current liabilities. The \$5.9 million increase in current assets is from a \$4.6 million increase in cash and investments, with the remaining \$1.3 million as an increase in receivables due to the City. The increase in non-current liabilities is the result of notes and bond payments due. The \$0.5 million increase in deferred inflows of resources are related to the deferred inflows for pensions, which are related to the pension plans discussed in detail in Note 7. More information on these changes can be found in Note 7 Pension Plans and Note 9 Long Term Liabilities.

Statement of Activities

Changes in net position are also affected by revenues and expenses of the government. The following statement presents the operations of the City by function, program revenues supporting each function, and general revenues which support all functions by governmental and business-type activities.

Statement of Changes in Net Position (in million \$)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Service	\$24.5	\$23.9	\$52.8	\$52.4	\$77.3	\$76.3
Operating Grants and Contributions	6.4	5.3	0.3	0.2	6.7	5.5
Capital Grants and Contributions	3.5	1.2	0.4	0.3	3.9	1.5
General Revenues:						
Property Taxes	21.9	18.9	-	-	21.9	18.9
Utility and B&O Taxes	15.9	21.6	-	-	15.9	21.6
Sales and Other Taxes	24.5	27.5	-	-	24.5	27.5
Other General Revenues	5.5	4.2	1.2	1.0	6.7	5.2
Total Revenues	102.2	102.6	54.07	53.9	156.9	156.5
Program Expenses						
General Government	23.2	27.1	-	-	23.2	27.1
Public Safety	36.5	35.3	-	-	36.5	35.3
Transportation	9.2	13.0	-	-	9.2	13.0
Economic Environment	7.2	5.9	-	-	7.2	5.9
Mental and Physical Health	0.9	0.1	-	-	0.9	0.1
Culture & Recreation	15.9	10.6	-	-	15.9	10.6
Interest on Government Debt	3.2	3.4	-	-	3.2	3.4
Drinking Water and Wastewater	-	-	33.1	32.9	33.1	32.9
Waste Resources	-	-	12.0	11.4	12.0	11.4
Storm and Surface Water	-	-	5.9	6.7	5.9	6.7
Total Expenses	96.1	95.4	51.0	51.0	147.1	146.4
Excess(deficiency) before transfers	6.1	7.2	3.7	2.9	9.8	10.1
Transfers (net)	0.2	0.2	(0.2)	(0.2)	-	-
Increase(decrease) in Net Position	6.3	7.4	3.5	2.7	9.8	10.1
Net Position - beginning	222.0	216.9	118.9	116.3	341.0	333.2
Prior Period Adjustment	4.4	(2.3)	-	-	4.4	(2.3)
GASB 33 Adjustment	9.9	-	-	-	9.9	-
GASB 75 Adjustment	(15.8)	-	-	-	(15.8)	-
Net Position - ending	\$226.8	\$222.0	\$122.5	\$119.0	\$349.3	\$341.0

Governmental Activities

During the fiscal year, net position for governmental activities increased by \$4.5 million, to a balance of \$226.5 million. The significant portion of this change is due to a reclassification of the Long Term Portion of HUD Loans Receivable from Unearned Revenue to Restricted Fund Balance. In 2018, program expenses increased by \$0.7 million from 2017. The increase can be attributed to an increase in our operating and capital grants received.

In 2018 the City reevaluated GASB 33. The City now accrues certain taxes and other revenues that are received 60 days after the close of the year. The implementation of GASB 33 created a prior period adjustment on the Statement of Changes in Net position of \$9.9 million as well as a change in revenues.

In 2018 GASB 45 was superseded by GASB 75 relating to OPEB. This new statement changed the way the City accounts for its OPEB liability and expense, requiring the City to recognize the entire expense and liability in the fiscal reporting year. To implement, the City had to remove GASB 45 liability increasing Fund Balance by \$11.6 million and implement the GASB 75 which decreased fund balance by \$27.4 million. The change in accounting methods increased the City overall OPEB Liability. This net adjustment of \$15.8 million to fund balance is a one-time adjustment for implementation only. To learn more about this GASB 75 OPEB see note 17.

In 2018 a voted increase of 0.1 percent to sales tax was approved to fund housing related activities. The City began collecting these funds in September 2018. This increase brought the City's sales tax rate to 8.9 percent. The City created two new funds to manage this new revenue source, the Home Fund Operating Fund and the Home Fund Capital Fund. In 2018 there was an increase in expense of \$1.3 million in economic environment, which was directly related to the tax increase.

During the fiscal year Public Safety saw an increase in expenses of \$1.1 million, this is related to the passage of the Public Safety Lid Lift which provided \$2.8 million to move forward with vital community programs and services in 2018. This level supported Community Court, expanded Downtown Walking Patrol, a new Code Enforcement Officer, a Mental Health Crisis Response Team, Police Neighborhood Liaisons, and enhanced training for our Police Department.

Culture and Recreation saw a large increase in spending from 2017 to 2018, this is attributed to the increase in land purchases made by the Parks Department. In 2017 The City began collecting OMPD funds which were utilized in 2018 along with other sources to acquire some large acquisitions for this department, of them the biggest was The Zahn Property a \$10.7 million dollar piece of land the City bought to build a play fields and parks on.

Transportation had a \$3.8 million dollar decrease in expense in 2018 compared to 2017, this is a combination of a few large projects finishing in 2017 that were grant funded as well as Transportation saving money for future multi-modal transportation projects scheduled to take place in 2020 and 2021 downtown.

The graph to the right shows regular sales tax collections for the past 10 years, excluding the voter approved sales tax for public safety and criminal justice. The 2018 General Fund sales tax collections increased approximately \$16,000 over 2017 sales tax collections. The sales tax reported in 2018 includes the effect of the GASB 33 adjustment referenced above. In 2018 the voters increased sales tax rates 0.1 percent to 8.9 percent to create the Home Fund.

Business-Type Activities

Charges for services are the main source of revenue for the business-type activities of the City, as required by state law. Charges for service revenues were up \$0.4 million, primarily due to rate increases.

The 2018 rate increases were as follows:

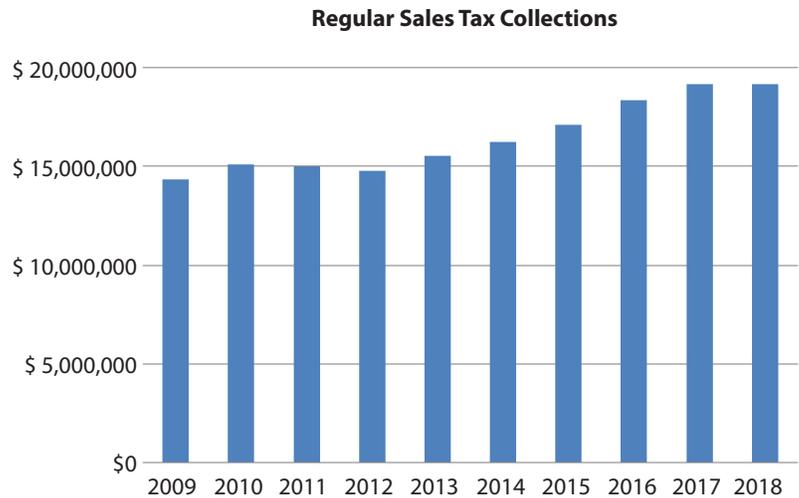
- Drinking Water rates increased to provide an overall revenue increase of 4.4 percent
- Wastewater LOTT sewage treatment rates increased 2 percent
- Wastewater collection system revenue increase of 2 percent
- Stormwater revenue increase of 4 percent
- Solid Waste rates increased by 6 percent for residential and 5 percent for commercial

The City of Olympia Utility Advisory Committee reviews rates and increases and makes recommendations to the City Council. Utility rates are designed to smooth out rate impacts over several years, and take into account long-term planning of the utilities to ensure that the City can meet the needs of users today and in the future.

The utilities have been able to maintain their operating reserves. Water consumption based revenue for the Drinking Water and Waste Water (commercial charges based on water consumption) utilities had declined in past years due to effective water conservation efforts and updated technology that more accurately records water usage. The water related utilities (Drinking, Sewer, and Storm) continue to allocate resources from current operations to capital projects.

Financial Analysis of Governmental Funds

As noted earlier, the City of Olympia uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Governmental Funds provide information on near-term inflow, outflows, and balances of spendable resources. These reports use a different “basis of accounting” than that used in government-wide statements. The information in the governmental fund statements can be used to evaluate the City’s near-term financing requirements and immediate fiscal health. The use of fund balance reporting provides information that is useful in assessing the City’s current financial condition. Categories of fund balance serve as a useful measure of available fund balance, particularly unassigned fund balance in governmental funds and unrestricted net position in business-type funds, which are resources available for discretionary use. Comparing fund statements to the government- wide statements can help the reader better understand the long-term impact of the City’s current year financing decisions. To assist in this comparison, reconciliations between the governmental funds statements and the government-wide financial statements are included; following the Balance Sheet – Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds statements.



The City of Olympia maintains multiple individual governmental funds. The City reports eight major governmental funds on the governmental fund statements mentioned above. The remaining governmental funds are combined on these statements into a single column labeled "other governmental" funds. Individual fund data for each of the other governmental funds can be found in the combining statements section of this report.

Governmental Funds

At December 31, 2018, the City of Olympia's governmental funds reported a combined fund balance of \$68.8 million, an increase of \$17.3 million in comparison with 2017. Approximately 24 percent of this amount, \$16.5 million, is unassigned fund balance. The remainder of fund balance is either nonspendable, restricted, committed, or assigned to indicate that the resources are:

- 1.) Not in a spendable form or legally required to be maintained intact,
- 2.) Restricted by external sources for particular purposes,
- 3.) Committed for particular purposes, or
- 4.) Assigned for particular purposes.

The chart below shows the allocation of fund balance for governmental funds, for the years ended December 31, 2018 and 2017. For more detailed information about fund balance, see the Fund Balance Details section of Note 1.E.

Statement of Governmental Fund Balance (in million \$)			
	2018	2017	Difference
General Fund			
Nonspendable	\$0.4	\$0.2	\$0.2
Restricted	0.3	0.2	0.1
Committed	9.1	9.0	0.1
Assigned	3.9	2.9	1.0
Unassigned	16.5	8.8	7.7
Total General Fund	\$30.2	\$21.1	\$9.1
All Other Governmental Funds			
Restricted	\$31.7	\$25.9	\$5.8
Committed	-	0.2	(0.2)
Assigned	7.6	4.3	3.1
Unassigned	(0.7)	-	(0.7)
Total All Other Governmental Funds	\$38.6	\$30.4	\$8.2
Total Governmental Fund Balance	\$68.8	\$51.5	\$17.3

The General Fund is the main operating fund of the City of Olympia. The General Fund holds up to 100 percent of the unassigned fund balance. In 2018 the General Fund's, unassigned fund balance increased \$9.1 million due to the GASB 33 adjustment addressed above as well as continuing appropriations.

All other governmental funds include special revenue funds, debt service funds, and capital project funds. Their combined fund balance increased in 2018 by \$8.2 million. The majority of this increase can be found in restricted and assigned fund balance, a result of collections of restricted voted sales tax, an increase due to a reclassification of Long Term HUD Loans Receivable to fund balance as well as an increase in our Net Pension Asset. The remaining major governmental funds, Impact Fee Fund, Lodging Tax Fund, and Capital Improvement Fund did not experience significant changes in fund balance from 2017 to 2018.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail by disclosing information related to the individual utilities. Information regarding the individual internal service funds can be found in the combining statements section of this report. The following chart shows the allocation of net position for the proprietary funds, for the years ended December 31, 2018 and 2017.

Statement of Proprietary Fund Net Position (in million \$)								
	Business-Type Activities Enterprise Funds						Governmental Activities Internal Service Funds	
	Drinking Water / Wastewater Utility		Waste Resources Utility		Storm and Surface Water Utility		2018	2017
	2018	2017	2018	2017	2018	2017		
NET POSITION								
Net Investment In Capital Assets	\$69.3	\$73.8	\$0.3	\$0.3	\$21.0	\$21.6	\$7.3	\$7.2
Restricted For:								
Bond Reserve Fund	1.3	1.3	-	-	-	-	-	-
Workers Comp Reserve	-	-	-	-	-	-	2.4	2.4
Unrestricted (Deficit)	24.8	17.2	1.9	1.5	3.9	3.3	5.2	4.5
Total Net Position	\$95.4	\$92.3	\$2.2	\$1.8	\$24.9	\$24.9	\$14.9	\$14.1

The 2018 total net position of the business type activities (the utility funds) increased by \$3.5 million from the prior year. The utilities continue their efforts to implement their capital plan, which is focused on water storage and planning for future system capacity.

Capital Assets and Debt Administration

The City of Olympia is committed to investing in the existing infrastructure and capital assets of both the governmental and proprietary funds. As of December 31, 2018, the City's investment in capital assets, including work in progress, for its governmental and business type activities amounts to \$386.9 million (net of accumulated depreciations).

Capital Assets at Year End, Net of Depreciation (in million \$)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land	73.1	60.6	4.7	4.7	77.8	65.3
Building	71.6	72.9	3.0	2.9	74.6	75.8
Improvements other than buildings	21.3	22.2	102.6	105.9	123.9	128.1
Equipment	11.8	11.8	1.1	1.2	12.9	13.0
Infrastructure	72.8	77.9	-	-	72.8	77.9
Intangible Assets	-	-	2.8	2.9	2.8	2.9
Work in Process	8.0	3.3	14.1	10.0	22.1	13.3
Total	\$258.6	\$248.7	\$128.3	\$127.6	\$386.9	\$376.3

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

- Purchase for Economic Development and Housing Related Activities: 112 4th Avenue \$0.95 million, 2828 Martin Way \$1.35 million, 911 Adams Street \$0.3 million,
- Acquisition of the following park lands: Yelm Highway Property \$10.7 million, Lilly Rd Parcel \$0.4 million, Karen Fraser Woodland Trail \$0.3 million
- Completion of Bike Corridor Permanent Improvement Project \$0.5 million
- The City added work in process of the following Water Utility Project: AC Pipe Replacement Boulevard Roundabout \$0.35 million

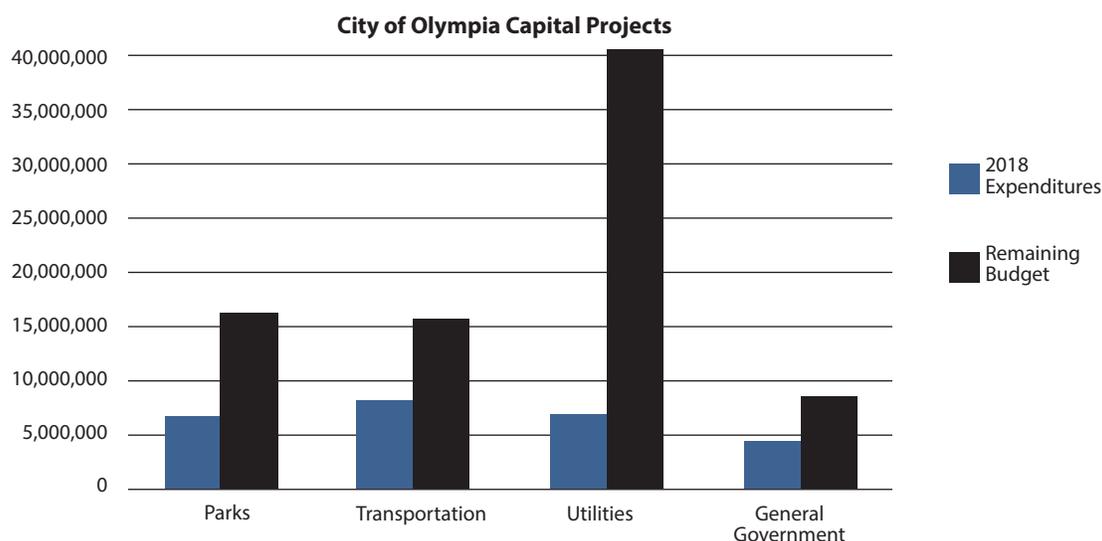
Capital Assets are affected by various additions and deletions, and by depreciation. Additions are from the purchase and/or construction of capital assets, current year work in process expenses, or from donations to the City. Deletions are from the sale or loss (accident or damage) of a capital asset. The following schedule shows a summary of the City's additions and deletions of capital assets, net of work in process capital assets put into service:

Summary of Capital Asset Additions and Deletions (in million \$)			
	Governmental Activities	Business-Type Activities	Total Primary Government
Beginning Balance (Net)	\$248.7	\$127.6	\$376.3
Additions	21.6	5.2	26.8
Deletions	(1.8)	0.0	(1.8)
Depreciation (Net)	(9.8)	(4.5)	(14.3)
Ending Balance (Net)	<u>\$258.7</u>	<u>\$128.3</u>	<u>\$387.0</u>

Capital Asset Activities

The City continues to place major emphasis on preserving and maintaining the existing buildings, parks, streets, and utility infrastructure. During 2018, the City expended approximately \$25.7 million from its capital project related funds, and at the end of 2018 the City had approximately \$81.2 million of approved budget for the continuation of projects.

The following graph shows the allocation of capital expenditures and the remaining approved budgets.



The utilities remaining budget represents the City's response to the need for increased storage capacity and distribution of water for the Drinking Water utility, transmission and collection work for the Waste Water utility, and flood mitigation and storm water collections work for the Storm and Surface Water utility.

Please refer to Note 6 in the Notes to the Financial Statements for more information regarding the capital assets of the City.

Long-Term Debt

The City had \$113.7 million of long-term debt outstanding at December 31, 2018, a \$4.6 million increase in Governmental Activities and a \$5.7 million increase in Business Type Activities when compared to the outstanding amounts at December 31, 2017.

City of Olympia Outstanding Debt (in million \$)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$55.8	\$57.8	\$-	\$-	\$55.8	\$57.8
Enterprise Revenue Bonds	-	-	13.6	15.1	13.6	15.1
WA State Trust Fund Loans	1.2	1.8	0.9	1.0	2.1	\$2.8
Other Loans	18.7	11.5	23.5	16.2	42.2	27.7
Total Long-Term Debt	\$75.7	\$71.1	\$38.0	\$32.3	\$113.7	\$103.4

The City's Governmental Activities increased debt in 2018 in the form of draws on the 2016 BAN in the amount of \$1.2 million to purchase Park land. In addition to the BAN, the City issued three interfund loans. The first loan is \$1.35 million to purchase a building for housing improvements, \$85,000 for the Fire Departments fleet, and \$100,000 to the HUD fund. In 2018 the Business Type Activities drew against previously authorized long term debt in the form of the Drinking Water State Revolving Fund Loan (DWSRF) for the Fones Road Booster Pump Stations, McAllister Wellfield Corrosion Control Facility, and SW Olympia Reservoir projects. The authorized \$1.9 million Fones Road Booster Pump Stations DWSRF loan is a low interest loan and at December 31, 2018, total draws amounted to \$0.9 million. The authorized \$4.1 million McAllister Wellfield Corrosion Control Facility DWSRF loan is a low interest loan and at December 31, 2018, total draws amounted to \$1.9 million. The authorized \$12 million Reservoir DWSRF loan is a low interest loan and at December 31, 2018, total draws amounted to \$5.8 million. In 2017 the Washington State Legislature did not pass the capital budget resulting in the suspension of all DWSRF loan draw requests. In January 2018 the capital budget was passed allowing the City to submit the suspended 2017 expenses in the form of loan draw requests. The long term debt in 2018 reflects the \$5.3 million draw total for the 2017 delay of loan draws. Looking forward in 2019 the City \$10 million dollar BAN is due, this is reflected as a current liability drastically increasing our liabilities. The City is issuing debt to cover this short-term loan with a long-term debt issuance, that will roll the BAN into more permanent debt.

The latest bond rating for City of Olympia general obligation bonds was Aa2 from Moody's and AA from Standard & Poor's. The City of Olympia insured bond issues prior to 2009 and therefore those issues have the credit rating of the underlying insurance company.

The chart below shows the credit ratings of both our bond insured issues and ratings for the uninsured bonds issued after 2009.

Bond	Insured By	Moody's Rating	S&P Rating
2007 Water/Sewer	FSA	A1	AAA
2009 City Hall LTGO	N/A	Aa2	AA
2009 City Hall BABS	N/A	Aa2	AA
2009 Fire Station LTGO	N/A	Aa3	AA
2010 Streets Projects LTGO	N/A	Aa2	AA
2010B HOCCM LTGO	N/A	Aa2	AA
2013 WA Center, LED, and Parks LTGO	N/A	Aa2	AA
2013 Water/Sewer	N/A	Aa3	AA

Please refer to Note 9 in the Notes to the Financial Statements for more information regarding the City's long term debt and leases.

General Fund Original Budget Compared to Final Budget

During the year the General Fund budget increased by \$11.9 million, including transfers out. Major increases were:

Continuing Appropriations from 2016.....	\$ 9,000,000
Operation increases related to business needs, and personnel costs.....	\$ 2,900,000

General Fund Final Budget Compared to Actual Results

The General Fund budget, excluding transfer in and transfer out budgets, varied from actuals as follows: revenue actuals were \$44,719 under the final revenue budget of \$82.5 million and expenditure actuals were \$10.8 million less than the expenditure budget of \$94.7 million. Significant budgetary variances between the final amended budget and actual results included the \$9 million of continuing appropriations discussed above.

General Fund remaining budget that is not continued into the next year lapses at year end. Therefore the remaining expenditure budget of approximately \$0.73 million lapsed at December 31, 2018.

Look Forward to 2019 and Beyond

The 2019 General Fund regular operations budget of \$81.85 million is comprised of the basic municipal services and had a growth of four percent from the original 2018 budget.

Effective April 1, 2019 sales and use tax within Thurston County Public Transportation Benefit area (PTBA) increased 4/10th of 1 percent (.04). The tax collection will be used for transportation. This increased City of Olympia total tax rate to 9.3 percent.

The City's utilities, as required by state law, are fully funded through rates and charges for utility services. The 2019 budget includes rate increases to ensure stable revenues while maintaining existing service levels. In a few years, the Waste Resources (solid waste) utility will require a new facility. Funding of the new facility will require substantial rate increases, as much as 20 percent. The City Council authorized a rate increase in 2018 of 4 percent for this purpose. The City established a new Waste ReSources Capital fund in 2019 to account for the funds collected for the future facility.

Utility rate increases for 2019 will be as follows:

- Storm Water saw an increase of 5.1% for 2019
- Waste Resources Residential rates increased 5.5%

The City will continue to invest in capital improvements. The 2019 Capital Improvement Plan (CIP) includes \$6.09 million for parks projects, \$5.2 million for transportation projects, and an investment of \$1.5 million in building repairs and major maintenance. The CIP added \$8.16 million for utility related projects, some of which will be debt financed.

With the economy beginning to slow down, sales tax rate revenues have stabilized. The City private utility taxes on Electric and Gas have flattened out while Telephone and Cable tax is declining. The City is taking measures to prepare for a budget deficit in the coming years. The City Council's Finance Committee passed a budget stabilization reserve to complement our current General Fund Reserve. The purpose of this new reserve is to sustain service levels during an economic downturn.

Additional Information

This report is prepared by the Fiscal Services Division of the Administrative Services Department. It is intended to provide a general overview of the finances of the City. The Fiscal Services Division can be contacted in writing to: City of Olympia, PO Box 1967, Olympia, WA 98507 or by email to: adminservices@ci.olympia.wa.us.



**Statement of Net Position
December 31, 2018**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash And Cash Equivalents	\$13,346,522	\$6,404,563	\$19,751,085
Investments	49,427,836	23,525,900	72,953,736
Receivables			
Taxes	10,042,473	-	10,042,473
Customer Accounts	1,446,461	7,227,803	8,674,264
Accrued Interest and Penalty	178,207	98,452	276,659
Special Assessments	6,393	-	6,393
Notes/Contract/Loans Receivable	220,503	-	220,503
Other Receivables	839,587	176,206	1,015,793
Other Governmental Units	2,861,142	368,188	3,229,330
Interfund Loan Receivable	1,535,735	-	1,535,735
Inventories	414,290	137,044	551,334
Other Current Assets	233,712	1,650	235,362
Total Current Assets	80,552,861	37,939,806	118,492,667
Non-Current Assets:			
Restricted Cash And Cash Equivalents	197,152	1,260,900	1,458,052
Notes/Contract/Loans Receivable	6,517,850	-	6,517,850
Investment In Joint Venture	807,636	-	807,636
Net Pension Asset	14,473,921	-	14,473,921
Capital Assets			
Capital Assets Not Being Depreciated	81,167,190	18,762,701	99,929,891
Depreciable Assets, Net	177,417,323	109,528,460	286,945,783
Total Non-Current Assets	280,581,072	129,552,061	410,133,133
Total Assets	361,133,933	167,491,867	528,625,800
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow - Related to Pensions	4,204,381	800,449	5,004,830
Total Deferred Outflows Of Resources	4,204,381	800,449	5,004,830
LIABILITIES			
Current Liabilities			
Accounts Payable	1,021,455	210,129	1,231,584
Contracts Retainage Payable	116,553	426,420	542,973
Interest Payable	168,498	177,676	346,174
Due To Other Governmental Units	45,926	28,762	74,688
Interfund Loan Payable	1,535,735	-	1,535,735
Custodial Accounts	248,453	28,686	277,139
Wages Payable	2,565,415	418,706	2,984,121
Other Current Liabilities	1,088,728	244,646	1,333,374
Unearned Revenue	2,500,322	-	2,500,322
Compensated Absences (Current Portion)	4,013,741	1,029,672	5,043,413
Notes And Bonds Due Within One Year	18,199,942	3,017,896	21,217,838
Total Current Liabilities	31,504,768	5,582,593	37,087,361
Non-Current Liabilities			
Net Pension Liability	13,307,168	3,724,817	17,031,985
Total OPEB Obligation	25,656,297	-	25,656,297
Compensated Absences	1,054,331	9,797	1,064,128
Notes And Bonds Due In More Than One Year	57,487,318	34,988,918	92,476,236
Total Non-Current Liabilities	97,505,114	38,723,532	136,228,646
Total Liabilities	129,009,882	44,306,125	173,316,007
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow - Related to Pensions	9,531,486	1,511,403	11,042,889
Total Deferred Inflows Of Resources	9,531,486	1,511,403	11,042,889
NET POSITION			
Net Investment in Capital Assets	181,912,408	90,616,220	272,528,628
Restricted For:			
Bond Reserve Fund	-	1,260,900	1,260,900
Debt Services	73,182	-	73,182
Hands On Children's Museum	528,637	-	528,637
Housing and Homeless Programs	347,916	-	347,916
HUD	4,393,281	-	4,393,281
Impact Fees	8,002,566	-	8,002,566
LID Reserve Fund	80,435	-	80,435
Lodging Tax	1,366,150	-	1,366,150
Other Post Employment Benefits	2,620,447	-	2,620,447
Net Pension Asset	14,473,921	-	14,473,921
Transportation, Parking, And Parks	15,425,898	-	15,425,898
Washington Center	85,179	-	85,179
Workers Comp Reserve	2,436,913	-	2,436,913
Other Purposes	2,087,927	-	2,087,927
Unrestricted (deficit)	(7,037,914)	30,597,668	23,559,754
Total Net Position	\$226,796,946	\$122,474,788	\$349,271,734

The accompanying notes are an integral part of this statement

Statement of Activities
For the Fiscal Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$23,159,642	\$16,745,054	\$3,202,701	\$ -	\$(3,211,887)	\$-	\$(3,211,887)
Public Safety	36,437,660	5,412,602	700,856	-	(30,324,202)	-	(30,324,202)
Physical Environment	1,562	-	-	-	(1,562)	-	(1,562)
Transportation	9,204,132	447,076	1,735,371	1,663,779	(5,357,906)	-	(5,357,906)
Economic Environment	7,216,049	189,690	633,059	-	(6,393,300)	-	(6,393,300)
Mental And Physical Health	931,071	-	-	-	(931,071)	-	(931,071)
Culture And Recreation	15,928,421	1,671,674	107,396	1,830,819	(12,318,532)	-	(12,318,532)
Interest On Long Term Debt	3,198,950	-	-	-	(3,198,950)	-	(3,198,950)
Total Governmental Activities	96,077,487	24,466,096	6,379,383	3,494,598	(61,737,410)	-	(61,737,410)
BUSINESS-TYPE ACTIVITIES							
Drinking Water & Wastewater	33,141,022	35,177,529	20,913	412,946	-	2,470,366	2,470,366
Waste Resources	12,018,629	12,025,280	-	-	-	6,651	6,651
Storm & Surface Water	5,874,079	5,559,995	305,543	25,450	-	16,909	16,909
Total Business-Type Activities	51,033,730	52,762,804	326,456	438,396	-	2,493,926	2,493,926
Total Government	\$147,111,217	\$77,228,900	\$6,705,839	\$3,932,994	\$(61,737,410)	\$2,493,926	\$(59,243,484)

	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Taxes			
Property Taxes, Levied For General Purposes	\$18,455,003	\$-	\$18,455,003
Property Taxes, Levied For Debt Service	3,467,108	-	3,467,108
Gross Receipt Taxes	15,884,726	-	15,884,726
Sales Taxes	20,340,013	-	20,340,013
Excise Taxes	4,188,679	-	4,188,679
Investment Earnings	1,057,421	538,806	1,596,227
Other	4,418,988	626,163	5,045,151
Transfers	172,580	(172,580)	-
Total General Revenues and Transfers	67,984,518	992,389	68,976,907
Change In Net Position	6,247,108	3,486,315	9,733,423
Net Position – Beginning	222,000,758	118,988,473	340,989,231
Prior Period Adjustment - GASB 33 Adjustment (see Note 19)	9,924,465	-	9,924,465
Prior Period Adjustment - Elimination of HUD Loans as Unearned Revenue	4,401,462	-	4,401,462
Cumulative Effect of Change in Accounting Principle	(15,776,847)	-	(15,776,847)
Net Position – Ending	\$226,796,946	\$122,474,788	\$349,271,734

The accompanying notes are an integral part of this statement

**Balance Sheet - Governmental Funds
December 31, 2018**

	General	H.U.D	Impact Fees	Lodging Tax	Home Fund	Parks & Recreation Utility Tax	Capital Improvement	Home Fund CIP	Other Governmental	Total Governmental Funds
ASSETS										
Cash And Cash Equivalents	\$5,263,655	\$35,739	\$1,696,744	\$250,489	\$43,545	\$792,793	\$1,202,867	\$97,299	\$2,601,397	\$11,984,528
Investments	18,527,766	-	6,330,084	986,037	173,512	3,080,750	4,230,330	394,718	\$9,819,764	43,542,961
Receivables										
Taxes	8,320,074	-	-	126,674	140,599	656,438	453,397	261,112	84,180	10,042,473
Customer Accounts	1,446,461	-	-	-	-	-	-	-	-	1,446,461
Accrued Interest & Penalty	54,516	229	26,321	2,950	105	11,508	14,656	205	46,307	156,797
Special Assessments	-	-	-	-	-	-	-	-	6,393	6,393
Notes/Contract/Loans Receivable	79,741	140,762	-	-	-	-	-	-	-	220,503
Other Receivables	562,200	-	-	-	-	-	155,591	-	119,013	836,804
Interfund Loan Receivable	185,000	-	-	-	-	-	-	-	450,735	635,735
Other Governmental Units	945,932	69,810	-	-	-	-	1,736,991	-	98,158	2,850,891
Prepayments	141,277	-	-	-	-	-	-	-	-	141,277
Inventory	223,059	-	-	-	-	-	-	-	-	223,059
Notes/Contract/Loans Receivable	2,116,388	4,401,462	-	-	-	-	-	-	-	6,517,850
Total Assets	37,866,069	4,648,002	8,053,149	1,366,150	357,761	4,541,489	7,793,832	753,333	13,225,947	78,605,732
LIABILITIES										
Accounts Payable	790,700	13,959	50,497	-	2,816	-	146,267	-	254	1,004,493
Wages Payable	2,501,309	-	-	-	7,029	-	29,956	-	-	2,538,294
Contracts Retainage Payable	15,100	-	-	-	-	-	101,453	-	-	116,553
Custodial Accounts	248,453	-	-	-	-	-	-	-	-	248,453
Other Current Liabilities	324,867	-	86	-	-	-	-	-	-	324,953
Interfund Loan Payable	-	100,000	-	-	-	-	-	1,350,735	85,000	1,535,735
Unearned Revenue	2,259,154	140,762	-	-	-	-	-	-	100,406	2,500,322
Total Liabilities	6,139,583	254,721	50,583	-	9,845	-	277,676	1,350,735	185,660	8,268,803
DEFERRED INFLOWS OF RESOURCES										
Unavailable Revenue - Court Receivables	1,251,305	-	-	-	-	-	-	-	-	1,251,305
Unavailable Revenue - Property Taxes	234,624	-	-	-	-	-	-	-	59,641	294,265
Total Deferred Inflows Of Resources	1,485,929	-	-	-	-	-	-	-	59,641	1,545,570
FUND BALANCE										
Nonspendable	364,335	-	-	-	-	-	-	-	-	364,335
Restricted	333,631	4,393,281	8,002,566	1,366,150	347,916	4,541,489	-	-	13,041,808	32,026,841
Committed	9,147,713	-	-	-	-	-	-	-	15,335	9,163,048
Assigned	2,521,995	-	-	-	-	-	7,516,156	-	-	10,038,151
Unassigned	17,872,883	-	-	-	-	-	-	(597,402)	(76,497)	15,846,524
Total Fund Balance	30,240,557	4,393,281	8,002,566	1,366,150	347,916	4,541,489	7,516,156	(597,402)	12,980,646	68,791,359
Total Liabilities, and Fund Balance	\$37,866,069	\$4,648,002	\$8,053,149	\$1,366,150	\$357,761	\$4,541,489	\$7,793,832	\$753,333	\$13,225,947	\$78,605,732

