



City of Olympia, Washington
2021 Annual Comprehensive Financial Report



For the year ended December 31, 2021 | Prepared by the Finance Department

**2021 Annual
Comprehensive Financial Report**
For the year ended December 31, 2021



Prepared by the City of Olympia,
Accounting and Financial Reporting Department
P.O. Box 1967, Olympia, Washington 98507-1967

*The City is committed to the non-discriminatory treatment of all persons in employment and
the delivery of services/resources*

City of Olympia, Washington

Annual Comprehensive Financial Report

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Introductory Section





July 21, 2022

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

The Annual Comprehensive Financial Report (ACFR) of the City of Olympia for the fiscal year ended December 31, 2021, is submitted herewith.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the information presented herein is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of City operations. All disclosures necessary to enable readers to gain an understanding of the City's financial activities have been included.

Users of this Annual Comprehensive Financial Report are the residents and businesses of our community who utilize governmental services. Creditors and investors are equally concerned with the City's financial stability. Recognizing these primary users, we have attempted to provide information to satisfy their need to evaluate the City.

Washington state law (RCW 43.09.230) requires an annual report for Washington municipal governments to be certified and filed with the Washington State Auditor's Office. The statements must be presented in conformance with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. This report fulfills those requirements.

In addition to meeting the requirements set forth in state statute, the audit included a federally mandated Single Audit designed to meet the needs of federal granting agencies (2 CFR 200 Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements involved in the administration of federal awards. The reports issued by the independent auditors are presented in a separately issued Single Audit Report.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement 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 56,000 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.

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 functioned as a blended component unit of the City during the majority of the year. The TBD was absorbed by the City before the end of the year, and 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 Capital Projects and Special Revenue Funds. Fiduciary 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.

Economic Condition and Outlook

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 Olympia's largest employers. State government employs approximately 18,000 workers while local government employs roughly 3,700. 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.

The continuing impacts of the COVID-19 pandemic has made forecasting especially difficult as available information on the economy seemed to change almost daily. The City of Olympia took what we believe to be a prudent course of action in mid to late 2020 and planned for conservative revenue generation in 2021. Additionally, the city planned for the use of \$1.5 million of General Fund balance in 2021 to maintain our current service levels for our residents and larger Olympia community. Early in 2021 we recognized that

revenue generation, especially tax revenue, was not as impacted by the pandemic as we had planned and began adjusting our year-end estimates. While General Fund revenues came in over budget expectations, expenditures in the General Fund did not significantly increase from budget. These factors led to the General Fund ending the year in a positive position.

The city was awarded \$9.2 million in Federal American Rescue Plan Act (ARPA) grant monies, of which roughly \$6.5 million was programmed for use in 2021 to help our community recover from the effects of the COVID-19 pandemic. These monies were allocated for services between the four City Council Focus Areas of public health and safety, community livability, economy, and City resource and support.

In 2021, the City began significant conversations on necessary steps toward establishing a sustainable long-term budget. This conversation included trainings for City staff, presentations to City Council, and the scheduling of a Leadership Team retreat in early 2022 wholly dedicated to budget sustainability. Along with these conversations the city began a parallel effort to reexamine the types of financial reports being provided to City Council and management. As a result of that examination, the city created new management style reports which provide the Council, community, and staff with timely financial information in a format that is easy to understand. Further, the city created a 10-year forecast to help aid in business decisions.

The following table illustrates changes in key aspects of the City's economy in 2021 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	2012	2021	Change	% of Change
Population	46,792	55,960	9,168	19.59%
Unemployment Rate	7.60%	5.20%	-2.40%	-31.58%
Median Household Income	\$ 53,147.00	\$ 63,185.00	\$ 10,038.00	18.89%
Assessed Valuation	\$ 5,265,369,774.00	\$ 8,046,605,908.00	\$ 2,781,236,134.00	52.82%
Regular Property Tax Rate	2.39	2.43	0.04	1.67%
OMPD Property Tax Rate*	0.00	0.55	0.55	
Property Tax Revenue	\$ 12,667,673.00	\$ 24,679,924.00	\$ 12,012,251.00	94.83%
Building Permits Issued	128	423	295	230.47%
Building Permit Value	\$ 44,215,000	\$ 131,204,636	\$ 86,989,636	196.74%
Sales Tax Revenues	\$ 15,952,956	\$ 31,909,807	\$ 15,956,851	100.02%
Total Tax Revenues	\$ 47,629,286	\$ 85,206,116	\$ 37,576,830	78.89%

*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 emergency reserve of at least 10% of the next years General Fund budgeted revenue. This reserve ensures the City will not have to incur short-term debt to pay for current operating expenditures in an event of an emergency funding need. As of December 31, 2021, the City had a General Emergency Fund reserve of \$9.0 million. The City also has a Revenue Stabilization Reserve Fund balance which was established in 2019 due to an implementation of an accounting change which created a fund balance rainfall. This reserve is to be used to cover revenue shortfalls resulting from unexpected economic changes or recessionary periods. The balance was

established with \$7.8 million and 10% of ending fund balance available for appropriations is added each year. The balance of the Revenue Stabilization Reserve Fund at the end of 2021 is \$9.1 million.

The City ended 2021 without having to dip into reserves and has been able to maintain its healthy reserve balance. While there is more optimism on our local economy continuing to recover from the effects of the pandemic, the city continues its practice of looking at our financial position through a slightly conservative lens. As the results of the past couple of years have shown, the City Council, City staff, and the larger Olympia community will rise and work together to overcome any future challenges.

General Government

The City formally adopts a long-term Capital Facilities Plan. The purpose of the plan is to provide a six-year outlook on all city capital projects with projected beginning and completion dates, estimated costs and proposed methods of financing. The plan is reviewed and updated annually according to the availability of resources, changes in City policy, community needs, as well as the unexpected emergencies and events that may arise like COVID. The following table reflects a summary of our current governmental plan:

Capital Budget by Project Category 2021 - 2026				
	2021	2022-2026	TOTAL	
Parks	\$ 4,623,961	\$ 24,328,309	\$	28,952,270
Transportation	7,366,000	53,705,075		61,071,075
General Capital Facilities	1,270,743	13,731,544		15,002,287
Total	\$ 13,260,704	\$ 91,764,928	\$	105,025,632

The following table reflects a summary of our current enterprise plan:

Capital Budget by Utility 2021 - 2026				
	2021	2022-2026	TOTAL	
Drinking Water	\$ 7,447,681	\$ 25,433,359	\$	32,881,040
Wastewater	6,114,000	15,758,000		\$21,872,000
Stormwater	1,604,858	18,232,158		\$19,837,016
Total	\$ 15,166,539	\$ 59,423,517	\$	74,590,056

Awards and Acknowledgments

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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. To receive this award, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

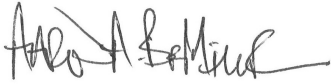
A certificate of achievement is valid for a period of one year only. We believe our current annual comprehensive financial report will meet the Certificate of Achievement Program requirements. Therefore, we are submitting the 2021 report to the GFOA to determine our eligibility for another year.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual operating budget document for the fiscal year beginning January 1, 2021. To qualify, the City's budget document was judged proficient as a policy document, a financial plan, an operations guide, and a communications device. Olympia is the only city in Washington State to have received the award for 35 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 fiscal services team of the Finance Department.

I am happy to respond to any questions or comments about the information contained in this report.

Respectfully,

A handwritten signature in black ink, appearing to read "Aaron BeMiller", with a stylized flourish at the end.

Aaron BeMiller

Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

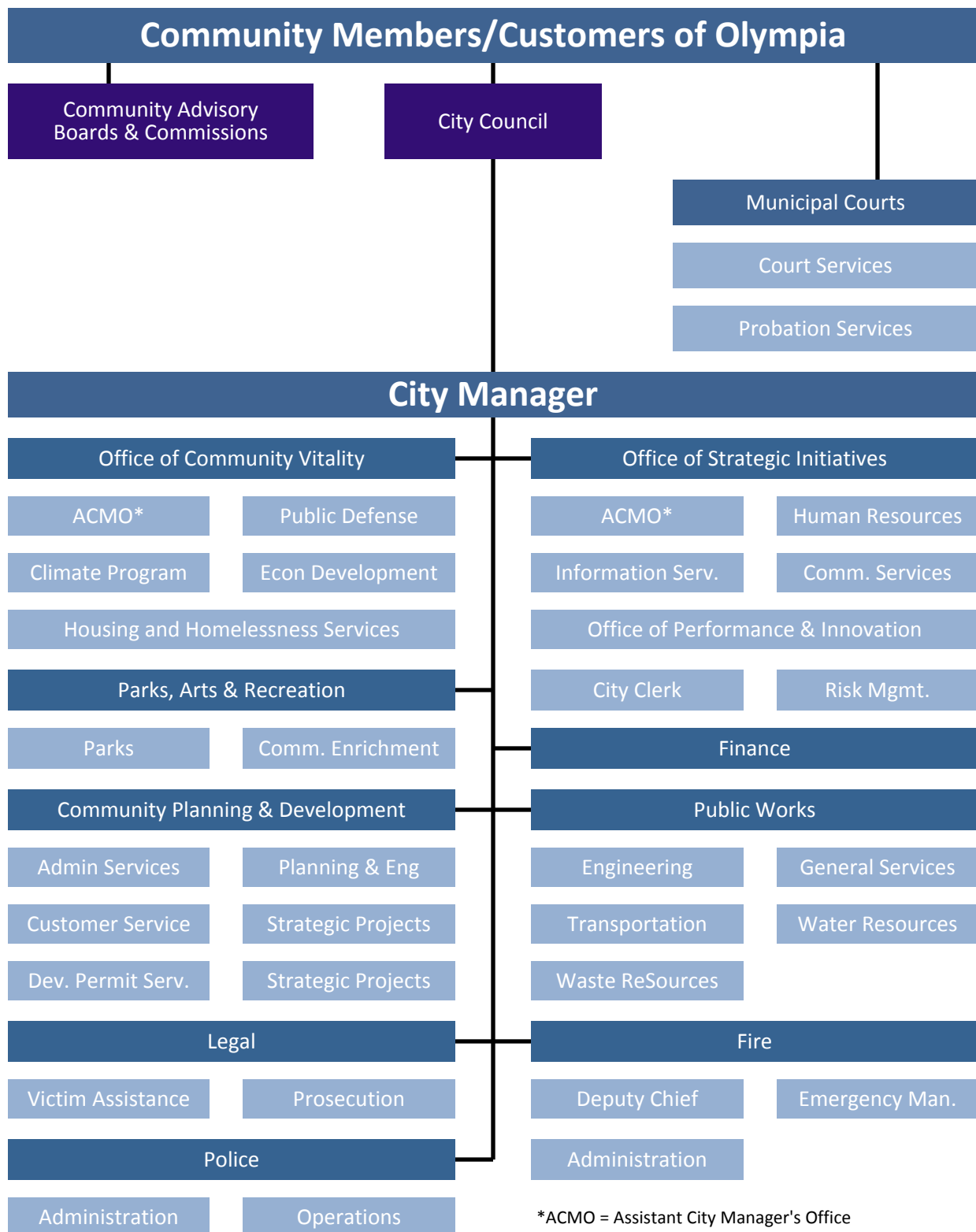
**City of Olympia
Washington**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO



Olympia 2021 City Council

Olympia City Councilmembers are part-time City employees. They devote, on average, 15-25 hours per week to Council business. Most have full time careers in addition to their City Council duties.

The seven members on Olympia's City Council are elected to four-year terms from the community as a whole (commonly called at-large elections), not from districts or wards. The positions are non-partisan. The terms are staggered, with positions ending for three members at one time and four members the next. Olympia City Council elections are part of the Thurston County general election held in odd-numbered years.

For more information on the City Council and Olympia's form of government, please see the City's website at <http://olympiawa.gov/>



Cheryl Selby,
Mayor



Clark Gilman,
Mayor Pro Tem



Jim Cooper



Yến Huỳnh



Dani Madrone



Lisa Parshley



Renata Rollins

2021 ADMINISTRATION

Jay Burney	City Manager
Debbie Sullivan	Assistant City Manager - Strategic Initiatives
Keith Stahley	Assistant City Manager - Office of Community Vitality
Mark Barber	City Attorney
Leonard Bauer	Community Planning & Development Director
Aaron BeMiller	Finance Director
Mark John	Fire Chief
Rich Allen	Interim Police Chief
Paul Simmons	Parks and Recreations Director
Rich Hoey	Public Works Director

Financial Section





**Office of the Washington State Auditor
Pat McCarthy**

**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE
FINANCIAL STATEMENTS**

Mayor and City Council
City of Olympia
Olympia, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

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 then ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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 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 financial statements and other supplemental information are presented for the purposes of additional analysis and are 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.

Other Information

The other information comprises Introductory and Statistical Information but does not include the basic financial statements and our auditor's report thereon. Management is responsible for the other information included in the financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.


In connection with the audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work

performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated July 21, 2022, 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,

A handwritten signature in black ink, reading "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

July 21, 2022

Management's Discussion and Analysis

This narrative provides an overview and analysis of the City of Olympia's financial activities for the fiscal year ended December 31, 2021. The purpose is to highlight significant financial issues, major financial activities and resulting changes in financial position, and economic factors affecting the City. Readers are encouraged to consider the information presented here in conjunction with the letter of transmittal, the financial statements, and the accompanying notes to the financial statements.

Financial Information

The City's government-wide financial statements have been prepared on the full-accrual basis of accounting in conformity with generally accepted accounting principles (GAAP). The City's fund financial statements for governmental funds have been prepared on the modified accrual basis in conformity with GAAP. The City's proprietary and fiduciary funds are accounted for on the accrual basis.

The City of Olympia's financial system integrates financial and administrative controls that ensure the safeguarding of assets and the reliability of financial reports. These controls are designed to provide:

- Reasonable assurance that transactions are executed in accordance to management understanding and approval
- Reasonable assurance that transactions are executed in accordance to GAAP principles
- Accountability for control of assets and obligations
- Assurance that sufficient reporting and review exists to provide adequate information for analysis and comparability of data

Internal control is a high priority for the City. The Washington State Auditor's Office (SAO) reviews the City's internal controls, and the City receives and acts on all recommendations made by SAO.

Financial Highlights

- The City was awarded \$9.2 million in Federal American Rescue Plan Act (ARPA) grant monies, of which \$4.6 million was received in 2021. These funds were used for housing support, economic assistance, and to assist governmental services that were loss due to the pandemic.
- City of Olympia's assets and deferred outflows exceeded liabilities and deferred inflows at the close of 2021 by \$445.9 million.
- Net investment in capital assets accounts for 68.4% of the total net position, with a value of \$305.1 million.
- The City's total net position increased \$58.6 million, or 15.1%, from 2020.
- The City's total revenues increased 6.3% from prior year and expenses also went down -6.2%.
- Total tax revenues increased \$9.1 million and assessed property values increased 3.9% since 2020.
- The City of Olympia's total outstanding debt was \$ 97.8 million at the close of 2021.

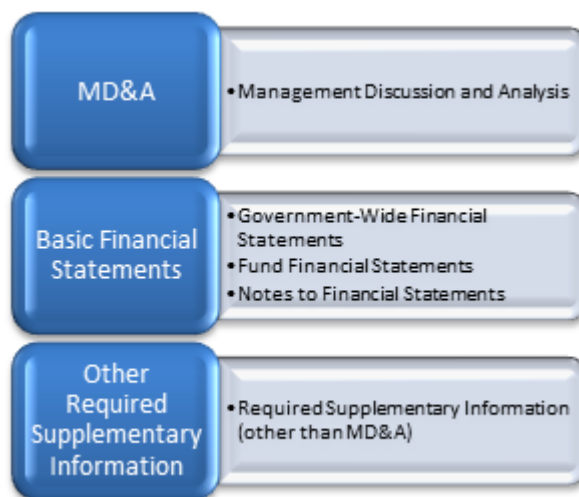
Overview of the Financial Statements

This discussion and analysis provide an introduction and overview to the City of Olympia's basic financial statements. The basic financial statements are comprised of three components.

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

This report contains other supplementary information in addition to the basic financial statements, intended to furnish additional detail to support the basic financial statements themselves.

Financial statements focus on both the City as a whole (government-wide) and on major individual funds. Both perspectives allow the user to address relevant questions, broaden a basis for annual comparisons and enhance the City's accountability. A graphic is provided to illustrate the composition of the reports.



Government-Wide Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of the City's financial position in a manner similar to private business accounting. These statements are reported on the full accrual basis of 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 custodial funds). Fiduciary funds of the City include the Firemen's Pension Fund, Law Enforcement Records Management Fund, and State Taxes and Fees.

The Statement of Net Position provides information on all City of Olympia 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.

The Statement of Activities presents information showing how the government's revenues and expenses impacted net position during 2021. The statement distinguishes revenue generated by specific functions from revenue provided by taxes and other sources not related to a specific function. The revenue generated by specific functions (charges for services, grants and contributions) is compared to the expenses for those functions to show the degree to which each function supports itself or relies on taxes and other general funding sources. This is intended to summarize and simplify the user's analysis of cost to various governmental services and/or subsidy to various business-type activities. By separating program revenue from general revenue, users of the financial statements can identify the extent to which each program relies on taxes for funding.

The Statement of Net Position and the Statement of Activities are divided into two categories:

- **Governmental Activities** - Most of the City's basic services are reported here, including the 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.

Fund Financial Statements

The annual financial report includes fund financial statements in addition to the government-wide financial statements. While the government-wide statements present the City's finances based on the type of activity, the fund financial statements are presented by fund type. A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities or meet certain objectives. Funds are often set up in accordance with special regulations, restrictions or limitations.

The fund financial statements focus on the governmental funds and proprietary funds separately. The City's major governmental funds are presented in separate columns and the remaining funds are combined into a column titled Non major Governmental Funds. Separate statements for the City's proprietary funds and fiduciary funds follow the governmental funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. These reports use a different "basis of accounting" than used in government-wide financial statements. The focus of governmental fund financial statements is on near-term inflows and outflows of available resources and on balances of resources available at the end of the fiscal year. Such information is useful in evaluating near-term financing requirements and immediate fiscal health.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This provides the reader a better understanding of the long-term impact of the governments near-term financial decisions. To assist with the comparison, reconciliations between the governmental fund statements and the government-wide financial statements are included with the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances.

The City of Olympia maintains budgetary controls over the governmental funds to ensure compliance with state law and council adoption at fund level.

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 drinking water and wastewater utility, waste resources, and storm and surface water utility 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 predominantly 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 custodial 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 Firemen's' Pension Plan. The custodial funds reports resources held by the City in a custodial capacity for the Law Enforcement Records Management System and state taxes and fees.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided and are an integral part of the government-wide and fund financial 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, HUD Fund budget (major fund in 2021), 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 61 qualifying police officers and firefighters hired prior to October 1, 1977.

Combining Statements: The combining statements for other governmental funds, internal service funds and custodial-type fiduciary funds are presented immediately following the RSI.

Statistical Section: This section includes unaudited trend information and demographics.

Government-wide Financial Analysis

The Government-wide Statement of Net Position of the City as of December 31, 2021 and December 31, 2020 is summarized in the following table:

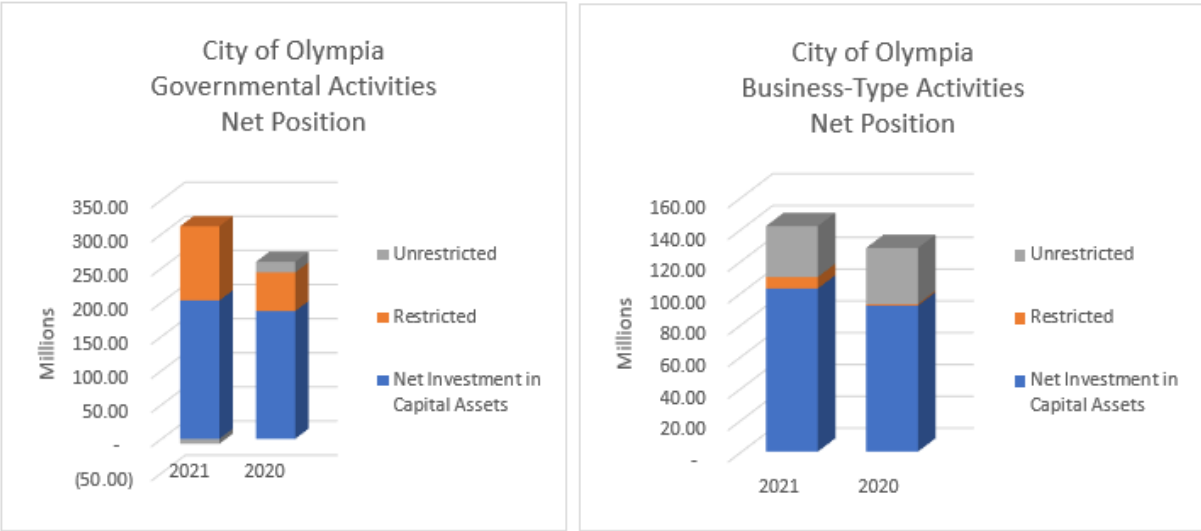
Summary of Statement of Net Position						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current assets	\$117,639,552	\$105,089,638	\$ 43,403,663	\$ 43,193,267	\$161,043,215	\$148,282,905
Other assets	67,166,986	23,698,031	7,222,357	1,008,673	74,389,343	24,706,704
Capital assets	267,856,855	254,787,859	134,649,874	125,476,515	402,506,730	380,264,374
Total assets	\$452,663,393	\$383,575,528	\$185,275,895	\$169,678,455	\$637,939,288	\$553,253,983
outflows of resources	\$ 6,478,576	\$ 7,054,558	\$ 796,707	\$ 884,961	\$ 7,275,283	\$ 7,939,519
Current liabilities	\$ 15,068,445	\$ 16,571,595	\$ 6,520,958	\$ 7,275,768	\$ 21,589,402	\$ 23,847,363
Liabilities	97,903,275	109,471,907	30,571,391	34,305,137	128,474,666	143,777,044
Total liabilities	\$112,971,720	\$126,043,502	\$ 37,092,349	\$ 41,580,905	\$150,064,068	\$167,624,407
Total deferred inflows of resources	\$ 42,654,369	\$ 5,378,058	\$ 6,581,809	\$ 865,098	\$ 49,236,178	\$ 6,243,156
Net position						
Net investment in capital assets	\$202,533,968	\$187,015,264	\$102,593,170	\$ 91,870,559	\$305,127,138	\$278,885,823
Restricted	108,860,632	56,597,024	7,222,357	1,008,673	116,082,989	57,605,697
Unrestricted	(7,878,722)	15,596,238	32,582,917	35,238,181	24,704,196	50,834,419
Total net position	\$303,515,878	\$259,208,526	\$142,398,444	\$128,117,413	\$445,914,322	\$387,325,939

During 2021, the City’s total assets changed by \$84.7 million and deferred outflows of resources reduced by \$0.7 million, while total liabilities reduced by \$17.6 million and deferred inflows of resources changed by \$43.0 million, primarily related to the recording of GASB 68 pension activity. The net result is an increase in total net position of \$58.6 million, or 15.1%.

Of the City’s total assets, cash and investments changed by \$13.6 million and restricted cash and investments reduced by \$2.5 million due to the remaining use of bond proceeds from the 2019 bond issuance; receivables reduced by \$1.1 million, capital assets increased by \$22.2 million, and other current assets increased by \$0.3 million.

The largest portion of the City’s net position, 68.4%, reflects its investment in capital, less any related debt still outstanding used to acquire those assets. The City’s capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Net position representing resources subject to external restrictions on how they may be used is 26.0% of the total, and the remaining unrestricted portion of net position is \$24.7 million.