The accompanying notes are an integral part of this statement

**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2018**

Fund Balances - Total Governmental Funds	\$68,791,359
Capital assets not reported in the governmental funds	251,258,757
Investment in Joint Venture not reported in the governmental funds	807,636
Assets and liabilities of Internal Service funds not reported in governmental funds	14,925,385
Accrued Interest on GO Debt not reported in governmental funds	(168,498)
Fair Value Adjustment not reported in the governmental funds	(150,408)
Long term assets not available to pay current period expenditures and therefore are deferred in the governmental funds.	
Deferred Inflows of Resources:	
Local court revenue receivable	1,251,305
Property tax receivable	294,265
Long term debt not reported in governmental funds	
Bonds and Notes	(55,730,689)
Loans and BANS	(18,715,670)
Public Works Trust Fund Loans	(1,240,902)
Compensated Absences	(5,028,452)
Net Pension Liability and Asset, including deferred items	(3,840,845)
Net OPEB Liability	(25,656,297)
Net Position of Governmental Activities	\$ 226,796,946

The accompanying notes are an integral part of this statement

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2018**

	General	H.U.D	Impact Fees	Lodging Tax	Home Fund	Parks & Recreation Utility Tax	Capital Improvement	Home Fund CIP	Other Governmental	Total Governmental Funds
REVENUES										
Taxes	\$53,618,745	\$-	\$-	\$1,021,488	\$407,187	\$2,784,053	\$1,894,699	\$756,204	\$10,800,320	\$71,282,696
Licenses and Permits	3,562,120	-	-	-	-	-	3,664	-	-	3,565,784
Intergovernmental Revenues	3,729,957	519,837	-	-	-	-	4,069,728	-	1,229,953	9,549,475
Charges for Services	16,885,671	-	1,586,376	-	-	-	2,148	-	-	18,474,195
Fines and Forfeits	851,045	-	-	-	-	-	-	-	-	851,045
Miscellaneous Revenues	3,783,993	123,367	151,087	16,904	609	65,851	1,789,123	1,182	311,357	6,243,473
Total Revenues	82,431,531	643,204	1,737,463	1,038,392	407,796	2,849,904	7,759,362	757,386	12,341,630	109,966,668
EXPENDITURES										
Current:										
General Government Services	25,067,314	-	601	-	-	-	1,820,138	-	134,127	27,022,180
Security of Persons & Property	39,095,438	-	-	-	-	-	-	-	-	39,095,438
Utilities and Environment	1,562	-	-	-	-	-	-	-	-	1,562
Transportation	4,134,219	-	-	-	-	-	1,537	-	-	4,135,756
Economic Environment	5,895,460	586,385	-	283,100	-	-	451,385	-	-	7,216,330
Mental and Physical Health	808,270	-	-	-	52,708	-	-	-	-	860,978
Culture and Recreation	8,586,886	-	-	-	-	-	882,445	-	5,497	9,474,828
Debt Service:										
Principal Retirement	-	65,000	-	-	-	-	-	-	2,760,599	2,825,599
Interest	1,728	-	-	-	-	-	-	4,052	3,243,877	3,249,657
Capital Outlays	290,805	-	-	-	7,172	-	13,612,443	1,350,735	432,754	15,693,909
Total Expenditures	83,881,682	651,385	601	283,100	59,880	-	16,767,948	1,354,787	6,576,854	109,576,237
Excess (Deficiency) of Revenues Over Expenditures	(1,450,151)	(8,181)	1,736,862	755,292	347,916	2,849,904	(9,008,586)	(597,401)	5,764,776	390,431
OTHER FINANCING SOURCES (USES)										
Transfers - In	4,198,551	-	-	-	-	-	11,044,569	-	2,045,880	17,289,000
Transfers - Out	(2,030,557)	-	(3,910,835)	(444,376)	-	(3,391,591)	(1,779,101)	-	(5,559,961)	(17,116,421)
Insurance Proceeds	-	-	-	-	-	-	1,189,522	-	-	1,189,522
Issuance of Debt	-	-	-	-	-	-	1,233,621	-	-	1,233,621
Sale of Capital Assets	3,468	-	-	-	-	-	-	-	15,327	18,795
Total Other Financing Sources (Uses)	2,171,462	-	(3,910,835)	(444,376)	-	(3,391,591)	11,688,611	-	(3,498,754)	2,614,517
Net Change in Fund Balances	721,311	(8,181)	(2,173,973)	310,916	347,916	(541,687)	2,680,025	(597,401)	2,266,022	3,004,948
FUND BALANCE JANUARY 1	21,056,826	-	10,176,539	937,996	-	4,347,778	4,333,600	-	10,607,748	51,460,487
Prior Period Adjustment GASB-33	8,462,420	-	-	117,238	-	735,398	502,531	-	106,876	9,924,463
Prior Period Adjustment HUD	-	4,401,462	-	-	-	-	-	-	-	4,401,462
FUND BALANCE DECEMBER 31	\$30,240,557	\$4,393,281	\$8,002,566	\$1,366,150	\$347,916	\$4,541,489	\$7,516,156	\$(597,401)	\$12,980,646	\$68,791,359

The accompanying notes are an integral part of this statement

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the year ended December 31, 2018**

Net Changes in Fund Balances - Total Governmental Funds	\$3,004,948
Repayment of bond principal is reported as an expenditure in governmental funds and as a reduction of debt in the statement of net assets	2,825,599
Gain / (Loss) on Assets formerly not listed in Governmental Funds	(18,276)
(Increase) / Decrease in Compensated Absences not listed in Governmental Funds	287,589
Purchase of Capital Assets are treated as an expenditure in Governmental Funds	13,778,838
Equity Adjustment for Investment in Joint Ventures	3,775
Donated Capital Assets not included in Fund Statements	99,415
Revenues not reported in Governmental Funds:	
Non-Exchange transactions not reported in the governmental funds	(9,043,345)
Deferred Revenue - court receivables	(271,964)
Deferred Revenue - property and other taxes	96,178
Internal service funds net income is not reported in governmental funds	792,405
Depreciation of capital assets not reported in governmental funds	(10,283,208)
Fair Value Adjustment not reported in the governmental funds	115,024
Long Term Debt Proceeds treated as revenue in Governmental Funds	(1,233,621)
Interest accrued on Governmental LT Debt not accrued on Governmental Statements	50,707
Change in Net Pension Liability, Deferred Inflows, Deferred Outflows, and Net Pension Assets not treated as an expenditure in Governmental Funds	17,618,255
Closing GASB 45 Balance for GASB 75 Implementation	(11,575,211)
Change in Net Position of Governmental Activities	\$6,247,108

The accompanying notes are an integral part of this statement

Statement of Net Position - Proprietary Funds
December 31, 2018

	Business-Type Activities Enterprise Funds			Total	Governmental Activities Internal Service Funds
	Drinking Water Wastewater Utility	Waste Resources Utility	Storm and Surface Water Utility		
ASSETS					
Current Assets					
Cash And Cash Equivalents	\$5,076,044	\$466,857	\$861,662	\$6,404,563	\$1,361,994
Investments	18,712,834	1,497,647	3,315,419	\$23,525,900	6,035,283
Receivables					
Customer Accounts	4,662,548	1,727,185	838,070	\$7,227,803	-
Accrued Interest & Penalty	80,339	6,692	11,421	\$98,452	21,410
Other Receivables	63,799	112,407	-	\$176,206	2,783
Interfund Loan Receivable	-	-	-	\$-	900,000
Other Governmental Units	176,248	-	191,940	\$368,188	10,251
Inventories	137,044	-	-	\$137,044	191,231
Other Current Assets	1,650	-	-	\$1,650	92,435
Total Current Assets	28,910,506	3,810,788	5,218,512	37,939,806	8,615,387
Noncurrent Assets					
Capital Assets, Net	105,673,527	262,044	22,355,590	128,291,161	7,325,757
Restricted Cash	1,260,900	-	-	1,260,900	197,152
Total Noncurrent Assets	106,934,427	262,044	22,355,590	129,552,061	7,522,909
Total Assets	135,844,933	4,072,832	27,574,102	167,491,867	16,138,296
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows related to pensions	403,563	226,187	170,699	800,449	59,262
Total Deferred Outflows of Resources	403,563	226,187	170,699	800,449	59,262
LIABILITIES					
Current Liabilities					
Accounts Payable	180,735	18	29,376	210,129	16,962
Contracts Retainage Payable	407,366	6,566	12,488	426,420	-
Matured Interest Payable	177,676	-	-	177,676	-
Due To Other Governmental Units	-	28,762	-	28,762	45,926
Custodial Accounts	28,686	-	-	28,686	-
Wages Payable	208,405	122,736	87,565	418,706	27,121
Other Current Liabilities	202,505	-	42,141	244,646	763,775
Compensated Absences (Current Portion)	380,455	494,892	154,325	1,029,672	34,440
Bonds, Notes And Loans Payable	2,930,408	-	87,488	3,017,896	-
Total Current Liabilities	4,516,236	652,974	413,383	5,582,593	888,224
Noncurrent Liabilities					
Compensated Absences	-	-	9,797	9,797	5,180
Net Pension Liability	1,870,726	1,027,781	826,310	3,724,817	266,919
Bonds, Notes And Loans Payable	33,696,586	-	1,292,332	34,988,918	-
Total Noncurrent Liabilities	35,567,312	1,027,781	2,128,439	38,723,532	272,099
Total Liabilities	40,083,548	1,680,755	2,541,822	44,306,125	1,160,323
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows related to pensions	762,095	429,706	319,602	1,511,403	111,850
Total Deferred Inflows of Resources	762,095	429,706	319,602	1,511,403	111,850
NET POSITION					
Net Investment in Capital Assets	69,378,406	262,044	20,975,770	90,616,220	7,325,757
Restricted For:					
Bond Reserve Fund	1,260,900	-	-	1,260,900	-
Workers Comp Reserve	-	-	-	-	2,436,913
Unrestricted (Deficit)	24,763,547	1,926,514	3,907,607	30,597,668	5,162,715
Total Net Position	\$95,402,853	\$2,188,558	\$24,883,377	\$122,474,788	\$14,925,385

The accompanying notes are an integral part of this statement

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For Year Ended December 31, 2018**

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Drinking Water Wastewater	Waste Resources	Storm and Surface Water Utility		
OPERATING REVENUES:					
Charges for Service	\$35,177,529	\$12,025,280	\$5,559,995	\$52,762,804	\$5,568,291
Miscellaneous Revenue	277,944	348,054	165	626,163	1,930,732
Total Operating Revenues	35,455,473	12,373,334	5,560,160	53,388,967	7,499,023
OPERATING EXPENSES:					
Operation and Maintenance	18,817,114	8,118,053	1,811,665	28,746,832	1,620,764
Administration and Overhead	5,668,613	2,483,372	2,635,806	10,787,791	4,064,819
Taxes	4,045,143	1,378,644	607,982	6,031,769	-
Depreciation and Amortization	3,718,946	38,560	780,127	4,537,633	1,247,579
Total Operating Expenses	32,249,816	12,018,629	5,835,580	50,104,025	6,933,162
Operating Income (Loss)	3,205,657	354,705	(275,420)	3,284,942	565,861
Non-Operating Revenues (Expenses):					
Investment Earnings	421,136	43,793	73,877	538,806	140,999
Intergovernmental Revenue	20,913	-	305,543	326,456	-
Gain/ (loss) on Disposal of Capital Assets	19,806	-	-	19,806	85,545
Interest Expense and Fiscal Charges	(911,012)	-	(38,499)	(949,511)	-
Total Non-Operating Revenues (Expenses)	(449,157)	43,793	340,921	(64,443)	226,544
Net Income (Loss) Before Contributions and Operating Transfers	2,756,500	398,498	65,501	3,220,499	792,405
Capital Contributions	412,946	-	25,450	438,396	-
Transfers - Out	(30,711)	(13,514)	(128,355)	(172,580)	-
Changes in Net Position	3,138,735	384,984	(37,404)	3,486,315	792,405
Net Position - Beginning	92,264,118	1,803,574	24,920,781	118,988,473	14,132,980
Net Position - Ending	\$95,402,853	\$2,188,558	\$24,883,377	\$122,474,788	\$14,925,385

The accompanying notes are an integral part of this statement

**Statement of Cash Flows - Proprietary Funds
For Year Ended December 31, 2018**

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Drinking Water Wastewater	Waste Resources	Storm and Surface Water Utility		
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers and Users	\$34,560,141	\$12,164,252	\$5,369,283	\$52,093,676	\$134,711
Cash Received from Interfund Activity	-	-	7,927	7,927	7,231,512
Cash Paid to Suppliers	(18,863,057)	(6,718,341)	(1,841,493)	(27,422,891)	(4,622,927)
Cash Paid to Other Funds - Internal Activity	(4,122,788)	(2,340,643)	(1,190,878)	(7,654,309)	(632,019)
Cash Paid to Employees	(3,408,983)	(2,029,674)	(1,590,251)	(7,028,908)	(554,494)
Cash Paid for Taxes	(4,045,674)	(1,378,644)	(607,982)	(6,032,300)	-
Non-Insurance Loss Recovery	-	-	-	-	122,740
Net Cash Provided (Used by Operating Activities)	4,119,639	(303,050)	146,606	3,963,195	1,679,523
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Operating Grants	20,913	-	305,543	326,456	-
Transfers - Out	(30,711)	(13,514)	(128,355)	(172,580)	-
Net Cash Provided from Non-Capital Activities	(9,798)	(13,514)	177,188	153,876	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from Sale of Capital Assets	-	-	-	-	157,445
Purchase of Capital Assets	-	-	-	-	(1,461,887)
Loan Proceeds	8,670,003	-	-	8,670,003	-
Acquisition and Construction of Capital Assets	(4,700,719)	-	(25,774)	(4,726,493)	-
Interfund Loan Receivable	-	-	-	-	(900,000)
Payment of Bond Principal	(1,430,000)	-	-	(1,430,000)	-
Payment of Bond Interest	(743,668)	-	-	(743,668)	-
Payment of Other Debt Principal	(1,431,411)	-	(85,150)	(1,516,561)	-
Payment of Other Interest	(225,238)	-	(38,499)	(263,737)	-
Net Cash Provided by Capital and Related Financing Activities	138,967	-	(149,423)	(10,456)	(2,204,442)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Changes in Internal Investment Pool	(3,384,732)	291,550	(169,701)	(3,262,883)	399,264
Interest on Investments	459,673	52,312	84,479	596,464	119,770
Net Cash Provided (Used) by Investing Activities	(2,925,059)	343,862	(85,222)	(2,666,419)	519,034
Net Increase in Cash and Cash Equivalents	1,323,749	27,298	89,149	1,440,196	(5,885)
Cash and Cash Equivalents, January 1	5,013,195	439,559	772,513	6,225,267	1,565,031
Cash and Cash Equivalents, December 31	\$6,336,944	\$466,857	\$861,662	\$7,665,463	\$1,559,146

The accompanying notes are an integral part of this statement

Statement of Cash Flows - Proprietary Funds (continued)
For Year Ended December 31, 2018

	Business-Type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Drinking Water Wastewater	Waste Resources	Storm and Surface Water Utility		
CASH PROVIDED BY OPERATING ACTIVITIES:					
Net Operating Income (Loss)	\$3,205,657	\$354,705	\$(275,420)	\$3,284,942	\$565,861
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Depreciation	3,718,946	38,560	780,127	4,537,633	1,247,579
(Increase) Decrease in Accounts Receivable	(760,036)	(234,566)	(48,565)	(1,043,167)	-
(Increase) Decrease in Other Receivables	25,538	25,484	-	51,022	(10,060)
(Increase) Decrease in Inventory	20,535	-	-	20,535	64,050
(Increase) Decrease in Other Current Assets	-	-	-	-	(7,519)
(Increase) Decrease in Deferred outflows - pensions	7,157	1,537	5,291	13,985	1,862
(Increase) Decrease in Due from Other Governments	(160,834)	-	(134,385)	(295,219)	-
Increase (Decrease) in Compensated Absences	5,507	51,412	11,955	68,874	8,809
Increase (Decrease) in Net Pension Liability	(631,306)	(348,457)	(269,792)	(1,249,555)	(97,408)
Increase (Decrease) in Deferred inflows - pensions	267,835	153,473	109,778	531,086	38,706
Increase (Decrease) in Accounts Payable	(1,572,915)	(347,950)	(38,630)	(1,959,495)	(82,665)
Increase (Decrease) in Due to Other Governments	-	6,084	-	6,084	(24,885)
Increase (Decrease) in Other Current Liabilities	(6,445)	(3,332)	6,247	(3,530)	(24,807)
Total Adjustments	913,982	(657,755)	422,026	678,253	1,113,662
Net Cash Provided by Operating Activities	\$4,119,639	\$(303,050)	\$146,606	\$3,963,195	\$1,679,523
CASH AND CASH EQUIVALENTS:					
RECONCILIATION OF CASH AND CASH EQUIVALENTS REPORTED AT DECEMBER 31					
Statement of Net Position:					
Cash and Residual Investments	\$5,076,044	\$466,857	\$861,662	\$6,404,563	\$1,361,994
Restricted Assets:					
Debt Service					
Cash and Residual Investments	1,260,900	-	-	1,260,900	-
Workers Compensation Surety					
Cash and Residual Investments	-	-	-	-	197,152
Cash and Cash Equivalents, December 31	\$6,336,944	\$466,857	\$861,662	\$7,665,463	\$1,559,146
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Contribution of Capital Assets	\$412,946	\$-	\$25,450	\$438,396	\$-

The accompanying notes are an integral part of this statement

Statement of Fiduciary Net Position - Fiduciary Funds
December 31, 2018

	Employee Retirement Plans	Agency Funds
ASSETS		
Cash and Residual Investments	\$230,177	\$79,389
Investments		
US Government Securities	4,468,283	-
Municipal Bonds	9,797	
Receivables (Net of Allowances):		
Accrued Interest	27,062	1,628
Total Assets	4,735,319	81,017
LIABILITIES		
Other Current Liabilities	-	5,733
Due to Other Governments	-	75,284
Total Liabilities	-	81,017
NET POSITION		
Net Position Restricted for Pensions	4,735,319	-
Held in Trust for Pension Benefits and Other Purposes	\$4,735,319	\$-

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For Year Ended December 31, 2018**

	Employee Retirement Plans
ADDITIONS	
Employer Contributions	\$266,307
State Contributions	
Fire Insurance Premium Tax	101,077
Total Contributions	367,384
Investment Earnings	
Investment Income	82,931
Net Investment Earnings	82,931
Total Additions	450,315
DEDUCTIONS	
Benefits	376,535
Total Deductions	376,535
CHANGE IN NET POSITION	
	73,780
Net Position - Beginning of the Year	4,661,540
Net Position - End of the Year	\$4,735,320

The accompanying notes are an integral part of this statement

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Olympia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. Reporting Entity

The City of Olympia was incorporated on January 28, 1859 and operates under the laws of the state of Washington applicable to a Non-Charter Code City, Council/Manager form of government. Olympia is served by a full-time City Manager appointed by a part-time Council of seven members who are elected at-large to staggered/alternating, four-year terms, including the Mayor who is elected to position one of the Council. The City provides a full range of municipal services authorized by State law, such as public safety, highways and streets, parks and recreation, planning and zoning, permits and inspections, sanitation, general administration, and water and sewer services.

The City's Comprehensive Annual Financial Report (CAFR) includes the financial statements for the City of Olympia and its component units, entities for which the City is considered to be financially accountable. The City has two blended component units, the Olympia Transportation Benefit District and the Olympia Metropolitan Park District. Although legally separate entities, blended component units are, in substance, part of the City's operations. (See Note 18 for further information.)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government (and its component units). All fiduciary activities are reported in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Our policy is to allocate indirect costs to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated for the government-wide financial statements. Exceptions to this general rule are interfund services provided and used by the government's utilities functions and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for these functions.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City of Olympia reports the following major governmental funds:

General Fund

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

H.U.D. Fund

U.S. Department of Housing and Urban Development authorized project money is accounted for within this fund.

Impact Fees Fund

This fund is used to accumulate impact fees imposed upon building activity. Fees are collected for parks and transportation impacts. When the use of this money is approved, funds are transferred from this fund to the appropriate account in which the activity occurs. The City also collects impact fees for the Olympia School District and transmits those funds to the district on a monthly basis.

Lodging Tax Fund

This fund is used to account for the local option 2% tax on lodging authorized under RCW 67.28. This RCW states that all revenues collected under this chapter be accounted for in a special revenue fund. When the use of this money is approved, funds are transferred from this fund to the appropriate account in which the activity occurs.

Parks and Recreation Utility Tax Fund

This fund is used to account for the imposed tax on various utility services authorized under RCW 35.21.870. This RCW states that all revenues collected under this chapter be accounted for in a special revenue fund. When the use of this money is approved, funds are transferred from this fund to the appropriate account in which the activity occurs.

Capital Improvement Fund

This fund was established to account for various general governmental capital projects which the City may choose to finance. Major sources of revenue include contributions from the General Fund, interest earnings, and grants.

Home Fund Operating

This fund is used to account for monies received from a portion of sales tax. It is used to provide funding for housing, mental and behavioral health related facilities, operation and maintenance cost, and treatment centers where housing related programs are provided. The operating portion of the sales tax is held in fund 142 while the capital portion of this sales tax increase is kept in fund 318.

Home Fund Capital Improvement Fund

This fund is used to account for monies received from a portion of sales tax. It is used to provide funding for housing, mental and behavioral health related facilities, operation and maintenance cost, and treatment centers where housing related programs are provided. The capital portion of the sales tax is held in fund 318 while the operating portion of the sales tax increase is kept in fund 142.

The City reports the following major enterprise funds:

Drinking Water and Wastewater Fund

The City operates a combined water and sewer utility. The utility has two major components; a water distribution system, sewer collection system.

Waste Resources Fund

The City Waste Resources Fund accounts for a solid waste and recycling collection system. The collection system operates only within the City. Waste is transported to a land fill which is owned and operated by Thurston County. The recyclable material is transported to various private recyclers.

Storm and Surface Water Fund

The City Storm and Surface Water Utility Fund accounts for planning, public involvement, education, construction, and maintenance activities necessary for environmentally appropriate storm and surface water management programs, improvements and facilities.

Additionally, the City reports the following fund types:

Internal service funds account for equipment rental, unemployment insurance, risk management and worker's compensation provided to other departments or agencies of the City, or to other cities, on a cost reimbursement basis.

The pension trust fund is used to account for Firefighter's Pension. For additional information on the Firefighters Pension see Note 7.B.

The agency funds account for cash and investments held by the government on behalf of other governments in an agency capacity, which include the Olympia Municipal Court Fund and the Law Enforcement Records Management System (LERMS) Fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds do not have a measurement focus. However they are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City of Olympia considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The City considers property taxes as available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary fund statements are reported using the economic resources measurements focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the cash flow. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all of the City's Utilities are charges for service. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Amounts reported as program revenues include 1) charges to customers, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes.

D. Budgetary Information

Scope of Budget

The City of Olympia budgets its annually adopted governmental funds in accordance with the Revised Code of Washington (RCW), paragraph 35.33. In compliance with the code, annual appropriated budgets are adopted at the level of the fund, where expenditures may not exceed appropriations and the budgets constitute the legal authority for expenditure at that level. Unexpended annual appropriations lapse at the end of the fiscal year.

Annually adopted budgets are adopted for the following Funds:

General Fund

All active general obligation debt service funds:

4th/5th Ave Bridge Fund 216	Local Debt Fund 227
UTGO Fire Bond Fund 224	LTGO Hands on Children's Museum Bond Fund 228
City Hall Debt Fund 225	LTGO WA Center, LED, Parks Bond Fund 229
LTGO Street Bond Fund 226	LTGO BAN Debt Fund 230

Encumbrance accounting is employed in governmental funds during the year. Encumbrances outstanding at year end are reported as either restricted, committed or assigned fund balance and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. Encumbrances can be found in the Fund Balance Details of Note 1E listed as continuing appropriations.

Amending the Budget

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. The City Manager is authorized to transfer appropriations within a fund, however, an increase of the annual adopted budget requires Council action and is done by ordinance. Individual transfers were not material in relation to original appropriations. During the year 2018 there were several supplementary appropriations authorized by the City Council in the General Fund budget totaling \$12,516,177.

The financial statements contain the original and final budget information for the legally required budget of the General Fund, which is located in the Required Supplemental Information section. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position

Cash and Cash Equivalents

It is the City's policy to invest all temporary cash surpluses. At December 31, 2018, the treasurer was holding \$21,209,138 in short-term residual investments of surplus cash. This amount is classified on the balance sheet as cash and cash equivalents in various funds. The interest on these investments is prorated to the various funds.

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. For more information on the City's Cash and Cash Equivalents, see Deposits and Investments Note 4.

Investments – (See Deposits and Investments Note 4)

Receivables

Taxes receivable consists of property taxes and related interest and penalties (See Property Taxes Note No. 5). Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

Special assessments are recorded when levied. Special assessments receivable consist of current and delinquent assessments and related interest and penalties. Deferred assessments on the fund financial statements consist of unbilled special assessments that are liens against the property benefited. As of December 31, 2018 \$6,393 of special assessments receivable were delinquent.

Customer accounts receivable consist of amounts owed from private individuals or organizations for goods and services including amounts owed for which billings have not been prepared. Notes and contracts receivable consist of amounts owed on open account from private individuals or organizations for goods and services rendered.

Inventories and Prepays

Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are consumed. The reserve for inventory is equal to the ending amount of inventory to indicate that a portion of the fund balance is not available for future expenditures. A comparison to market value is not considered necessary.

Inventories in proprietary funds are valued by the FIFO method (which approximates the market value).

Prepayments are payments in advance of the receipt of goods and services in an exchange transaction and are recorded as an expenditure or expense only when consumed. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government wide and fund financial statements.

Restricted Assets and Liabilities

These accounts contain resources for construction and debt service, including current and delinquent special assessments receivable, in enterprise funds and the internal service fund. The current portion of related liabilities is shown as Payables from Current Restricted Assets. Specific debt service reserve requirements are described in (Long-Term Debt Note No. 9).

The restricted assets of the enterprise funds are composed of the following:

Cash and Investments-Bonded Debt Reserve..... \$1,260,900

The restricted assets of the internal service funds are composed of the following:

Cash and Investments - Workers' Compensation Reserve\$197,152

Capital Assets – (See Note 6)

Capital assets, which include: property, plant, equipment, and infrastructure assets (e.g., streets, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 depending on the asset and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, and similar items received in a service concession arrangement are reported at acquisition value.

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

Property, plant, and equipment of the City are depreciated using the straight line method over the following useful lives:

<u>Type of Asset</u>	<u>Number of Years</u>
Buildings and Structures	20-30
Other Improvements	5-40
Machinery and Equipment	5-20
Infrastructure	15-30

Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation, compensatory time off, and sick leave. All vacation and compensatory leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

Nonexempt employees (nonexempt to overtime pay) may accumulate up to 40 vacation days while exempt employees may accumulate up to 60 vacation days. Nonexempt employees may receive up to 80 hours of compensatory time rather than receiving overtime pay. All outstanding vacation and compensatory leave is payable upon resignation, retirement, or death. Outstanding sick leave is not payable upon resignation, retirement, or death and therefore is not accrued in the financial statements.

Other Compensated Benefits

The City of Olympia self-insures unemployment compensation on a reimbursable basis to the State of Washington. The City utilizes the services of Penser NorthAmerica, Inc. to manage claims of the program. As of December 31, 2018 the Unemployment Compensation Fund had a fund balance of \$628,385 which is equal to approximately 32 maximum liability claims (26 weeks at \$749 per week).

Other Accrued Liabilities

These accounts consist of accrued wages and accrued employee benefits.

Long-Term Liabilities - (See Long Term Liabilities Note 9)Pensions

For purposes of measuring the net pension asset, net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Unearned Revenues

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

Fund Balance Classification

In the fund financial statements, governmental funds report the following categories of fund balance:

Nonspendable:	Unavailable fund balance due to its form and legally or contractually required to remain intact.
Restricted:	Fund Balance that can only be used for specific purposes as stipulated by the constitution, external resource provider, or through enabling legislation.
Committed:	Fund Balance that can only be used for specific purposes as determined by formal action of the City Council. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.
Assigned:	Fund Balance that includes resources intended to be used by the City for specific purposes, as assigned by the City's Finance Committee, an authority given to the Committee by the City Council in the Fund Balance Policy approved on December 6, 2011.
Unassigned:	The General Fund may report a positive fund balance if the available resources have not met the requirements of the above classifications. In other governmental funds a negative unassigned fund balance may apply if expenditures incurred for specific purposes exceed the amounts available in the above classifications.

The City's prioritization of fund balance use, as authorized by the City Council in the Fund Balance Policy, is as follows:

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available for use, it shall be the policy of the City to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the City that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts, unless otherwise approved by the Council.

Fund Balance Details

Fund Balance details for the year ended December 31, 2018 are listed below.

**FUND BALANCES:
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	General	H.U.D	Impact Fees	Lodging Tax	Home Fund	Parks & Recreation Utility Tax	Capital Imprvmt	Home Fund Capital Imprvmt	Other Governmental	Total Governmental Funds
Fund Balance:										
Nonspendable:										
Pre-Payments and Inventory	\$364,335	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$364,335
Total Nonspendable	364,335	-	-	-	-	-	-	-	-	364,335
Restricted for:										
LID Reserve	-	-	-	-	-	-	-	-	80,435	80,435
Debt Service	-	-	-	-	-	-	-	-	73,188	73,188
HUD Programs	-	4,393,281	-	-	-	-	-	-	-	-
Lodging and Tourism Benefit	-	-	-	1,366,150	-	-	-	-	-	1,366,150
Major Repairs and Maintenance	-	-	-	-	-	-	-	-	605,338	605,338
Parking Improvement	-	-	-	-	-	-	-	-	59,673	59,673
Parks and Roads Construction	-	-	-	-	-	-	-	-	2,769,130	2,769,130
Parks and Sidewalk Construction	-	-	8,002,566	-	-	-	-	-	-	8,002,566
Transportation Projects	-	-	-	-	-	4,541,489	-	-	-	4,541,489
WA Center for Performing Arts	85,179	-	-	-	-	-	-	-	9,454,044	9,539,223
Housing & Homeless Programs	-	-	-	-	347,916	-	-	-	-	347,916
Other Purposes	248,453	-	-	-	-	-	-	-	-	248,453
Total Restricted	333,632	4,393,281	8,002,566	1,366,150	347,916	4,541,489	-	-	13,041,808	27,633,561
Committed to:										
Appropriated to Next Year's Budget	-	-	-	-	-	-	-	-	-	-
Community Development	661,317	-	-	-	-	-	-	-	-	661,317
Debt Service	-	-	-	-	-	-	-	-	11,292	11,292
Equipment and Facilities Reserve	3,480,663	-	-	-	-	-	-	-	-	3,480,663
Municipal Arts	472,663	-	-	-	-	-	-	-	-	472,663
New City Hall	-	-	-	-	-	-	-	-	4,043	4,043
OPEB	2,620,447	-	-	-	-	-	-	-	-	2,620,447
Parking	1,157,640	-	-	-	-	-	-	-	-	1,157,640
Washington Center for Perf. Arts	754,983	-	-	-	-	-	-	-	-	754,983
Total Committed	9,147,713	-	-	-	-	-	-	-	15,335	9,163,048
Assigned to:										
Continuing Appropriations	2,521,995	-	-	-	-	-	7,516,156	-	-	10,038,151
Total Assigned	2,521,995	-	-	-	-	-	7,516,156	-	-	10,038,151
Unassigned:	17,911,969	-	-	-	-	-	-	(75,177)	(76,497)	17,752,114
Fund Balance Total:	\$30,279,644	\$4,393,281	\$8,002,566	\$1,366,150	\$347,916	\$4,541,489	\$7,516,156	\$(75,177)	\$12,980,646	\$64,951,209

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position**

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “capital assets are not reported in the governmental funds.” The details of this \$251,258,757 are as follows:

Capital Assets Governmental Activities:	
Capital Assets Not Being Depreciated	\$81,167,190
Depreciable Assets, Net	\$177,417,323
Total Capital Assets Governmental Activities	\$258,584,513
Less: Capital Assets Internal Service Funds	-\$7,325,756
Capital Assets Government Funds	\$251,258,757
Land	\$73,135,341
Construction in progress	8,031,850
Buildings	104,134,406
Less: Accumulated Depreciation	(32,615,706)
Improvements other than buildings	27,820,254
Less: Accumulated Depreciation	(6,538,455)
Machinery and Equipment	12,549,037
Less: Accumulated Depreciation	(8,070,594)
Infrastructure	172,977,706
Less: Accumulated Depreciation	(100,165,081)
Net Adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$251,258,758

B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City is compliant with all finance-related legal or contractual provisions.

NOTE 4 - DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash and investments are presented on the balance sheet in the basic financial statements at fair value. In general, interest earned from pooled deposits and investments is allocated to each fund based on the average earnings and daily cash balance of each fund, interest earned from fiduciary investments is allocated to the fiduciary fund holding the investment.