At December 31,2021, the City of Olympia reports positive balances in all three categories of net position as a whole, however when broken out between governmental and business-type, the governmental unrestricted portion of Net Position is \$-7.9 million, due to the Long-Term GASB 68 Pension Liability.



Changes in Net Position

The table below provides condensed information on revenues, expenses, and changes in net position with governmental and business-type activities shown separately.

Statement of Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for service	\$ 38,054,039	\$ 36,695,928	\$ 57,930,153	\$ 56,112,756	\$ 95,984,192	\$ 92,808,684
Operating grants and contributions	9,208,304	6,698,562	62,399	135,447	9,270,703	6,834,009
Capital grants and contributions	3,545,781	6,112,919	1,715,015	1,306,757	5,260,797	7,419,676
General revenues:					—	—
Property taxes	24,899,670	23,885,718	—	—	24,899,670	23,885,718
Utility, B&O, and excise taxes	21,908,708	18,830,150	—	—	21,908,708	18,830,150
Sales and use taxes	32,046,670	27,052,875	—	—	32,046,670	27,052,875
Other general revenues	7,181,342	7,395,953	52,171	748,281	7,233,513	8,144,234
Total revenues	136,844,513	126,672,105	59,759,739	58,303,241	196,604,251	184,975,346
Program expenses						
General government	32,972,183	32,576,638	—	—	32,972,183	32,576,638
Public safety	34,067,510	40,107,024	—	—	34,067,510	40,107,024
Physical environment	9,883	13,796	—	—	9,883	13,796
Transportation	11,604,531	13,372,680	—	—	11,604,531	13,372,680
Economic environment	5,885,494	5,915,532	—	—	5,885,494	5,915,532
Mental and physical health	1,309,393	1,187,782	—	—	1,309,393	1,187,782
Culture and recreation	8,492,957	8,794,497	—	—	8,492,957	8,794,497
Interest on government debt	2,094,920	2,095,736	—	—	2,094,920	2,095,736
Water/sewer	—	—	33,933,651	35,469,553	33,933,651	35,469,553
Solid waste	—	—	11,899,127	12,500,981	11,899,127	12,500,981
Stormwater	—	—	5,613,114	5,672,233	5,613,114	5,672,233
Total expenses	96,436,871	104,063,685	51,445,893	53,642,767	147,882,764	157,706,452
Excess(deficiency) before transfers	40,407,641	22,608,420	8,313,846	4,660,474	48,721,488	27,268,894
Transfers (net)	605,500	901,282	(605,500)	(901,282)	—	—
Increase(decrease) in net position	41,013,141	23,509,702	7,708,346	3,759,192	48,721,488	27,268,894
Net position - beginning	259,208,527	235,698,825	128,117,412	124,358,221	387,325,939	360,057,046
Prior period adjustment	3,294,210	—	6,572,685	—	9,866,895	—
Net position - ending	<u>\$303,515,878</u>	<u>\$259,208,527</u>	<u>\$142,398,444</u>	<u>\$ 128,117,412</u>	<u>\$ 445,914,322</u>	<u>\$ 387,325,939</u>

Governmental Activity Analysis

Net position of governmental activities increased \$44.3 million.

Total revenues increased \$10.2 million, contributing to the net position increase for governmental activities. The highlights of which were the following:

- Charges for Services experienced a small increase of \$ 1.4 million from the previous year due to the local economy recovering from the effects of the pandemic.
- General Revenues increased in 2021 by \$9.4 million, or 12.4%. The two largest increases were retail sales and use taxes with a 26.3% increase and excise taxes with a 32.6% increase. The excise taxes can be attributable to the rising housing market and the increase of home financing activity due to historic low interest rates.
- Investment Earnings were \$2.8 million lower compared to 2020. This was another effect associated with of the historic low interest rates.

Governmental activities expenses in total reduced by \$7.6 million, or 7.3%. The major influencing factor of this change was the following:

- Public Safety expense decreased due to major budget changes and lower personnel costs along with the related pension obligation.
- Transportation expenses decreased as there has been more of a focus on business-type projects in 2021.

Business-Type Activities Analysis

Business-type net position changed by \$14.3 million, or 11.1% in 2021.

The Business-Type Activity revenue and expenses experienced a change of \$1.4 million and \$-2.2 million, respectively. As depicted in the graph following, the Drinking Water & Wastewater activity is the largest business-type activity in the City. As a result, the financial position of the City's business-type activities is strongly influenced by the Drinking Water & Wastewater activity. This year, Drinking Water & Wastewater had an increase from the prior year of \$1.3 million in operating revenue and a reduction of \$1.5 million in operating expenses. Revenue increased primarily from the increase in water and sewer rates, along with an increase in usage. Water and sewer expenses decreased as a result of decreases in operating and maintenance costs and administration costs.

Share of Business-Type Program Expenses & Revenues by Function

Total Business-Type Program Expenses		51,445,893	Total Business-Type Program Revenues		59,707,568
Program Expense by Function	Portion of Total		Program Revenue by Function	Portion of Total	
Drinking Water & Wastewater	65.96 %		Drinking Water & Wastewater	65.74 %	
Waste ReSources	23.13 %		Waste ReSources	22.79 %	
Storm & Surface Water	10.91 %		Storm & Surface Water	11.47 %	

Financial Analysis of the City's Funds

Governmental Funds Analysis

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 two 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, 2021, the City of Olympia’s governmental funds reported a combined fund balance of \$96.8 million, an increase of \$10.8 million in comparison with 2020. Approximately 15.8% of this amount, \$15.3 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 General Fund ending fund balance of \$46.7 million is an increase of \$7.8 million from the fund balance of 2020. Revenues out paced the expenditures with an increase of \$7.2 million or 8.2% while the expenditures only increased by 4.7%, or \$4.1 million. Specifically, Sales and Use tax and Excise taxes coming in higher than projected accounts for 98% of the increase in revenues.

The HUD Fund ending fund balance of \$66.5 thousand is a decrease of \$23.0 thousand from the fund balance of 2020. This fund is utilized for HUD related program income, housing loans, the proceeds from the HUD Community Development Block Grant, Section 108 Loans and other such programs. During 2021, this program determined there were some previous year corrections that had an adverse impact to the fund balance of \$21,000. Otherwise, the fund stayed consistent with the revenues and expenditures of the previous year.

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, 2021 and 2020.

Statement of Proprietary Fund Net Position								
	Business-Type Activities Enterprise Funds							
	Drinking Water/ Wastewater Utility		Waste Resources Utility		Storm and Surface Water Utility		Governmental Activities Internal Service Funds	
	2021	2020	2021	2020	2021	2020	2021	2020
Net Position								
Net investment in capital assets	\$81,127,648	\$71,263,688	\$326,086	\$208,985	\$21,139,436	\$20,397,886	\$6,405,339	\$6,169,350
Restricted For:							0	
Bond reserve fund	1,015,352	1,008,673	—	—	—	—	—	—
Workers comp reserve	—	—	—	—	—	—	191,677	191,677
Pensions	2,650,182		1,813,282		1,743,541		348,709	
Unrestricted (deficit)	25,109,211	26,729,091	3,166,420	3,627,650	4,307,286	4,881,440	9,993,818	9,250,908
Total net position	<u>\$109,902,393</u>	<u>\$99,001,452</u>	<u>\$5,305,788</u>	<u>\$3,836,635</u>	<u>\$27,190,263</u>	<u>\$25,279,326</u>	<u>\$16,939,543</u>	<u>\$15,611,935</u>

The 2021 total net position of the business type activities (the utility funds) increased by \$14.3 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, 2021, the City's investment in capital assets, including work in progress, for its governmental and business type activities amounts to \$402.4 million (net of accumulated depreciation).

Capital Assets at Year End, Net of Depreciation						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 77,127,265	\$ 73,453,319	\$ 4,664,240	\$ 4,664,240	\$ 81,791,505	\$ 78,117,559
Buildings	63,752,249	66,217,522	2,807,448	2,932,334	66,559,697	69,149,856
Improvements	21,623,221	21,573,105	100,487,638	100,286,166	122,110,859	121,859,271
Equipment	11,629,421	9,926,816	893,141	874,002	12,522,562	10,800,818
Infrastructure	70,444,727	71,690,843	—	—	70,444,727	71,690,843
Intangible assets	—	—	2,603,022	2,676,575	2,603,022	2,676,575
Work in progress	23,279,972	11,926,255	23,194,383	14,043,198	46,474,355	25,969,453
Total	<u>\$267,856,855</u>	<u>\$254,787,860</u>	<u>\$134,649,872</u>	<u>\$125,476,515</u>	<u>\$402,506,727</u>	<u>\$380,264,375</u>

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			
	Governmental Activities	Business-Type Activities	Total Primary Government
Beginning balance (net)	\$ 254,787,860	\$ 125,476,515	\$ 380,264,375
Adjustment to Beg. Balance	3,294,210	5,784,349	9,078,559
Additions	21,291,102	7,796,869	29,087,971
Deletions	(74,677)	—	(74,677)
Depreciation (net)	(11,441,641)	(4,407,860)	(15,849,501)
Ending balance (net)	<u>\$ 267,856,855</u>	<u>\$ 134,649,872</u>	<u>\$ 402,506,727</u>

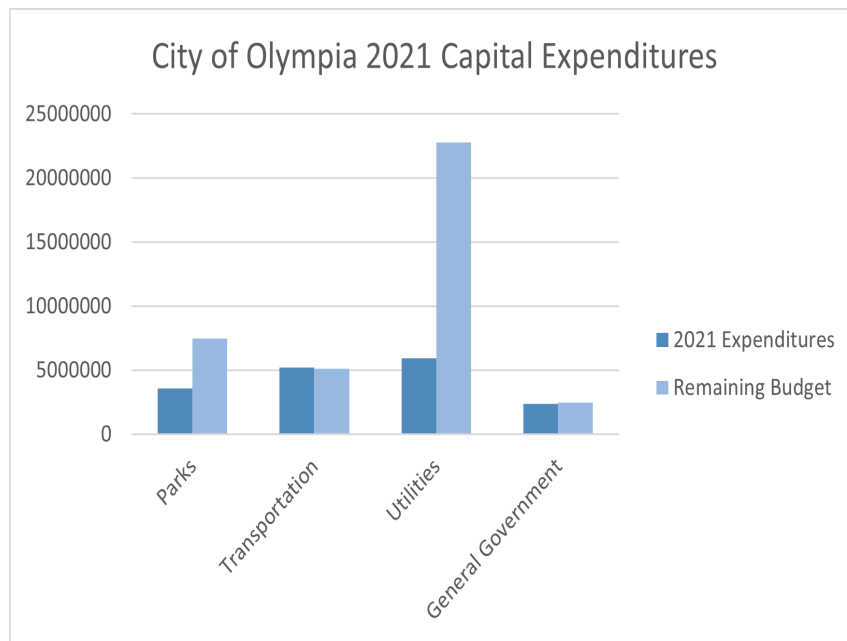
Major capital events during the current fiscal year included the following:

- Quince Street land acquisition for \$2.2 million for homeless mitigation site.
- Utilizing the remaining 2019 Limited Tax General Obligation Bond proceeds purchased a 107' Tiller Truck for \$1.8 million.
- The Franklin Street Overlay, Westside Landfill site, Stevens Field improvements, Dog Parks, ERP Software System and Fones Road projects are some of the major governmental projects making up the remaining \$18.5 million in additions.
- The Fir Street and Elliott Street Reservoirs and the Miller & Central Lift Station are three major business-type projects making up some of the \$11 million in additions.
- The Legion Way Overlay project, park restroom remodel, Justice Center visitation room remodel, sidewalk improvements, and Lakeridge Drive bike lanes were all projects completed in 2021.

Capital Asset Activities

The City continues to place major emphasis on preserving and maintaining the existing buildings, parks, streets, and utility infrastructure. During 2021, the City expended approximately \$17.1 million from its capital project related funds, and at the end of 2021 the City had approximately \$37.9 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 \$97.8 million of long-term debt outstanding at December 31, 2021, a \$5.0 million decrease in governmental activities and a \$1.5 million decrease in business-type activities when compared to the outstanding amounts at December 31, 2021.