A reconciliation of cash, cash equivalents (including pooled investments) and investments as shown in the government-wide and fund financial statements are as follows:

Bank Balance	
LGIP Investments	\$16,771,863
Bank Balance of Deposits	8,390,144
Investments	77,431,814
	\$102,593,821
Financial Statements	
Cash and Cash Equivalents	\$21,209,137
Investments	\$72,953,736
Fiduciary Cash	309,566
Fiduciary Investments	4,478,080
Bank account - Outstanding Items	3,658,725
Cash on Hand	(9,690)
Municipal Court Bank Account	(5,733)
	\$102,593,821

A. Deposits

The City's bank balances of deposits and certificates of deposits at December 31, 2018 are entirely insured. The Federal Depository Insurance Commission (FDIC) insures the City's deposits up to \$250,000 and the Washington Public Deposit Protection Commission (WPDPC) insures amounts over \$250,000.

B. Investments

As required by state law, all investments of the City's funds are obligations of the U.S. Government, U.S. agency issues, obligations of the State of Washington, general obligations of Washington State municipalities, the State Treasurer's Local Government Investment Pool, LGIP or certificates of deposit with Washington State banks and savings and loan institutions.

Investments Measured at Amortized Cost

As of December 31, 2018, the City held the following investments at amortized cost:

Investment Type	Maturity	Olympia's Own Investments	Total
State Investment Pool	60 Days	\$16,771,863	\$16,771,863
Total		\$16,771,863	\$16,771,863

The City's investment in the State Investment Pool (LGIP) is a result of transactions at a stable net asset value per share of \$1.00, the same method used for reporting. The City may contribute and withdraw funds on a daily basis. The City must inform LGIP of any contribution or withdrawal over one million dollars no later than 9 a.m. on the same day the transaction is made. Contributions or withdrawals for one million dollars or less can be requested at any time prior to 10 a.m. on the day of the transaction. However, the City may complete transactions greater than one million dollars when notification is made between 9 a.m. and 10 a.m., at the sole discretion of LGIP and the State Treasurer. All City is required to file with the State Treasurer documentation containing the names and titles of the officials authorized to contribute or withdraw funds. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals. For further information on the LGIP and complete LGIP financial statements can be obtained from the Washington State Treasurer, www.tre.gov, P.O. Box 40200, Olympia, WA 98504.

The City is a participant in the Local Government Investment Pool was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP advisory Committee.

Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by the GASBS 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at [HYPERLINK "http://www.tre.wa.gov/"](http://www.tre.wa.gov/)<http://www.tre.wa.gov>

Custodial credit risk is the risk that in the event of a failure of the counterparty to an investment transaction the City would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The LGIP Investment policy requires that securities purchased be held by the master custodian, acting as an independent third party, in its safekeeping or trust department. Securities utilized in repurchase agreements are subject to additional restrictions. These restrictions are designed to limit the LGIP's exposure to risk and insure the safety of the investment. All securities utilized in repurchase agreements were rated AAA by Moody's and AA+ by Standard & Poor's. The fair value of securities utilized in repurchase agreements must be at least 102 percent of the value of the repurchase agreement. The City does not have a specific Custodial Credit Risk Policy.

Investments Measured at Fair Value

The City measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles. Securities classified as Level 1 in the fair value hierarchy are valued using prices quoted in active markets for identical securities, Level 2 securities are valued using observable inputs, and Level 3 securities are valued using unobservable inputs. U.S. Agency and U.S. Treasury Securities classified in Level 2 are valued using quoted prices for similar securities and interest rates. The level of fair value measurement is based on the lowest level of significant input for the security type in its entirety. There are no Level 1 security classifications to report. Bank deposits are valued using a cost based measure to determine fair value.

As of December 31, 2018, the City held the following investments at fair value:

Investments by Fair Value	12/31/2018	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Municipal Bond	\$9,797			\$9,797
U.S. Government & Agencies - FHLB	18,107,290		18,107,290	
U.S. Government & Agencies - FFCB	6,334,770		6,334,770	
U.S. Government & Agencies - FHLMC	17,861,898		17,861,898	
U.S. Government & Agencies - FNMA	17,680,034		17,680,034	
U.S. Treasury Notes	17,438,025		17,438,025	
Total By Fair Value Level	\$77,431,814	\$-	\$77,422,017	\$9,797
Bank Deposits	8,390,144			
Total By Fair Value	\$85,821,958			

Custodial Credit Risk: All security transactions including collateral for repurchase agreements shall be conducted on a delivery-versus-payment (DVP) basis. Securities purchased by the City shall be retained by the City or delivered against payment and held in a custodial safekeeping account with a bank. The safekeeping agent(s) shall be designated by the City Treasurer and all transactions shall be evidenced by safekeeping receipts. The City does not have a specific Custodial Credit Risk Policy.

Credit Risk: While the City does not have a written Credit Risk Policy, the City invests in securities identified as eligible investments as defined by State law (RCW 35A.40.050) "Fiscal – Investment of Funds", as interpreted by the most current edition of the Office of the State Treasurer, State of Washington publication titled "Eligible Investments for Public Funds." The city currently invests in securities issued by FHLMC, which was rated AAA/Negative Moody's Investor Services and AA+/Negative by S&P. The City does not have a specific Credit Risk Policy.

Concentration of Credit Risk: Safety of the principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To obtain this objective, diversification is usually required and with the exception of U.S. Treasury securities and State of Washington LGIP pools, no more than 50% of the City's total investment portfolio will be invested in a single security type or a single financial institution. The City does not have a specific Concentration of Credit Risk Policy.

Interest Rate Risk: The City's investment portfolio shall be designed with the objective of attaining a maximum rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints, the cash flow characteristics of the portfolio and the fact the City utilizes a passive investment program. The City does not have a specific Interest Rate Risk Policy.

NOTE 5 - PROPERTY TAXES

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

Property Tax Calendar	
January 01	Taxes are levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	Second installment is due.

In governmental funds, property taxes are recorded as a receivable when levied, offset by deferred revenue. During the year, property tax revenues are recognized when cash is collected. At year-end, property tax revenues are recognized for collections to be distributed by the county treasurer in January and collections expected to occur within 60 days. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible.

A. City of Olympia Property Taxes

The City may levy up to \$3.60 per \$1,000 of assessed valuation for general governmental services, subject to the following limitations:

- A. Washington State law in RCW 84.55.010 limits the growth of regular property taxes to one percent per year, after adjustments for new construction. If the assessed valuation increases by more than one percent due to revaluation, the levy rate will be decreased.
- B. The Washington State Constitution limits the total regular property taxes to one percent of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the one percent limit. The City's regular levy for 2018 was \$2.6004 per \$1,000 on an assessed valuation of \$6,690,364,182 for a total regular levy of \$17,397,569.
- C. The City is also authorized to levy \$.45 per \$1,000 of assessed valuation for the firemen's pension fund. See Pension Note No. 7.B. This levy is subject to the same limitations as the levy for general government services. The city's firemen's pension levy for 2018 was \$0.04 per \$1,000 and is included in the amounts listed above.

B. Voter Approved 2009 Fire Bond Property Taxes

The citizens of Olympia authorized the City to issue general obligation bonds via special election on August 19, 2008. The proceeds of the bond were used to construct a fourth fire station, a fire training center, and the acquisition of two fully equipped fire engines and a ladder truck. Annual principal and interest payments are funded by voter approved property tax collections equal to the current year debt service obligation.

The City's excess levy for debt service in 2018 was \$0.1808 per \$1,000 of assessed valuation of \$6,640,949,485 for a total excess levy of \$1,200,420 which is not included in the regular property tax collections discussed in section A.

C. Olympia Metropolitan Park District Property Taxes

The citizens of Olympia authorized the City to form the Olympia Metropolitan Park District (OMPD) via general elections on November 3, 2015. The OMPD is authorized to levy property taxes to fund acquisition, maintenance, and improvements of parks, Percival Landing, and other recreation facilities and programs.

The OMPD's property tax levy in 2018 was \$0.54 per \$1,000 of assessed valuation of \$6,690,364,182 for a total levy of \$3,612,743, which is not included in the regular property tax collections discussed in section A.

NOTE 6 – CAPITAL ASSETS, DEPRECIATION AND AMORTIZATION**A. Capital Assets**

Capital assets activity for the year ended December 31, 2018 is as follows:

Governmental Activities	Balance 12/31/17	Increases	Decreases	Balance 12/31/18
Capital assets, not being depreciated:				
Land	\$60,633,461	\$12,501,879	\$-	\$73,135,340
Construction in progress	3,254,699	5,315,681	538,530	8,031,850
Total capital assets, not being depreciated	63,888,160	17,817,560	538,530	81,167,190
Capital assets, being depreciated:				
Buildings	102,387,613	1,746,793	-	104,134,406
Improvements other than buildings	27,793,949	26,305	-	27,820,254
Machinery and Equipment Govt.	12,766,586	515,768	733,317	12,549,037
Machinery and Equipment Int Svc	16,840,491	1,461,887	1,056,714	17,245,664
Machinery and Equipment Subtotal	29,607,077	1,977,655	1,790,031	29,794,701
Infrastructure	172,471,124	506,581	-	172,977,705
Total capital assets being depreciated	332,259,763	4,257,334	1,790,031	334,727,066
Less accumulated depreciation for:				
Buildings	29,447,428	3,168,278	-	32,615,706
Improvements other than buildings	5,637,664	900,791	-	6,538,455
Machinery and Equipment Govt.	8,140,454	653,555	723,415	8,070,594
Machinery and Equipment Int Svc	9,657,143	1,247,578	984,814	9,919,907
Machinery and Equipment Subtotal	17,797,597	1,901,133	1,708,229	17,990,501
Infrastructure	94,604,497	5,560,584	-	100,165,081
Total accumulated depreciation	147,487,186	11,530,786	1,708,229	157,309,743
Total capital assets, being depreciated, net	184,772,577	(7,273,452)	81,802	177,417,323
Governmental activities capital assets, net	\$248,660,737	\$10,544,108	\$620,332	\$258,584,513
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$4,664,240.00	\$-	\$-	\$4,664,240.00
Construction in Progress	9,995,314	4,697,093	593,946	\$14,098,461
Total capital assets, not being depreciated	14,659,554	4,697,093	593,946	18,762,701
Capital assets, being depreciated:				
Buildings	6,268,214	175,848	-	6,444,062
Improvements other than buildings	174,391,916	845,117	-	175,237,033
Machinery and equipment	2,995,830	60,133	-	3,055,963
Intangible assets	3,559,037	-	-	3,559,037
Total capital assets being depreciated	187,214,997	1,081,098	-	188,296,095
Less accumulated depreciation for:				
Buildings	3,336,583	124,745	-	3,461,328
Improvements other than buildings	68,396,997	4,188,429	-	72,585,426
Machinery and equipment	1,834,619	150,906	-	1,985,525
Intangible assets	661,803	73,553	-	735,356
Total accumulated depreciation	74,230,002	4,537,633	-	78,767,635
Total capital assets, being depreciated, net	112,984,995	(3,456,535)	-	109,528,460
Business-type activities capital assets, net	\$127,644,549	\$1,240,558	\$593,946	\$128,291,161

Depreciation and Amortization expense was charged to functions/programs of the primary government and the business type activities for the year ended December 31, 2018 are as follows:

Governmental Activities:	
General Government:	\$3,597,020
Security of Persons and Property	223,493
Transportation	5,568,653
Culture and Recreation	894,041
Internal Service Funds	<u>1,247,579</u>
Total Depreciation/Amortization – Governmental Activities	\$11,530,786
Business-Type Activities:	
Drinking Water/ Wastewater Utility	\$3,718,946
Waste ReSources Utility	38,560
Storm and Surface Water Utility	<u>780,127</u>
Total Depreciation/Amortization – Business-Type Activities	\$4,537,633

B. Construction and Other Significant Commitments

The City has active construction projects as of December 31, 2018. The projects listed below represent the major projects underway:

Project	Fund	Spent to Date	Remaining Commitment	Outside Financing Sources
Two vehicles for Transportation Line of Business		\$-	\$280,000	N/A
LIHI - Homelessness activities	142 Home Fund	-	1,018,326	N/A
Log Cabin Reservoir	461 Water CIP Fund	7,526,413	183,130	DOH Loan
West Bay Booster Station	461 Water CIP Fund		316,172	N/A
Fern Street Sidewalk	317 Capital Improvement		229,092	N/A
Traffic Controller Update	317 Capital Improvement	217,922	341,059	WSDOT Grant
2018 Least Cost Chip Seal	317 Capital Improvement	1,637,198	240,041	N/A
2017 Priority Sewer Repair	462 Sewer Capital Imp. Fund	147,691	425,799	
Total Commitments		\$9,529,224	\$3,033,619	

NOTE 7 – PENSION PLANS

The following table represents the aggregate pension amounts for all pension plans subject to the requirements of the GASB Statement 68, Accounting and Financial Reporting for Pension for the year 2018:

Aggregate Pension Amounts - All Pension Plans	
Pension Liabilities	\$17,031,986
Pension Assets	\$14,473,921
Deferred Outflows of Resources related to pensions	\$5,004,780
Deferred Inflows of Resources related to pensions	\$11,042,890
Pension Expense/Expenditures	\$1,253,246

A. State Sponsored Pension Plans

The following table represents the aggregate pension amounts for the State Sponsored Pension Plans subject to the requirements of the GASB Statement 68, Accounting and Financial Reporting for Pensions for the year 2018:

Aggregate Pension Amounts - State Sponsored Pension Plans	
Pension Liabilities	\$15,450,122
Pension Assets	\$14,473,921
Deferred Outflows of Resources related to pensions	\$4,798,699
Deferred Inflows of Resources related to pensions	\$11,042,890
Pension Expense/Expenditures	\$1,454,031

Substantially all City of Olympia full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Or the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer*	Employee**
January through June 2018	12.7%	6.00%
July through December 2018	12.70%	6.00%
* Employer rate includes 0.18% administrative fee		
** For employees participating in JBM, the Contribution rate was 12.26%		

*The City of Olympia actual contributions to the plan were \$1,641,967 for the year ended December 31, 2018.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer*	Employee 2**/3***
January through June 2018	12.7%	7.38%
July through December 2018	12.70%	7.38%
* Employer rate includes 0.18% administrative fee		
** For employees participating in JBM, the Contribution rate was 18.45%.		
*** For employees participating in PERS3, the Contribution rate varies		

The City of Olympia actual contributions to the plan were \$2,276,623 for the year ended December 31, 2018.

Public Safety Employees' Retirement System (PSERS)

PSERS Plan 2 was created by the 2004 Legislature and became effective July 1, 2006. To be eligible for membership, an employee must work on a full time basis and:

- Have completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job; or
- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or
- Function as a limited authority Washington peace officer, as defined in RCW 10.93.020; or
- Have primary responsibility to supervise eligible members who meet the above criteria.

PSERS membership includes:

- PERS 2 or 3 employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30 2006; and
- Employees hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

PSERS covered employers include:

- Certain State of Washington agencies (Department of Corrections, Department of Natural Resources, Gambling commission, Liquor Control Board, Parks and Recreation Commission, and Washington State Patrol),
- Washington State Counties,
- Washington State Cities (except for Seattle, Spokane, and Tacoma),
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the average final compensation (AFC) for each year of service. The AFC is based on the member's 60 consecutive highest creditable months of service. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit. Members are eligible for retirement at the age of 65 with five years of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years of service. Retirement before age 60 is considered an early retirement. PSERS members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a three percent per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PSERS Plan 2 members are vested after completing five years of eligible service.

Contributions

The **PSERS Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The Plan 2 employer rates include components to address the PERS Plan 1 unfunded actuarial accrued liability and administrative expense currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates.

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2018 were as follows:

PSERS Plan 2		
Actual Contribution Rates:	Employer*	Employee
January through June 2018	11.94%	6.73%
July through December 2018	11.95%	6.74%

* Employer rate includes 0.18% administrative fee

The City of Olympia actual contributions to the plan were \$82,721 for the year ended December 31, 2018.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF is comprised of two separate defined benefit plans.

LEOFF Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

- 20+ years of service – 2.0% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2017. Employers paid only the administrative expense of 0.18 percent of covered payroll which totaled \$84 in 2018.

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

Contributions

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

LEOFF Plan 2		
Actual Contribution Rates:	Employer*	Employee
January through June 2018	5.43%	8.75%
July through December 2018	5.43%	8.75%

* Employer rate includes 0.18% administrative fee

The City of Olympia actual contributions to the plan were \$1,047,265 for the year ended December 31, 2018.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2018, the state contributed \$68,152,000 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$1,048,653.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2018 with a valuation date of June 30, 2017.

- **Inflation:** 2.75% total economic inflation; 3.5% salary inflation
- **Salary increases:** In addition to the base 3.5% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were changes in methods and assumptions since the last valuation.

- For all plans except LEOFF Plan 1, how terminated and vested member benefits are valued was corrected.
- How the basic minimum COLA in PERS Plan 1 is valued for legal order payees was improved.
- For all plans, the average expected remaining service lives calculation was revised.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.5 percent.

To determine that rate, an asset sufficiency test included an assumed 7.5 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.5 percent except LEOFF 2, which has assumed 7.4 percent). Consistent with the long-term expected rate of return, a 7.4 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.5 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. The Washington State Investment Board (WSIB) used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of WSIB's capital market assumptions. The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various future times. The long-term expected rate of return of 7.5 percent approximately equals the median of the simulated investment returns over a 50-year time horizon.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	Percent Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	7%	4.90%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	100%	

Sensitivity of NPL

The table below presents the City of Olympia proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.4 percent, as well as what the City of Olympia's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (6.4 percent) or one percentage point higher (8.4 percent) than the current rate.

Plan	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	\$13,030,742	\$10,603,258	\$8,500,567
PERS 2/3	\$22,151,541	\$4,842,901	\$(9,348,253)
PSERS 2	\$402,427	\$3,874	\$(308,860)
LEOFF 1	\$(2,040,316)	\$(2,564,760)	\$(3,016,276)
LEOFF 2	\$(1,583,709)	\$(11,909,259)	\$(20,330,946)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the City of Olympia reported a total pension liability of \$15,450,033 for its proportionate share of the net pension liabilities and a total pension asset of \$-14,474,019 for its proportionate share of the net pension assets as follows:

Plan	Liability or (Asset)
PERS 1	\$10,603,258
PERS 2/3	\$4,842,901
PSERS 2	\$3,874
LEOFF 1	\$(2,564,760)
LEOFF 2	\$(11,909,259)

The amount of the liability/(asset) reported above for LEOFF Plan 2 reflects a reduction for State pension support provided to the City of Olympia. The amount recognized by the City of Olympia as its proportionate share of the net pension liability/(asset), the related State support, and the total portion of the net pension liability/(asset) that was associated with the City of Olympia were as follows:

Plan	Liability or (Asset)
LEOFF 2 – employer's proportionate share	\$(11,909,259)
LEOFF 2 – State's proportionate share of the net pension liability/(asset) associated with the employer	\$(7,710,975)
Total	\$(19,620,234)

At June 30, the City of Olympia proportionate share of the collective net pension liabilities/assets was as follows:

Plan	Proportionate Share 06/30/2017	Proportionate Share 06/30/2018	Change in Proportion
PERS 1	0.224259%	0.237420%	0.013161%
PERS 2/3	0.268542%	0.283640%	0.015098%
PSERS 2	0.289407%	0.312640%	0.023233%
LEOFF 1	0.136175%	0.141270%	0.005095%
LEOFF 2	0.559215%	0.586600%	0.027385%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the Schedules of Employer and Nonemployer Allocations for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2018. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2018, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2018, the State of Washington contributed 39.3 percent of LEOFF 2 employer contributions pursuant to RCW 41.27.726 and all other employers contributed the remaining 60.7 percent of employer contributions.

The total pension liability (asset) was measured as of June 30th 2018 using the most recent actuarial valuation completed in 2018 with a valuation date of June 30th 2017 and rolled forward.

Pension Expense

For the year ended December 31, 2018, the City of Olympia recognized pension expense as follows:

Plan	Pension Expense
PERS 1	\$2,209,986
PERS 2/3	\$95,316
PSERS 2	\$68,972
LEOFF 1	\$(482,344)
LEOFF 2	\$(437,898)
Total	\$1,454,032

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2018, the City of Olympia reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$421,371
Contributions subsequent to the measurement date	\$826,195	\$ -
TOTAL	\$826,195	\$421,371

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$593,613	\$847,903
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$2,971,828
Changes of assumptions	\$56,654	\$1,378,250
Changes in proportion and differences between contributions and proportionate share of contributions	\$536,483	\$508,537
Contributions subsequent to the measurement date	\$1,143,380	\$ -
TOTAL	\$2,330,130	\$5,706,518

PSERS 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$28,729	\$3,974
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$52,231
Changes of assumptions	\$414	\$23,971
Changes in proportion and differences between contributions and proportionate share of contributions	\$5,031	\$ -
Contributions subsequent to the measurement date	\$43,306	\$ -
TOTAL	\$77,480	\$80,176

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$208,218
Contributions subsequent to the measurement date	\$ -	\$ -
TOTAL	\$ -	\$208,218

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$637,900	\$276,533
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$2,084,270
Changes of assumptions	\$6,741	\$1,709,185
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$458,861
Contributions subsequent to the measurement date	\$537,397	\$ -
TOTAL	\$1,182,038	\$4,528,849

Total of All Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,260,242	\$1,128,410
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$5,737,918
Changes of assumptions	\$63,809	\$3,111,406
Changes in proportion and differences between contributions and proportionate share of contributions	\$541,514	\$967,398
Contributions subsequent to the measurement date	\$2,550,278	\$ -
TOTAL	\$4,415,843	\$10,945,132

Deferred outflows of resources related to pensions resulting from the City of Olympia contributions subsequent to the measurement date in the amount of \$2,550,278 will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	PERS 1	Year Ended December 31:	PERS 2/3	Year Ended December 31:	PSERS2
2019	\$18,435	2019	\$(361,325)	2019	\$(312)
2020	\$(92,114)	2020	\$(1,000,179)	2020	\$(5,900)
2021	\$(276,409)	2021	\$(1,855,985)	2021	\$(17,002)
2022	\$(71,283)	2022	\$(710,554)	2022	\$(9,057)
2023	\$ -	2023	\$(286,276)	2023	\$(1,921)
Thereafter	\$ -	Thereafter	\$(305,502)	Thereafter	\$(11,809)
Total	\$(421,371)	Total	\$(4,519,821)	Total	\$(46,001)

Year Ended December 31:	LEOFF1	Year Ended December 31:	LEOFF2
2019	\$199	2019	\$(297,044)
2020	\$(46,972)	2020	\$(632,615)
2021	\$(127,933)	2021	\$(1,279,314)
2022	\$(33,511)	2022	\$(535,525)
2023	\$ -	2023	\$(230,237)
Thereafter	\$ -	Thereafter	\$(909,420)
Total	\$(208,217)	Total	\$(3,884,155)

B. Single Employer Plan

FIREMENS' PENSION

Summary of Significant Accounting Policies

The Firemens' Pension Fund Plan (FPFP) report has been prepared in conformity with the standards set by the Governmental Accounting Standards Board (GASB). The plan report is prepared using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Interest income is recognized when earned.

Separate financial statements are not issued for the FPFP. The statement of fiduciary net position and the statement of changes in fiduciary net position for the fire pension plan can be found in the Fiduciary Section of the Basic Financial Statements portion of this report. The notes to the FPFP provide detailed disclosures related to GASB Statements 67 and 68. The following table represents the aggregate pension amounts for the FPFP for the year 2018:

Aggregate Pension Amounts - Fire Pension Fund	
Pension Liabilities	\$1,581,864
Deferred Outflows of Resources related to pensions	\$206,081
Pension Expense/Expenditures	\$1,375,783

Benefits Provided

The FPFP provides the excess fire pensions of the retirement, disability, and death benefits to plan members, widows or widowers, and beneficiaries over those benefits calculated under the LEOFF law. Information regarding LEOFF retirement benefits can be found in the LEOFF Plans 1 and 2 section of Pension Plans, Multiple Employer Plans of the notes to the financial statements. Retirement benefits under the FPFP for general plan members are equal to fifty percent of the basic salary attached to the rank and status of the retiree at the date of retirement, provided that the member has served for twenty-five years. Members with service more twenty-five years shall receive an increased pension by two percent of the basic salary per year for each full year of additional service, not to exceed a total pension payment of sixty percent of the basic salary established.

Disability retirement benefits are determined in the same manner as retirement benefits for duty-related disabilities. All plan members are eligible for non-disability benefits if the member completed their probationary period and were permanently appointed; benefits are equal to fifty percent of the basic salary at the time of disability. Pension benefits are provided for widows or widowers of plan members and are paid at the same monthly rate that the member was eligible to receive at the time of death. Funeral expenses in the amount of five hundred dollars is payable upon the death of any plan member to assist in defraying the funeral expenses of the member.

Annual cost-of-living adjustments to each member's retirement benefit occur automatically when the basic salary of the rank and status attached to the retirees final position increases. Pension benefits provided to widows or widowers of plan members are increased a minimum of two percent each year, increases for more than two percent must be authorized by the FPFP Board.

Plan Description

The City administers of the FPFP which is a closed, single-employer, defined benefit pension plan that was established in conformance with RCW Chapter 14.16 and 14.18. Membership is limited to fire fighters employed prior to March 1, 1970, when the State of Washington established the LEOFF retirement system. The City's obligation under the FPFP consists of paying all benefits, including payments to beneficiaries, for firefighters who retired prior to March 1, 1970, and excess benefits over LEOFF for covered fire fighters who retired on or after March 1, 1970.

Management of the FPFP is overseen by the Board of Trustees of the FPFP, which consists of five members - the Mayor, the City Comptroller or Clerk, the Chairperson of Finance of the City Council, and two eligible plan members elected by the plan members. The elected firefighters shall select a third eligible member who will serve as an alternate in the event of an absence of one of the regularly elected members.

Membership of the Firemens' Pension Plan consisted of the following at December 31, 2018, the date of the latest actuarial valuation:

Firefighters retired from service after March 1, 1970	11
Firefighters disabled in line of duty since March 1, 1970	8
Survivors of Firefighters retired after March 1, 1970	6

Funding Policy

Under State law, the FPPF is funded from an allocation from the State of Washington of fire insurance premium taxes; interest earnings; member contributions which were made prior to March 1, 1970 (the inception of LEOFF); and City contributions required to meet projected future pension obligations. The City is funding the plan from City contributions over a 26 year (2000-2025) funding plan of property tax revenues, along with future revenues from state fire insurance taxes and interest earnings which will be sufficient to pay all future pension benefits. The state contributes a portion of taxes collected on fire insurance premiums to the FPPF and is considered a non-employer contributing entity. The revenue received through this tax amounted to \$101,077 in 2018. Since the benefits provided by the Plan are the excess benefits between the City's FPF plan and the state's LEOFF plan, a modified aggregate projected benefit actuarial cost method is used for funding purposes. Under this method, all excess liabilities not covered by the actuarial assets as of the date of the valuation are funded as a level dollar or an increasing dollar amount over the period until the youngest participant is expected to reach age 74.

Net Pension Liability of the City

The components of the net pension liability of the City at December 31st were as follows:

Total Pension Liability	\$6,317,183
Plan Fiduciary Net Position	4,735,319
City's Net Pension Liability	\$1,581,864

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Assumptions

Valuation Date:	January 1, 2017	January 1, 2019
Measurement Date:	December 31, 2017	December 31, 2018
Inflation:	2.25%	2.25%
Salary Increases Including Inflation	3.25%	3.25%
Discount Rate	3.50%	3.50%
Long-Term Expected Rate of Return	3.50%	3.50%
Municipal Bond Rate	3.50%	3.50%
Mortality	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (forward 2 years for disabled members).	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (forward 2 years for disabled members).
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal

The long-term expected rate of return on pension plan investments was determined by combining expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions as of December 31, 2018 are as follows:

Asset Class	Long-Term Expected Real Rate of Return
Cash	0.34%
Short-Term Bonds	1.50%
Assumed Inflation	2.25%
Long-Term Expected Rate of Return	4.00%

The discount rate used to measure the total pension liability was 3 percent. The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. The Bond Buyer General Obligation 20-year municipal bond index as of December 31, 2018 is 4 percent. Rounding this to the nearest 1/4 percent results in the discount rate.

The following presents the sensitivity of the net pension liability to changes in the discount rate for the City, calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Sensitivity of the Net Pension Liability		
	1% Decrease	Current Discount Rate	1% Increase
	3%	4%	5%
City's Net Pension Liability	\$2,220,720	\$1,581,864	\$1,032,944

Investments

As of December 31, 2018, the FFPF had an investment portfolio with a fair value of \$4,478,080 which was invested in U.S. Governmental and Municipal Agencies on behalf of the Firemen's Pension Plan. In addition to these investments, the Plan had cash and cash equivalents totaling \$230,177 in the Washington State Treasurer Local Government Investment Pool (LGIP), a Rule 2a-7 money market type fund with an average portfolio maturity of less than 91 days. All investments are valued at fair value.

As of December 31, 2018 the annual money-weighted rate of return on pension plan investments, net of investment expenses, was 1.76 percent. The money-weighted rate of return considers the changing amounts actually invested during the period and weights the amount of the pension plan investments by the proportion of time they are available to earn a return during the period.

Investments of the FFPF are the responsibility of the City and are included in the City's portfolio and therefore are included in the City's investment policy, which is found in Note 4.

Changes in the Net Pension Liability

The changes in the net pension liability of the City for the FFPF at December 31st was as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of December 31, 2017	\$6,758,440	\$4,697,392	\$2,061,048
Prior Period Adjustment*			
Changes for the year:			
Interest on total pension liability	230,223	-	230,223
Effect of plan changes	-	-	-
Effect of economic/demographic gains/(losses)	-	-	-
Effect of assumptions changes or inputs	(307,070)	-	(307,070)
Benefit payments	(364,410)	(364,410)	-
Medical Payments from fund	-	-	-
Employer contributions	-	266,307	(266,307)
Contributions from state fire insurance premium tax	-	101,077	(101,077)
Net Investment income	-	82,931	(82,931)
Administrative expenses	-	(12,125)	12,125
Balances as of December 31, 2018	\$6,317,183	\$4,735,319	\$1,581,864

* Net Investment was over stated by \$35,852 in 2017.

Deferred Outflows of Resources

At December 31, 2018 the City reported deferred outflows of resources related to the FFPF from the following source:

Fire Pension	Deferred Outflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$206,081
TOTAL	\$206,081

Deferred outflows of resources related to the FFPF will be recognized in pension expense as follows:

Year Ended December 31:	FFPF
2019	\$93,412
2020	\$60,302
2021	\$36,104
2022	\$16,263
Total	\$206,081

NOTE 8 - RISK MANAGEMENT

A. Liability and Auto

The City of Olympia is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 160 members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for automobile physical damage, fidelity, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

B. Property

The City of Olympia purchases property insurance for buildings, contents, inland marine, and other insurable assets through Factory Mutual Global Insurance. Year 2018 coverage extends to approximately \$320 million of City property with a \$50,000 deductible. The coverage includes \$50 earth movement subject to a 5% per location or \$100,000 deductible and flood coverage subject to a \$50,000 per location deductible.

C. Health and Welfare

The City of Olympia is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2018, 257 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2018, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Life Map, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

Participating employers' contract to remain in the AWC HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the HCP. Similarly, the terminating member forfeits all rights and interest to the HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns.

The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in this report. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

D. Settlements

In the past three (3) years, there have been no settlements that exceeded coverage.

NOTE 9 - LONG-TERM LIABILITIES

A. Long-Term Debt

The City issues general obligation and revenue bonds to finance the acquisition or construction of capital assets. General obligation bonds have been issued for the general government. General obligation bonds are direct obligations of the City and pledge the full faith and credit of the City. Revenue Bonds have been issued by the City, under the City of Olympia's Water and Sewer Utilities. The City does not pledge the full faith and credit for the payment of the debt service on revenue bonds. Payment of debt service on the bonds for each utility is derived solely from the revenues generated by the related utility.

The City is also liable for notes that were entered into for the acquisition or construction of capital assets. These notes are considered obligations of either the general government or the proprietary funds and are being repaid with general government revenue and proprietary fund revenues, respectively.