City of Olympia Outstanding Debt						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$54,615,000	\$57,360,000	\$ —	\$ —	\$ 54,615,000	\$ 57,360,000
Enterprise revenue bonds	—	—	1,790,000	2,640,000	1,790,000	2,640,000
Unamortized Premium	4,574,741	4,967,727	145,058	213,541	4,719,799	5,181,268
Wa State Trust Fund loans	—	173,383	1,109,650	1,036,635	1,109,650	1,210,018
Other loans	6,573,000	8,285,711	29,011,996	29,715,780	35,584,996	38,001,491
Total long-term debt	<u>\$65,762,741</u>	<u>\$70,786,821</u>	<u>\$32,056,704</u>	<u>\$33,605,956</u>	<u>\$ 97,819,445</u>	<u>\$104,392,777</u>

In 2021, the City continued to draw against previously authorized long-term debt from the Drinking Water State Revolving Fund Loan (DWSRF) for the Elliot Avenue and Fir Street Reservoir Seismic Retrofit projects.

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

General Fund Original Budget Compared to Final Budget

During the year the General Fund budget increased by \$16.9 million, including transfers out. Major increases were:

Continuing Appropriations from 2020	\$1,116,846
Operation increases related to business needs, and personnel costs	\$15,825,485

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 \$2,209,176 over the final revenue budget of \$92.4 million and expenditure actuals were \$-14.6 million less than the expenditure budget of \$105.7 million. Significant budgetary variances between the final amended budget and actual results included a \$-8.7 million variance in general government services and \$-5.5 million variance in economic environment due to decreased expenditures during the COVID-19 pandemic. Further, tax revenues were \$4.8 million higher than budgeted, while charges for services were \$0.9 million lower than budgeted.

General Fund remaining budget that is not continued into the next year lapses at year end.

Look Forward to 2022 and Beyond

The 2022 Adopted Operating Budget appropriates \$177 million and includes all General Fund, Utilities and Debt Service expenditures. This is a 5.6% increase from the adopted 2021 Operating Budget. The City of Olympia, like most other government entities, is facing a budget sustainability challenge where expenses increase each year at a pace that exceeds growth in resources. This, coupled with the continued impacts of the COVID-19 pandemic resulted in an inability to fund all desired new programs or expansion of current programs. While the General Fund budget includes roughly \$1.8 million in new programs or program enhancements it also includes \$1.3 million in expenditure reductions, nearly \$717 thousand coming from the Olympia Police Department.

Further, the General Fund includes roughly \$590 thousand of increased revenue from an increase in the Municipal Utility Tax (MUT) rate of 1 percent. Certainly, the decision to increase the MUT rate was difficult. However, the City values the voices of our community and heard that increases in resources toward communication and crisis response, which added over \$700 thousand in on-going costs, was a priority of our residents. The 1 percent increase in the MUT rate provides resources needed to help balance out those increased costs.

In 2022, the City is to receive the second half of the Federal American Rescue Plan Act (ARPA) grant funds, in the amount of \$4.6 million.

The City will continue to invest in capital improvements. The 2022 Capital Facility Plan budgets \$41.3 million.

Information

This report is prepared by the Accounting and Financial Reporting of the Finance Department. It is intended to provide a general overview of the finances of the City. The Finance Department can be contacted in writing to: City of Olympia, PO Box 1967, Olympia, WA 98507 or by email to:

AsFinanceDivision@ci.olympia.wa.us



Statement of Net Position
December 31, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 3,094,033	\$ 571,319	\$ 3,665,352
Investments	98,883,659	32,562,918	131,446,578
Receivables			
Taxes	11,000,607	—	11,000,607
Customer accounts	1,628,929	7,778,159	9,407,088
Special assessments	170	—	170
Accrued interest and penalty	181,264	57,640	238,904
Loans receivable	111,367	19,109	130,476
Other receivables	411,302	507,179	918,481
Due from other governmental units	1,469,152	1,283,276	2,752,428
Inventories	454,397	624,063	1,078,460
Other current assets	404,672	—	404,672
Total current assets	<u>\$ 117,639,552</u>	<u>\$ 43,403,663</u>	<u>\$ 161,043,215</u>
Non-current assets			
Restricted cash and investments	191,677	1,015,352	1,207,029
Long-term loans receivable	6,189,627	—	6,189,627
Investment In joint venture	856,498	—	856,498
Net pension asset	59,929,184	6,207,005	66,136,189
Capital assets			
Capital assets not being depreciated	100,407,237	27,858,622	128,265,859
Depreciable assets, net	167,449,619	106,791,252	274,240,871
Total non-current assets	<u>335,023,841</u>	<u>141,872,232</u>	<u>476,896,073</u>
Total assets	<u>\$ 452,663,393</u>	<u>\$ 185,275,895</u>	<u>\$ 637,939,288</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized amount on refunding	439,854	—	439,854
Related to pensions	6,038,722	796,707	6,835,429
Total deferred outflows of resources	<u>\$ 6,478,576</u>	<u>\$ 796,707</u>	<u>\$ 7,275,283</u>

The accompanying notes are an integral part of this statement

Statement of Net Position (Con't)
December 31, 2021

LIABILITIES

Current liabilities			
Accounts payable	\$ 2,222,446	\$ 1,925,872	\$ 4,148,318
Claims and judgments payable	1,619,184	—	1,619,184
Interest payable	171,903	107,835	279,738
Contracts payable	51,273	84,835	136,108
Due to other governmental units	76,598	—	76,598
Other accrued liabilities	441,770	125,621	567,391
Accrued wages payable	3,261,668	452,973	3,714,642
Unearned revenues	759,458	226,804	986,263
Current portion of total OPEB liability	1,305,000	—	1,305,000
Current portion of long-term debt	5,159,144	3,597,017	8,756,161
Total current liabilities	15,068,445	6,520,958	21,589,402
Non-current liabilities			
Net pension liability	2,517,905	659,447	3,177,352
Long-term portion of total OPEB liability	27,947,195	—	27,947,195
Long-term portion of debt	67,438,175	29,911,944	97,350,119
Total non-current liabilities	97,903,275	30,571,391	128,474,666
Total liabilities	\$ 112,971,720	\$ 37,092,349	\$ 150,064,068

DEFERRED INFLOWS OF RESOURCES

Related to pensions	42,654,369	6,581,809	49,236,178
Total deferred inflows of resources	\$ 42,654,369	\$ 6,581,809	\$ 49,236,178

NET POSITION

Net investment in capital assets	202,533,968	102,593,170	305,127,138
Restricted For:			
Capital improvement	35,328,955	—	35,328,955
Criminal justice	15,857	—	15,857
Debt service	642,874	1,015,352	1,658,226
Hands on Children's Museum	509,571	—	509,571
Housing and assistance	9,707,506	—	9,707,506
Pension	59,929,184	6,207,005	66,136,189
Promoting downtown businesses	184,050	—	184,050
Public, educational, governmental cable	385,508	—	385,508
Tourism	1,549,401	—	1,549,401
Workers' comp reserve	605,317	—	605,317
Other purposes	2,410	—	2,410
Unrestricted	(7,878,722)	32,582,917	24,704,196
Total net position	\$ 303,515,878	\$ 142,398,444	\$ 445,914,322

The accompanying notes are an integral part of this statement

Statement of Activities
For the Fiscal Year Ended December 31, 2021

Program Revenues					Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 32,972,183	\$ 22,742,290	\$ 1,546,301	\$ 295,071	\$ (8,388,522)	\$ —	\$ (8,388,522)
Public Safety	34,067,510	8,544,863	2,064,831	27,391	(23,430,425)	—	(23,430,425)
Physical Environment	9,883	—	—	—	(9,883)	—	(9,883)
Transportation	11,604,531	646,563	3,374,211	2,093,853	(5,489,904)	—	(5,489,904)
Economic Environment	5,885,494	4,675,341	1,404,682	—	194,529	—	194,529
Mental And Physical Health	1,309,393	—	—	—	(1,309,393)	—	(1,309,393)
Culture And Recreation	8,492,957	1,444,982	818,279	1,129,467	(5,100,229)	—	(5,100,229)
Interest On Long Term Debt	2,094,920	—	—	—	(2,094,920)	—	(2,094,920)
Total Governmental Activities	\$ 96,436,871	\$ 38,054,039	\$ 9,208,304	\$ 3,545,781	\$ (45,628,748)	\$ —	\$ (45,628,748)
BUSINESS-TYPE ACTIVITIES							
Drinking Water and Wastewater	33,933,651	37,772,178	683	1,477,883	—	5,317,093	5,317,093
Waste Resources	11,899,127	13,583,782	22,347	—	—	1,707,001	1,707,001
Storm And Surface Water	5,613,114	6,574,193	39,370	237,132	—	1,237,581	1,237,581
Total Business-Type Activities	\$ 51,445,893	\$ 57,930,153	\$ 62,399	\$ 1,715,015	\$ —	\$ 8,261,675	\$ 8,261,675
Total Government	\$ 147,882,764	\$ 95,984,192	\$ 9,270,703	\$ 5,260,797	\$ (45,628,748)	\$ 8,261,675	\$ (37,367,072)
					Governmental Activities	Business-Type Activities	Total
General Revenues:							
Taxes							
Property taxes					24,899,670	—	24,899,670
Retail sales and use taxes					32,046,670	—	32,046,670
Business and occupation taxes					7,201,211	—	7,201,211
Utility taxes					9,078,698	—	9,078,698
Excise taxes					5,628,799	—	5,628,799
Other taxes					6,570,815	—	6,570,815
Investment earnings					(482,572)	(138,860)	(621,431)
Other					1,093,099	191,031	1,284,129
Transfers					605,500	(605,500)	—
Total general revenues and transfers					86,641,889	(553,329)	86,088,560
Change in net position					41,013,141	7,708,346	48,721,488
Net position – beginning					259,208,527	128,117,413	387,325,940
Prior period adjustment					3,294,210	6,572,685	9,866,895
Net position – ending					\$ 303,515,878	\$ 142,398,444	\$ 445,914,322

The accompanying notes are an integral part of this statement

Balance Sheet - Governmental Funds
December 31, 2021

	General	H.U.D	Other Governmental	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,792,492	\$ 53,902	\$ 1,071,082	\$ 2,917,476
Investments	38,964,736	100,026	49,324,270	88,389,032
Receivables				
Taxes	8,748,181	—	2,252,426	11,000,607
Customer accounts	1,628,929	—	—	1,628,929
Special assessments	170	—	—	170
Accrued interest and penalty	70,591	—	86,501	157,092
Loans receivable	61,658	49,709	—	111,367
Other receivables	283,188	—	77,871	361,058
Interfund loans receivable	50,000	—	—	50,000
Due from other governmental units	1,157,064	52,760	250,688	1,460,512
Inventory	254,493	—	—	254,493
Prepayments	279,668	—	—	279,668
Loans receivable	2,002,607	4,187,020	—	6,189,627
Total Assets	\$ 55,293,777	\$ 4,443,417	\$ 53,062,839	\$ 112,800,033
LIABILITIES				
Accounts payable	864,060	75,739	1,135,155	2,074,953
Contracts and retainage payable	2,673	—	48,600	51,273
Interfund loans payable	—	50,000	700,000	750,000
Accrued wages payable	3,169,944	14,442	36,688	3,221,074
Other accrued liabilities	60,696	—	4,219	64,916
Customer deposits	375,204	—	1,650	376,854
Unearned revenues	8,524	—	750,934	759,458
Total liabilities	\$ 4,481,102	\$ 140,181	\$ 2,677,245	\$ 7,298,529
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - Court receivables	1,819,496	0	0	1,819,496
Unavailable revenue - HUD receivables	2,064,266	4,236,729	—	6,300,995
Unavailable revenue - Property taxes	205,183	—	327,690	532,873
Unavailable revenue - Other general government	170	—	58,958	59,128
Total deferred inflows of resources	\$ 4,089,115	\$ 4,236,729	\$ 386,648	\$ 8,712,492
FUND BALANCE				
Nonspendable	534,161	0	0	534,161
Restricted	401,365	66,507	41,195,623	41,663,495
Committed	11,524,880	—	8,803,323	20,328,203
Assigned	18,926,753	—	—	18,926,753
Unassigned	15,336,400	—	—	15,336,400
Total fund balances	\$ 46,723,560	\$ 66,507	\$ 49,998,946	\$ 96,789,012
Total liabilities, deferred inflows of resources, and fund balances	\$ 55,293,777	\$ 4,443,417	\$ 53,062,839	\$ 112,800,033