General obligation bonds currently outstanding are as follows:

Issue Name	Amount Authorized	Annual Installments	Final Maturity	Effective Rates	Balance 12/31/2018
General Obligation Bonds					
2009A City Hall LTGO	2,400,000	318 - 322	2019	4.199	310,000
2009B City Hall BABs	32,810,000	2,099 - 3,303	2039	4.199	32,810,000
2009 Fire Dept Station and Training Center	16,180,000	1,190 - 1,195	2029	4.035	10,400,000
2010 Streets Projects LTGO	5,865,000	434 - 437	2029	5.00	3,795,000
2010B HOCM LTGO	5,670,000	291 - 563	2028	4.250	3,965,000
2013 WA Center, LED, and Parks LTGO	6,345,000	165 - 560	2032	5.00	3,890,000
Total General Obligation Bonds					\$55,170,000

The annual debt service requirements to maturity for General Obligation bonds are as follows:

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2019	2,155,000	3,008,500
2020	2,265,000	2,916,749
2021	3,025,000	2,816,170
2022	2,915,000	2,676,632
2023	2,850,000	2,539,143
2024-2028	16,005,000	10,515,036
2029-2033	11,230,000	6,815,206
2034-2038	12,005,000	3,303,829
2039-2039	2,720,000	177,590
Total	\$55,170,000	\$34,768,855

Enterprise revenue bonds currently outstanding are as follows:

Issue Name	Amount Authorized	Annual Installments	Final Maturity	Effective Rates	Balance 12/31/2018
Enterprise Revenue Bonds					
2007 Waterworks	8,000,000	240 - 610	2027	4.00-4.125	4,565,000
2010 Waterworks	6,485,000	475 - 480	2030	3.45	4,440,000
2013 Water/Sewer	7,780,000	650 - 910	2023	4.10	4,235,000
Total Enterprise Revenue Bonds					\$13,240,000
Special Assessment Notes - LID Debt					
LID 762 - Woodland Park Water	167,998		2018	6.50	9,798
Total Special Assessment Bonds					\$9,798
Total Bonds Outstanding					\$68,419,798

Enterprise revenue bond debt service requirements to maturity are as follows:

Year Ending December 31,	Business Type Activities	
	Principal	Interest
2019	1,490,000	554,781
2020	1,555,000	487,381
2021	1,625,000	417,031
2022	1,690,000	352,031
2023	1,760,000	284,431
2024-2028	4,220,000	688,238
2029-2033	900,000	59,500
Total	\$13,240,000	\$2,843,393

Loans currently outstanding are as follows:

Issue Name	Amount Authorized	Annual Installments	Final Maturity	Effective Rates	Balance 12/31/2018
State of Washington Trust Fund Loans					
4th Avenue Bridge	6,049,030	360,377	2020	1.00	720,754
4th Avenue Bridge	3,111,250	173,382	2021	1.00	520,148
Sleater-Kinney Sewer	1,808,375	57-62,000	2028	0.05	919,463
Subtotal State of Washington Trust Fund Loans					\$2,160,365
Other Loans					
Local Program Energy Savings	1,534,496	68-171,000	2020	2.97	259,670
U.S. HUD Department Section 108 Loan	325,000	65-66,000	2020	LIBOR + 0.2%	56,000
2016 Parks BAN	10,000,000	\$10,000,000	2019	1.35	10,000,000
2017 Parks Land Promissory Note	2,200,000	1.0 - 1.2M	2019	0.00	1,000,000
2018 Zahn Promissory Note	10,702,224	4.0 M - 700,000	2022	0.00	6,700,000
2018 Minh Promissory Note	950,904	\$250,000-300,000	2021	0.00	700,000
DOE Septic Conversion Assistance Program	250,000	100-900	2031	2.90	76,977
DOE State Ave. Stormwater Retrofit	619,485	5-19,800	2035	2.30	565,096
Yauger Park Stormwater	1,214,018	6-41,000	2031	3.10	814,724
DWSRF McAllister Wellfield Development	6,060,000	284,463	2034	1.50	4,551,414
DWSRF McAllister Wellfield Transmission Pipeline	4,811,640	240,582	2034	1.50	3,849,312
DWSRF McAllister Wellfield Corrosion Control Facility	4,058,632	N/A*	2038	1.50	3,099,410
DWSRF Fones Road Booster Pump Stations	1,931,982	N/A*	2038	1.50	1,773,176
DWSRF SE Olympia Reservoir Loan	11,983,650	N/A*	2037	1.50	8,785,369
Subtotal Other Loans					\$42,231,148
Loans Total					\$44,391,513

* DWSRF loan terms have not been defined. Terms will be defined upon project completion.

** The City was awarded two DWSRF Loans at 1.5% interest for \$1,515,000 in 2018. The City did not draw against them in 2018

The annual debt service requirements to maturity for loans are as follows:

Year Ending December 31,	Governmental Activities		Business Type Activities		Total Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$16,005,593	\$105,936	\$1,461,471	\$376,387	\$17,467,064	\$482,323
2020	1,927,596	28,822	1,511,630	351,835	3,439,226	380,657
2021	2,859,117	17,642	1,514,250	328,881	4,373,367	346,523
2022	700,000	-	1,516,943	305,853	2,216,943	305,853
2023	-	-	1,519,712	282,749	1,519,712	282,749
2024-2028	-	-	7,642,885	1,064,406	7,642,885	1,064,406
2029-2033	-	-	6,656,095	492,662	6,656,095	492,662
2032-2036	-	-	2,611,955	80,925	2,611,955	80,925
2037-2038	-	-	-	-	-	-
Total	\$21,492,306	\$152,400	\$24,434,941	\$3,283,698	\$45,927,247	\$3,436,098

At December 31, 2018, the City has \$84,480 available in debt service funds to service the general bonded debt. Restricted assets in proprietary funds contain \$1,260,900 in reserves as required by bond indentures. The Drinking Water and Wastewater Utilities of the proprietary funds are responsible for the repayment of the Enterprise Revenue Bonds. Revenue bonds are payable from revenues generated by the user fees, and are backed by the Drinking Water and Wastewater Utilities. The Drinking Water and Wastewater Utility Fund has \$24,763,547 in Unrestricted Net Position, ensuring that funds are available for repayment.

There are a number of other limitations and restrictions contained in the various indentures. The City is in compliance with all significant limitations and restrictions. Debt service requirements for the LID 762 Woodland Park Water special assessment bonds are met by assessments levied against property owners. The L.I.D. as of December 31, 2018 has a outstanding balance of \$9,798. The City has no financial obligation for defaults by property owners on special assessment debt except for insuring the funding of the Guaranty Fund and as of December 31, 2018 the Guaranty Fund has a balance of \$79,479. Assessments are liens against the assessed property.

Legal debt margin

The City's total legal limit of indebtedness is 7.5% of the assessed property value, \$6,690,364,182, of which 1.5% may be for General Purpose Debt without a vote of the people, 1% may be for General Purpose Debt with a vote of the people, 2.5% may be for Utility Purpose Debt with a vote of the people, and 2.5% may be for Open Space, Parks, and Capital Facilities Debt with a vote of the people. At December 31, 2018 the available debt limit is as follows:

	Debt Limit	Applicable Debt
General Purpose Debt Limit without a vote of the people (1.5%)	\$100,355,463	\$65,287,261
General Purpose Debt Limit with a vote of the people (1.0%)	66,903,642	10,400,000
Utility Purpose Debt Limit with a vote of the people (2.5%)	167,259,105	-
Open Space, Park, and Capital Facilities Debt Limit with a vote of the people (2.5%)	167,259,105	-
	\$501,777,315	\$75,687,261

B. Debt Service Requirements to Maturity

The following table displays total annual debt service requirements to maturity on all bonds and loans including interest as of December 31, 2018. Amounts listed include principal and interest.

Year Ending December 31,	Bonds	Other Loans	Trust Fund Loans	Total
2019	\$ 7,208,279	\$ 17,309,275	\$ 640,112	\$ 25,157,666
2020	7,224,130	3,184,702	635,181	11,044,013
2021	7,883,201	4,450,017	269,874	12,603,092
2022	7,633,663	2,427,632	95,164	10,156,459
2023	7,433,574	1,707,757	94,704	9,236,035
2024	6,486,155	1,687,882	94,245	8,268,282
2025	6,478,782	1,668,007	93,785	8,240,574
2026	6,472,825	1,648,132	93,325	8,214,282
2027	6,464,833	1,628,258	92,865	8,185,956
2028	5,525,680	1,608,384	92,406	7,226,470
2029	5,210,359	1,588,509	-	6,798,868
2030	3,546,996	1,534,752	-	5,081,748
2031	3,538,920	1,465,497	-	5,004,417
2032	3,494,359	1,370,133	-	4,864,492
2033	3,214,071	1,189,868	-	4,403,939
2034	3,166,077	1,173,442	-	4,339,519
2035	3,117,194	631,972	-	3,749,166
2036	3,062,115	478,730	-	3,540,845
2037	3,010,810	408,734	-	3,419,544
2038	2,952,635	-	-	2,952,635
2039	2,897,590	-	-	2,897,590
2040	-	-	-	-
2041	-	-	-	-
Total	106,022,248	\$47,161,683	\$2,201,661	\$155,385,592

C. Current Portion of Long Term Liabilities

The following table displays the principal portion of each debt instrument that is due within one year of the statement date of December 31, 2018:

State of Washington Trust Fund Loans	
4th / 5th Ave Corridor	533,759
Sleater Kinney Sewer Project	91,946
Subtotal State of Washington Trust Fund Loans	<u>\$625,705</u>
State of Washington Local Loans	
Yauger Park Stormwater	\$60,003
LOCAL Program Energy Savings	171,834
DWSRF McAllister Wellfield Loan	284,463
DWSRF McAllister Pipeline Loan	240,582
DWSRF McAllister Reservoir Loan	465,704
DWSRF McAllister Corrosion Control Facility	182,318
DWSRF Fones Rd Booster Pump Station	104,304
DOE Septic Connection Assistance Loan	4,665
DOE State Avenue Stormwater Loan	27,485
Subtotal State of Washington Local Loans	<u>\$1,541,358</u>
Other Debt and Loans	
U.S. Department of HUD Section 108 Loan	-
2016 Parks Bond Anticipation Note (BAN)	10,000,000
2017 Parks Land Promissory Note	1,000,000
2018 Zahn Promissory Note	4,000,000
2018 Mihn Promissory Note	300,000
Subtotal Other Debt and Loans	<u>\$15,300,000</u>
Enterprise Revenue Bonds	
2007 Waterworks	415,000
2010 Waterworks	295,000
2013 Water/Sewer Bond	780,000
Subtotal Enterprise Revenue Bonds	<u>\$1,490,000</u>
General Obligation Bonds	
2009A City Hall LTGO	310,000
2009 Fire Stn Construction LTGO	770,000
2010 Streets Projects LTGO	280,000
2010B HOCM LTGO	290,000
2013 WA Center, LED, and Parks LTGO	505,000
Subtotal General Obligation Bonds	<u>\$2,155,000</u>
Total Principal amount due within one year	<u><u>\$21,112,063</u></u>

D. Changes in Long-Term Liabilities

During the year ended December 31, 2018, the following changes occurred in long-term liabilities:

	Balance 1/1/2018	Additions	Retirements	Balance 12/31/2018	Due Within One Year
Governmental Activities					
G.O. Bonds	\$57,230,000	\$ -	\$2,060,000	\$55,170,000	\$2,155,000
Premium	590,241	-	39,350	550,891	39,349
Total Bonds Payable	57,820,241	-	2,099,350	55,720,891	2,194,349
Special Assessment Notes	9,798	-	-	9,798	-
Other Loans	11,513,889	12,886,749	5,684,968	18,715,670	15,471,834
WA State Trust Fund Loans	1,774,661	-	533,759	1,240,902	533,759
Net Pension Liability - State Plans	15,054,148	14,305,625	17,634,472	11,725,301	-
Net Pension Liability - Fire Pension	2,061,048	(28,869)	450,315	1,581,864	-
OPEB payable	11,575,211	25,656,297	11,575,211	25,656,297	-
Compensated Absences	5,346,852	3,735,323	4,014,102	5,068,073	4,013,741
Subtotal	\$105,155,848	\$56,555,125	\$41,992,177	\$119,718,796	\$22,213,683
Business - Type Activities					
Enterprise Revenue Bonds	\$14,670,000	\$ -	\$1,430,000	\$13,240,000	\$1,490,000
Premium	419,250	-	68,613	350,637	68,612
Discount	(20,949)	-	(2,186)	(18,763)	(2,186)
Total Bonds Payable	15,068,301	-	1,496,427	13,571,874	1,556,426
WA State Trust Fund Loans	1,011,409	-	91,946	919,463	91,946
Other Loans	16,270,088	8,670,004	1,424,614	23,515,478	1,369,524
Net Pension Liability	4,974,371	5,448,892	6,698,443	3,724,820	-
Compensated Absences	970,596	1,242,604	1,173,730	1,039,470	1,029,672
Subtotal	\$38,294,765	\$15,361,500	\$10,885,160	\$42,771,105	\$4,047,568
Total	\$143,450,613	\$71,916,625	\$52,877,337	\$162,489,901	\$26,261,251

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$39,621 of internal service funds compensated absences are included in the above amounts, of which \$39,621 is estimated to be used in the next year. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund. It is estimated that the amount of compensated absences to be used in the next year in Governmental and Business-Type Activities is \$3,979,301 and \$1,173,730 respectively. The Other Post-Employment Benefits Trust Fund (a sub-fund of the General Fund) provides funding for the payment of the benefits related to the Other Post-Employment Benefits (OPEB), however the General Fund would be responsible for funding beyond the available resources of the OPEB Trust Fund. In 2018 GASB 75 was implemented changing the method of calculation for OPEB. Due to this you will see a retirement of \$11,575,211, which is the liability under the old method GASB 45, and an addition of \$25,656,297 which is the implementation of the new method under GASB 75. For further information related to OPEB see Note 17 Postemployment Benefits Other than Pension Benefit.

The net pension liability of the state plans for both the governmental funds and the business type funds are funded via required contributions as a percentage of payroll of employees within each fund. For further information related to the state plans see Note 7 State Sponsored Pension Plans.

The net pension liability of the fire pension plan is generally liquidated by the Fire Pension Plan Trust Fund, however the General Fund would be responsible for funding beyond the available resources of the Fire Pension Trust Fund. For further information related to the Fire Pension Plan Trust Fund see Note 7 B. Firemen's Pension.

E. Arbitrage Rebate

Rebatable arbitrage is defined by the Internal Revenue Service Code Section 148 as earnings on investments purchased from the gross proceeds of a bond issue that are in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. The rebatable arbitrage must be paid to the federal government. The City of Olympia monitors its bond spend-down and investments to restrict earnings to a yield less than the bond issue, and therefore limits any arbitrage liability. As of December 31, 2018 the City has no arbitrage rebate liability.

NOTE 10 - LEASES**A. Operating Leases**

The City leases land, building, and police radios under noncancelable operating leases. Total cost for such leases was \$103,400 for the year ended December 31, 2018. The future minimum lease payments for these leases are as follows:

Year Ending December 31,	Amount
2019	103,400
2020	44,000
2021	20,000
2022	20,000
2023 - 2027	100,000
2028 - 2032	100,000
2033 - 2037	100,000
2038 - 2042	100,000
2043 - 2047	100,000
2048 - 2052	100,000
2053 - 2054	40,000

NOTE 11 - CONTINGENCIES AND LITIGATIONS

The City has recorded in its financial statements all material liabilities, including an estimate for situations which are not yet resolved but where, based on available information, management believes it is probable that the City will have to make payment. In the opinion of management, the City's insurance policies and/or self-insurance reserves are adequate to pay all known or pending claims.

A. Litigation

The City has claims and lawsuits pending at this time, which could result in a liability for the City over the next few years. The amount of these claims cannot be reasonably estimated at this time and management estimates that the potential claims not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

B. Contingent Liabilities

As discussed in Long-Term Debt Note No. 9, the City is contingently liable for repayment of debt.

The City has received several Federal and State grants for specific purposes, which are subject to review and audit by the grantor agencies or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grant. Based upon experience, City Management believes such disallowance, if any, will be immaterial.

C. Pollution Remediation

The City has several pieces of property currently owned or recently sold that have contamination requiring a cleanup. Each property is listed below with a brief narrative.

1. Parking Lot – State Avenue

In 2008 the city purchased property for the State Department of Transportation (DOT) to develop a parking lot. The purchase and sale agreement called for the City to clean up the contaminated site and be reimbursed by the DOT for all costs up to the amount of the land purchase, \$1,284,462, in addition to interest earned on the proceeds. The site is remediated at a cost of \$1,521,439 and the DOT has reimbursed the City \$1,384,049. In 2015 the City sold a portion of the site to a developer for the purpose of building low income housing. The City will continue to monitor both sites and work with the Department of Ecology to receive a "No Further Action Required" letter.

2. Percival Landing's Southern Site

Percival Landing's southern site is made up of two parcels, the Olympia Center Parking lot and the City of Olympia Waste Water pump station. The parking lot parcel was acquired in 1988 and the sewer pump parcel was purchased in 1949. These parcels contain contaminated soil and the City is working to complete the site investigation phase with the Department of Ecology's oversight. Because of the undetermined nature and timing of the cleanup, and the fact that any future remediation may coincide with further development of the site, and that the city may capitalize those costs with the development, the city has not accrued any liability on the Entity-Wide Statement of Net Position. The city is under no current obligation for immediate remediation action on the southern site.

3. 8th Avenue Park

In 2006, the City purchased this four acre parcel at 3000 8th Ave NE to be a future park. The site contains soil contamination from its historic use as a commercial berry farm and is currently closed to public use. Cost estimates for site cleanup have not been determined. Because of the undetermined nature and timing of the cleanup, and the fact that any future remediation may coincide with further development of the site, and that the city may capitalize those costs with the development, the city has not accrued any liability on the Entity-Wide Statement of Net Position. The city is under no current obligation for immediate remediation action on the southern site.

4. West Bay

In 2005 the City acquired property on West Bay Drive from the Port of Olympia to develop a waterfront park. The site was located in an area historically subject to industrial uses, and it was known that portions of the property were contaminated. Clean-up actions on the northern portion of the site were associated with Phase 1 of the West Bay Park, and were completed in 2009. The City has spent approximately \$1,494,423 on remediation, and received approximately \$802,455 in reimbursements from a Department of Ecology grant and \$439,412 from the Port of Olympia; the unreimbursed costs have been capitalized. The City is continuing to monitor and test the northern part of the site until the Department of Ecology confirms full remediation.

The southern portion of the site still contains contaminated soil, and the City has prepared a draft RI/FS that was submitted to the Department of Ecology for approval. Because of the undetermined nature and timing of the cleanup, and the fact that any future remediation may coincide with further development of the site, and that the city may capitalize those costs with the development, the city has not accrued any liability on the Entity-Wide Statement of Net Position. The City is under no current obligation for immediate remediation action.

5. Isthmus Property

The City purchased the Isthmus parcels in 2013. Contaminated soil is known to exist on the property. The City is currently in the planning stages for the development of the property. Because of the undetermined nature and timing of the cleanup, and the fact that any future remediation may coincide with further development of the site, and that the City may capitalize those costs with the development, the City has not accrued any liability on the Statement of Net Position. The City is under no current obligation for immediate remediation action on the contaminated soil. The City confirmed asbestos and lead in the buildings. The City removed the hazardous material from both of the buildings and completed demolition of the buildings in order to prepare the property for its intended use, and since the City will capitalize those costs, the City has not accrued any liability on the Statement of Net Position.

6. Heritage Fountain Parcels

In 1994, the City acquired the Heritage Fountain property to develop the Heritage Park Fountain. A portion of the site contained a former fuel station that operated between 1932 and 1959. Between 1995 and 1997, the City removed contaminated soil and operated an air sparge and soil vapor recovery system to provide for the final treatment of contaminated soil and groundwater at the site. In 2013, the Department of Ecology notified the City that the documentation demonstrating cleanup standards were achieved for the soils and groundwater submitted to Ecology was insufficient. In 2007, the City acquired the adjacent parcel to add to the Heritage Park site. During the redevelopment of 4th Avenue in 2002, this parcel was confirmed to contain contaminated soil and investigated in 2007. Any future investigations for the Heritage Fountain site will include both of these parcels. Cost estimates for further site characterization and/or cleanup have not been determined. The City has not accrued any liability on the Entity-Wide Statement of Net Position. The City is under no current obligation for immediate remediation action

7. West Olympia Landfill

In the early 1940s, the City purchased property that had been used for household waste disposal and continued operating it as a municipal landfill through the late 1960s. Since the mid-1980s, numerous investigations have been conducted (mostly by development companies) to understand the extent of any contamination. The results of many onsite and offsite soil, waste, soil gas, and groundwater tests indicate low levels of solvent waste in groundwater only. The City is currently in the process of establishing an Agreed Order with the Department of Ecology to finalize site characterization efforts and determine remedial activities. The City is positioning the property for sale and future remediation activities are expected to coincide with development. The City has not accrued any liability on the Statement of Net Position.

8. Water Street Wastewater Lift Station

The City has owned and operated a sewage lift station in the 200 block of Water Street since 1961. In 1998, an underground storage tank used to supply diesel fuel for the backup generator was replaced with an above ground storage tank. During this replacement it was discovered that diesel fuel had leaked from the underground storage tank. The City is monitoring the site as part of a voluntary cleanup program. The City has not accrued any liability on the Statement of Net Position due to the unknown cost and unknown date of cleanup. The City is under no current obligation from the Department of Ecology for immediate remediation action.

9. Miller and Central Wastewater Lift Station

The City has owned and operated a sewage lift station in the 1900 block of Miller Avenue since 1970. In 1998, an underground storage tank used to supply diesel fuel for the backup generator was replaced with an above ground storage tank. During this replacement it was discovered that diesel fuel had leaked from the underground storage tank. The City is monitoring the site as part of a voluntary cleanup program. The City has not accrued any liability on the Statement of Net Position due to the unknown cost and unknown date of cleanup. The City is under no current obligation from the Department of Ecology for immediate remediation action.

10. 7th Avenue Right-of-Way

In 2005, the city reconstructed 7th Avenue between Water Street and Columbia Street. During construction contaminated soils were encountered at approximately mid-block on the north side of the street. Excavated soils were disposed of at a hazardous waste facility. Future excavation for utility maintenance or construction may trigger the need for additional action. The City is under no current obligation from Ecology for immediate remediation action and due to the unknown cost and unknown date of cleanup, the City has not accrued a liability on the Statement of Net Position.

NOTE 12 – RESTRICTED COMPONENT OF NET POSITION

The government-wide statement of net position reports \$53,191,533 of restricted net position, of which \$14,050,919 is restricted by enabling legislation. The remaining \$39,140,614 is restricted by other legally binding contracts. Restricted net position details for the year ended December 31, 2018 are listed in the following chart:

Restricted Net Position			
	Governmental Activities	Business-Type Activities	Total
Total Liabilities			
Restricted by Enabling Legislation:			
Impact Fees	\$8,002,566	\$-	\$8,002,566
SEPA Mitigation	1,398,438	-	1,398,438
Boating Safety, Seizure and Forfeitures, Other	248,453	-	248,453
HUD Programs	4,401,462	-	4,401,462
Subtotal of Restricted by Enabling Legislation	\$ 14,050,919	\$ -	\$14,050,919
Restricted by Other Legal Means:			
Transportation, Parking, and Parks	\$15,425,898	\$-	\$15,425,898
Net Pension Asset	14,473,921	-	14,473,921
Workers Comp Reserve	2,436,913	-	2,436,913
Other Post Employment Benefits (OPEB)	2,620,447	-	2,620,447
Lodging Tax	1,366,150	-	1,366,150
Hands On Children's Museum	528,637	-	528,637
Housing and Homeless Programs	347,916	-	347,916
Prepaid Items and Inventory	364,336	-	364,336
Bond Fund and LID Fund Reserve	80,435	1,260,900	1,341,335
Farmers Market	76,700	-	76,700
Washington Center	85,179	-	85,179
Debt Services	73,182	-	73,182
Public Defense Improvements	-	-	-
Subtotal of Restricted by Other Legal Means	37,879,714	1,260,900	39,140,614
TOTAL RESTRICTED NET POSITION	\$51,930,633	\$1,260,900	\$53,191,533

NOTE 13 - INTERFUND TRANSFERS

Interfund transfers at December 31, 2018 are listed below.

During the year, the majority of the transfers are used to move resources from the fund with collection authorization to debt service funds as debt service principal and interest payments become due, capital project funds when the authorized use of funds has been expended, and the general fund for specific purposes.

There was one significant transfer made during the year that was not considered a routine transfer or consistent with the activities of the fund making the transfer. This transfer was from the Washington Center Endowment Fund previously reported as a Trust and Agency Fund. In 2018 the fund was reclassified as a General Fund Sub-Fund on the basis that the funds do not meet the requirements to be a Fiduciary Trust Fund. All transfers are consistent with the activities of the funds making the transfer.

TRANSFERS OUT

Fund Types	FUND	General Fund	Special Revenue Funds			Capital Project Funds	Enterprise Funds			Total	
			Impact Fee Fund	Lodging Tax Fund	Parks & Recreation Utility Tax Fund	Capital Improvement Fund	Other Governmental Funds	Drinking Water/Wastewater Funds	Waste Resources Funds		Storm & Surface Water Funds
General Fund	001-099	-	-	444,376	-	1,779,101	1,805,244	30,711	13,514	125,606	4,198,552
Debt Service Funds		200-299	435,611	-	121,357	-	678,355	-	-	-	1,845,880
Capital Project Funds											
Capital Improvement Fund	317	1,220,000	3,475,224	-	3,270,234	-	3,076,362	-	-	2,749	11,044,569
Fire Equipment Reserve Fund	331	200,000	-	-	-	-	-	-	-	-	200,000
Total Other Cap Proj Funds	NM - CPF	200,000	-	-	-	-	-	-	-	-	200,000
Other Governmental Funds	Non-major funds	810,557	435,611	-	121,357	-	678,355	-	-	-	2,045,880
Total Transfers Out		\$2,030,557	\$3,910,835	\$444,376	\$3,391,591	\$1,779,101	\$5,559,961	\$30,711	\$ 13,514	\$128,355	\$7,289,001

NOTE 14 – RECEIVABLE BALANCES

The City participates in a number of federally assisted grant programs: for example, Community Development Block Grants and a number of state grants that are direct or federal pass through in nature. The following tables outline the receivables from other governmental units, and current and non-current portions of long-term notes, contracts and loans receivable at fiscal year end.

A. Governmental Receivables

At December 31, 2018, the receivables from other governmental units consisted of the following:

Governmental Funds	
General Fund	
Tumwater Fire Department	5,747
Thurston County Fire District 9	15,288
Thurston County Medic	465,411
Thurston County Fire District 3	13,240
West Thurston Fire Authority	3,245
Thurston County Fire District 13	1,475
FEMA	120,651
Olympia School District	28,184
Shared State Revenue	257,912
Thurston County Housing Authority	8,824
Lacey Fire District #3	6,909
South Bay Fire District	1,311
City of Tumwater	10,651
Thurston County Fire District #8	2,357
McLane Black Lake Fire District #9	4,727
	\$945,932
Special Revenue Funds	
Department of Housing and Urban Development	69,810
State Shared Revenue	98,158
	167,968
Capital Project Funds	
State Shared Revenue	523,039
Puget Sound Energy	9,249
Recreation Conservation Office	1,706,553
Department of Transportation	5,374
Olympia School District	15,000
	2,259,215
Business-Type Funds	
Enterprise Funds	
City of Lacey	1,914
City of Tumwater	895
Thurston County	57
Department of Ecology	169,121
Lott Alliance	7,811
Port of Olympia	12,142
State Shared Revenue	25,051
Department of Health	151,197
	368,188
Internal Service Funds	
WA State Department of Enterprise Systems Fleet	10,251
	10,251
Total Receivables	\$3,751,554

B. Current and Non-Current Long-Term Receivables

At December 31, 2018, the receivables from current and long-term notes, contracts, and loans receivable consisted of the following:

General Fund	Current	Non-Current	Total
HUD Downtown Housing	79,741	2,116,388	2,196,129
Subtotal - General Fund	79,741	2,116,388	2,196,129
Special Revenue Funds			
Deferred Loans Receivable			
HUD Block/Shelter Grant	140,762	4,401,462	4,542,224
Total Long Term Receivables	\$220,503	\$6,517,850	\$6,738,353

NOTE 15 - JOINT VENTURES AND INTERLOCAL AGREEMENTS**A. Joint Ventures**1. Animal Protection Services

Thurston County Joint Animal Services is a joint venture providing services to Lacey, Olympia, Tumwater, and Thurston County. Services include licensing, education, complaint, investigation, and enforcement. A shelter is also operated to hold impounded or lost animals, and/or adoptable animals placed with the shelter. It is governed through an interlocal agreement by the Joint Animal Services Commission which is a 6 member board composed of elected representatives from the cities of Lacey, Olympia and Tumwater, Thurston County, the South Puget Sound Veterinary Medical Association, and the Thurston County Humane Society.

An equity interest exists for the cities of Lacey, Olympia and Tumwater, and Thurston County. In 2018 the City of Olympia had a 22.96 percent share of the equity. Net Position as of December 31, 2018, was \$3,352,881. The City of Olympia reports its share of equity interest as an investment in joint venture, in the government-wide statement of net position. The current equity share for the City is valued at \$769,821.

An ongoing financial interest exists for the cities of Lacey, Olympia and Tumwater, and Thurston County. The agreement specifies a funding formula that allocates the cost based on serviced animal cases and population per jurisdiction (unless otherwise adjusted by the Commission) in the prior year. All employees (including the Director) are employees of the City of Lacey. All property is considered to be jointly owned with the title being held by the City of Lacey. Parties will be reimbursed based on their contribution upon sale of property for dissolution of Animal Protection Services. Minimum participation for any one party is three years and withdrawal of any party will not terminate the agreement.

The City of Lacey accounts for the joint venture in a separate agency fund. Completed Financial Statements can be obtained from the City of Lacey Finance Department, 420 College Street SE, Lacey, WA 98503.

2. Interlocal Drug Unit

The Interlocal Drug Unit provides drug control and investigation services to participating local governments in Thurston County. The Drug Unit is governed by a 5 member Executive Committee composed of the Thurston County Sheriff and Police Chiefs from the cities of Lacey, Olympia and Tumwater and by a representative from the Washington State Patrol. The Executive Committee governs the unit, approves and signs all grant agreements and contracts, and specifies staffing levels. Drug Unit personnel remain employees of the agency that assigned them to the Drug Unit. Approximately half of the Drug Unit personnel are funded by their departments. The Drug Unit is funded by grants and seizures of drug funds and the agreement states that each participant will contribute any additional funding equally. All monies and equipment will remain with the Drug Unit upon withdrawal of any permanent participant from the Drug Unit. The City of Lacey accounts for the joint venture in a separate special revenue fund and complete financial statements are available from the City of Lacey, Finance Department, 420 College Street SE, Lacey, WA 98503.

3. Law Enforcement Records Management System

The Law Enforcement Records Management System (LERMS) is a joint venture providing accurate and timely criminal justice data sharing to the cities of Lacey, Olympia, Tenino, Tumwater, and Yelm. The goal of this joint venture is to share public safety information, increase operational efficiency via a reduction in data entry, and ease the process of accessing information. These goals will improve officer and citizen safety, facilitate coordination and information sharing to both internal and external agencies, and improve data quality and timeliness of data accessibility. It is governed through an interlocal agreement by the LERMS Consortium, which is a 5 member board composed of each cities Chief of Police (or their designee).

An equity interest exists for the cities of Lacey, Olympia, Tenino, Tumwater, and Yelm. As of December 31, 2018, the City of Olympia has a 42.00% share of the equity. Net Position as of December 31, 2018, was \$75,284. The City of Olympia reports its share of equity interest as an investment in joint venture, in the government-wide statement of net position. The current equity share for the City is valued at \$31,620.

An ongoing financial interest exists for the cities of Lacey, Olympia, Tenino, Tumwater, and Yelm. The agreement specifies a funding formula that annually assesses member cities based on current year population as determined by the Thurston Regional Planning Council (unless otherwise adjusted by the Consortium). All property is considered to be jointly owned. Parties will be reimbursed based on their contribution upon sale of property upon the dissolution of LERMS. Any member may withdraw from the agreement at the end of any calendar year, providing a notice to the Consortium no less than six months prior to the date of withdrawal. Withdrawal of a party will not terminate the agreement of the remaining parties.

The City of Olympia accounts for the joint venture in a separate agency fund. Complete Financial Statements can be obtained from the City of Olympia Administrative Services Department, PO Box 1967, Olympia, WA 98507

B. Interlocal Agreement

1. Capital Area Regional Public Facilities District (PFD)

In 2006, the City of Olympia entered into a contract with the Capital Area Regional Public Facilities District (PFD) for the acquisition, development, operation and maintenance of the Hands On Children's Museum (HOCM). The PFD imposes a sales and use tax pursuant to RCW 82.14.390 to repay any financing obtained to fund the design, construction, acquisition, operation and/or maintenance of the museum. The monies collected as sales taxes shall only be used for the purposes permitted under RCW 82.14.390 and RCW 35.57.020. In 2018, the City of Olympia received \$527,052 in sales taxes levied by the PFD and is accounted for within the HOCM Special Revenue Fund.

2. LOTT Alliance

The Alliance was formed by an interlocal agreement by Thurston County and the cities of Olympia, Lacey, and Tumwater. Under the interlocal agreement the City of Olympia receives Wastewater treatment services. In addition to the Wastewater treatment, LOTT provides reclaimed water for distribution by the City.

3. Thurston County Regional Health and Human Services Council

The Council was formed by an interlocal agreement with Thurston County, and the cities of Lacey, Olympia, and Tumwater. Under the interlocal agreement the County and Cities agree to contribute funding in order to address unmet areas of need in health and human services. The Council will set priorities and provide oversight to ensure better utilization of the funding available for health and human resources within Thurston County. In 2018, the City of Olympia contributed \$91,810, which is received by Thurston County Public Health and Social Services Department.

NOTE 16 – UTILITY RATES

A. Solid Waste:

During 2018, basic residential garbage rates consisted of \$10.41 for one 20 gallon can service. The basic commercial rate for one 10 gallon can service was \$7.10.

B. Drinking Water:

During 2018 basic monthly single family and duplex residential rates consisted of a \$12.98 ready to serve rate.

In addition, a tiered rate is applied to consumption as follows:

Block 1 (0 - 500 cubic feet): \$1.80 per 100 cubic feet of water consumed.

Block 2 (501 - 1000 cubic feet): \$3.15 per 100 cubic feet of water consumed.

Block 3 (1001 - 1500 cubic feet): \$5.03 per 100 cubic feet of water consumed.

Block 4 (1501+ cubic feet): \$6.62 per 100 cubic feet of water consumed.

The Water General Facility Charge (GFC) was \$4,433. The GFC is charged for a new hook-up to the system.

C. Wastewater:

During 2018 the local collection charge was billed \$21.47 per ERU. The Sewer General Facility Charge (GFC) was billed \$3,442 per ERU.

An ERU is an Equivalent Residential Unit. The ERU is a measure of sewage usage with the exception of any significant industrial user. An ERU is defined as a separate single family residence or one per single family unit with respect to residential duplexes. Residential structures having more than two single-family units are assessed at 70% an ERU per unit. As for other than residential users, an ERU is defined as 900 cubic feet of sewage measured at the source of either water consumption or sewage discharge for LOTT treatment and 700 cubic feet of sewage measured at the source of either water consumption or sewage discharge for Local collection.

D. Stormwater Drainage:

During 2018, the rate for single family residences and duplexes was \$13.37 and \$26.74 per month respectively. Accounts other than single family and duplex are charged an \$13.08 administrative fee plus \$4.92, \$10.28, and \$12.97 per billing unit of impervious surface based on the date of development.

NOTE 17 - DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS**A. Other Postemployment Benefit**

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year 2018:

Aggregate OPEB Amounts – All Plans	
OPEB liabilities	\$25,656,297
OPEB assets	\$ -
Deferred outflows of resources	\$ -
Deferred inflows of resources	\$ -
OPEB expenses/expenditures	\$-1,695,760

*The discount rate in 2017 was 3.5%, in 2018 it increased to 4% which created a negative expense (revenue).

1. OPEB Plan Description:

The City of Olympia participates in the LEOFF 1 plan for Fire and Police. The plan is a single-employer defined benefit plan administered by The City of Olympia for employees hired before October 1, 1977 as required by RCW 41.26. The eligible members are covered under LEOFF Plan 1.

The City LEOFF1 plan provides benefits in accordance with RCW41.26. Under the authorization of the LEOFF Disability Board, direct payments are made for medical, dental, long term care, vision, counseling, hearing aids and preventative care. Each member of LEOFF1 qualifies for all benefits. LEOFF1 is closed to new employees. The authority under which benefit terms are established or amended is determined by RCW41.26.

There are 32 inactive Police Officers and 33 inactive Fire Fighters that are covered and receiving OPEB Benefits.

Employees Covered By the Benefit terms:

At December 31, 2018 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	65
Inactive employees entitled to but not yet receiving benefits	N/A
Active employees	N/A
Total	65

2. Funding

The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust. The City paid \$802,771 in medical benefits for plan members in year ending Dec 31, 2018.

Assumptions and Other Inputs	
Discount Rate	\$25,656,297
Beginning of Year	3.5%
End of Year	4.0%
Mortality Table	RP-2000 Mortality Table
Mortality Improvements	100% Scale BB
Age Setback	-1 year males/ +1 year female/ -2 year disabled
Actuarial Cost Method	Entry Age Normal

The following represents the total OPEB liability of the City calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate. The rate is a blended rate with each benefit and age bracket having its own weighted percentage.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$22,626,539	\$25,656,297	\$29,247,724

The following presents the total OPEB liability of the City calculated using the discount rate of 4 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2 percent) or 1-percentage point higher (5 percent) than the current rate.

	1% Decrease (3%)	Current Healthcare Cost Trend Rate (4%)	1% Increase (5%)
Total OPEB Liability	\$29,562,818	\$25,656,297	\$22,462,020

Changes in the Total OPEB Liability

LEOFF1	
Total OPEB Liability at 01/01/2017	\$27,352,057
Service cost	
Interest	943,678
Changes of benefit terms	
*Differences between expected and actual experience	
*Changes of assumptions	-1,853,008
Benefit payments	-786,430
Other changes	
Total OPEB Liability at 12/31/2018	\$25,656,297

*The measurement date of the actuarial valuation was December 31, 2018.
The actuarial valuation from June 31, 2018 was rolled forward to this new measurement date.

In 2018 the discount rate increased from 3.5% to 4% reducing the projected benefit payments and change of assumption for the City. The City did not have any deferred outflows or inflows because the remaining service life was determined to be under 1 year. All expenses related to pension were recognized in the reporting year.

B. AWC Benefits Trust

1. Trust Description

The City is a participating employer in the Association of Washington Cities Employee Benefit Trust ("Trust"), a cost-sharing multiple employer welfare benefit plan administered by the Association of Washington Cities. The Trust provides medical and dental benefits to certain eligible retired employees of Participating Employers and their eligible family members. Under Article VII of the Trust document, the Trustees have the authority and power to amend the amount and nature of the medical and dental benefits provided by the Trust. The Trust issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. That report, along with a copy of the Trust document, may be obtained by writing to the Trust at 1076 Franklin Street SE, Olympia, WA 98501-1346 or by calling 1-800-562-8981.

2. Funding Policy

The Trust provides established rates for the eligible retired employees and other beneficiaries. The rates are established and may be amended by the Board of Trustees of the Trust. Retirees of the City receiving medical and/or dental benefits from the Trust contribute the following amounts:

Type of Coverage	Monthly Retiree Cost
Regence and Asuris HealthFirst 1000	
Retiree only - Non-Medicare Coverage	\$863.64
Retiree and Spouse - Non-Medicare Coverage	\$1,734.82
Retiree with Medicare A&B (Medicare Advantage)	\$395.23
Retiree and Spouse with Medicare A&B (Medicare Advantage)	\$790.46
Kaiser Permanente	
Retiree only - Non-Medicare Coverage	\$1,326.98
Retiree and Spouse - Non-Medicare Coverage	\$2,615.28
Retiree with Medicare Coverage & Spouse without	\$453.53
Retiree and Spouse - with Medicare Coverage	\$907.06
Delta Dental of Washington	
Retiree only	\$61.54
Retiree and Spouse	\$125.42
Retiree and Child(ren)	\$124.57
Retiree and Spouse & Child(ren)	\$187.11

Participating Employers are not contractually required to contribute an assessed rate set each year by the Trust for non-LEOFF I retirees. The City does not contribute to the Trust on behalf of its retirees.

C. Northwest Fire-Fighters Benefits Trust

1. Trust Description

The City is a participating employer in the Northwest Fire Fighter Benefits Trust, a cost-sharing multiple employer welfare benefit plan administered by Benefit Solutions and DiMartino Associates. The Trust provides medical and dental benefits to certain eligible retired employees of participating employers and their eligible family members. The Board of Trustees has the authority and power to amend the amount and nature of the medical and dental benefits provided by the Trust. The Trust's governing documents, conflict of interest policy, financial statements, and Form 990 are available to the general public upon written request to Benefit Solutions, Inc. at PO Box 6, Mukilteo, WA 98275.

2. Funding Policy

The Board of Trustees establishes rates for eligible retired employees and other beneficiaries. The rates may be amended by the Board. Retirees of the City receiving medical and/or dental benefits from the Trust contribute the following amounts:

Type of Coverage	Monthly Retiree Cost
Regence NWFFT Plan \$1500	
Retiree only - Non-Medicare Coverage	\$600.05
Retiree and Spouse - Non-Medicare Coverage	\$1,310.85
Regence NWFFT Plan \$5000	
Retiree only - Non-Medicare Coverage	\$497.95
Retiree and Spouse - Non-Medicare Coverage	\$1,087.79
NWFFT Medigap Plan	
Medigap Plan (per enrollee)	\$201.76
NWFFT RX Coverage	
Aetna High Rx Plan (per enrollee)	\$338.80
Aetna Low Rx Plan (per enrollee)	\$142.12
NWFFT Retiree Dental	
Retiree only	\$54.49
Retiree and 1 Dependent	\$101.58
Retiree and 2 Dependent	\$166.46

Participating employers are not required to contribute an assessed rate for non-LEOFF 1 retirees. The City does not contribute to the Trust on behalf of its non-LEOFF 1 retirees.

NOTE 18 – BLENDED COMPONENT UNITS INCLUDED IN REPORTING ENTITY**A. Olympia Transportation Benefit District:**

During the fiscal year 2008 the City Council passed an ordinance forming the Olympia Transportation Benefit District. The Washington State RCW 36.73.020 grants cities the authority to establish a Transportation Benefit District (TBD). The Olympia TBD governing board is comprised of all the members of the Olympia City Council and therefore the management of the City of Olympia has operational responsibility of the Olympia TBD. The operations of the Olympia TBD are so closely related to those of the City that it is reported as if it were part of the primary government.

The transportation benefit districts sole purpose is to acquire, construct, improve, provide, and fund transportation improvement within the City of Olympia, which is consistent with any existing state, regional, and local transportation plan. RCW 36.73.065 gives the Olympia TBD authorization to impose taxes, fees, charges and tolls. The Olympia TBD currently collects \$40 vehicle registration. The fees are imposed on vehicles registered within the district.

The TBD is accounted for in Fund 138, a Special Revenue Fund. Financial reporting for this fund can be found in the Combining Statements located in the Other Financial Information section of this report.

B. Olympia Metropolitan Park District:

During the fiscal year 2015 the voters of the City of Olympia approved the creation of the Olympia Metropolitan Park District (OMPD). The Washington State RCW 35.61 and other state laws provides the authority for the voters and the City to establish the OMPD. The OMPD governing board is comprised of all the members of the Olympia City Council and therefore the management of the City of Olympia has operational responsibility of the OMPD. The operations of the OMPD are so closely related to those of the City that it is reported as if it were part of the primary government.

The OMPD's sole purpose is to generate revenue to provide ongoing funding to maintain, operate, construct, improve and acquire parks, community centers, athletic fields and other recreation facilities within the City of Olympia. State law gives the OMPD authorization to impose taxes for these purposes. In 2018, the OMPD imposed property taxes on properties within the district's boundaries. Please see note 5.C. for more information on the collection of property taxes.

The OMPD is accounted for in Fund 141, a Special Revenue Fund. Financial reporting for this fund can be found in the Combining Statements located in the Other Financial Information section of this report.

NOTE 19 – ACCOUNTING AND REPORTING CHANGES, AND OTHER DISCLOSURES**A. Future Implementation of the new GASB Statement 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pension**

Issued in 2015, the primary objective of this Statement is to improve accounting and financial reporting for postemployment benefits other than pensions (OPEB). This Statement was implemented in the reporting year of 2018. During implementation The City was required to recognize all expenses in the current year due to our service life being under one year. These entries affected the entity wide reporting. For more information see note 17.

B. New Funds

During the fiscal year 2018 the following Funds were opened:

Special Revenue Fund

In 2018 The City of Olympia opened two new funds. These Funds were created as a result of a sales tax increase passed by tax payers to provide funding for housing, mental and behavioral health related facilities, operation and maintenance cost, and treatment centers where housing related programs are provided. The operating portion of the sales tax is held in Fund 142 called The Home Fund Operating Fund, while the capital portion of this sales tax increase is held in fund 318 called The Home Fund Capital Fund. These are both reported as Major Funds.

Capital Improvement Fund

The City of Olympia opened "Home Fund Capital Improvement" which holds the capital portion of the sales tax increase. This ensures it is separate from the operating portion.

C. Prior Period Adjustments**1. GASB-33 Reinterpretation**

In 2018, the City of Olympia reinterpreted GASB Statement 33 relating to accounting for Non-Exchange Transactions. Due to this reevaluation, the City began accruing Non-Exchange transactions in Governmental Funds, not the Entity-Wide statements as it had since GASB-33 was issued. This accrual resulted in a prior period adjustment to fund balance of Governmental Funds in the amount of \$9,924,465 representing the 2018 revenue that would have been accrued into 2017 on last years statements.

2. Unearned Revenue

Previously, the City of Olympia reported the Long Term portion of HUD Loans Receivable as Unearned Revenue. After review, it was felt that the City should be reporting that portion as Restricted Fund Balance. This resulted in an increase to fund balance in Fund 107 – HUD Fund of \$4,401,462. This is shown as a prior period adjustment on the Statement of Activities and the Major Fund Statement of Revenues, Expenditures and Change in Fund Balances Governmental Funds.

D. Calculation of Net Position, Net Investment in Capital Assets

Governmental Activities

Below is a schedule of the calculation of Net Position, Net Investment in Capital Assets for Governmental Activities.

Total Capital Assets - Governmental-Type Activities					\$ 258,584,513
Governmental Funds					
Total Governmental Funds Capital Assets					\$ 251,258,756
GO BONDS	Par Value	Outstanding 12/31/18	Proceeds Spent thru 12/31/18	Net Outstanding	
2009 City Hall Bonds	35,210,000	33,120,000	35,210,000	33,120,000	
2009 Fire Station Bonds	16,180,000	10,400,000	16,180,000	10,400,000	
2010 HOCM Bonds	5,670,000	3,965,000	5,670,000	3,965,000	
2010 Transportation Bonds	5,865,000	3,795,000	5,865,000	3,795,000	
2013 Washington Center, LED, and Parks Bond	6,345,000	3,890,000	6,345,000	3,890,000	
Total GO Bonds	\$ 69,270,000	\$ 55,170,000	\$ 69,270,000	\$ 55,170,000	
PWTFL LOANS					
4th / 5th Ave. Corridor	6,721,144	720,754	6,721,144	720,754	
4th / 5th Ave. Corridor	3,275,000	520,148	3,275,000	520,148	
Total PWTFL Loans	9,996,144	1,240,902	9,996,144	1,240,902	
OTHER LOANS					
State Of WA LOCAL Program Loan	1,534,496	259,670	1,466,250	259,670	
U.S. HUD Department Section 108 Loan	325,000	56,000	121,000	56,000	
2016 Parks BAN	10,000,000	10,000,000	10,000,000	10,000,000	
2017 Parks Land Promissory Note	2,200,000	1,000,000	2,200,000	1,000,000	
2018 Zahn Property	10,702,224	6,700,000	10,702,224	6,700,000	
2018 Minh Smith	950,904	700,000	950,904	700,000	
Total Other Loans	25,712,624	18,715,670	25,440,378	18,715,670	
Interfund Loans					
2018 Home Fund Interfund Loan	2,450,000	1,350,735	1,350,735	1,350,735	
2018 Fire Equipment Interfund Loan	85,000	85,000	85,000	85,000	
2018 HUD Loan	100,000	100,000	100,000	100,000	
Total Interfund Loans	2,635,000	1,535,735	1,535,735	1,535,735	
LID NOTES					
LID #762 - Woodland Park Water	167,998	9,798	167,998	9,798	
Total Other Loans	167,998	9,798	167,998	9,798	
Total - Governmental Funds Debt	\$ 107,781,766	\$ 76,672,105	\$ 106,410,255	\$ 76,672,105	
Net Investment in Capital Assets - Governmental Funds					\$ 174,586,651
Internal Service Funds					
Total Internal Service Capital Assets					\$ 7,325,757
Net Investment in Capital Assets - Internal Service Funds					\$ 7,325,757
Total Governmental Investment in Capital Assets					\$ 181,912,409

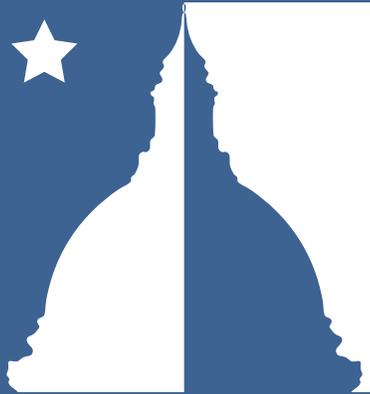
Business-Type Activities

Below is a schedule of the calculation of Net Position, Net Investment in Capital Assets for Business-Type Activities.

Total Capital Assets - Business-Type Activities				\$128,291,161
	Par Value	Outstanding 12/31/18	Proceeds Spent thru 12/31/18	Net Outstanding
Drinking Water/Wastewater Utility				
Capital Assets - Drinking Water				\$105,673,527
ENTERPRISE REVENUE BONDS				
2007 Waterworks	\$ 8,000,000	\$ 4,565,000	\$ 8,000,000	\$ 4,565,000
2010 Waterworks	6,485,000	4,440,000	6,485,000	4,440,000
2013 Waterworks	8,443,094	4,235,000	8,443,094	4,235,000
Total Enterprise Revenue Bonds	22,928,094	13,240,000	22,928,094	13,240,000
PWTFL LOANS				
Sleater-Kinney Sewer	1,676,507	919,463	1,676,507	919,463
Total PWTFL Loans	1,676,507	919,463	1,676,507	919,463
OTHER LOANS				
Department of Ecology - Septic Assistance	97,853	76,977	97,853	76,977
DWSRF McAllister Wellfield Development	6,060,000	4,551,414	5,689,267	4,551,414
DWSRF McAllister Wellfield Transmission Pipe	4,811,640	3,849,312	4,811,640	3,849,312
DWSRF SE Olympia Reservoir Loan	11,983,650	8,785,369	9,162,884	8,785,369
DWSRF McAllister Wellfield Corrosion Control Facility	4,058,632	3,099,410	3,311,013	3,099,410
DWSRF Fones Road Booster Pump Stations	1,931,982	1,773,176	1,931,982	1,773,176
DWSRF Elliot Ave Reservoir Seismic Retrofit	1,515,000	-	-	-
DWSRF Fir St Reservoir Seismic and Valve House Retrofit	1,515,000	-	-	-
Total OTHER Loans	31,973,757	22,135,658	25,004,639	22,135,658
Total - Drinking Water/Wastewater Utility Debt	56,578,358	36,295,121		36,295,121
Net Investment in Capital Assets - Drinking Water/Wastewater Utility				\$ 69,378,406
Storm and Surface Water Utility				
Capital Assets - Storm and Surface Water				\$ 22,355,590
PWTFL LOANS				
State Of WA Public Works Board	1,214,018	814,724	1,214,018	814,724
Total PWTFL Loans	1,214,018	814,724	1,214,018	814,724
OTHER LOANS				
Department of Ecology - State Ave. Stormwater Retrofit	619,485	565,096	619,485	565,096
Total PWTFL Loans	619,485	565,096	619,485	565,096
Total - Storm and Surface Water Utility Debt	1,833,503	1,379,820		1,379,820
Net Investment in Capital Assets - Storm and Surface Water Utility				\$ 20,975,770
Waste Resources Utility				
Capital Assets - Waste ReSources				262,044
Total - Waste ReSources Utility Debt	-	-		-
Net Investment in Capital Assets - Waste ReSources Utility				262,044
Total for All Utilities	\$58,411,861	\$ 37,674,941		\$ 37,674,941
Capital Assets Net of Related Debt				\$ 90,616,220



**Comprehensive Annual
Financial Report**



OlympiaTM

**Required
Supplementary
Information**

**Required
Supplementary
Information**



**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - General Fund
For Year Ended December 31, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$53,969,976	\$53,969,976	\$53,618,745	\$(351,231)
Licenses and Permits	3,948,550	3,948,550	3,562,120	(386,430)
Intergovernmental Revenues	2,156,891	3,226,114	3,729,957	503,843
Charges for Services	16,271,819	16,745,992	16,885,671	139,679
Fines and Forfeits	911,500	911,500	851,045	(60,455)
Miscellaneous Revenues	3,323,442	3,674,118	3,783,993	109,875
Total Revenues	80,582,178	82,476,250	82,431,531	(44,719)
EXPENDITURES				
Current:				
General Government Services	26,953,632	32,704,271	25,067,314	(7,636,957)
Security of Persons and Property	37,534,354	38,993,481	39,095,438	101,957
Utilities and Environment	-	-	1,562	1,562
Transportation	4,315,591	4,320,950	4,134,219	(186,731)
Economic Environment	5,093,064	5,971,646	5,895,460	(76,186)
Mental and Physical Health	1,082,706	1,285,320	808,270	(477,050)
Culture and Recreation	8,152,262	9,343,127	8,586,886	(756,241)
Debt Service:				
Interest	1,510	1,510	1,728	218
Capital Outlays	24,500	2,070,026	290,805	(1,779,221)
Total Expenditures	83,157,619	94,690,331	83,881,682	(10,808,649)
Excess (Deficiency) of Revenues over Expenditures	(2,575,441)	(12,214,081)	(1,450,151)	10,763,930
OTHER FINANCING SOURCES (USES)				
Transfers - In	6,996,566	7,217,777	4,198,551	(3,019,226)
Transfers - Out	(4,487,949)	(5,471,414)	(2,030,557)	3,440,857
Sale of Capital Assets	-	-	3,468	3,468
Total Other Financing Sources (Uses)	2,508,617	1,746,363	2,171,462	425,099
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(66,824)	(10,467,718)	721,311	11,189,029
FUND BALANCE JANUARY 1	21,056,826	21,056,826	21,056,826	-
Adjustments for GASB 33	-	-	8,462,420	-
FUND BALANCE DECEMBER 31	\$20,990,002	\$10,589,108	\$30,240,557	\$11,189,029

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The City's budget preparation conforms to Generally Accepted Accounting Principles by using a modified accrual basis for preparing the operating budgets of the general government, proprietary, and fiduciary funds.

Multiple Employer Plan

The Required Supplementary Information related to the Multiple Employer Plans provides detailed disclosures related to GASB Statement 68. During the reporting year of 2018, the City of Olympia’s Statement of Net Position reported the required Pension information as a result of GASB Statement 68. The following charts reflect these statements.

As of June 30, 2018, the Plan’s fiscal year end, the City of Olympia reported the following Proportionate Share of the Net Pension Liability/(Asset):

Year	City of Olympia's proportion of the net pension liability/(asset)	City of Olympia's proportionate share of the net pension liability/(asset)	City of Olympia's covered employee payroll	City of Olympia's proportionate share of the net pension liability as a percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Schedule of Proportionate Share of the Net Pension Liability - PERS Plan 1-For Year Ended June 30, 2018*					
2015	0.231015%	\$12,084,233	\$25,897,212	46.66%	59.10%
2016	0.244414%	\$13,126,183	\$28,612,035	45.88%	57.03%
2017	0.224259%	\$10,641,264	\$27,756,042	38.34%	61.24%
2018	0.237422%	\$10,603,347	\$31,045,213	34.15%	63.22%
Schedule of Proportionate Share of the Net Pension Liability - PERS Plan 2/3-For Year Ended June 30, 2018*					
2015	0.276999%	\$9,897,332	\$24,578,585	40.27%	89.20%
2016	0.290972%	\$14,650,210	\$27,169,982	53.92%	85.82%
2017	0.268542%	\$9,330,551	\$26,328,684	35.44%	90.97%
2018	0.283640%	\$4,842,901	\$29,430,388	16.46%	95.77%
Schedule of Proportionate Share of the Net Pension Liability - PSERS Plan 2-For Year Ended June 30, 2018*					
2015	0.290827%	\$53,082	\$851,537	6.23%	95.08%
2016	0.294818%	\$125,292	\$955,706	13.11%	90.41%
2017	0.289407%	\$56,704	\$1,024,695	5.53%	96.26%
2018	0.312643%	\$3,874	\$1,226,499	0.32%	99.79%
Schedule of Proportionate Share of the Net Pension Liability - LEOFF Plan 1-For Year Ended June 30, 2018*					
2015	0.135558%	\$(1,633,773)	\$264,409	-617.90%	127.36%
2016	0.133879%	\$(1,379,337)	\$284,582	-484.69%	123.74%
2017	0.136175%	\$(2,066,074)	\$222,002	-930.66%	135.96%
2018	0.141268%	\$(2,564,723)	\$127,562	-2010.57%	144.42%

*This Schedule is to be built prospectively until it contains ten years of data and represents the plans’ fiscal year end.

Year	City of Olympia's proportion of the net pension liability/(asset)	City of Olympia's proportionate share of the net pension liability/(asset)	State's proportionate share of the net pension liability/(asset) associated with the City of Olympia	TOTAL	City of Olympia's covered employee payroll	City of Olympia's proportionate share of the net pension liability as a percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Schedule of Proportionate Share of the Net Pension Liability - LEOFF Plan 2-For Year Ended June 30, 2018*							
2015	0.563046%	\$(5,786,987)	\$(3,826,358)	\$(9,613,345)	\$16,341,808	-58.83%	111.67%
2016	0.586922%	\$(3,413,714)	\$(2,225,493)	\$(5,639,207)	\$17,780,306	-31.72%	106.04%
2017	0.559215%	\$(7,760,092)	\$(5,033,829)	\$(12,793,921)	\$17,493,258	-73.14%	113.36%
2018	0.58660%	\$(11,909,198)	\$(7,710,975)	\$(19,620,173)	\$19,239,605	-101.98%	118.5%

*This Schedule is to be built prospectively until it contains ten years of data and represents the plans’ fiscal year end.

As of December 31, 2018, the City's fiscal year end, the City of Olympia reported the following Contributions to the plans:

Year	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered employer payroll	Contributions as a percentage of covered employee payroll
Schedule of Employer Contributions - PERS Plan 1-For Year Ended June 30, 2018*					
2015	\$1,200,043	\$1,200,043	\$-	\$26,725,993	4.49%
2016	\$1,371,444	\$1,371,444	\$-	\$28,150,217	4.87%
2017	\$1,504,869	\$1,504,869	\$-	\$30,122,945	5.00%
2018	\$1,641,967	\$1,641,967	\$-	\$31,788,405	5.14%
Schedule of Employer Contributions - PERS Plan 2/3-For Year Ended June 30, 2018*					
2015	\$1,474,478	\$1,474,478	\$-	\$25,358,818	5.81%
2016	\$1,712,423	\$1,712,423	\$-	\$26,715,765	6.41%
2017	\$1,956,714	\$1,956,714	\$-	\$28,509,195	6.86%
2018	\$2,276,623	\$2,276,623	\$-	\$30,287,282	7.50%
Schedule of Employer Contributions - PSERS Plan 2-For Year Ended June 30, 2018*					
2015	\$59,665	\$59,665	\$-	\$896,384	6.66%
2016	\$66,737	\$66,737	\$-	\$985,806	6.77%
2017	\$79,943	\$79,943	\$-	\$1,198,785	6.67%
2018	\$82,721	\$82,721	\$-	\$1,148,354	6.83%
Schedule of Employer Contributions - LEOFF Plan 2-For Year Ended June 30, 2018*					
2015	\$868,339	\$868,339	\$-	\$16,603,052	5.23%
2016	\$921,634	\$921,634	\$-	\$17,622,064	5.23%
2017	\$980,803	\$980,803	\$-	\$18,934,014	5.18%
2018	\$1,047,265	\$1,047,265	\$-	\$19,736,136	5.31%
*This Schedule is to be built prospectively until it contains ten years of data.					
Schedule does not include LEOFF 1 because there are no employer contributions to this plan. (see note 7 for more information)					

Firemens' Pension Plan

The Required Supplementary Information related to the Firemens' Pension Fund Plan provides detailed disclosures related to GASB Statements 67 and 68. During the reporting year of 2018, the City of Olympia's Statement of Net Position reported the required Net Pension Liability as a result of GASB 67 and 68. The following charts reflect these statements.

As of January 1, 2018, the most recent actuarial evaluation date, the changes in net pension liability and related ratios was as follows:

Firemens' Pension Fund Plan - Schedule of Changes in Net Pension Liability and Related Ratios (Dollar amounts in thousands)					
Fiscal Year Ending December 31,					
	2018	2017	2016	2015	2014
Total Pension Liability					
Interest on Total Pension Liability	\$ 230	\$201	\$ 198	\$ 187	\$ 191
Effect of Economic/Demographic Gains/(Losses)	-	1,196	-	(171)	-
Effect of Assumption Changes/Inputs	(307)	167	(147)	602	135
Benefit Payments	(364)	(355)	(326)	(294)	(277)
Net Change in Total Pension Liability	(441)	1,209	(275)	324	49
Total Pension Liability, Beginning	6,758	5,549	5,824	5,500	5,451
Total Pension Liability, Ending (a)	\$ 6,317	\$6,758	\$ 5,549	\$5,824	\$5,500
Fiduciary Net Position					
Employer Contributions	\$266	\$205	\$ 100	\$ 154	\$ 1,077
Contributions from State Fire Insurance Premium Tax	101	94	92	91	91
Net Investment Income	83	75	44	3	15
Prior Period Adjustment	(36)	-	-	-	-
Benefit Payments	(364)	(355)	(326)	(294)	(277)
Medical Payment from Fund	-	-	-	-	(460)
Administrative Expenses	(12)	(2)	(12)	(1)	(24)
Net Change in Plan Fiduciary Net Position	38	17	(103)	(47)	422
Fiduciary Net Position, Beginning	4,697	4,680	4,783	4,830	4,408
Fiduciary Net Position, Ending (b)	\$4,735	\$4,697	\$ 4,680	\$ 4,783	\$ 4,830
Net Pension Liability, ending = (a) - (b)	\$1,582	\$2,061	\$ 869	\$ 1,041	\$ 670
Fiduciary Net Position as a Percentage of Total Pension Liability	74.96%	69.50%	84.34%	82.13%	87.82%
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

In 2018 the "Prior Period Adjustment" is a result of an overstatement in investment income in 2017.

Changes in Assumptions: In 2017, amounts reported as "Effect of Economic/Demographic Gains" resulted primarily from changes in benefit amounts compared to expectations.

In 2015, amounts reported as "Effects of Assumption Changes/Inputs" resulted primarily from the changes in assumptions for future mortality as a result of increased life expectancies.

In 2014, amounts reported as "Effects of Assumption Changes/Inputs" resulted primarily from the decrease of 0.25% in the discount rate between the valuation date and the fiscal year end.

As of January 1, 2019, the most recent actuarial evaluation date, the employer contributions to the actuarially determined contributions was as follows:

Firemens' Pension Plan - Schedule of Contributions Last 10 Fiscal Years					
Fiscal Year Ending December 31,	Actuarially Determined Contribution	Actual Employer Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2008	\$246,881	\$496,028	\$(249,147)	\$ -	N/A
2009	246,881	507,153	(260,272)	-	N/A
2010	203,183	535,665	(332,482)	-	N/A
2011	203,183	304,163	(100,980)	-	N/A
2012	119,273	591,221	(471,948)	-	N/A
2013	119,273	666,742	(547,469)	-	N/A
2014	475,000	707,924	(232,924)	-	N/A
2015	119,000	244,818	(125,818)	-	N/A
2016	252,000	191,883	60,117	-	N/A
2017	267,000	298,694	(31,694)	-	N/A
2018	239,000	367,384	(128,384)	-	N/A

Notes to Schedule:

*Employer contributions for pensions are total contributions to the Fund net of disbursements from the fund for medical expenses under RCW 41.26.150. It includes revenues from fire insurance premium taxes. Prior to 2014, administrative expenses were also subtracted from employer contributions.

Actuarial Valuation Information:

Valuation Date:	January 1, 2018
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	30-year, closed as of January 1, 1999
Remaining Amortization Period:	11 Years
Asset Valuation Method:	Fair value

Actuarial Assumptions

Investment Rate of Return:	4.00%
Projected Salary Increases:	3.25%
Inflation:	2.25%
Age of Retirement:	65
Cost-of-living Adjustments:	Based upon salary increase assumption when appropriate.
Long-Term Expected Rate of Return	4.00%
Discount Rate	4.00%
Mortality	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (forward 2 years for disabled members).

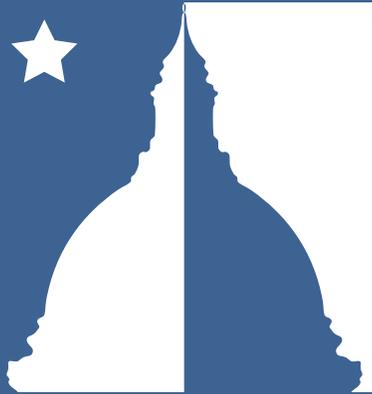
Firemens' Pension Fund Plan - Schedule of Investment Returns - Last 4 Fiscal Years

	2015	2016	2017	2018
Annual Money-Weighted Rate of Return, net of investment expense	0.05%	0.93%	1.60%	1.76%

Changes in Total OPEB Liability	
Fiscal Year Ending December 31,	
	2018
Total OPEB Liability*	
Interest on Total OPEB Liability	\$ 943,678
Effect of Assumption Changes/Inputs	(1,853,008)
Benefit Payments	(786,430)
Net Change in Total OPEB Liability	(1,695,760)
Total OPEB Liability, Beginning	\$ 27,352,057
Total OPEB Liability, Ending	\$ 25,656,297
Covered Payroll	\$ -
Total OPEB Liability as a Percentage of Covered Payroll	100%

**This schedule is to be built prospectively until it contains ten years of data*

**Comprehensive Annual
Financial Report**



OlympiaTM

**Combining
Statements**



SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenues or to account for specific activities as required by law or regulations. The Special Revenue Funds are briefly described below.

SEPA MITIGATION (130)

This fund is used to account for transportation mitigation fees pursuant to the provisions of the State Environmental Policy Act (SEPA).

PARKING IMPROVEMENT BENEFIT AREA FUND (PBA) (135)

This fund is used to account for the downtown parking improvement area.

FARMERS MARKET REPAIR/REPLACEMENT FUND (136)

This fund is used to account for major repairs and maintenance of the Farmers Market. Lease payments from the Market are held here to fund the repairs and maintenance.

HANDS ON CHILDREN'S MUSEUM (137)

This fund is used to account for monies received from the Capital Area Public Facilities District for the construction of the Hands On Children's Museum.