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, 2021

Fund balances reported in governmental funds	\$	96,789,012
Capital assets used in governmental activities are not financial resources and therefore not reported in the governmental funds		267,856,855
Less capital assets already included in internal services funds net position below		(6,405,339)
Investments in joint venture are not financial resources and therefore not reported in the governmental funds		856,498
Net pension asset are not financial resources and therefore not reported in governmental funds		59,580,475
Internal service funds are used by the City to charge costs of equipment rentals, unemployment insurance, risk management and worker's compensation provided to the departments on a reimbursement basis and therefore not reported in the governmental funds		16,939,543
Fair value adjustment not reported in the governmental funds		(509,187)
Long term assets not available to pay current period expenditures and therefore are deferred inflows in the governmental funds		8,712,492
General long-term bonds, loans and compensated absences not due and payable in the current period and therefore not reported in governmental funds		(72,544,165)
Other long-term liabilities not reported in governmental funds		
Interest payable		(171,903)
Unamortized deferred amount on refunding		439,854
Deferred outflows of resources related to pensions		5,994,562
Deferred inflows of resources related to pensions		(42,287,320)
Net pension liability		(2,483,303)
Total OPEB liability		(29,252,195)
Net position of governmental activities	\$	303,515,878

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2021

	General	H.U.D.	Other Governmental	Total Governmental Funds
REVENUES				
Taxes	\$ 63,424,635	\$ —	\$ 21,781,481	\$ 85,206,116
Licenses and permits	3,473,206	—	14,950	3,488,156
Intergovernmental revenues	5,086,342	412,979	5,876,797	11,376,118
Charges for services	18,779,674	—	3,217,016	21,996,691
Fines and forfeits	588,551	—	—	588,551
Rents and leases	2,467,873	—	11,586	2,479,459
Miscellaneous revenues	755,211	126,610	465,658	1,347,479
Total revenues	94,575,493	539,589	31,367,488	126,482,570
EXPENDITURES				
Current:				
General government services	28,979,405	—	147,129	29,126,535
Public safety	41,547,555	—	531	41,548,086
Utilities and environment	9,883	—	—	9,883
Transportation	1,629,349	—	1,248,350	2,877,699
Economic environment	2,699,963	541,625	3,578,634	6,820,221
Mental and physical health	1,309,393	—	—	1,309,393
Culture and recreation	8,209,862	—	901,177	9,111,038
Debt service:				
Principal retirement	—	—	4,631,093	4,631,093
Interest	—	—	2,466,483	2,466,483
Capital outlays	6,710,058	—	11,760,698	18,470,756
Total expenditures	91,095,468	541,625	24,734,094	116,371,187
Excess (deficiency) of revenues				
Over expenditures	3,480,024	(2,036)	6,633,395	10,111,384
OTHER FINANCING SOURCES (USES)				
Transfers in	7,284,208	—	11,040,733	18,324,941
Sale of capital assets	11,363	—	—	11,363
Insurance proceeds	800,000	—	—	800,000
Transfers out	(3,739,711)	—	(14,656,730)	(18,396,441)
Total other financing sources (uses)	4,355,860	—	(3,615,997)	739,863
Net change in fund balance	7,835,885	(2,036)	3,017,398	10,851,247
FUND BALANCE JANUARY 1	38,887,675	89,496	46,981,548	85,958,719
prior period Adjustment	—	(20,953)	—	(20,953)
FUND BALANCE DECEMBER 31	\$ 46,723,560	\$ 66,507	\$ 49,998,946	\$ 96,789,012

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, 2021

Net changes in fund balances reported in governmental funds	\$ 10,851,247
Prior period adjustments in the governmental funds not material to the statement of activities:	(20,953)
Repayments of bond and loan principal are reported as an expenditure in governmental funds and as a reduction of debt liability in the statement of net position	\$4,631,093
Other long-term debt activity recorded as increases and decreases of current financial resources in the governmental funds, but increases and decreases long-term liabilities in the statement of net position:	
Amortization of deferred amount on refunding	(30,304)
Amortization of bond premiums	392,986
Some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in the governmental funds:	
(Increase)/decrease in compensated absences	(272,317)
(Increase)/decrease in accrued interest on long-term debt	12,830
Increase/(decrease) in investment in joint ventures	(3,564)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:	
Unrealized investment earnings/(losses)	(1,076,214)
Earned but unavailable revenue - local court	(16,987)
Earned but unavailable revenue - HUD grant	(61,366)
Earned but unavailable revenue - property taxes	219,746
Earned but unavailable revenue - other general government	2363
Governmental funds report capital outlays as expenditures; however, in the statements of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	18,470,756
Depreciation	(10,153,054)
Gain/(loss) on sale of capital assets	(6,184)
Contributed /donated capital assets are included in the statement of activities but are not reported in the governmental funds as they do not provide current financial resources:	1,227,280
Internal service funds or activities are used by management to charge the costs of certain activities to individual funds and and note reported in the governmental funds	1,327,608
Changes to net pension liability and pension-related deferred outflows and inflows of resources do not require the use of current financial resources and are therefore not reported as expenditures in governmental funds	15,518,175
Change in net position of governmental activities	\$ 41,013,140

Statement of Net Position - Proprietary Funds
December 31, 2021

	Drinking Water Wastewater Utility	Business-Type Activities Enterprise Funds Waste Resources Utility	Storm and Surface Water Utility	Total	Governmental Activities Internal Service Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ 283,759	\$ 108,980	\$ 178,581	\$ 571,319	\$ 176,557
Investments	23,442,432	3,889,831	5,230,655	32,562,918	11,003,815
Receivables					
Customer accounts	4,954,211	1,809,964	1,013,984	7,778,159	—
Accrued interest and penalty	49,467	3,149	5,023	57,640	24,172
Loans receivable	19,109	—	—	19,109	—
Other receivables	73,074	434,104	—	507,179	50,244
Interfund loan receivable	—	—	—	—	700,000
Due from other governmental units	1,128,734	—	154,542	1,283,276	8,640
Inventories	624,063	—	—	624,063	199,904
Other current assets	—	—	—	—	125,004
Total current assets	30,574,850	6,246,028	6,582,784	43,403,663	12,288,334
Noncurrent assets					
Capital assets, net	112,076,875	326,086	22,246,913	134,649,874	6,405,339
Net pension asset	2,650,182	1,813,282	1,743,541	6,207,005	348,709
Restricted cash and investments	1,015,352	—	—	1,015,352	191,677
Total noncurrent assets	115,742,409	2,139,368	23,990,454	141,872,232	6,945,725
Total assets	\$ 146,317,259	\$ 8,385,397	\$ 30,573,239	\$ 185,275,895	\$ 19,234,060
DEFERRED OUTFLOWS OF RESOURCES					
Amounts related to pensions	340,947	229,628	226,132	796,707	44,160
Total deferred outflows of resources	\$ 340,947	\$ 229,628	\$ 226,132	\$ 796,707	\$ 44,160
LIABILITIES					
Current liabilities					
Accounts payable	1,371,928	487,815	66,129	1,925,872	147,492
Claims and judgments payable	—	—	—	—	1,619,184
Interest payable	107,835	—	—	107,835	—
Contracts and retainage payable	72,762	—	12,073	84,835	—
Due to other governmental units	—	—	—	—	76,598
Other current liabilities	125,621	—	—	125,621	—
Wages payable	227,257	129,895	95,822	452,973	40,594
Unearned revenue	226,804	—	—	226,804	—
Current portion of long-term liabilities	3,414,485	60,295	122,237	3,597,017	5,316
Total current liabilities	5,546,692	678,004	296,261	6,520,958	1,889,184
Noncurrent liabilities					
Compensated absences	518,306	542,651	246,073	1,307,030	47,841
Net pension liability	284,743	179,924	194,780	659,447	34,602
Non-current portion of long-term debt	27,592,332	—	1,012,582	28,604,913	—
Total noncurrent liabilities	28,395,381	722,575	1,453,434	30,571,391	82,443
Total liabilities	\$ 33,942,074	\$ 1,400,579	\$ 1,749,695	\$ 37,092,349	\$ 1,971,627
DEFERRED INFLOWS OF RESOURCES					
Amounts related to pensions	2,813,740	1,908,657	1,859,412	6,581,809	367,049
Total deferred inflows of resources	\$ 2,813,740	\$ 1,908,657	\$ 1,859,412	\$ 6,581,809	\$ 367,049
NET POSITION					
Net investment in capital assets	81,127,648	326,086	21,139,436	102,593,170	6,405,339
Restricted For:					
Bond reserve fund	1,015,352	—	—	1,015,352	—
Workers' comp reserve	—	—	—	—	191,677
Net pension asset	2,650,182	1,813,282	1,743,541	6,207,005	348,709
Unrestricted (Deficit)	25,109,211	3,166,420	4,307,286	32,582,917	9,993,818
Total net position	\$ 109,902,393	\$ 5,305,788	\$ 27,190,263	\$ 142,398,444	\$ 16,939,543

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, 2021

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Drinking Water Wastewater	Waste Resources	Storm and Surface Water Utility	TOTAL	
OPERATING REVENUES:					
Charges for services	\$ 37,455,547	\$ 13,429,965	\$ 6,571,999	\$ 57,457,511	\$ 6,196,438
Miscellaneous revenue	326,815	335,382	2,194	664,391	2,317,527
Total operating revenues	37,782,361	13,765,347	6,574,193	58,121,901	8,513,965
OPERATING EXPENSES:					
Administration and overhead	3,847,781	1,618,410	1,742,844	7,209,035	1,222,648
Operation and maintenance	20,504,932	8,300,127	2,173,845	30,978,904	5,333,387
Taxes	5,501,840	1,935,324	873,438	8,310,602	—
Depreciation and amortization	3,570,897	45,266	791,697	4,407,860	1,288,587
Total operating expenses	33,425,451	11,899,127	5,581,824	50,906,402	7,844,621
Operating income (loss)	4,356,910	1,866,220	992,369	7,215,499	669,343
NON-OPERATING REVENUES (EXPENSES)					
Investment earnings/(loss)	(115,984)	(15,838)	(7,039)	(138,861)	(64,328)
Intergovernmental revenue	534,044	22,312	213,252	769,608	—
Gain (loss) on disposal of capital assets	—	—	—	—	39,740
Insurance proceeds	—	—	—	—	5,852
Interest expense and fiscal charges	(508,200)	—	(31,290)	(539,490)	—
Total non-operating revenues (expenses)	(90,140)	6,474	174,923	91,257	(18,736)
Net income (loss) before contributions and transfers	4,266,770	1,872,694	1,167,292	7,306,756	650,607
Capital Contributions	943,840	—	63,250	1,007,090	—
Transfers in	11,065	—	90,595	101,660	718,000
Transfers out	(105,080)	(337,540)	(264,540)	(707,160)	(41,000)
Changes in net position	5,116,595	1,535,154	1,056,597	7,708,346	1,327,607
Net position - beginning	99,001,449	3,836,634	25,279,330	128,117,413	15,611,936
Prior period adjustment	5,784,349	(66,000)	854,336	6,572,685	—
Net position - ending	\$109,902,393	\$ 5,305,788	\$ 27,190,263	\$142,398,444	\$ 16,939,543