TRANSPORTATION BENEFIT DISTRICT (138)

This fund is used to account for the \$20 vehicle registration fee charged to the residents of the City, and used to fund transportation projects within the City.

GRANTS CONTROL FUND (139)

This fund is used to account for monies received from various grants received by the city.

REAL ESTATE EXCISE TAX FUND (140)

This fund is used to account for monies received from real estate excise taxes on sale of real property.

OLYMPIA METROPOLITAN PARKS DISTRICT FUND (141)

This fund is used to account for monies received from property taxes paid by residents of the City, and used to provide funding for parks operations and capital.

DEBT SERVICE FUNDS

Debt Service Funds are established to accumulate monies for the payment of interest and principal of general obligation bonds and special assessment bonds. Payment for General obligation bonds is backed by the full faith and credit of the City. The primary source of revenue to these funds is property tax.

Enterprise debt service payments are not included in this fund group, but are shown within the enterprise funds.

LID OBLIGATION CONTROL FUND (208)

This fund accounts for the Special Assessment collections and debt service payments for all local improvement districts located within the City.

LID GUARANTY FUND (213)

This fund was established in accordance with State law for the purpose of guaranteeing the payment of outstanding Special Assessment Bonds and Notes.

4th/5th AVE BRIDGE PWTFL REPAYMENT FUND (216)

A debt service fund for debt related to the 4th Ave Bridge corridor construction project.

2009 UTGO FIRE BOND FUND (224)

A debt service fund for debt related to the construction of the Fire Station and Training Center.

CITY HALL DEBT FUND (225)

A debt service fund for debt related to the construction of City Hall.

2010 LTGO STREETS BOND FUND (226)

A debt service fund for debt related to the construction of street projects.

LOCAL DEBT FUND (227)

A debt service fund for debt related to the energy conservation improvement projects.

2010 LTGO HANDS ON CHILDREN'S MUSEUM BOND FUND (228)

A debt service fund for debt related to the construction of the Hands on Children's Museum.

2013 LTGO WA CENTER, LED LIGHTING, AND PARKS BOND FUND (229)

A debt service fund for debt related to the 2013 LTGO bond issued to finance the major repairs to the Washington Center for Performing Arts, Citywide street light replacement to LED lighting, and redemption of the Percival Landing Parks BAN.

2016 LTGO BOND ANTICIPATION NOTE FUND (230)

A debt service fund for debt related to the Parks land acquisition bond anticipation note.

CAPITAL IMPROVEMENT FUNDS

Capital Project Funds account for acquisition, construction or planning for capital facilities or equipment which are general governmental in nature. The Capital Improvement Funds are briefly described below.

CITY HALL CONSTRUCTION FUND (325)

A capital project fund for the New City Hall construction project.

FIRE EQUIPMENT REPLACEMENT FUND (331)

This fund is for the purchase of equipment by the Fire Department, including, but not limited to, vehicles, accessories thereto and major repairs and improvements.

INTERNAL SERVICES FUNDS

Internal Service Funds are used to account for the financing of goods or service provided by one department to other departments and to other governmental units, on a cost reimbursement basis. The Internal Service Funds are briefly described below.

EQUIPMENT RENTAL FUND (501/502)

The Equipment Rental Fund provides equipment (primarily vehicles) to the various departments. The charges for the equipment cover depreciation, operations, maintenance, and replacement costs.

UNEMPLOYMENT COMPENSATION FUND (503)

This fund is for funding unemployment compensation. The City is on a reimbursable plan with the State. The State determines and pays benefits, then is reimbursed by the City. The fund is supported by interest earnings and charges to the various departments.

RISK MANAGEMENT FUND (504)

The Risk Management Fund is used primarily to pay for purchases of insurance, deposits with a liability insurance pool, studies related to risk managements and loss prevention.

WORKERS' COMPENSATION FUND (505)

In July of 1994, the City, who previously participated in the State Workers Compensation Plan, began a self-insurance program. This fund is to account for the claims liability and any possibility of payment of benefits to any entitled worker.

AGENCY FUNDS

Agency Funds are used to account for the resources held by the City in a custodial capacity. The Agency Funds are briefly described below.

MUNICIPAL COURT (622)

The Municipal Court Fund accounts for the funds collected by the Courts for private parties.

LAW ENFORCEMENT RECORDS MANAGEMENT SYSTEM (LERMS) (682)

The LERMS Funds accounts for the funds held on behalf of the LERMS consortium for the operation of the records management system.

**Combining Balance Sheet - Other Governmental Funds
For Year Ended December 31, 2018**

	Special Revenue Funds						
	SEPA Mitigation Fund 130	Parking Improvement Benefit Area Fund 135	Farmers Market Repair/ Replacement Fund 136	Hands On Children's Museum Fund 137	Transportation Benefit District Fund 138	Real Estate Excise Tax Fund 140	Olympia Metropolitan Park District Fund 141
ASSETS:							
Cash & Residual Investments	\$285,821	\$8,338	\$15,617	\$87,798	\$384,303	\$1,120,706	\$550,541
Investments	1,108,546	26,350	60,879	345,411	1,493,692	4,584,522	2,191,283
Receivables (Net of Allowances):							
Taxes	-	-	-	-	-	-	60,525
Accrued Interest & Penalty	4,071	239	205	998	5,745	15,903	5,250
Special Assessments	-	-	-	-	-	-	-
Other Receivables	-	25,000	-	94,013	-	-	-
Interfund Loan Receivables	-	-	-	-	-	450,735	-
Due from Other Governmental Units	-	-	-	94,430	-	-	3,728
Total Assets	1,398,438	59,927	76,701	622,650	1,883,740	6,171,866	2,811,327
LIABILITIES:							
Accounts Payable	-	254	-	-	-	-	-
Unearned Revenue	-	-	-	94,013	-	-	-
Deferred Revenue	-	-	-	-	-	-	42,197
Total Liabilities	-	254	-	94,013	-	-	42,197
FUND BALANCE:							
Restricted	1,398,438	59,673	76,701	528,637	1,883,740	6,171,866	2,769,130
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balance	1,398,438	59,673	76,701	528,637	1,883,740	6,171,866	2,769,130
TOTAL LIABILITIES AND FUND BALANCES	\$1,398,438	\$59,927	\$76,701	\$622,650	\$1,883,740	\$6,171,866	\$2,811,327

Combining Balance Sheet - Other Governmental Funds
Continued For Year Ended December 31, 2018

	Debt Service Funds					Capital Project Funds		Total Other Governmental Funds
	LID Obligation Control Fund 208	LID Guarantee Fund 213	4th/5th Ave Br PWTF Repayment Fund 216	UTGO Bond Fund 09-Fire Fund 224	City Hall Debt Fund 225	City Call Construction Fund 325	Fire Equipment Reserve Fund 331	
ASSETS:								
Cash & Residual Investments	\$6	\$79,478	\$85	\$62,706	\$2,737	\$802	\$2,459	\$2,601,397
Investments	-	-	-	-	-	3,235	5,846	9,819,764
Receivables (Net of Allowances):								
Taxes	-	-	-	23,655	-	-	-	84,180
Accrued Interest & Penalty	-	957	1	4,265	8,469	6	198	46,307
Special Assessments	6,393	-	-	-	-	-	-	6,393
Other Receivables	-	-	-	-	-	-	-	119,013
Interfund Loan Receivables	-	-	-	-	-	-	-	450,735
Due from Other Governmental Units	-	-	-	-	-	-	-	98,158
Total Assets	6,399	80,435	86	90,626	11,206	4,043	8,503	13,225,947
LIABILITIES:								
Accounts Payable	-	-	-	-	-	-	-	254
Unearned Revenue	6,393	-	-	-	-	-	-	100,406
Interfund Loan Payable	-	-	-	-	-	-	85,000	85,000
Deferred Revenue	-	-	-	17,444	-	-	-	59,641
Total Liabilities	6,393	-	-	17,444	-	-	85,000	245,301
FUND BALANCE:								
Restricted	6	80,435	-	73,182	-	-	-	13,041,808
Committed	-	-	86	-	11,206	4,043	-	15,335
Unassigned	-	-	-	-	-	-	(76,497)	(76,497)
Total Fund Balance	6	80,435	86	73,182	11,206	4,043	(76,497)	12,980,646
TOTAL LIABILITIES AND FUND BALANCES	\$6,399	\$80,435	\$86	\$90,626	\$11,206	\$4,043	\$8,503	\$13,225,947

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Other Governmental Funds
For Year Ended December 31, 2018**

	Special Revenue Funds						
	SEPA Mitigation Fund 130	Parking Imp Benefit Area Fund 135	Farmer's Mkt Repair/Replace Fund 136	Children's Hands on Museum Fund 137	Transportation Benefit District Fund 138	Real Estate Excise Tax Fund 140	Olympia Metropolitan Park District Fund 141
REVENUES							
Taxes	\$-	\$-	\$-	\$-	\$1,717,339	\$2,033,447	\$3,582,426
Intergovernmental Revenues	-	-	-	527,052	-	-	15,099
Miscellaneous Revenues	23,262	91,492	1,174	17,364	32,948	92,363	32,204
Total Revenues	23,262	91,492	1,174	544,416	1,750,287	2,125,810	3,629,729
EXPENDITURES							
Current:							
General Government Services	-	64,609	-	10,831	2,622	-	-
Culture and Recreation	-	-	-	-	-	-	5,497
Total Expenditures	-	64,609	-	10,831	2,622	-	5,497
Excess (Deficiency) of Revenues Over Expenditures	23,262	26,883	1,174	533,585	1,747,665	2,125,810	3,624,232
OTHER FINANCING SOURCES (USES)							
Transfers - In	-	-	-	-	-	-	-
Transfers - Out	(257,615)	(53,500)	-	(435,355)	(1,519,665)	(1,037,382)	(2,256,444)
Sale of Capital Assets	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(257,615)	(53,500)	-	(435,355)	(1,519,665)	(1,037,382)	(2,256,444)
Net Change in Fund Balances	(234,353)	(26,617)	1,174	98,230	228,000	1,088,428	1,367,788
FUND BALANCE JANUARY 1	1,632,791	86,290	75,527	342,072	1,655,740	5,083,438	1,386,796
GASB 33 Adjustment	-	-	-	88,335	-	-	14,546
FUND BALANCE DECEMBER 31	\$1,398,438	\$59,673	\$76,701	\$528,637	\$1,883,740	\$6,171,866	\$2,769,130

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Other Governmental Funds (Continued)
For Year Ended December 31, 2018

Debt Service Funds										
	LID Obligation Control Fund 208	LID Guaranty Fund 213	4th/5th Ave Br PWTFL Repayment Fund 216	UTGO Bond 09-Fire Fund 224	City Hall Debt Fund 225	LTGO Bond 10-Streets Fund 226	Local Debt Fund 227	LTGO Bond 10 HOCM Fund 228	LTGO Bond 13-Bond Fund 229	LTGO BAN 16-BAN Fund 230
REVENUES										
Taxes	\$-	\$-	\$548,035	\$1,194,310	\$1,724,763	\$-	\$-	\$-	\$-	\$-
Intergovernmental Revenues	-	-	-	-	687,802	-	-	-	-	-
Miscellaneous Revenues	-	1,233	-	6,836	11,218	2	-	1	-	-
Total Revenues	-	1,233	548,035	1,201,146	2,423,783	2	-	1	-	-
EXPENDITURES										
Debt Service:										
Principal Retirement	-	-	533,759	740,000	295,000	270,000	166,840	270,000	485,000	-
Interest	-	-	14,279	451,156	2,123,718	165,613	11,441	165,388	190,275	121,358
Total Expenditures	-	-	548,038	1,191,156	2,418,718	435,613	178,281	435,388	675,275	121,358
Excess (Deficiency) of Revenues Over Expenditures	-	1,233	(3)	9,990	5,065	(435,611)	(178,281)	(435,387)	(675,275)	(121,358)
OTHER FINANCING SOURCES (USES)										
Transfers - In	-	-	-	-	-	435,611	178,281	435,355	675,275	121,358
Total Other Financing Sources (Uses)	-	-	-	-	-	435,611	178,281	435,355	675,275	121,358
Net Change in Fund Balances	-	1,233	(3)	9,990	5,065	-	-	(32)	-	-
FUND BALANCE JANUARY 1	6	79,202	89	59,197	6,141	-	-	32	-	-
GASB 33 Adjustment				3,995						
FUND BALANCE DECEMBER 31	\$6	\$80,435	\$86	\$73,182	\$11,206	\$-	\$-	\$-	\$-	\$-

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Other
Governmental Funds (Continued)
For Year Ended December 31, 2018**

	Capital Project Funds		
	City Hall Construction Fund 325	Fire Equipment Reserve Fund 331	Total Other Governmental Funds
REVENUES			
Taxes	\$-	\$-	\$10,800,320
Intergovernmental Revenues	-	-	1,229,953
Miscellaneous Revenues	146	1,114	311,357
Total Revenues	146	1,114	12,341,630
EXPENDITURES			
Current:			
General Government Services	56,065	-	134,127
Culture and Recreation	-	-	5,497
Debt Service:			
Principal Retirement	-	-	2,760,599
Interest	-	649	3,243,877
Capital Outlays	-	432,754	432,754
Total Expenditures	56,065	433,403	6,576,854
Excess (Deficiency) of Revenues Over Expenditures	(55,919)	(432,289)	5,764,776
OTHER FINANCING SOURCES (USES)			
Transfers - In	-	200,000	2,045,880
Transfers - Out	-	-	(5,559,961)
Sale of Capital Assets	-	15,327	15,327
Total Other Financing Sources (Uses)	-	215,327	(3,498,754)
Net Change in Fund Balances	(55,919)	(216,962)	2,266,022
FUND BALANCE JANUARY 1	59,962	140,465	10,607,748
GASB 33 Adjustment			106,876
FUND BALANCE DECEMBER 31	\$4,043	\$(76,497)	\$12,980,646

Combining Statement of Net Position - Internal Services Funds
December 31, 2018

	Governmental Activities - Internal Service Funds				
	Equipment Rental	Unemployment Compensation	Risk Management	Workers' Compensation	Total
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$841,330	\$137,428	\$20,535	\$362,701	\$1,361,994
Investments	3,264,650	535,086	79,295	2,156,252	6,035,283
Receivables					
Accrued Interest & Penalty	10,732	1,797	288	8,593	21,410
Other Receivables	2,783	-	-	-	2,783
Interfund Loan Receivable	450,000	-	-	450,000	900,000
Other Governmental Units	10,251	-	-	-	10,251
Inventories	191,231	-	-	-	191,231
Other Current Assets	-	-	-	92,435	92,435
Total Current Assets	4,770,977	674,311	100,118	3,069,981	8,615,387
Non-Current Assets					
Capital Assets, Net of Depreciation	7,325,757	-	-	-	7,325,757
Restricted Cash	-	-	-	197,152	197,152
Total Non-Current Assets	7,325,757	-	-	197,152	7,522,909
Total Assets	12,096,734	674,311	100,118	3,267,133	16,138,296
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflow - Related to Pensions	50,277	-	115	8,870	59,262
Total Deferred Outflows of Resources	50,277	-	115	8,870	59,262
LIABILITIES					
Current Liabilities					
Accounts Payable	2,350	-	-	14,612	16,962
Wages Payable	27,121	-	-	-	27,121
Due to Other Governmental Units	-	45,926	-	-	45,926
Other Current Liabilities	-	-	-	763,775	763,775
Compensated Absences	30,912	-	-	3,528	34,440
Total Current Liabilities	60,383	45,926	-	781,915	888,224
Non-current Liabilities					
Compensated Absences	5,180	-	-	-	5,180
Net Pension Liability	226,604	-	-	40,315	266,919
Total Non-current Liabilities	231,784	-	-	40,315	272,099
Total Liabilities	292,167	45,926	-	822,230	1,160,323
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	94,990	-	-	16,860	111,850
Total Deferred Inflows of Resources	94,990	-	-	16,860	111,850
NET POSITION					
Net Investment in Capital Assets	7,325,757	-	-	-	7,325,757
Restricted for:					
Workers' Comp Reserve	-	-	-	2,436,913	2,436,913
Unrestricted (Deficit)	4,434,097	628,385	100,233	-	5,162,715
Total Net Position	\$11,759,854	\$628,385	\$100,233	\$2,436,913	\$14,925,385

**Internal Service Funds - Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For Year Ended December 31, 2018**

	Governmental Activities - Internal Service Funds				
	Equipment Rental	Unemployment Compensation	Risk Management	Workers' Compensation	Total
OPERATING REVENUES					
Charges for Service	\$2,384,025	\$95,449	\$1,854,810	\$1,234,007	\$5,568,291
Miscellaneous Revenue	1,807,992	-	65,965	56,775	1,930,732
Total Operating Revenue	4,192,017	95,449	1,920,775	1,290,782	7,499,023
OPERATING EXPENSES					
Operations and Maintenance	1,566,208	-	54,556	-	1,620,764
Administration and Overhead	724,973	89,663	1,935,015	1,315,168	4,064,819
Depreciation and Amortization	1,247,579	-	-	-	1,247,579
Total Operating Expenses	3,538,760	89,663	1,989,571	1,315,168	6,933,162
Operating Income (Loss)	653,257	5,786	(68,796)	(24,386)	565,861
NON-OPERATING REVENUES (EXPENSES)					
Investment Earnings	68,570	11,725	2,231	58,473	140,999
Gain on Disposal of Capital Assets	85,545	-	-	-	85,545
Total Non-Operating Revenues (Expenses)	154,115	11,725	2,231	58,473	226,544
Net Income (Loss) Before Transfers	807,372	17,511	(66,565)	34,087	792,405
CHANGES IN NET POSITION	807,372	17,511	(66,565)	34,087	792,405
NET POSITION - BEGINNING	10,952,482	610,874	166,798	2,402,826	14,132,980
NET POSITION - ENDING	\$11,759,854	\$628,385	\$100,233	\$2,436,913	\$14,925,385

**Internal Service Funds - Combining Statement of Cash Flows
For Year Ended December 31, 2018**

	Governmental Activities - Internal Services Funds				
	Equipment Rental	Unemployment Compensation	Risk Management	Workers' Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers and Users	\$134,711	\$-	\$-	\$-	\$134,711
Cash Received from Interfund Activity	4,047,246	95,449	1,854,810	1,234,007	7,231,512
Cash Paid to Suppliers	(1,347,253)	(78,389)	(1,981,337)	(1,215,948)	(4,622,927)
Cash Paid to Other Funds - Internal Activity	(476,511)	-	-	(155,508)	(632,019)
Cash Paid to Employees	(461,386)	-	(9,928)	(83,180)	(554,494)
Non Insurance Loss Recovery	-	-	65,965	56,775	122,740
Net Cash Provided (Used) by Operating Activities	1,896,807	17,060	(70,490)	(163,854)	1,679,523
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of Capital Assets	(1,461,887)	-	-	-	(1,461,887)
Interfund Loan Receivable	(450,000)	-	-	(450,000)	(900,000)
Proceeds from Sale of Capital Assets	157,445	-	-	-	157,445
Net Cash Provided by Capital and Related Financing Activities	(1,754,442)	-	-	(450,000)	(2,204,442)
CASH FLOW FROM INVESTING ACTIVITIES:					
Changes in Internal Investment Pool	(125,450)	(15,669)	56,469	483,914	399,264
Interest on Investments	59,300	9,957	2,233	48,280	119,770
Net Cash Provided (Used) by Investing Activities	(66,150)	(5,712)	58,702	532,194	519,034
Net Increase in Cash and Cash Equivalents	76,215	11,348	(11,788)	(81,660)	(5,885)
Cash and Cash Equivalents, January 1	765,115	126,080	32,323	641,513	1,565,031
Cash and Cash Equivalents, December 31	\$841,330	\$137,428	\$20,535	\$559,853	\$1,559,146

Internal Service Funds - Combining Statement of Cash Flows (continued)
For Year Ended December 31, 2018

	Governmental Activities - Internal Service Funds				
	Equipment Rental	Unemployment Compensation	Risk Management	Worker's Compensation	Total
CASH PROVIDED BY OPERATING ACTIVITIES:					
Net Operating Income (Loss)	\$653,257	\$5,786	\$(68,796)	\$(24,386)	\$565,861
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Depreciation	1,247,579	-	-	-	1,247,579
(Increase) Decrease in Accounts Receivable	(10,060)	-	-	-	(10,060)
(Increase) Decrease in Inventory	64,050	-	-	-	64,050
(Increase) Decrease in Other Current Assets	-	-	-	(7,519)	(7,519)
(Increase) Decrease in Deferred outflows - pensions	1,719	-	111	32	1,862
Increase (Decrease) in Compensated Absences	6,540	-	-	2,269	8,809
Increase (Decrease) in Net Pension Liability	(83,673)	-	-	(13,735)	(97,408)
Increase (Decrease) in Deferred inflows - pensions	32,697	-	-	6,009	38,706
Increase (Decrease) in Due to Other Governments	-	11,274	-	(36,159)	(24,885)
Increase (Decrease) in Other Current Liabilities	47	-	-	(24,854)	(24,807)
Increase (Decrease) in Accounts Payable	(15,349)	-	(1,805)	(65,511)	(82,665)
Total Adjustments	1,243,550	11,274	(1,694)	(139,468)	1,113,662
Net Cash Provided by Operating Activities	\$1,896,807	\$17,060	\$(70,490)	\$(163,854)	\$1,679,523

CASH AND CASH EQUIVALENTS:

RECONCILIATION OF CASH AND CASH EQUIVALENTS
 REPORTED AT DECEMBER 31

Combined Statement of Net Position:					
Cash and Residual Investments	\$841,330	\$137,428	\$20,535	\$362,701	\$1,361,994
Restricted Assets:					
Workers Compensation Surety	-	-	-	197,152	197,152
Cash and Cash Equivalents, December 31	\$841,330	\$137,428	\$20,535	\$559,853	\$1,559,146

**Combining Statement of Fiduciary Net Position - Agency Funds
December 31, 2018**

	Municipal Courts	Law Enforcement Records Management System	Total Agency Funds
ASSETS			
Cash and Residual Investments	\$5,733	\$73,656	\$79,389
Receivables (Net of Allowances):			
Accrued Interest:		1,628	1,628
Total Assets	<u>5,733</u>	<u>75,284</u>	<u>81,017</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Other Current Liabilities	5,733	-	5,733
Due to Other Governments	-	75,284	75,284
Total Liabilities	<u>\$ 5,733</u>	<u>\$ 75,284</u>	<u>\$ 81,017</u>

**Combining Statement of Changes in Assets and Liabilities - Agency Funds
December 31, 2018**

	Balance 12/31/2017	Additions	Deductions	Balance 12/31/2017
Municipal Court				
ASSETS:				
Cash and Cash Equivalents	\$12,428	\$1,007,658	\$1,014,353	\$5,733
Total Assets	<u>12,428</u>	<u>1,007,658</u>	<u>1,014,353</u>	<u>5,733</u>
LIABILITIES:				
Accounts Payable	12,428	-	6,695	5,733
Total Liabilities	<u>\$12,428</u>	<u>\$-</u>	<u>\$6,695</u>	<u>\$5,733</u>
Law Enforcement Records Management				
ASSETS:				
Cash and Cash Equivalents	\$65,132	\$430,168	\$421,644	\$73,656
Accounts Receivables, Net of Uncollectible Accounts	1,162	3,971	3,505	1,628
Total Assets	<u>66,294</u>	<u>434,139</u>	<u>425,149</u>	<u>75,284</u>
LIABILITIES:				
Accounts Payable	66,294	8,990	-	75,284
Total Liabilities	<u>\$66,294</u>	<u>\$8,990</u>	<u>\$-</u>	<u>\$75,284</u>

**Comprehensive Annual
Financial Report**



OlympiaTM

**Other
Supplementary
Information**



Other Supplementary Information

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**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - Debt Service Funds
For Year Ended December 31, 2018**

4th/5th Avenue PWTFL Repayment Fund 216				
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$548,035	\$548,035	\$548,035	\$-
Miscellaneous Revenues	-	-	-	-
Total Revenues	548,035	548,035	548,035	-
EXPENDITURES				
Debt Service:				
Principal Retirement	533,759	533,759	533,759	-
Interest	14,279	14,279	14,279	-
Total Expenditures	548,038	548,038	548,038	-
Excess (deficiency) of Revenues over Expenditures	(3)	(3)	(3)	-
FUND BALANCE JANUARY 1	89	89	89	-
FUND BALANCE DECEMBER 31	\$86	\$86	\$86	\$-

UTGO Fire Bond Repayment Fund 224				
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$1,195,930	\$1,195,930	\$1,194,310	\$(1,620)
Miscellaneous Revenues	-	-	6,836	6,836
Total Revenues	1,195,930	1,195,930	1,201,146	5,216
EXPENDITURES				
Debt Service:				
Principal Retirement	740,000	740,000	740,000	-
Interest	451,156	451,156	451,156	-
Total Expenditures	1,191,156	1,191,156	1,191,156	-
Excess (deficiency) of Revenues over Expenditures	4,774	4,774	9,990	5,216
FUND BALANCE JANUARY 1	59,197	59,197	59,197	-
FUND BALANCE DECEMBER 31	\$63,971	\$63,971	\$69,187	\$5,216

City Hall Debt Repayment Fund 225				
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$1,681,615	\$1,681,615	\$1,724,763	\$43,148
Intergovernmental Revenues	734,831	734,831	687,802	(47,029)
Miscellaneous Revenues	-	-	11,218	11,218
Total Revenues	2,416,446	2,416,446	2,423,783	7,337
EXPENDITURES				
Debt Service:				
Principal Retirement	295,000	295,000	295,000	-
Interest	2,123,718	2,123,718	2,123,718	-
Total Expenditures	2,418,718	2,418,718	2,418,718	-
Excess (deficiency) of Revenues over Expenditures	(2,272)	(2,272)	5,065	7,337
FUND BALANCE JANUARY 1	6,141	6,141	6,141	-
FUND BALANCE DECEMBER 31	\$3,869	\$3,869	\$11,206	\$7,337

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - Debt Service Funds (continued)
For Year Ended December 31, 2018

LTGO Street Bond Repayment Fund 226				
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous Revenues	\$-	\$-	\$2	\$2
Total Revenues	-	-	2	2
EXPENDITURES				
Debt Service:				
Principal Retirement	\$270,000	\$270,000	\$270,000	\$-
Interest	165,613	165,613	165,613	-
Total Expenditures	435,613	435,613	435,613	-
OTHER FINANCING SOURCES (USES)				
Transfers - In	435,617	435,617	435,611	(6)
Total Other Financing Sources (Uses)	435,617	435,617	435,611	(6)
Excess (deficiency) of Revenues over Expenditures	4	4	-	(4)
FUND BALANCE JANUARY 1	-	-	-	-
FUND BALANCE DECEMBER 31	\$4	\$4	\$-	\$(4)

LOCAL Debt Repayment Fund 227				
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Debt Service:				
Principal Retirement	\$166,840	\$166,841	\$166,840	\$1
Interest	11,441	11,441	11,441	-
Total Expenditures	178,281	178,282	178,281	1
OTHER FINANCING SOURCES (USES)				
Transfers - in	178,282	178,282	178,281	(1)
Total Other Financing Sources (Uses)	178,282	178,282	178,281	(1)
Excess (deficiency) of Revenues over Expenditures	1	-	-	-
FUND BALANCE JANUARY 1	-	-	-	-
FUND BALANCE DECEMBER 31	\$1	\$-	\$-	\$-

LTGO Hands on Children's Museum Repayment Fund 228				
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous Revenues	\$-	\$-	\$1	\$1
Total Revenues	-	-	1	1
EXPENDITURES				
Debt Service:				
Principal Retirement	\$270,000	\$270,000	\$270,000	\$-
Interest	165,388	165,388	165,388	-
Total Expenditures	435,388	435,388	435,388	-
OTHER FINANCING SOURCES (USES)				
Transfers - in	425,098	425,098	435,355	10,257
Total Other Financing Sources (Uses)	425,098	425,098	435,355	10,257
Excess (deficiency) of Revenues over Expenditures	(10,290)	(10,290)	(32)	10,258
FUND BALANCE JANUARY 1	32	32	32	-
FUND BALANCE DECEMBER 31	\$(10,258)	\$(10,258)	\$-	\$10,258

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - Debt Service Funds (continued)
For Year Ended December 31, 2018

WA Center LED, and Parks Bond Repayment Fund 229				
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Debt Service:				
Principal Retirement	\$485,000	\$485,000	\$485,000	\$-
Interest	190,275	190,275	190,275	-
Total Expenditures	675,275	675,275	675,275	-
OTHER FINANCING SOURCES (USES)				
Transfers - in	675,275	675,275	675,275	-
Total Other Financing Sources (Uses)	675,275	675,275	675,275	-
Excess (deficiency) of Revenues over Expenditures	-	-	-	-
FUND BALANCE JANUARY 1	-	-	-	-
FUND BALANCE DECEMBER 31	\$-	\$-	\$-	\$-

LTGO 2016 BAN Repayment Fund 230				
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Debt Service:				
Interest	125,000	125,000	121,358	3,642
Total Expenditures	125,000	125,000	121,358	3,642
OTHER FINANCING SOURCES (USES)				
Transfers - in	125,000	125,000	121,358	(3,642)
Total Other Financing Sources (Uses)	125,000	125,000	121,358	(3,642)
Excess (deficiency) of Revenues over Expenditures	-	-	-	-
FUND BALANCE JANUARY 1	-	-	-	-
FUND BALANCE DECEMBER 31	\$-	\$-	\$-	\$-

Debt Service Requirements to Maturity - All General Obligation and Revenue Bonds

Year	GENERAL OBLIGATION BONDS			REVENUE BONDS			TOTAL CITY
	Principal	Interest	Total	Principal	Interest	Total	
2019	2,155,000	3,008,499	5,163,499	1,490,000	554,781	2,044,781	7,208,280
2020	2,265,000	2,916,749	5,181,749	1,555,000	487,381	2,042,381	7,224,130
2021	3,025,000	2,816,170	5,841,170	1,625,000	417,031	2,042,031	7,883,201
2022	2,915,000	2,676,632	5,591,632	1,690,000	352,031	2,042,031	7,633,663
2023	2,850,000	2,539,143	5,389,143	1,760,000	284,431	2,044,431	7,433,574
2024	2,975,000	2,407,124	5,382,124	890,000	214,031	1,104,031	6,486,155
2025	3,115,000	2,261,013	5,376,013	925,000	177,768	1,102,768	6,478,781
2026	3,255,000	2,108,212	5,363,212	970,000	139,612	1,109,612	6,472,824
2027	3,400,000	1,950,233	5,350,233	1,015,000	99,600	1,114,600	6,464,833
2028	3,260,000	1,788,455	5,048,455	420,000	57,225	477,225	5,525,680
2029	3,100,000	1,630,984	4,730,984	440,000	39,375	479,375	5,210,359
2030	1,595,000	1,471,871	3,066,871	460,000	20,125	480,125	3,546,996
2031	2,165,000	1,373,920	3,538,920	-	-	-	3,538,920
2032	2,255,000	1,239,358	3,494,358	-	-	-	3,494,358
2033	2,115,000	1,099,071	3,214,071	-	-	-	3,214,071
2034	2,205,000	961,077	3,166,077	-	-	-	3,166,077
2035	2,300,000	817,194	3,117,194	-	-	-	3,117,194
2036	2,395,000	667,115	3,062,115	-	-	-	3,062,115
2037	2,500,000	510,810	3,010,810	-	-	-	3,010,810
2038	2,605,000	347,635	2,952,635	-	-	-	2,952,635
2039	2,720,000	177,590	2,897,590	-	-	-	2,897,590
TOTAL	\$55,170,000	\$34,768,855	\$89,938,855	\$13,240,000	\$2,843,391	\$16,083,391	\$106,022,246

General Obligation Bonds - Debt Service Changes to Maturity

Issue	Year	Bond Maturities	Interest On Bonds	Total Bonds and Interest	Month Bonds Mature
2009A City Hall LTGO	2019	310,000	12,400	322,400	Dec
		310,000	12,400	322,400	
2009B City Hall BABs	2019	-	2,099,518	2,099,518	Dec
	2020	320,000	2,099,518	2,419,518	
	2021	980,000	2,082,689	3,062,689	
	2022	1,015,000	2,031,151	3,046,151	
	2023-2039	30,495,000	20,969,479	51,464,479	
		32,810,000	29,282,355	62,092,355	
2009 Fire Stn Construction UTGO	2019	770,000	421,556	1,191,556	Dec
	2020	800,000	390,756	1,190,756	
	2021	835,000	358,756	1,193,756	
	2022	865,000	325,356	1,190,356	
	2023-2029	7,130,000	1,221,081	8,351,081	
		10,400,000	2,717,505	13,117,505	
2010 Streets Projects LTGO	2019	280,000	154,813	434,813	Dec
	2020	295,000	143,613	438,613	
	2021	305,000	131,813	436,813	
	2022	315,000	119,613	434,613	
	2023-2029	2,600,000	450,962	3,050,962	
		3,795,000	1,000,814	4,795,814	
2010B HOCM LTGO	2019	290,000	154,188	444,188	Jun
	2020	315,000	142,087	457,087	
	2021	345,000	128,888	473,888	
	2022	375,000	114,488	489,488	
	2023-2028	2,640,000	318,755	2,958,755	
		3,965,000	858,406	4,823,406	
2013 WA Center, LED, and Parks LTGO	2019	505,000	166,025	671,025	Jun
	2020	535,000	140,775	675,775	
	2021	560,000	114,025	674,025	
	2022	345,000	86,025	431,025	
	2023-2032	1,945,000	390,525	2,335,525	
		3,890,000	897,375	4,787,375	
Total General Obligation Debt Service To Maturity		<u>\$55,170,000</u>	<u>\$34,768,855</u>	<u>\$89,938,855</u>	

Enterprise Revenue Bonds - Debt Service Changes to Maturity

Issue	Year	Bond Maturities	Interest On Bonds	Total Bonds and Interest	Month Bonds Mature
2007 Waterworks Capital Improvement	2019	415,000	185,444	600,444	
	2020	435,000	168,844	603,844	
	2021	455,000	151,444	606,444	
	2022	480,000	133,244	613,244	
	2023-2027	2,780,000	354,117	3,134,117	
		<u>4,565,000</u>	<u>993,093</u>	<u>5,558,093</u>	Nov
2010 Water/Sewer Capital Improvement	2019	295,000	183,988	478,988	
	2020	305,000	172,188	477,188	
	2021	320,000	159,988	479,988	
	2022	330,000	147,188	477,188	
	2023-2030	3,190,000	641,648	3,831,648	
		<u>4,440,000</u>	<u>1,305,000</u>	<u>5,745,000</u>	Nov
2013 Water/Sewer Capital Improvement	2019	780,000	185,350	965,350	
	2020	815,000	146,350	961,350	
	2021	850,000	105,600	955,600	
	2022	880,000	71,600	951,600	
	2023-2023	910,000	36,398	946,398	
		<u>4,235,000</u>	<u>545,298</u>	<u>4,780,298</u>	Nov
Total Enterprise Revenue Bond Debt To Maturity		<u>\$13,240,000</u>	<u>\$2,843,391</u>	<u>\$16,083,391</u>	

Public Works Trust Fund Loans - Debt Service Changes to Maturity

Issue	Year	Principal	Interest	Total Principal and Interest
4th Avenue Bridge (039)	2019	360,377	7,208	367,585
	2020	360,377	3,603	363,980
		<u>720,754</u>	<u>10,811</u>	<u>731,565</u>
4th Avenue Bridge (048)	2019	173,382	2,601	175,983
	2020	173,382	1,734	175,116
	2021	173,383	867	174,250
		<u>520,147</u>	<u>5,202</u>	<u>525,349</u>
Sleater-Kinney Sewer	2019	91,946	4,597	96,543
	2020	91,946	4,138	96,084
	2021	91,946	3,678	95,624
	2022	91,946	3,218	95,164
	2023-2029	551,679	9,654	561,333
		<u>919,463</u>	<u>25,285</u>	<u>944,748</u>
Total Public Works Trust Fund Debt to Maturity		<u>\$2,160,364</u>	<u>\$41,298</u>	<u>\$2,201,662</u>

Other Debt - Debt Service Changes to Maturity

Issue	Year	Principal	Interest	Total Principal & Interest
LOCAL Program Energy Savings	2019	\$171,834	\$6,448	\$178,282
	2020	87,836	1,305	89,141
		259,670	7,753	267,423
2018 Home Fund Interfund Loan	2019	\$-	\$20,261	\$20,261
	2020	-	20,261	20,261
	2021	1,350,735	16,153	1,366,888
		1,350,735	56,675	1,407,410
2018 Fire Equipment Replacement Interfund Loan	2019	\$-	\$1,275	\$1,275
	2020	\$-	\$1,275	1,275
	2021	\$85,000	\$622	85,622
		85,000	3,172	88,172
2018 HUD Interfund Loan	2019	\$-	\$-	\$-
	2020	\$100,000	-	100,000
		100,000	-	100,000
2017 Parks Land Promissory Note	2019	1,000,000	-	1,000,000
		1,000,000	-	1,000,000
2018 Zahn Promissory Note	2019	4,000,000	-	4,000,000
	2020	1,000,000	-	1,000,000
	2021	1,000,000	-	1,000,000
	2022	700,000	-	700,000
		6,700,000	-	6,700,000
2018 Mihn Promisory Note	2019	300,000	-	300,000
	2020	150,000	-	150,000
	2021	250,000	-	250,000
		700,000	-	700,000
DOE Septic Conversion Assistance Program	2019	4,665	2,366	7,031
	2020	4,812	2,219	7,031
	2021	4,963	2,068	7,031
	2022	5,119	1,912	7,031
	2023-2032	57,418	9,373	66,791
		76,977	17,938	94,915
Yauger Park Stormwater	2019	60,003	23,260	83,263
	2020	61,766	21,496	83,262
	2021	63,581	19,681	83,262
	2022	65,450	17,813	83,263
	2023-2031	563,925	68,291	632,216
		814,725	150,541	965,266
DWSRF Loan McAllister Wellfield Development	2019	465,704	131,781	597,485
	2020	465,704	124,795	590,499
	2021	465,704	117,809	583,513
	2022	465,704	110,824	576,528
	2023-2034	6,922,554	824,091	7,746,645
		8,785,370	1,309,300	10,094,670
DWSRF Loan McAllister Wellfield Transmission Pipeline	2019	240,582	57,740	298,322
	2020	240,582	54,131	294,713
	2021	240,582	50,522	291,104
	2022	240,582	46,913	287,495
	2023-2034	2,886,984	281,481	3,168,465
		3,849,312	490,787	4,340,099
DWSRF Loan SE Olympia Reservoir	2019	465,704	131,781	597,485
	2020	465,704	124,795	590,499
	2021	465,704	117,809	583,513
	2022	465,704	110,824	576,528
	2023-2034	6,922,554	824,091	7,746,645
		8,785,370	1,309,300	10,094,670
State Avenue Stormwater Retrofit	2019	27,485	12,902	40,387
	2020	28,124	12,263	40,387
	2021	28,777	11,609	40,386
	2022	29,446	10,940	40,386
	2023-2035	451,264	73,759	525,023
		565,096	121,473	686,569

Other Debt - Debt Service Changes to Maturity

Issue	Year	Principal	Interest	Total Principal & Interest
Section 108 Loan	2019	-	644	644
	2020	56,000	644	56,644
		<u>56,000</u>	<u>1,288</u>	<u>57,288</u>
2016 Bond Anticipation Note	2019	10,000,000	67,500	10,067,500
		<u>10,000,000</u>	<u>67,500</u>	<u>10,067,500</u>
McAllister Corrosion Control Facility	2019	182,318	46,491	228,809
	2020	229,928	43,756	273,684
	2021	229,928	40,307	270,235
	2022	229,928	36,859	266,787
	2023-2038	2,227,307	178,895	2,406,202
	<u>3,099,409</u>	<u>346,308</u>	<u>3,445,717</u>	
Fones Road Booster Station	2019	104,304	28,980	133,284
	2020	104,304	25,033	129,337
	2021	104,304	23,469	127,773
	2022	104,304	21,904	126,208
	2023-2038	1,355,958	142,376	1,498,334
	<u>1,773,174</u>	<u>241,762</u>	<u>2,014,936</u>	
Total Other Debt to Maturity		<u>\$43,766,879</u>	<u>\$3,394,802</u>	<u>\$47,161,681</u>

Schedule of Long Term Debt

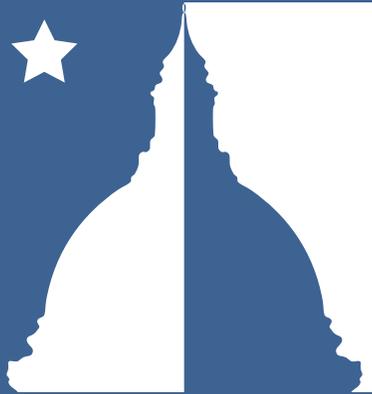
General Obligations:	Date of Issue	Final Maturity	Amount of Issue	Effective Interest Rate	Amount Outstanding 1-1-2018	Issued 2018	Redeemed 2018	Amount Outstanding 12-31-2018
Bonds:								
2009A City Hall LTGO	Sept 2009	2019	\$ 2,400,000	4.199	\$ 605,000	\$ -	\$ 295,000	\$ 310,000
2009B City Hall BABs	Sept 2009	2039	32,810,000	4.199	32,810,000	-	-	32,810,000
2009 Fire Stn Construction LTGO	Dec 2009	2029	16,180,000	4.035	11,140,000	-	740,000	10,400,000
2010 Streets Projects LTGO	May 2010	2029	5,865,000	5.00	4,065,000	-	270,000	3,795,000
2010B HOCM LTGO	Dec 2010	2028	5,670,000	4.25	4,235,000	-	270,000	3,965,000
2013 WA Center, LED, and Parks LTGO	Jun 2013	2032	6,345,000	5.00	4,375,000	-	485,000	3,890,000
Total General Obligation Bonds			\$ 69,270,000		\$ 57,230,000	-	\$ 2,060,000	\$ 55,170,000
Loans:								
State of Washington LOCAL Loan Program	Jun 2010	2020	\$ 1,534,496	2.97	\$ 426,510	\$ -	\$ 166,840	\$ 259,670
U.S. HUD Department Section 108 Loan	Jun 2010	2020	325,000	LIBOR + 0.2%	121,000	-	65,000	56,000
2016 Parks BAN	Jun 2016	2019	10,000,000	1.35	8,766,379	1,233,621	-	10,000,000
2017 Parks Land Promissory Note	Feb 2017	2019	2,200,000	0.00	2,200,000	-	1,200,000	1,000,000
2018 Zahn Property Promissory Note	Sep 2018	2022	10,702,224	0.00	-	10,702,224	4,002,224	6,700,000
2018 Ming Smith Promissory Note	Dec 2018	2021	950,904	0.00	-	950,904	250,904	700,000
Total General Obligation Loans			\$ 25,712,624		\$ 11,513,889	\$ 12,886,749	\$ 5,684,968	\$ 18,715,670
State of Washington Trust Fund Loans:								
4th / 5th Ave. Corridor	Apr 2000	2020	\$ 6,721,144	1.00	\$ 1,081,131	\$ -	\$ 360,377	\$ 720,754
4th / 5th Ave. Corridor	May 2001	2021	3,275,000	.50	693,530	-	173,382	520,148
Total State of WA Trust Fund Loans			9,996,144		1,774,661	-	533,759	1,240,902
Total General Obligations			\$ 104,978,768		\$ 70,518,550	\$ 12,886,749	\$ 8,278,727	\$ 75,126,572
Enterprise Revenue Debt:								
Bonds:								
2007 Waterworks Capital Improvement	May 2007	2027	\$ 8,000,000	4.00-4.125	\$ 4,960,000	\$ -	\$ 395,000	\$ 4,565,000
2010 Waterworks Capital Improvement	Jun 2010	2030	6,485,000	3.45	4,725,000	-	285,000	4,440,000
2013 Water/Sewer Capital Improvement	Sep 2013	2023	7,780,000	4.10	4,985,000	-	750,000	4,235,000
Total Enterprise Revenue Bonds			\$ 22,265,000		\$ 14,670,000	-	\$ 1,430,000	\$ 13,240,000
Loans:								
State of Washington Public Works Board Yauger Park	Jun 2010	2031	\$ 1,219,756	2.90	\$ 873,014	\$ -	\$ 58,290	\$ 814,724
Department of Ecology - Septic Assistance	Mar 2010	2031	251,382	3.10	81,500	-	4,523	76,977
Department of Ecology - State Ave. Stormwater Retrofit	Jun 2014	2035	626,081	2.30	591,956	-	26,860	565,096
DWSRF McAllister Wellfield Development	Mar 2011	2034	6,060,000	1.50	4,835,877	-	284,463	4,551,414
DWSRF McAllister Wellfield Transmission Pipeline	Mar 2011	2034	4,811,640	1.50	4,089,894	-	240,582	3,849,312
DWSRF SE Olympia Reservoir Loan	May 2014	2037	11,983,650	1.50	3,461,910	5,852,171	528,712	8,785,369
DWSRF McAllister Wellfield Corrosion Control Facility	Jun 2016	2035	4,058,632	1.50	1,349,048	1,927,242	176,880	3,099,410
DWSRF Fones Road Booster Pump Stations	Jun 2016	2038	1,931,982	1.50	986,890	890,590	104,304	1,773,176
DWSRF Elliot Ave Reservoir Seismic Retrofit	Sep 2018	2038	1,515,000	1.50	-	-	-	-
DWSRF Fir St Reservoir Seismic and Value House Retrofit	Sep 2018	2038	1,515,000	1.50	-	-	-	-
Total Enterprise Revenue Loans			\$ 32,458,123		\$ 16,270,089	\$ 8,670,003	\$ 1,424,614	\$ 23,515,478
State of Washington Trust Fund Loans								
Sleater-Kinney Sewer	Dec 2009	2028	\$ 1,808,375	0.50	\$ 1,103,355	\$ -	\$ 91,946	\$ 1,011,409
Total State of WA Trust Fund Loans			1,808,375		1,103,355	-	91,946	1,011,409
Total Enterprise Revenue Debt			\$ 55,016,498		\$ 30,357,394	\$ 3,810,158	\$ 2,216,054	\$ 31,951,498

Schedule of Long Term Debt (continued)

Interfund Loans	Date of Issue	Final Maturity	Amount of Issue	Effective Interest Rate	Amount Outstanding 1-1-2018	Issued 2018	Redeemed 2018	Amount Outstanding 12-31-2018
Interfund Loans:								
2018 Home Fund Interfund Loan	Oct 2018	2021	2,450,000	1.5	\$-	\$1,350,735	\$-	1,350,735
2018 Fire Equipment Interfund Loan	Jun 2018	2021	85,000	1.5	-	85,000	-	85,000
2018 HUD Loan	Dec 2018	2020	100,000	0.0	-	100,000	-	100,000
Total Interfund Loans			<u>2,635,000</u>		<u>-</u>	<u>1,535,735</u>	<u>-</u>	<u>1,535,735</u>
Total Interfund Loans			\$2,635,000		-	\$1,535,735		\$1,535,735
L.I.D. Debt								
L.I.D Debt Notes:								
#762 Water	Nov 2007	2017	\$167,998	6.50	\$9,798	\$-	\$-	\$9,798
Total L.I.D. Debt - Notes			<u>167,998</u>		<u>9,798</u>	<u>-</u>	<u>-</u>	<u>9,798</u>
Total L.I.D. Debt			<u>\$167,998</u>		<u>\$9,798</u>	<u>\$-</u>	<u>\$-</u>	<u>\$9,798</u>
Compensated Absences-Proprietary Funds					\$970,596	\$1,242,604	\$1,173,730	\$1,039,470
Compensated Absences-Internal Service Funds					30,812	43,610	34,801	39,621
Compensated Absences-Governmental Funds					<u>5,316,040</u>	<u>3,691,713</u>	<u>3,979,301</u>	<u>5,028,452</u>
Total Compensated Absences			<u>\$ -</u>		<u>\$6,317,448</u>	<u>\$4,977,927</u>	<u>\$5,187,832</u>	<u>\$6,107,543</u>
TOTAL LONG TERM DEBT			<u>\$164,313,264</u>		<u>\$108,797,294</u>	<u>\$28,070,414</u>	<u>\$16,413,119</u>	<u>\$120,454,589</u>



**Comprehensive Annual
Financial Report**



OlympiaTM

**Statistical
Information**



STATISTICAL INFORMATION

The Statistical Schedules present detailed information as a context for understanding this year's financial statements, note disclosures, and required supplementary information.

This section contains the following subsections:

- Financial Trends
- Revenue Capacity
- Debt Capacity
- Demographic and Economic Information
- Operating Information

FINANCIAL TRENDS

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

Schedule 1 Net Position by Component, Last Ten Fiscal Years

Schedule 2 Changes in Net Position by Component, Last Ten Fiscal Years

Schedule 3 Fund Balances, Governmental Funds, Last Ten Fiscal Years

Schedule 4 Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's two significant local revenue sources, the property tax, and water and sewer charges.

Schedule 5 Tax Revenues by Source, Governmental Funds, Last Ten Years

Schedule 6 Sales Tax Revenues by Type and Percentage, Governmental Funds, Last Ten Years

Schedule 7 Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years

Schedule 8 Principal Property Tax Payers, Current Year and Nine Years Ago

Schedule 9 Property Tax Levies and Collections, Last Ten Fiscal Years

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Schedule 10 Ratios of Outstanding Debt by Type, Last Ten Fiscal Years

Schedule 11 Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years

Schedule 12 Direct and Overlapping Governmental Activities Debt

Schedule 13 Legal Debt Margin Information, Last Ten Fiscal Years

Schedule 14 Pledged Revenue Coverage, Last Ten Fiscal Years

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Schedule 15 Demographic and Economic Statistics, Last Ten Fiscal Years

Schedule 16 Principal Employers Current Year and Nine Years Ago

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Schedule 17 Full-Time Equivalent City Government Employees by Function/Program, Last Ten Fiscal Years

Schedule 18 Operating Indicators by Function/Program, Last Ten Fiscal Years

Schedule 19 Capital Asset Statistics by Function/Program, Last Ten Fiscal Years

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

City of Olympia
Schedule 1 - Net Position by Component, Last Ten Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014*	2015**	2016	2017	2018
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$87,893,111	\$148,840,361	\$169,351,088	\$177,169,037	\$181,567,905	\$182,749,408	\$182,889,905	\$180,374,377	\$178,132,389	\$181,912,408
Restricted	10,062,707	6,157,421	15,452,414	13,547,730	16,250,647	14,938,346	26,881,135	30,257,414	40,844,856	47,529,171
Unrestricted	66,630,061	44,069,792	30,686,241	28,263,450	24,488,356	11,831,998	4,822,059	6,240,568	3,023,513	(6,484,783)
Total Governmental Activities	<u>\$164,585,879</u>	<u>\$199,067,574</u>	<u>\$215,489,743</u>	<u>\$218,980,217</u>	<u>\$222,306,908</u>	<u>\$209,519,752</u>	<u>\$214,593,099</u>	<u>\$216,872,359</u>	<u>\$222,000,758</u>	<u>\$222,956,796</u>
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$55,767,036	\$77,359,526	\$84,653,446	\$90,901,306	\$91,354,309	\$93,527,138	\$93,301,224	\$91,615,999	\$95,693,051	\$90,616,220
Restricted	-	435,807	438,233	438,233	1,260,733	1,260,900	1,260,900	1,260,900	1,260,900	1,260,900
Unrestricted	22,588,694	26,172,949	24,258,687	21,078,362	20,865,914	16,018,583	17,743,933	23,299,341	22,034,523	30,597,668
Total business-type activities	<u>\$78,355,730</u>	<u>\$103,968,282</u>	<u>\$109,350,366</u>	<u>\$112,417,901</u>	<u>\$113,480,956</u>	<u>\$110,806,621</u>	<u>\$112,306,057</u>	<u>\$116,176,240</u>	<u>\$118,988,474</u>	<u>\$122,474,788</u>
Primary Government										
Net Invested in Capital Assets	\$143,660,147	\$226,199,887	\$254,004,534	\$268,070,343	\$272,922,214	\$276,276,546	\$276,191,129	\$271,990,376	\$273,825,440	\$272,528,628
Restricted	10,062,707	6,593,228	15,890,647	13,985,963	17,511,380	16,199,246	28,142,035	31,518,314	42,105,756	48,790,071
Unrestricted	89,218,755	70,242,741	54,944,928	49,341,812	45,354,270	27,850,581	22,565,992	29,539,909	25,058,036	24,112,885
Total Primary Government	<u>\$242,941,609</u>	<u>\$303,035,856</u>	<u>\$324,840,109</u>	<u>\$331,398,118</u>	<u>\$335,787,864</u>	<u>\$320,326,373</u>	<u>\$326,899,156</u>	<u>\$333,048,599</u>	<u>\$340,989,232</u>	<u>\$345,431,584</u>

* 2014 Net Position was restated due to the 2015 GASB 68 Pension Implementation and 2015 Prior Period adjustment related to acquisition of land from prior years. The total value of Land was added to the "Net Investment in Capital Assets" as of 2014. Prior years were not restated since land was acquired between 1996 and 2013.

** 2015 Net Position Governmental activities Restricted and Unrestricted restated to reflect Net Pension Asset value as Restricted Net Position an OPEB Fund reclassification from a Fiduciary Trust into the General Fund.

City of Olympia
Schedule 2 - Changes in Net Position by Component, Last Ten Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014*	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General Government	\$23,533,199	\$22,985,923	\$24,441,738	\$24,423,345	\$23,390,910	\$36,083,883	\$27,310,588	\$26,506,321	\$27,091,074	\$23,159,642
Public Safety	25,308,459	26,587,222	27,790,718	28,083,446	29,147,579	28,612,558	31,182,898	34,015,639	35,296,198	36,437,660
Physical Environment	-	-	-	-	-	-	-	-	72	1,562
Transportation	3,629,373	7,874,452	6,025,209	9,668,045	9,413,918	17,628,133	15,003,326	14,706,532	13,008,781	9,204,132
Economic Environment	3,133,695	3,553,388	3,173,039	3,143,841	3,811,778	5,432,777	4,101,801	6,144,538	5,929,157	7,216,049
Mental and Physical Health	16,100	16,942	16,848	18,267	82,097	107,451	111,854	111,686	100,953	931,071
Culture and Recreation	7,467,315	7,680,425	7,453,770	6,083,524	5,858,268	7,886,138	6,747,259	5,992,961	10,618,838	15,928,421
Interest on Long Term Debt	1,444,973	3,179,478	3,704,209	3,607,848	3,594,158	3,552,801	3,431,705	3,332,015	3,285,041	3,198,950
Total Governmental Activities	64,533,114	71,877,830	72,605,531	75,028,316	75,298,708	99,303,741	87,889,431	90,809,692	95,330,114	96,077,487
Business-type activities:										
Drinking Water and Wastewater	25,508,295	23,299,976	24,469,083	25,935,482	27,549,466	32,522,084	31,318,153	30,521,606	32,879,455	33,141,022
Waste Resources	7,401,991	8,399,167	8,384,390	9,201,809	9,086,569	11,087,325	9,913,614	10,236,494	11,392,863	12,018,629
Storm and Surface Water	3,765,212	3,874,319	4,105,731	5,295,418	5,472,378	6,503,310	6,377,980	6,676,731	6,662,513	5,874,079
Total Business-Type Activities	36,675,498	35,573,462	36,959,204	40,432,609	42,108,413	50,112,719	47,609,747	47,434,831	50,934,831	51,033,730
Total Government Expenses	\$101,208,612	\$107,451,292	\$109,564,735	\$115,460,925	\$117,407,121	\$149,416,460	\$135,499,178	\$138,244,523	\$146,264,945	\$147,111,217
Program Revenues										
Governmental activities:										
Charges for services - Building Permits and Inspections	2,504,143	2,666,074	2,740,343	1,956,632	2,618,496	2,767,900	2,671,429	3,073,179	2,519,404	2,317,732
Charges for services - Fire Protection	2,706,899	3,529,078	3,575,126	4,071,206	4,241,112	4,021,605	4,236,289	4,645,380	4,853,402	4,962,173
Charges for services - Impact Fees	2,686,775	1,528,699	2,124,715	1,652,226	3,180,307	2,233,576	2,357,462	3,594,132	1,496,233	1,586,376
Charges for services - Other	8,136,863	8,662,000	8,456,281	7,905,243	11,227,859	15,317,094	14,994,920	12,300,294	15,020,861	15,599,815
Operating grants and contributions	6,194,865	9,566,679	5,937,832	6,029,974	3,870,094	4,161,895	4,580,008	5,442,857	5,313,679	6,379,383
Capital grants and contributions	3,089,658	7,682,798	2,917,224	6,317,758	2,860,324	3,943,590	3,270,005	397,671	1,151,212	3,494,598
Total governmental activities program revenue	25,319,203	33,635,328	25,751,520	27,933,039	27,998,192	32,445,660	32,110,113	29,453,513	30,354,791	34,340,077
Business-type activities:										
Charges for services:										
Drinking Water and Wastewater	21,647,589	22,579,947	24,226,688	24,919,143	28,305,004	30,339,653	31,823,214	33,975,843	35,329,851	35,177,529
Waste Resources	7,421,661	8,023,370	8,408,548	8,595,218	8,592,413	9,388,619	10,030,818	10,513,187	11,278,840	12,025,280
Storm and Surface Water	3,904,107	4,071,595	4,478,690	4,218,353	4,813,089	5,119,344	4,943,074	5,154,386	5,791,587	5,559,995
Operating grants and contributions	698,157	488,476	1,215,109	523,073	672,542	241,289	160,002	738,479	244,775	326,456
Capital grants and contributions	0	1,359,750	585,000	2,836,700	446,000	1,453,376	2,388,401	499,356	287,857	438,396
Total business-type activities program revenue	33,671,514	36,523,138	38,914,035	41,092,487	42,829,048	46,542,281	49,345,509	50,881,251	52,932,910	53,527,656
Total government program revenues	\$58,990,717	\$70,158,466	\$64,665,555	\$69,025,526	\$70,827,240	\$78,987,941	\$81,455,622	\$80,334,764	\$83,287,701	\$87,867,733
Net (Expense) Revenue										
Governmental activities:	\$(39,213,911)	\$(38,242,502)	\$(46,854,011)	\$(47,095,277)	\$(47,300,516)	\$(66,858,081)	\$(55,779,318)	\$(61,356,179)	\$(64,975,323)	\$(61,737,410)
Business-type activities:	(3,003,984)	949,676	1,954,831	659,878	720,635	(3,570,438)	1,735,762	3,446,420	1,998,079	2,493,926
Total Government net expense revenue	\$(42,217,895)	\$(37,292,826)	\$(44,899,180)	\$(46,435,399)	\$(46,579,881)	\$(70,428,519)	\$(54,043,556)	\$(57,909,759)	\$(62,977,244)	\$(59,243,484)
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	9,877,647	8,073,892	16,533,310	9,286,772	9,543,995	9,821,893	10,557,557	11,452,863	15,442,591	18,455,003
Property taxes, levied for debt service	571,345	3,714,117	3,511,376	3,423,643	3,529,128	3,518,401	3,475,334	3,476,111	3,471,985	3,467,108
Gross Receipt Taxes	16,651,030	16,587,285	17,797,769	17,657,603	17,487,091	18,065,984	19,636,064	21,252,737	21,573,209	15,884,726
Sales Taxes	16,760,483	17,765,052	17,274,548	17,437,326	18,931,717	20,805,958	23,455,500	25,291,820	27,545,865	20,901,324
Investment earnings	544,298	375,712	285,466	264,291	98,718	82,077	70,012	328,228	419,522	1,057,421
Excise Taxes	-	-	-	-	-	-	-	-	-	4,188,679
Other	2,770,954	4,361,104	3,147,102	2,463,796	746,273	954,444	1,506,425	1,739,005	3,761,096	4,418,988
Special Items	-	-	4,881,732	-	-	-	-	-	-	-
Transfers	283,390	435,005	(155,123)	52,320	290,285	353,271	553,524	94,674	202,972	172,580
Total governmental activities	47,459,147	51,312,167	63,276,180	50,585,751	50,627,207	53,602,028	59,254,416	63,635,438	72,417,240	68,545,829
Business-type activities:										
Investment earnings	167,707	63,795	45,306	42,432	33,904	32,380	11,528	129,173	179,290	538,806
Other	1,890,369	2,943,153	3,226,824	2,417,545	598,801	427,642	305,670	389,264	837,837	626,163
Transfers	(283,390)	(435,005)	155,123	(52,320)	(290,285)	(353,271)	(553,524)	(94,674)	(202,972)	(172,580)
Total business-type activities	1,774,686	2,571,943	3,427,253	2,407,657	342,420	106,751	(236,326)	423,763	814,155	992,389
Total government	\$49,233,833	\$53,884,110	\$66,703,433	\$52,993,408	\$50,969,627	\$53,708,779	\$59,018,090	\$64,059,201	\$73,231,395	\$69,538,218
Changes in Net Position										
Governmental activities	8,245,236	13,069,665	16,422,169	3,490,474	3,326,691	(13,256,053)	3,475,098	2,279,259	7,441,917	6,808,419
Business-type activities	(1,229,298)	3,521,619	5,382,084	3,067,535	1,063,055	(3,463,687)	1,499,436	3,870,183	2,812,234	3,486,315
Total Government	\$7,015,938	\$16,591,284	\$21,804,253	\$6,558,009	\$4,389,746	\$(16,719,740)	\$4,974,534	\$6,149,442	\$10,254,151	\$10,294,734

* 2014 Changes in Net Position was restated due to the 2015 GASB 68 Pension Implementation. The Changes in Net Position, \$468,897 Governmental activities and \$789,352 Business activities was not restated in 2014 the 2015 Prior Period adjustment related to acquisition of land from prior years due to acquisition occurring between 1996 and 2013, which would have effected the changes of those years.

City of Olympia
Schedule 3 - Fund Balances, Governmental Funds, Last Ten Years
(modified accrual basis of accounting)

	Fiscal Year
	2009
General Fund	
Reserved	\$645,950
Unreserved	4,794,397
Total General Fund	\$5,440,347
All Other Governmental Funds	
Reserved	12,921,786
Unreserved, Reported in	
Special Revenue Funds	10,828,238
Debt Service Funds	352,616
Capital Project Funds	45,180,211
Total All Other Governmental Funds	\$69,282,851

	Fiscal Year								
	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund									
Nonspendable	\$2,310,470	\$98,147	\$150,255	\$194,911	\$78,599	\$74,826	\$190,893	\$247,425	\$364,335
Restricted	2,037,834	345,035	245,104	262,132	285,343	276,613	283,536	216,743	333,631
Committed	1,158,838	1,793,280	3,026,155	3,968,099	3,846,511	5,361,283	7,849,057	8,915,510	9,147,713
Assigned	2,087,753	5,083,083	5,063,120	6,110,654	6,389,484	3,875,850	4,239,357	2,896,639	2,521,995
Unassigned	6,315,643	6,501,171	5,784,635	6,266,733	6,616,409	7,934,158	6,640,535	8,780,509	17,911,970
Total General Fund	\$13,910,538	\$13,820,716	\$14,269,269	\$16,802,529	\$17,216,346	\$17,522,730	\$19,203,378	\$21,056,826	\$30,279,644
All Other Governmental Funds									
Nonspendable	5,000	-	-	-	-	-	-	-	-
Restricted	29,124,058	14,950,975	13,019,866	15,312,376	13,240,669	15,763,928	20,458,427	25,863,370	27,299,929
Committed	355,762	2,252,446	1,458,849	1,287,414	1,095,568	336,143	179,024	206,689	15,335
Assigned	8,312,133	5,264,556	3,055,298	2,694,641	4,172,048	4,100,711	4,447,734	4,333,600	7,516,156
Unassigned	-	-	-	-	-	-	-	-	(159,855)
Total All Other Governmental Funds	\$37,796,953	\$22,467,977	\$17,534,013	\$19,294,431	\$18,508,285	\$20,200,782	\$25,085,185	\$30,403,659	\$34,671,565

GASB Statement 54 changed fund balance reporting as of 2011, requiring restatement of only the prior year, 2010.