The accompanying notes are an integral part of this statement

Statement of Cash Flows - Proprietary Funds
For Year Ended December 31, 2021

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Drinking Water Wastewater	Waste Resources	Storm and Surface Water Utility	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$38,320,363	\$13,978,907	\$ 6,489,813	\$58,789,083	\$ 4,075,459
Cash received from interfund activities	—	—	—	—	4,435,091
Payments to suppliers	(20,853,678)	(7,228,890)	(2,053,442)	(30,136,009)	(4,741,455)
Payments to employees	(5,433,424)	(3,309,758)	(2,542,148)	(11,285,330)	(2,021,468)
Payments for taxes	(5,501,840)	(1,935,324)	(873,438)	(8,310,602)	0
Net cash provided (used) by operating activities	6,531,422	1,504,935	1,020,785	9,057,141	1,747,627
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES:					
Operating grants	—	22,312	23,109	45,421	—
Insurance recovery	—	—	—	—	5,852
Transfers in from other funds	11,065	—	90,595	101,660	718,000
Transfers out to other funds	(105,080)	(337,540)	(264,540)	(707,160)	(41,000)
Net cash provided from non-capital activities	(94,015)	(315,228)	(150,836)	(560,079)	682,852
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from capital debt	1,784,080	—	—	1,784,080	—
Proceeds from sale of capital assets	—	—	—	—	108,233
Capital grants and contributions	534,044	—	300,270	834,313	—
Purchases of capital assets	(5,249,776)	(162,367)	(586,552)	(5,998,696)	(1,593,069)
Payment on capital debt	(3,749,173)	—	(145,414)	(3,894,587)	—
Interfund loans	—	—	—	—	(200,000)
Interest and other payments	(16,330)	606	—	(15,724)	—
Net cash provided by capital and related financing activities	(6,697,155)	(161,762)	(431,696)	(7,290,613)	(1,684,836)
CASH FLOW FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities of investments	(2,172,556)	(2,012,862)	(1,329,292)	(5,514,710)	(1,803,641)
Investment earnings	(101,263)	(15,838)	(7,039)	(124,140)	(64,327)
Net cash provided (used) by investing activities	(2,273,819)	(2,028,700)	(1,336,331)	(5,638,851)	(1,867,968)
Net increase (decrease) in cash and cash equivalents	(2,533,568)	(1,000,755)	(898,079)	(4,432,401)	(1,122,324)
Balances - beginning of the year	2,823,076	1,175,735	1,076,660	5,075,471	1,490,557
prior period adjustment		(66,000)		(66,000)	—
Balances - end of the year	\$ 289,508	\$ 108,980	\$ 178,581	\$ 577,071	\$ 368,233

Statement of Cash Flows - Proprietary Funds (continued)
For Year Ended December 31, 2021

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Drinking Water Wastewater	Waste Resources	Storm and Surface Water Utility	Total	
CASH PROVIDED BY OPERATING ACTIVITIES:					
Net operating income (loss)	\$4,356,910	\$1,866,220	\$992,369	\$7,215,499	\$669,343
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Depreciation, amortization and bad debt	3,570,897	45,266	791,697	4,407,860	1,288,587
(Increase) decrease in accounts receivable	2,134	234,811	(28,630)	208,315	—
(Increase) decrease in other receivables	714,265	(21,251)	(55,750)	637,263	(45,848)
(Increase) decrease in inventory	(107,509)	—	—	(107,509)	1,596
(Increase) decrease in other current assets	—	—	—	—	(32,700)
(Increase) decrease in net pension asset	(2,650,182)	(1,813,282)	(1,743,541)	(6,207,005)	(348,709)
(Increase) decrease in deferred outflows - pensions	37,958	24,673	25,623	88,254	4,744
Increase (decrease) in accounts payable	(705,987)	78,407	(60,768)	(688,348)	7,399
Increase (decrease) in due to other governments	—	—	—	—	8,446
Increase (decrease) in other current liabilities	(230,240)	8,826	11,439	(209,975)	(3,070)
Increase (decrease) in compensated absences	(6,063)	4,428	77,528	75,893	(9,246)
Increase (decrease) in net pension liability	(895,077)	(579,322)	(605,418)	(2,079,817)	(111,407)
Increase (decrease) in deferred inflows - pension	2,444,315	1,656,160	1,616,236	5,716,711	318,492
Total adjustments	2,174,511	(361,285)	28,416	1,841,643	1,078,284
Net cash provided by operating activities	\$6,531,422	\$1,504,935	\$1,020,785	\$9,057,141	\$1,747,627
CASH AND CASH EQUIVALENTS:					
RECONCILIATION OF CASH AND CASH EQUIVALENTS REPORTED AT DECEMBER 31					
Statement of net position:					
Cash and cash equivalents	283,759	108,980	178,581	571,319	176,556
Restricted cash	\$ 5,748	—	—	5,748	191,677
Cash and cash equivalents, December 31	\$ 289,508	\$ 108,980	\$ 178,581	\$ 577,068	\$ 368,233
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Contribution of capital assets	\$ 943,840	\$ —	\$ 63,250	\$ 1,007,090	\$ —

The accompanying notes are an integral part of this statement

Statement of Fiduciary Net Position - Fiduciary Funds
December 31, 2021

	Employee Retirement Plans	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 2,468	\$ 18,843
Investments	5,106,893	44,101
Receivables	27,002	21,214
Prepayments	—	172,627
Total assets	<u>5,136,363</u>	<u>256,784</u>
LIABILITIES		
Liabilities:		
Accounts payable	—	11,119
Total liabilities	<u>—</u>	<u>11,119</u>
NET POSITION		
Restricted:		
Pensions	5,136,363	
Other governments	—	245,665
Total net position	<u>\$ 5,136,363</u>	<u>\$ 245,665</u>

The accompanying notes are an integral part of this statement

Statement of Changes in Fiduciary Net Position
For Year Ended December 31, 2021

	Employee Retirement Plans	Custodial Funds
ADDITIONS		
Employer contributions	\$ 288,000	\$ —
Fire insurance premium tax	106,668	—
Services, taxes, and fees	—	\$1,449,723
Investment income/(loss)	(102,410)	—
Total additions	<u>292,257</u>	<u>1,449,723</u>
DEDUCTIONS		
Benefits	357,885	—
Administrative expenses	3,400	—
Disbursements of funds held for other governments	—	1,445,019
Total deductions	<u>361,285</u>	<u>1,445,019</u>
Change in net position	<u>(69,028)</u>	<u>4,704</u>
Net Position - beginning of the year	5,205,391	240,961
Net position - end of the year	<u><u>\$ 5,136,363</u></u>	<u><u>\$ 245,665</u></u>

The accompanying notes are an integral part of this statement

Notes to the Financial Statements

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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 Annual Comprehensive Financial Report (ACFR) 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 3 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 non-fiduciary 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.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. 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

A special revenue fund to account for all authorized projects funded by the U.S. Department of Housing and Urban Development program.

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 and 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 7B.

The custodial funds account for cash and investments held by the government on behalf of other governments in a custodial capacity, which includes the Law Enforcement Records Management System (LERMS) Fund and taxes and fees levied by the State.

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. Fiduciary 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 non-operating 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 non-operating revenues and expenses.

D. Budgetary Information

Scope of Budget

In accordance with RCW 35A.34, the city annually adopts budgets for all operating funds. These budgets are prepared in accordance with GAAP. The operating funds include the General Fund; all debt service funds; all utility operating funds; and the Equipment Rental internal service fund.

The City Council adopts appropriation ordinances for all other funds, including the special revenue funds, a capital Fire Equipment Reserve Fund and the remaining internal service funds. Annually, a Capital Facilities Plan is adopted with all capital projects. All appropriations lapse at the end of each year.

Legal budgetary control is established at the fund level, where expenditures may not exceed the total appropriation amount. Fund balance at the beginning of the year is considered an available resource and included in the expenditure appropriation authority, but not necessarily appropriated at the program level and identifiable in the Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual presented in the Required Supplementary information. The City Manager may authorize transfers of appropriations within a fund, but the City Council must approve by ordinance any increase or decrease in total fund appropriations.

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 re-appropriated 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 fiscal year 2021 there were several supplementary appropriations authorized by the City Council in the General Fund budget totaling \$16,942,331.

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, 2021, the city was holding \$3,671,100 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 Note 4 Deposits and Investments.

Investments – (See Note 4 Deposits and Investments)

Receivables

Taxes receivable consists of property taxes and related interest and penalties (see Note 5 Property Taxes). 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 receivables typically 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, 2021, \$170 of special assessments receivable was interest on assessments.

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 Prepaid

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 (Note 9 Long-Term Debt).

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

Cash and Investments-Bonded Debt Reserve: \$1,015,352

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

Cash and Investments-Workers' Compensation Reserve: \$191,677

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:

Type of Asset	Number of Years
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 are 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 are 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 North America, Inc. to manage claims of the program. As of December 31, 2021, the Unemployment Compensation Fund had a fund balance of \$758,113 which is plenty to cover 31 claims at the maximum liability claims (26 weeks at \$929 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.

For the purposes of calculating the restricted net position related to the net pension asset, the City includes the net pension asset only.

Unearned Revenues

This account includes funds received 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 authorized of the City Council in the Fund Balance Policy approved on December 6, 2011.
Unassigned:	Positive fund balance the General Fund only that has 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, 2021 are listed below.

	General	H.U.D.	Other Governmental	Total Governmental Funds
Fund Balance:				
Nonspendable:				
Pre-payments and inventory	\$ 534,161	\$ —	\$ —	\$ 534,161
Total nonspendable	534,161	—	—	534,161
Restricted for:				
Capital improvement			31,212,879	31,212,879
Criminal justice	15,857		—	15,857
Debt service			281,233	281,233
Hands on Children's Museum			509,571	509,571
Housing and assistance		66,507	3,340,005	3,406,512
Parks			4,116,076	4,116,076
Other post employment benefits			—	—
Promoting downtown businesses			184,050	184,050
Public, educational, governmental cable	385,508		—	385,508
Tourism			1,549,401	1,549,401
Other purposes			2,410	
Total restricted	401,365	66,507	41,195,623	41,661,085
Committed to:				
Community development	(40,775)		8,169,650	8,128,875
Debt service	—		365,869	365,869
Technology	892,918		—	892,918
Equipment and facilities reserve	5,750,588		267,803	6,018,391
Housing and assistance	296,283		—	296,283
Municipal arts	340,255		—	340,255
Parking	200,412		—	200,412
Other post-employment benefits	3,225,097		—	3,225,097
WA Center for Performing Arts	860,102		—	860,102
Total committed	11,524,880	—	8,803,323	20,328,203
Assigned to:				
Fund balance reserve - emergency	8,979,327	—	—	8,979,327
stabilization	9,510,271	—	—	9,510,271
Public safety levy LID Lift carryforward	437,155	—	—	437,155
Total assigned	18,926,753	—	—	18,926,753
Unassigned:	15,336,400	—	—	15,336,400
Fund Balance Total:	\$ 46,723,560	\$ 66,507	\$ 49,998,946	\$ 96,789,012

Prior Period Adjustments

During 2021, prior period adjustments were identified and recorded as follows:

Fund	Effect on Beginning Fund Balance	Circumstance
H.U.D. Fund	(60,000)	Prior year grant revenue was deemed ineligible for reimbursement by granting agency
H.U.D. Fund	66,000	Prior year expense that should have been recorded to Waste Resources Fund
H.U.D. Fund	23,568	Prior years grant revenue identified and paid to the City by granting agency
H.U.D. Fund	(50,221)	Prior year grant revenue that should have been recorded to the General Fund
Drinking Water Wastewater	5,784,349	Prior year expenses for capital construction in progress identified as capital in the current year. Amounts are shown as an adjustment to beginning balances in Note 6 - Capital Assets.
Waste Resources	(66,000)	Prior year expense recorded incorrectly to the H.U.D Fund
Storm and Surface Water	6,572,685	Prior year expenses for capital construction in progress identified as capital in the current year. Amounts are shown as an adjustment to beginning balances in Note 6 - Capital Assets.
Government-Wide	3,294,210	Prior year expenses for capital construction in progress identified as capital in the current year. Amounts are shown as an adjustment to beginning balances in Note 6 - Capital Assets.