City of Olympia
Schedule 4 - Change in Fund Balances, Governmental Funds, Last Ten Years
(modified accrual basis of accounting)

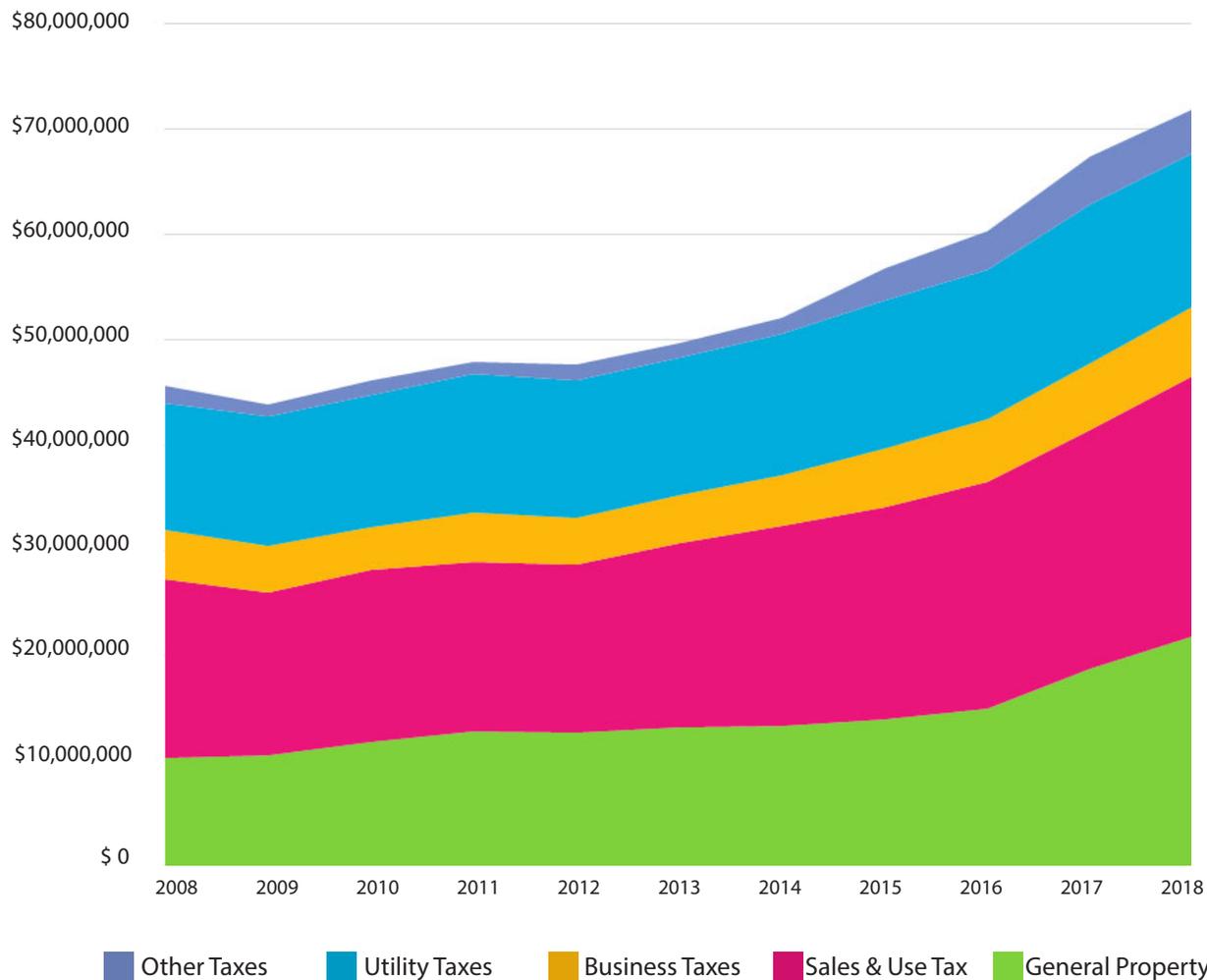
	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$43,860,505	\$46,140,346	\$47,842,387	\$47,629,286	\$49,624,944	\$52,128,911	\$56,713,991	\$60,266,469	\$67,421,606	\$71,844,007
Licenses and Permits	3,441,401	3,649,928	3,800,814	3,072,611	3,818,982	3,925,136	3,968,414	4,309,935	3,660,352	3,565,784
Intergovernmental Revenues	9,284,523	14,936,983	8,700,821	8,220,062	4,954,911	6,719,821	5,693,751	5,604,018	6,068,753	9,549,475
Charges for Services	11,645,770	11,717,950	11,758,412	12,286,347	16,487,641	16,993,502	16,988,973	18,483,359	17,581,378	18,474,195
Fines and Forfeits	947,511	1,017,973	1,283,156	951,268	1,021,476	980,103	990,911	970,529	838,342	851,045
Other Revenues	2,516,829	4,330,261	2,644,626	2,699,916	3,523,003	3,000,896	3,544,591	3,866,427	5,393,127	6,243,473
Total Revenues	\$71,696,539	\$81,793,441	\$76,030,216	\$74,859,490	\$79,430,957	\$83,748,369	\$87,900,631	\$93,500,737	\$100,963,558	\$110,527,979
Expenditures										
General Government Services	\$22,215,721	\$21,484,274	\$22,994,484	\$22,526,855	\$22,159,001	\$24,035,733	\$24,107,067	\$25,858,876	\$27,148,516	\$27,022,180
Security of Persons & Property	24,957,047	26,102,849	27,087,050	27,583,292	28,796,471	30,275,237	32,408,827	34,789,193	37,079,378	39,095,438
Utilities and Environment	-	-	-	-	-	-	-	-	-	\$1,562
Transportation	5,670,182	5,070,868	3,944,327	4,227,734	3,950,169	6,378,624	4,472,202	4,072,937	4,005,139	4,135,756
Economic Environment	3,132,148	3,551,748	3,169,004	3,143,653	3,813,141	4,023,001	4,100,640	5,716,930	6,106,882	7,216,330
Mental and Physical Health	16,100	16,942	16,848	18,267	82,097	107,451	111,854	111,686	100,953	860,978
Culture and Recreation	7,287,797	7,494,622	7,298,359	5,981,834	5,814,641	5,578,189	6,198,180	6,530,275	8,215,939	9,474,828
Capital Outlay	30,626,847	49,656,245	24,680,776	10,115,914	8,868,477	7,226,936	6,854,514	10,681,498	10,241,964	15,693,909
Debt Service										
Principal	487,293	2,213,713	2,829,117	2,868,246	5,680,409	3,474,757	3,600,820	3,920,525	2,673,255	2,825,599
Interest	1,431,817	4,043,269	3,713,593	3,596,721	3,599,261	3,604,334	3,479,443	3,383,796	3,322,754	3,249,657
Total Expenditures	\$95,824,952	\$119,634,530	\$95,733,558	\$80,062,516	\$82,763,667	\$84,704,262	\$85,333,547	\$95,065,716	\$98,894,780	\$109,576,237
Excess of revenues over (under) expenditures	(24,128,413)	(37,841,089)	(19,703,342)	(5,203,026)	(3,332,710)	(955,893)	2,567,084	(1,564,979)	2,068,778	951,742
Other Financing Sources (Uses)										
Transfers In	13,451,207	18,844,550	12,212,954	8,028,386	12,044,967	13,065,854	11,387,009	9,142,369	12,125,395	17,289,000
Transfers Out	(12,237,362)	(17,495,216)	(11,216,357)	(7,338,941)	(11,542,525)	(12,597,475)	(12,333,031)	(9,042,985)	(10,822,761)	(17,116,421)
Proceeds from borrowing	51,390,000	13,467,348	2,500,000	-	7,112,312	-	-	6,355,882	833,764	1,189,522
Sale of Fixed Assets	513,416	8,702	787,944	28,172	11,634	115,185	377,819	76,516	-	-
Total Other Financing Sources (Uses)	53,117,261	14,825,384	4,284,541	717,617	7,626,388	583,564	(568,203)	6,531,782	2,136,398	1,362,101
Net Change in Fund Balances	\$28,988,848	\$(23,015,705)	\$(15,418,801)	\$(4,485,409)	\$4,293,678	\$(372,329)	\$1,998,881	\$4,966,803	\$4,205,176	\$2,313,843
Debt Service as a percentage of non capital expenditures	3.25%	9.30%	9.74%	9.28%	12.75%	9.03%	8.82%	8.57%	6.64%	6.34%

City of Olympia
Schedule 5 - Tax Revenues by Source, Governmental Funds, Last Ten Years
(modified accrual basis of accounting)

Fiscal Year	General Property Tax	Sales & Use Tax	Business Taxes	Utility Taxes	Other Taxes	Total
2008	10,197,900	16,972,469	4,768,508	11,981,293	1,661,045	45,581,215
2009	10,448,992	15,531,639	4,399,266	12,251,764	1,228,844	43,860,505
2010	11,788,009	16,301,568	4,104,335	12,482,950	1,463,484	46,140,346
2011	12,770,070	16,165,551	4,603,464	13,194,305	1,108,997	47,842,387
2012	12,667,673	15,952,956	4,497,564	13,056,914	1,454,179	47,629,286
2013	13,105,139	17,558,502	4,594,932	12,968,458	1,397,913	49,624,944
2014	13,288,767	19,065,328	4,784,237	13,346,682	1,643,897	52,128,911
2015	13,965,698	20,133,091	5,533,466	14,064,275	3,017,461	56,713,991
2016	14,899,631	21,572,857	5,902,899	14,282,312	3,608,770	60,266,469
2017	18,708,063	22,730,768	6,280,663	15,116,637	4,585,475	67,421,606
2018	21,825,585	24,609,441	6,614,756	14,605,546	4,188,679	71,844,007

Change						
2018 - 2009	114.0%	45.0%	38.7%	21.9%	152.2%	57.6%

Tax Revenues



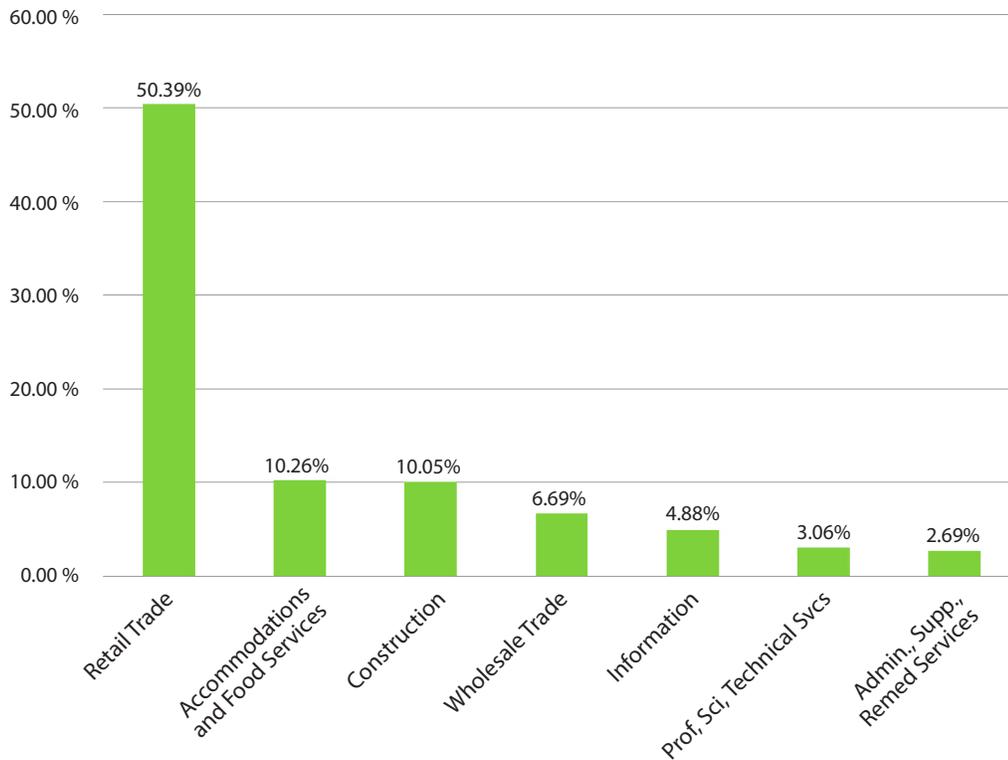
City of Olympia

Schedule 6 - Local Sales Tax Revenues by Type and Percentage, Governmental Funds, Last Ten Years

(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sales Tax Collected (000)	\$14,365	\$15,127	\$14,937	\$14,767	\$15,637	\$16,352	\$17,136	\$18,515	\$19,170	\$19,271
Agriculture, Forestry, Fishing	0.04 %	0.04 %	0.02 %	0.02 %	0.02 %	0.02 %	0.01 %	0.01 %	0.01 %	0.01 %
Mining	0.02 %	0.02 %	0.01 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Utilities	0.02 %	0.02 %	0.02 %	0.01 %	0.01 %	0.02 %	0.02 %	0.01 %	0.02 %	0.02 %
Construction	14.14 %	16.37 %	12.98 %	11.96 %	11.59 %	11.11 %	10.61 %	11.59 %	12.01 %	10.05 %
Manufacturing	1.66 %	1.87 %	1.69 %	1.58 %	1.90 %	1.59 %	1.56 %	1.50 %	1.31 %	1.54 %
Wholesale Trade	9.52 %	8.45 %	8.38 %	7.13 %	7.05 %	6.53 %	5.67 %	6.07 %	5.80 %	6.69 %
Retail Trade	48.82 %	48.69 %	51.07 %	52.44 %	52.18 %	52.29 %	51.74 %	51.36 %	50.97 %	50.39 %
Transportation and Warehousing	0.13 %	0.14 %	0.13 %	0.17 %	0.18 %	0.14 %	0.12 %	0.15 %	0.08 %	0.19 %
Information	3.63 %	3.84 %	4.05 %	4.63 %	4.72 %	4.96 %	5.31 %	4.95 %	5.09 %	4.88 %
Finance and Insurance	0.98 %	0.87 %	0.73 %	0.84 %	0.84 %	0.89 %	0.90 %	0.99 %	1.04 %	1.02 %
Real Estate, Rental, Leasing	2.21 %	1.86 %	1.68 %	1.80 %	1.69 %	1.59 %	1.79 %	1.67 %	1.71 %	1.67 %
Prof, Sci, Technical Svcs	2.05 %	2.09 %	3.27 %	3.86 %	3.14 %	2.78 %	3.50 %	3.21 %	3.19 %	3.06 %
Company Management	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Admin, Supp, Remed Svcs	1.82 %	1.57 %	1.65 %	0.08 %	1.08 %	1.79 %	1.85 %	1.86 %	2.10 %	2.69 %
Educational Services	0.34 %	0.35 %	0.39 %	0.32 %	0.26 %	0.30 %	0.29 %	0.31 %	0.22 %	0.21 %
Health Care Social Assistance	0.69 %	0.97 %	0.47 %	1.18 %	0.97 %	1.08 %	1.56 %	1.50 %	1.36 %	1.37 %
Arts, Entertain, Recreation	0.72 %	0.69 %	0.72 %	0.74 %	0.91 %	1.00 %	0.90 %	0.90 %	0.87 %	0.93 %
Accommodation and Food Svcs	8.70 %	8.26 %	8.37 %	9.07 %	9.17 %	9.39 %	9.80 %	9.68 %	9.91 %	10.26 %
Other Services	3.11 %	2.75 %	2.81 %	2.95 %	2.80 %	2.68 %	2.68 %	2.52 %	2.49 %	2.60 %
Public Administration	1.41 %	1.15 %	1.56 %	1.20 %	1.49 %	1.84 %	1.69 %	1.73 %	1.81 %	0.87 %

Sales Tax Revenue by Type for 2018



City of Olympia
Schedule 7 - Direct and Overlapping Property Tax Rates, Last Ten Years
(rates per \$1,000 of assessed value)

Fiscal Year	Direct City Rate	Overlapping Rates							Total Average Levy
		Library	State School	Local School	County	Port	Olympia Metro Park District	Fire	
2009	1.9373	0.3292	1.9214	4.0159	1.3684	0.1499	-	0.2032	9.9253
2010	1.9689	0.3389	2.0619	4.2216	1.4536	0.1576	-	0.1999	10.4024
2011	2.2311	0.3569	2.2575	5.0951	1.6043	0.1721	-	0.2276	11.9446
2012	2.3945	0.3830	2.4503	5.3858	1.7401	0.1845	-	0.2263	12.7645
2013	2.5567	0.4150	2.5100	5.7090	1.9090	0.2043	-	0.2420	13.5460
2014	2.4839	0.4157	2.3845	5.2122	1.8365	0.1957	-	0.2303	12.7588
2015	2.3978	0.4107	2.2756	5.2268	1.7671	0.1866	-	0.2116	12.4762
2016	2.4084	0.4095	2.1186	5.0254	1.7461	0.1822	-	0.2096	12.0998
2017	2.2642	0.3993	1.9897	5.2569	1.6675	0.1731	0.5261	0.1880	12.4648
2018	2.6003	0.3821	2.8052	5.1155	1.6293	0.1938	0.5399	0.1807	13.4552

- All levies expressed in dollars per \$1,000.
- Due to varying tax rates within the City, the average rate is shown for each item in the table.
- County levy includes Medic 1 and the Public Utility District #1.
- Fire levy is for the repayment of the 2009 Voted Fire Bond.
- Olympia Metropolitan Parks District was approved by voters in 2015, 2017 is the first year of collections.
- Fiscal years illustrated are the years in which the taxes will be collected.

City of Olympia
Schedule 8 - Principal Property Tax Payers, Current Year and Nine Years Ago

TEN LARGEST TAXPAYERS	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Westfield / Capital Mall	\$126,883,700	1	1.9 %	\$90,262,300	2	1.5 %
Vine Street Investors	86,745,100	2	1.3 %	118,719,750	1	2.0 %
Puget Sound Energy	82,676,588	3	1.2 %	50,916,401	3	0.9 %
MPT of Olympia, Capella / Capital Medical Ctr	55,796,300	4	0.8 %	41,675,653	4	0.9 %
Washington State Employees CU	35,556,087	5	0.5 %			
Group Health Coop Of Puget S	32,503,700	6	0.5 %	29,866,300	6	0.5 %
Ocean Front-Cambridge LLC	32,162,500	7	0.5 %			
CAFARO Northwest Partnership	26,044,300	8	0.4 %			
Black Lake Apartments	25,958,731	9	0.4 %			
Woodland Apartment Associates	25,942,300	10	0.4 %			
Continental Cambridge				30,962,950	5	0.5 %
MGP X Properties						
Qwest Corp				27,453,779	8	0.5 %
De Tray, E Paul				28,991,170	7	0.5 %
PF I Olympia Square Llc				26,114,200	9	0.4 %
Greystone Servicing Corp Inc				22,905,650	10	0.4 %
Totals	530,269,306		7.9 %	467,868,153		7.8 %
Balance of Property Tax Payers	6,160,094,876		92.1 %	5,495,192,694		92.2 %
Total Assessed Values	\$6,690,364,182		100.0%	\$5,963,060,847		100.0%

Source: Thurston County Assessor's Office

City of Olympia
Schedule 9 - Property Tax Levies and Collections, Last Ten Years

Fiscal Year	Current Total Tax Total Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	11,542,703	11,258,325	97.5%	283,922	11,542,247	100.00%
2010	12,915,675	12,636,270	97.8%	278,970	12,915,240	100.00%
2011	13,619,408	13,362,213	98.1%	257,157	13,619,370	100.00%
2012	13,845,292	13,581,489	98.1%	263,756	13,845,245	100.00%
2013	14,111,435	13,909,434	98.6%	201,480	14,110,914	100.00%
2014	14,347,985	14,159,177	98.2%	167,718	14,326,895	98.24%
2015	14,776,517	14,614,476	98.9%	119,286	14,733,762	99.71%
2016	15,092,270	14,923,464	98.9%	95,739	15,019,203	98.88%
2017	18,905,512	18,737,845	99.1%	-	18,737,845	99.11%
2018	22,074,910	20,834,414	94.4%	-	20,834,414	94.38%

Current levy and outstanding non-current taxes are net of adjustments
This includes OMPD

Source: Thurston County Assessor's Office

City of Olympia
Schedule 10 - Ratios of Outstanding Debt by Type, Last Ten Years

Fiscal Year	Governmental Activities			Business-Type Activities		Total Government	Personal Income (2)	Percentage of Personal Income	Population	Per Capita
	General Obligation Bonds (1)	PWTF and other Loans	LID Notes	Revenue Bonds(1)	PWTF and Other Loans					
2008	7,820,000	6,733,484	81,650	12,280,000	573,899	27,489,033	49,941	1.23%	44,800	614
2009	58,375,000	6,148,061	70,255	11,670,000	797,843	77,061,159	50,877	3.35%	45,250	1,703
2010	68,355,000	5,562,639	65,210	17,515,000	1,997,357	93,495,206	49,461	4.15%	45,500	2,055
2011	66,265,000	4,977,218	47,237	16,610,000	1,762,044	89,661,499	52,371	3.66%	46,780	1,917
2012	64,080,000	8,134,204	37,535	15,660,000	3,717,871	91,629,610	53,147	3.63%	47,500	1,929
2013	68,682,638	4,956,476	24,852	20,564,007	8,133,104	100,949,432	51,902	4.01%	48,480	2,082
2014	65,794,440	4,274,441	22,130	19,272,580	12,996,176	102,359,767	52,834	3.90%	49,670	2,061
2015	62,845,372	3,587,968	17,783	17,916,153	14,063,266	98,430,542	52,834	3.65%	51,020	1,929
2016	59,834,590	9,058,806	12,302	16,519,727	14,302,394	99,727,819	52,834	3.66%	51,600	1,933
2017	57,820,241	13,288,550	9,798	15,068,301	17,281,498	103,468,388	54,523	3.64%	52,160	1,984
2018	55,720,891	19,956,572	9,798	13,571,874	24,434,941	113,694,074	54,523	4.00%	52,160	2,180

(1) Presented net of related premiums, discounts, and adjustments.

(2) Personal Income data is taken from the State of Washington Office of Financial Management Forecasting Division for 2007-2009; U.S. Census Bureau American Fact Finder for 2010 to current available year.

City of Olympia
Schedule 11 - Ratios of General Obligation Outstanding Debt, Last Ten Years

Fiscal Year	G.O. Bonded Debt (1)(2)	Accumulated Resources Restricted for Principal Repayments of G.O. Bonded Debt	Net G.O. Bonded Debt		Assessed Value (3)	Ratio of Net Bonded Debt To Assessed Value	Net G.O. Bonded Debt Per Capita
			Population	Debt			
2009	\$58,375,000	\$-	45,250	\$58,375,000	\$5,963,060,847	0.98%	1,290
2010	68,355,000	-	45,500	68,355,000	5,999,359,843	1.14	1,502
2011	66,225,826	39,174	46,780	66,186,652	5,552,078,378	1.19	1,415
2012	64,060,167	19,833	47,500	64,040,334	5,308,051,162	1.21	1,348
2013	68,638,670	43,968	48,480	68,594,702	5,060,434,532	1.36	1,415
2014	65,735,592	58,848	49,670	65,676,744	5,313,341,232	1.24	1,322
2015	62,786,805	58,567	51,020	62,728,238	5,671,256,103	1.11	1,229
2016	59,834,590	58,214	51,600	59,776,376	5,785,389,448	1.03	1,158
2017	57,820,241	59,197	52,160	57,761,044	6,361,555,378	0.91	1,107
2018	55,720,891	73,182	52,160	55,647,709	6,690,364,182	0.83	1,067

(1) Assessed Value 100% of True and Fair Market, Thurston County'

(2) Presented net of related premiums, discounts, and adjustments.

(3) The General Obligation Bond for the 2009 Fire Station Construction bond is presented net of related accumulated restricted resources in the Fire Bond Debt Service Fund 224.

City of Olympia
Schedule 12 - Direct and Overlapping Governmental Activities Debt

Governmental Unit	G.O. Debt Outstanding	Percentage Applicable to Olympia Residents (2)	City of Olympia Residents Share of Debt
City of Olympia direct debt (1)	\$75,687,262	100.0%	\$75,687,262
Total Direct Debt	\$75,687,262		\$75,687,262
Olympia School District #111	231,940,000	67.3%	156,095,620
North Thurston School District #3	212,924,720	6.1%	12,988,408
Tumwater School District #33	119,090,897	0.2%	238,182
Lacey Fire District #3	10,910,000	0.6%	65,460
McLane Fire District #9	5,385,000	4.9%	263,865
PUD #1	15,553,784	20.8%	3,235,187
Port of Olympia	45,615,800	20.8%	9,488,086
Thurston County	57,417,747	20.8%	11,942,891
Total Overlapping Debt	\$698,837,948		\$194,317,699
TOTAL DIRECT AND OVERLAPPING DEBT	\$774,525,210		\$270,004,961

(1) G.O. debt payable from property tax revenue are presented net of related premiums, discounts, and adjustments.

(2) Percentage applicable to City of Olympia is based on ratio of taxing unit's valuation to its valuation within the City of Olympia.

City of Olympia
Schedule 13 - Legal Debt Margin Information, Last Ten Years

Legal General Debt Margin Calculation for Fiscal Year 2018	
Assessed Value:	\$6,690,364,182
Debt Limit:	
General Purpose Debt Limit without a vote of the people (1.5%)	\$100,355,463
General Purpose Debt Limit with a vote of the people (1.0%)	66,903,642
Utility Purpose Debt Limit with a vote of the people (2.5%)	167,259,105
Open Space, Park, and Capital Facilities Debt Limit with a vote of the people (2.5%)	167,259,105
Total Legal Debt Limit:	\$501,777,315
Outstanding Debt	
General Purpose Debt without a vote of the people (1.5%), net of premium	\$65,287,261
General Purpose Debt with a vote of the people (1.0%)	10,400,000
Utility Purpose Debt with a vote of the people (2.5%)	-
Open Space, Park, and Capital Facilities Debt with a vote of the people (2.5%)	
Less: Amount set aside for repayment of general obligation debt	(73,182)
Total Net Debt Applicable to Limit	75,614,079
Total Legal Debt Margin	\$426,163,236

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Value of Property	\$5,963,060,847	\$5,999,359,843	\$5,552,078,378	\$5,060,434,532	\$5,060,434,532	\$5,313,341,232	\$5,671,256,103	\$5,785,389,448	\$6,361,555,378	\$6,690,364,182
Debt Limit, 7.5% of Assessed Value	447,229,564	449,951,988	416,405,878	379,532,590	379,532,590	398,500,592	425,344,208	433,904,209	477,116,653	501,777,314
Total net debt applicable to limit	62,711,481	75,043,094	90,112,746	72,214,204	72,891,476	70,068,881	66,433,340	68,834,829	71,059,392	75,614,079
Legal Debt Margin	\$32,452,337	\$15,478,537	\$307,991,091	\$307,318,385	\$325,609,116	\$328,431,711	\$358,910,868	\$365,069,380	\$406,057,261	\$426,163,236
Total net debt applicable to the limit as a percentage of debt limit	14.02%	16.68%	21.64%	19.03%	19.21%	17.58%	15.62%	15.86%	14.89%	15.07%

City of Olympia
Schedule 14 - Pledge-Revenue Debt Coverage, Last Ten Years

Water/Sewer Utility Enterprise Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses*	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009	23,320,812	21,666,875	1,653,937	610,000	533,115	1.45
2010	25,153,496	18,530,963	6,622,533	640,000	589,523	5.39
2011	26,975,937	19,014,400	7,961,537	905,000	722,590	4.89
2012	27,025,903	20,372,108	6,653,795	950,000	681,939	4.08
2013	28,791,492	21,899,582	6,891,910	990,000	648,767	4.21
2014	30,690,025	22,456,859	8,233,166	1,225,000	816,944	4.03
2015	32,046,668	24,458,700	7,587,968	1,290,000	752,631	3.71
2016	34,296,642	23,975,134	10,321,508	1,330,000	710,531	5.06
2017	35,747,883	25,774,779	9,973,104	1,385,000	659,981	4.88
2018	35,475,279	26,136,286	9,338,993	1,430,000	611,981	4.57

* Operating Expenses do not include depreciation, amortization, or City of Olympia taxes.

City of Olympia
Schedule 15 - Demographic and Economic Statistics, Last Ten Calendar Years

Year	Population	Personal Income*	Median Household Income*	Median Age**	School Enrollment***	Unemployment Rate****
2009	45,250	2,302,184,250	50,877	38.4	9,287	8.0%
2010	45,500	2,250,475,500	49,461	38.4	9,355	7.1%
2011	46,780	2,449,915,380	52,371	38.8	9,338	7.4%
2012	47,500	2,524,482,500	53,147	38.8	9,286	6.8%
2013	48,480	2,516,208,960	51,902	39.2	9,143	6.0%
2014	49,670	2,624,264,780	52,834	37.4	9,601	6.0%
2015	51,020	2,695,590,680	52,834	37.4	9,437	5.8%
2016	51,600	2,726,234,400	52,834	37.4	10,006	5.7%
2017	52,160	2,843,919,680	54,523	38.1	10,191	4.6%
2018	52,490	2,915,242,110	55,539	38	10,231	5.0%

* Median Household Income is taken from the State of Washington Office of Financial Management Forecasting Division for 2001-2009; U.S. Census Bureau American Fact Finder for 2012-2016 forecast.

** Median Age data is from the Washington State Office of Financial Management Thurston County Profile 2008-2016, 2017 data is from American Fact Finder, previous source is no longer applicable

*** School Enrollment data is from the Office of the Superintendent of Public Instruction, for Thurston County.

**** Unemployment Rate taken from the Bureau of Labor Statistics for Olympia-Tumwater Area (as of December)

City of Olympia
Schedule 16 - Principal Employers, Current Year and Nine Years Ago

NAME	2018*		2009**	
	Approx No. Employees	Rank	Approx No. Employees	Rank
State Government, Including education	17,027	1	20,000 - 25,000	1
Local Government, including education	3,591	2	10,000 - 15,000	2
Providence St. Peter Hospital	2,053	3	1,000 - 5,000	3
Capital Medical Center	600	4	100-500	8
YMCA	551	5		
Titus Will	400	6 & 7		
Macys	400	6 & 7		
AMR Corp	300	8		
Weyerhaeuser Co	222	9		
Olympian	270	10		
Tribal Government			1,000-5,000	4
Federal Government			500-1,000	5
Group Health			500-1,000	6
Wal-Mart			100-500	9
Saint Martin's University			100-500	10
Great Wolf Lodge			500-1,000	7

*SOURCE: Thurston County Regional Planning Council - Thurston County Employers, 2018 Data was not available, 2017 is being used.

**SOURCE: Thurston Economic Development Council, Employment & Industry Data

City of Olympia
Schedule 17 - Full-time Equivalent Employees by Function/Program

Function / Program	Full-Time Equivalent Employees as of December 31									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	105	117	114	110	107	111	107	104	107	96
Public Safety	175	172	181	182	180	193	193	194	195	189
Physical Environment	81	77	77	79	63	67	80	79	73	69
Transportation	20	18	18	19	15	20	19	18	21	19
Economic Environment	46	43	43	44	43	41	49	49	51	51
Culture and Recreation	80	85	101	89	79	80	84	78	78	82
Drinking Water and Wastewater	29	32	30	29	27	29	30	31	30	31
Waste Resources	22	26	26	26	25	25	27	27	29	24
Storm and Surface Water	5	5	6	5	7	7	9	8	7	7

City of Olympia
Schedule 18 - Operating Indicators by Function/Program, Last Ten Years

Function / Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Fire Department Fleet Vehicles	29	32	32	32	32	32	32	37	37	39
Fire Inspections	2,448	2,345	2,461	2,409	2,376	2,495	2,391	2,640	2,386	2,406
Police calls for service	45,263*	46,946	48,954	48,730	51,284	58,297	54,784	47,353	48,014	50,595
Economic Environment										
Number of Commercial Permits	64	50	12	15	13	43	31	734***	578	965
Value of Commercial Const (000)	149,316	62,559	47,977	17,054	19,311	35,280	56,343	167,231	104,217	134,023
Number of Residential Permits	81	132	97	113	149	153	129	785***	98	96
Value of Residential Const (000)	16,939	31,139	25,545	27,161	36,962	39,158	32,354	75,682	29,417	9,752
Public Works										
Number of signalized intersections	95	94	94	95	95	95	95	79**	79**	79**
Parking services citations issued	23,724	38,564	39,068	30,400	27,068	24,357	23,705	23,495	20,346	17,066
Water										
Average daily volume of water produced (millions of gallons)	8.1	7.4	7.5	7.2	7.5	6.9	6.6	6.5	6.4	6.5
Sewer										
Miles of sewer pipe	225.0	215.0	220.0	225.0	223.0	224.0	223.0	225.0	225.0	227.0
Solid Waste										
Tons of garbage collected residential	8,557	8,066	8,393	10,745	10,097	10,748	11,228	11,726	7,129	7,516
Tons of garbage collected commercial	10,269	19,200	18,417	15,933	16,508	15,617	16,417	17,775	23,297	23,395

Source: City of Olympia Public Works, Community Planning and Development, Police and Fire Departments

*Olympia Police Department changed how it was tracking police calls for service in 2009.

**Revised to reflect City of Olympia owned and maintained, previously included maintained but not owned signals

***Revised to reflect citizen investments in real property; includes permits for construction, remodel, major repair, and improvements to real property.

City of Olympia
Schedule 19 - Capital Asset Statistics by Function/Program, Last Ten Years

Function / Program	YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Fire Department Fleet Vehicles	28	32	32	32	32	32	32	37	37	39
Public Works										
Miles of Streets	207.5	209.2	209.7	211.4	214.0	215.9	216.4	216.7	217.3	217.3
Miles of Ped. Paths, Curbs & Walks	75.5	77.3	77.6	78.1	78.1	78.1	78.7	79.2	79.2	79.2
Miles of Curbs Without Walks	80.5	78.7	78.4	77.9	77.9	77.9	77.3	76.8	76.8	76.8
Miles of Concrete Surface Streets	6.1	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
Miles of Asphalt Plant or Road Mix	155.4	157.3	157.8	160.1	163.5	165.2	165.6	165.9	166.7	166.7
Miles of Bituminous Surface Treatment	45.7	45.3	45.3	44.7	43.9	44.2	44.2	44.2	44.0	44.0
Miles of Gravel or Crushed Rock	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
City Parks										
Number of City Parks	40	41	42	42	44	44	45	48	48	48
Water										
Miles of Water Mains	274.0	280.0	285.0	285.0	275.0	275.0	285.0	290.0	290.0	295.0
Miles of Reclaimed Water Lines	2.2	2.8	3.0	5.0	5.0	5.0	5.0	5.0	4.85	5.00
Sewer										
Miles of Sanitary Sewer Lines	220.0	215.0	220.0	225.0	223.0	224.0	223.0	225.0	225.0	227.0
Stormwater										
Miles of Storm Pipe Lines	136.0	140.0	172.0	176.0	179.0	155.0	154.0	155.0	158.0	160.0

Source: City of Olympia Parks Department, Public Works Department, Police Department and Fire Department

* In 2018 miles of water mains were restated for 2016 and 2017.

City of Olympia
Schedule 20 - Levy Book

City of Olympia	New Construction and Added Improvement	Real and Personal	Timber Value	State Assessed Utilities	Total Certified
Levy: City of Olympia Bond 2009	\$64,546,920	\$6,640,949,485		\$115,730,995	\$6,640,949,485
City of Olympia General Expense	\$64,546,920	\$6,690,364,182		\$115,730,995	\$6,690,364,182



Staff who contributed their time and talents on this project include, Olivia Oudman (Team Leader), Bill Sampson, Nanci Lien, and Jodi Hoebing.

Software used to produce this document include; Microsoft Word, Microsoft Excel, Adobe Acrobat Pro, Adobe InDesign, and Adobe PhotoShop. This document was produced by the City of Olympia. Thank you to all who contributed to the CAFR.

Debbie Sullivan