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 \$267,856,855 are as follows:

Capital assets governmental activities:	
Capital assets not depreciated	\$ 100,407,237
Depreciable assets, net	167,449,617
Total capital assets governmental activities	<u>267,856,855</u>
Land	77,127,265
Construction in progress	23,279,972
Buildings	105,039,002
Less: accumulated depreciation	(41,286,754)
Improvements other than buildings	30,252,217
Less: accumulated depreciation	(8,628,996)
Machinery and equipment	33,571,612
Less: accumulated depreciation	(21,942,192)
Infrastructure	188,292,871
Less: accumulated depreciation	<u>(117,848,144)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 267,856,855</u>

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 – 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 TBD ceased existence by City Ordinance 7299 on November 16, 2021. All its rights, powers, immunities, functions and obligations were assumed by the City of Olympia.

The transportation benefit district's sole purpose was 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 gave the Olympia TBD authorization to impose taxes, fees, charges and tolls. The Olympia TBD, until dissolution, collected \$40 vehicle registration. The fees were imposed on vehicles registered within the district.

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

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 and investments as shown in the government-wide and fund financial statements are as follows:

Cash Balance	
FDIC or PDPC insured Bank Deposits	\$ 6,422,288
In-Transit Items	(2,773,441)
Custodial Funds held in Fiduciary	(21,311)
Municipal Court Funds	22,955
Municipal Court Funds in Transit	10,919
Imprest Funds on Hand	9,690
	<u>\$ 3,671,100</u>
Cash and Cash Equivalents	\$ 3,665,352
Restricted Cash	5,748
	<u>\$ 3,671,100</u>

Investment Balance	
WA State Investment Pool	\$ 37,086,283
Restricted portion of Pool	451,281
Total Investment at Amortized Cost	<u>37,537,564</u>
Investments at Fair Market Value	99,511,288
Restricted portion of Investments	750,000
Total Investment at Fair Mkt Value	<u>100,261,288</u>
Grand Total of All Investments	<u>\$ 137,798,853</u>
Investments	\$ 131,446,578
Restricted Investments	1,201,281
Fiduciary Investments	5,150,994
	<u>\$ 137,798,853</u>

A. Deposits

The City's bank balances of deposits and certificates of deposits at December 31, 2021 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

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.

Investments Measured at Amortized Cost

As of December 31, 2021, the City held the following investments at amortized cost:

Investment Type	Maturity	Olympia's Own Investments	Total
WA State Investment Pool	60 Days	\$ 37,537,564	\$ 37,537,564
Total		<u>\$ 37,537,564</u>	<u>\$ 37,537,564</u>

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 <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 ensure 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, 2021, the City held the following investments at fair value:

Investments by Fair Value	12/31/2021	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	\$ 653,735		\$ 653,735	
U.S. Government & Agencies - FHLB	20,704,154		20,704,154	
U.S. Government & Agencies - FFCB	6,485,291		6,485,291	
U.S. Government & Agencies - FHLMC	13,379,289		13,379,289	
U.S. Government & Agencies - FNMA	17,895,906		17,895,906	
U.S. Treasury Notes	41,142,914		41,142,914	
Total By Fair Value Level	\$ 100,261,288	\$ —	\$ 100,261,288	\$ —

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. 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 2021 was \$2.4341 per \$1,000 on an assessed valuation of \$8,046,605,908 for a total regular levy of \$19,586,340.
- 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 2021 was \$0.0358 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 2021 was \$0.1333 per \$1,000 of assessed valuation of \$7,974,298,079 for a total excess levy of \$1,063,356, 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 2021 was \$0.5472 per \$1,000 of assessed valuation of \$8,046,605,908 for a total levy of \$4,403,173, 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, 2021 is as follows:

Governmental Activities	Balance 12/31/20	Adjustment to Beginning Balance	Increases	Decreases	Balance 12/31/21
Capital assets, not being depreciated:					
Land	\$ 73,453,319	\$ —	\$ 3,673,946	\$ —	\$ 77,127,265
Construction in progress	11,926,255	3,145,710	13,791,752	5,583,745	23,279,972
Total capital assets, not being depreciated	85,379,574	3,145,710	17,465,698	5,583,745	100,407,237
Capital assets, being depreciated:					
Buildings	104,433,187	—	605,815	—	105,039,002
Improvements other than buildings	30,109,378	88,000	54,839	—	30,252,217
Machinery and Equipment Govt.	13,026,360	60,500	2,049,371	25,284	15,110,947
Machinery and Equipment Int Svc	17,565,973	—	1,593,069	698,376	18,460,666
Machinery and equipment Subtotal	30,592,333	60,500	3,642,439	723,660	33,571,612
Infrastructure	183,186,815	—	5,106,056	—	188,292,871
Total capital assets being depreciated	348,321,713	148,500	9,409,149	723,660	357,155,702
Less accumulated depreciation for:					
Buildings	38,215,665	—	3,071,089	—	41,286,754
Improvements other than buildings	8,536,273	—	92,723	—	8,628,996
Machinery and Equipment Govt.	9,268,896	—	637,071	19,100	9,886,867
Machinery and Equipment Int Svc	11,396,621	—	1,288,587	629,883	12,055,325
Machinery and equipment Subtotal	20,665,517	—	1,925,658	648,983	21,942,192
Infrastructure	111,495,972	—	6,352,172	—	117,848,144
Total accumulated depreciation	178,913,427	—	11,441,641	648,983	189,706,085
Total capital assets, being depreciated, net	169,408,286	148,500	(2,032,492)	74,677	167,449,617
Governmental activities capital assets, net	\$ 254,787,860	\$ 3,294,210	\$ 15,433,206	\$ 5,658,422	\$ 267,856,855

Business-Type Activities	Balance 12/31/20	Adjustment to Beginning Balance	Increases	Decreases	Balance 12/31/21
Capital assets, not being depreciated:					
Land	\$ 4,664,240	\$ —	\$ —	\$ —	\$ 4,664,240
Construction in Progress	14,043,198	5,784,349	6,618,611	3,251,775	23,194,383
Total capital assets, not being depreciated	18,707,438	5,784,349	6,618,611	3,251,775	27,858,623
Capital assets, being depreciated:					
Buildings	6,641,801	—	—	—	6,641,801
Improvements other than buildings	181,283,587	—	4,258,865	—	185,542,452
Machinery and equipment	3,098,218	—	171,168	—	3,269,386
Intangible assets	3,559,037	—	—	—	3,559,037
Total capital assets being depreciated	194,582,643	—	4,430,033	—	199,012,676
Less accumulated depreciation for:					
Buildings	3,709,467	—	124,886	—	3,834,353
Improvements other than buildings	80,997,421	—	4,057,393	—	85,054,814
Machinery and equipment	2,224,216	—	152,029	—	2,376,245
Intangible assets	882,462	—	73,553	—	956,015
Total accumulated depreciation	87,813,566	—	4,407,860	—	92,221,426
Total capital assets, being depreciated, net	106,769,077	—	22,173	—	106,791,250
Business-type activities capital assets, net	\$ 125,476,515	\$ 5,784,349	\$ 6,640,784	\$ 3,251,775	\$ 134,649,872

Depreciation and amortization expense was charged to functions/programs of the primary government and the business type activities for the year ended December 31, 2021 are as follows:

Governmental Activities:	
General Government:	\$ 7,664,279
Security of Persons and Property	252,757
Transportation	1,943,069
Culture and Recreation	292,950
Internal Service Funds	1,288,587
Total Depreciation/Amortization – Governmental Activities	\$ 11,441,641
Business-Type Activities:	
Drinking Water/ Wastewater Utility	\$ 3,570,897
Waste ReSources Utility	45,266
Storm and Surface Water Utility	791,697
Total Depreciation/Amortization – Business-Type Activities	\$ 4,407,860

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 2021:

Aggregate Pension Amounts - All Pension Plans		
Pension liabilities	\$	3,177,352
Pension assets		66,136,189
Deferred outflows of resources related to pensions		6,835,429
Deferred inflows of resources related to pensions		49,236,178
Pension expense/expenditures		(11,931,128)

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 2021:

Aggregate Pension Amounts - State Sponsored Pension Plans		
Pension liabilities	\$	2,791,875
Pension assets		66,136,188
Deferred outflows of resources related to pensions		6,405,261
Deferred inflows of resources related to pensions		48,995,262
Pension expense/expenditures		(11,808,352)

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 annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

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

Or the DRS ACFR 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		
Contribution Rates:	Employer *	Employee**
January through June 2021	12.97%	6.00%
July through December 2021	10.25%	6.00%

*Employer rate includes 0.18% administrative fee

** For employees participating in JBM, the contribution rate was 12.26%. The JBM Program gives eligible justices and judges an option to increase the benefit multiplier used in their retirement benefit calculation for their judicial service periods of employment. The City had one JBM participant during the year.

*The City of Olympia actual contributions to the plan were \$1,561,018 for the year ended December 31, 2021.

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 2021 were as follows:

PERS Plan 2/3		
Contribution Rates:	Employer *	2**/3***
January through June 2021	12.97%	7.90%
July through December 2021	10.25%	7.90%

*Employer rate includes 0.18% administrative fee

** For employees participating in JBM, the contribution rate was 15.90%. The JBM Program gives eligible justices and judges an option to increase the benefit multiplier used in their retirement benefit calculation for their judicial service periods of employment. The City had one JBM participant during the year.

*** For employees participating in PERS3, the contribution rate varies

The City of Olympia actual contributions to the plan were \$2,456,978 for the year ended December 31, 2021.

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 2021 were as follows:

PSERS Plan 2		
Contribution Rates:	Employer *	Employee
January through June 2021	12.25%	7.20%
July through December 2021	10.39%	6.50%

*Employer rate includes 0.18% administrative fee

The City of Olympia actual contributions to the plan were \$87,369 for the year ended December 31, 2021.

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 I had no required employer or employee contributions for fiscal year 2021.

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 2021 were as follows:

LEOFF Plan 2		
Contribution Rates:	Employer *	Employee
January through June 2021	14.10%	17.18%
July through December 2021	5.30%	8.53%

*Employer rate includes 0.36% administrative fee

The City of Olympia actual contributions to the plan were \$1,150,270 for the year ended December 31, 2021.

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, 2021, the state contributed \$78,170,320 to LEOFF Plan 2.

The amount recognized by the City as its proportionate share of this amount is \$737,163.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2021 with a valuation date of June 30, 2020. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Demographic Experience Study and the 2019 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021. Plan liabilities were rolled forward from June 30, 2020, to June 30, 2021, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- 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 developed using the Society of Actuaries' Pub.H-2010 mortality rates, which vary by member status (e.g., active, retiree, or survivor), as the base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year, throughout their lifetime.

There were no changes in assumptions since the last valuation. There were changes in methods since the last valuation.

- For purposes of the June 30, 2020 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) introduced temporary method changes to produce asset and liability measures as of the valuation date. A high-level summary of those changes is outlined in the following paragraph. OSA will revert back to the methods outlined in their 2019 AVR when preparing the 2021 AVR, a contribution rate setting valuation, which will serve as the basis for 2022 ACFR results.
- To produce measures at June 30, 2020, unless otherwise noted in the 2020 AVR OSA relied on the same data, assets, methods, and assumptions as the June 30, 2019, AVR. OSA projected the data forward one year reflecting assumed new hires and current members exiting the plan as expected. OSA estimated June 30, 2020, assets by relying on the Fiscal Year (FY)-end 2019 assets, reflecting actual investment performance over FY 2020, and reflecting assumed contribution amounts and benefit payments during FY 2020. OSA reviewed the actual June 30, 2020, participant and financial data to determine if any material changes to our projection assumptions were necessary. OSA also considered any material impacts to the plans from 2021 legislation. Please see the Actuarial Assumptions and Methods section of OSA 2020 AVR for more information.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on the assumptions described in OSA's certification letter within the DRS ACFR, the pension plan's 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 7.40% 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. In selecting this assumption, the OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

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, 2021, 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.

Estimated Rates of Return For the Fiscal Year Ended June 30, 2021		
Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%

Sensitivity of the Net Pension Liability/(Asset)

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	\$ 4,756,117	\$ 2,791,875	\$ 1,078,854
PERS 2/3	(7,828,006)	(27,478,202)	(43,660,147)
PSERS 2	(69,920)	(445,972)	(743,598)
LEOFF 1	(4,545,531)	(5,049,107)	(5,484,786)
LEOFF 2	(20,912,553)	(33,162,907)	(43,193,504)

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, 2021, the City of Olympia reported a total pension liability of \$2,791,875 for its proportionate share of the net pension liabilities and a total pension asset of \$(66,136,188) for its proportionate share of the net pension assets as follows:

Plan	Liability or (Asset)
PERS 1	\$ 2,791,875
PERS 2/3	(27,478,202)
PSERS 2	(445,972)
LEOFF 1	(5,049,107)
LEOFF 2	(33,162,907)

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	\$ (33,162,907)
LEOFF 2 – State’s proportionate share of the net pension liability/(asset) associated with the employer	(21,393,695)
TOTAL	\$ (54,556,602)

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

Plan	Proportionate Share 6/30/2020	Proportionate Share 6/30/2021
PERS 1	0.230250%	0.228611%
PERS 2/3	0.280457%	0.275841%
PSERS 2	0.218684%	0.194121%
LEOFF 1	0.144254%	0.147395%
LEOFF 2	0.542861%	0.570946%

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 2020. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2020, 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 2021, the State of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to RCW 41.27.726 and all other employers contributed the remaining 61 percent of employer contributions.

The total pension liability (asset) was measured as of June 30th, 2021 using the most recent actuarial valuation completed in 2020 with a valuation date of June 30th, 2020 and rolled forward.

Pension Expense

For the year ended December 31, 2021, the City of Olympia recognized pension expense as follows:

Pension Expense	
Plan	Pension Expense
PERS 1	\$ (569,170)
PERS 2/3	(6,287,504)
PSERS 2	(17,739)
LEOFF 1	(810,540)
LEOFF 2	(4,123,399)
TOTAL	\$ (11,808,352)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2021, 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
Differences between expected and actual experience	\$ —	\$ —
Net difference between projected and actual investment earnings on pension plan investments	—	(3,098,047)
Changes of assumptions	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	—	—
Contributions subsequent to the measurement date	683,992	—
TOTAL	\$ 683,992	\$ (3,098,047)

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,334,577	\$ (336,856)
Net difference between projected and actual investment earnings on pension plan investments	—	(22,965,331)
Changes of assumptions	40,154	(1,951,407)
Changes in proportion and differences between contributions and proportionate share of contributions	319,809	(482,076)
Contributions subsequent to the measurement date	1,117,233	—
TOTAL	\$ 2,811,773	\$ (25,735,670)

PSERS 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,762	\$ (1,763)
Net difference between projected and actual investment earnings on pension plan investments	—	(319,451)
Changes of assumptions	69	(45,602)
Changes in proportion and differences between contributions and proportionate share of contributions	5,088	(8,436)
Contributions subsequent to the measurement date	43,414	—
TOTAL	\$ 94,333	\$ (375,252)

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ —
Net difference between projected and actual investment earnings on pension plan investments	—	(1,542,813)
Changes of assumptions	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	—	—
Contributions subsequent to the measurement date	—	—
TOTAL	\$ —	\$ (1,542,813)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,504,143	\$ (175,264)
Net difference between projected and actual investment earnings on pension plan investments	—	(15,812,313)
Changes of assumptions	14,336	(1,577,230)
Changes in proportion and differences between contributions and proportionate share of contributions	718,599	(678,674)
Contributions subsequent to the measurement date	578,084	—
TOTAL	\$ 2,815,162	\$ (18,243,481)

ALL PLANS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,884,482	\$ (513,883)
Net difference between projected and actual investment earnings on pension plan investments	—	(43,737,955)
Changes of assumptions	54,559	(3,574,239)
Changes in proportion and differences between contributions and proportionate share of contributions	1,043,496	(1,169,186)
Contributions subsequent to the measurement date	2,422,723	—
TOTAL	\$ 6,405,260	\$ (48,995,263)

Deferred outflows of resources related to pensions resulting from the City of Olympia contributions made after the measurement date of the net pension liability but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. In the year ended, December 31, 2021, these contributions

amounted to \$2,422,723. 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:	PSERS 2
2021	\$ (820,673)	2021	\$ (6,348,379)	2020	\$ (83,616)
2022	(752,035)	2022	(5,935,767)	2021	(79,538)
2023	(711,080)	2023	(5,589,430)	2022	(75,487)
2024	(814,259)	2024	(6,064,360)	2023	(83,724)
2025	—	2025	(106,311)	2024	(761)
Thereafter	—	Thereafter	3,117	Thereafter	(1,206)
Total	\$ (3,098,047)	Total	\$ (24,041,130)	Total	\$ (324,332)

Year Ended December 31:	LEOFF 1	Year Ended December 31:	LEOFF 2
2021	\$ (409,826)	2021	\$ (4,214,227)
2022	(374,862)	2022	(3,926,622)
2023	(353,717)	2023	(3,709,322)
2024	(404,408)	2024	(4,177,274)
2025		2025	(53,783)
Thereafter		Thereafter	74,825
Total	\$ (1,542,813)	Total	\$ (16,006,403)

B. Single Employer Plan
FIREMEN’S PENSION

Summary of Significant Accounting Policies

The Firemen’s 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 2021:

Aggregate Pension Amounts - Fire Pension Fund		
Pension Liabilities	\$	385,477
Deferred Outflows of Resources related to pensions		390,236
Pension Expenses/Expenditures		(26,404)

Benefits Provided

The FPPF 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 FPPF 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 FPPF Board.

Plan Description

The City administers of the FPPF 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 FPPF 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 FPPF is overseen by the Board of Trustees of the FPPF, 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 Firemen's Pension Plan consisted of the following at January 1, 2020, the date of the latest actuarial valuation:

Firefighters retired from service after March 1, 1970	11
Firefighters disabled in the 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 FFPF and is considered a non-employer contributing entity. The revenue received through this tax amounted to \$288,000 in 2020. 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 31, 2021 were as follows:

Total Pension Liability	\$	5,521,840
Plan Fiduciary Net Position		5,136,363
City's Net Pension Liability	\$	<u>385,477</u>

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, 2020	January 1, 2020
Measurement date:	December 31, 2020	December 31, 2021
Inflation:	2.25 %	2.25 %
Salary increases including inflation	3.25 %	3.25 %
Discount rate:	3.00 %	3.00 %
Long-term expected rate of return	3.00 %	3.00 %
Municipal bond rate:	2.00 %	2.00 %
Mortality	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projected Scale BB, with ages set back one year for males and forward one year for females (set forward two years for disabled members)	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projected Scale BB, with ages set back one year for males and forward one year for females (set forward two 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, 2020 are as follows:

Asset Class	Long-Term Expected Real Rate of Return
Cash	-0.39%
Municipal bonds	0.12%
Mortgages	1.68%
Assumed inflation - mean	2.25%
Long-term expected rate of return	3.00%

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, 2021 is 2 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:

	1% Decrease	Current Discount Rate	1% Increase
	2.00%	3.00%	4.00%
City's net pension liability	915,422	385,477	(72,947)

Investments

As of December 31, 2021, the FFPF had an investment portfolio with a fair value of \$5,085,290 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 \$(620) 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, 2021, the annual money-weighted rate of return on pension plan investments, net of investment expenses, was -1.94% 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, 2020	\$ 5,713,644	\$ 5,205,391	\$ 508,253
Changes for the year:			
Interest on total pension liability	166,081		166,081
Effect of plan changes	—		—
Effect of economic/demographic gains/(losses)	—		—
Effect of assumptions changes or inputs	—		—
Benefit payments	(357,885)	(357,885)	—
Medical payments from fund		—	—
Employer contributions		288,000	(288,000)
Contributions from state fire insurance premium tax		106,668	(106,668)
Net Investment income		(102,411)	102,411
Administrative expenses		(3,400)	3,400
Balances as of December 31, 2021	\$ 5,521,840	\$ 5,136,363	\$ 385,477

Deferred Inflows of Resources

At December 31, 2021 the City reported deferred inflows of resources related to the FPPF from the following source:

Fire Pension	Deferred Outflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ 157,469
TOTAL	\$ 157,469

Deferred inflows of resources related to the FPPF will be recognized in pension expense as follows:

Year Ended December 31:	FPPF
2022	\$ 47,601
2023	31,340
2024	26,714
2025	51,814
2026	—
Thereafter	—

NOTE 8 - RISK MANAGEMENT

A. Liability and Auto

The City of Olympia is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 8.62 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 166 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, prior wrongful acts, 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 property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. 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. 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, 2021, 262 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.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, 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 2020, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Commencement Bay Risk Management, and Kaiser ISL at \$1 million with Companion Life through Intermediary Insurance Services. 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 AWC Trust 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 AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The AWC 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 the report for the fiscal year ending December 31, 2018. 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.

C. Workers Compensation

The City of Olympia began its self-insured workers' compensation program in July 1994. Previous to that, the City participated in the Washington State Workers Compensation Plan. Washington State provides oversight for all worker's compensation self-insured programs to ensure employee benefits are provided in compliance with applicable industrial insurance laws and regulations. The city utilizes the services of TRISTAR, a third-party vendor to manage claims of the program. An internal services fund accounts for all revenues, expenses and liabilities associated with payment of benefits to entitled workers.

The Workers Compensation Fund (Fund) is primarily supported by charges assessed to departments and employees based on the type of work performed, as well as interest on idle funds. Monies deposited into the Fund are used for worker's compensation claims, state administrative costs, premiums for insurance or surety bonds, third-party administration costs, actuarial studies, safety programs and other costs associated with administration of the program. The fund also pays Safety National Casualty Corp for excess coverage for \$500,000 for staff, \$750,00 for fire and police personnel, and \$1,000,000 for Presumptive loss.

D. Unemployment

The City of Olympia self-insures unemployment compensation on a reimbursable basis to the State of Washington. The city utilizes the services of Proclaim, a third-party vendor to manage claims of the program.

An internal services fund accounts for all revenues, expenditures and liabilities associated with payment of benefits to entitled workers. The Unemployment Fund is primarily supported by charges assessed to departments based on a rate of .20% multiplied by gross payroll. The fund also earns interest on idle funds.

Monies deposited in the Fund are used for reimbursements to the Washington State Department of Employment Security and other costs associated with administration of the program. The State set a maximum of 26 weeks claimed, per claim. Based on this maximum the city feels the fund has a sufficient reserve to manage this risk.

E. 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 or refinancing of bonds previously issued. 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:

Issuance Date	Purpose	Original Issue	Interest Rates	Maturity Date	Debt Outstanding
2019	2019 LTGO Refunding Bonds issued to refund 2009 Fire Bonds and a portion of 2009B City Hall bonds for the following purposes:				
	Provide funds to finance or refinance park property acquisitions	\$15,045,000	2.625-5.00%	2039	\$14,015,000
	Provide funds to replace a fire pumper and other capital purposes	1,725,000	2.375-5.00%	2034	1,555,000
	To refinance portion of City Hall bonds, proceeds of which are used to finance construction and improvement of the City Hall building	23,185,000	2.625-5.00%	2039	21,980,000
	Total 2019 LTGO Bond Refunding	39,955,000			37,550,000
2019	2019 Bond Refunding of UTGO Bonds to refinance 2009 bonds issued for the construction of a fire station	8,110,000	5.00%	2029	6,775,000
2009	2009B City Hall BABs issued to finance construction of a City Hall building. Bond was partially refunded by 2019 LTGO refunding bonds described above. Original issue amount has been adjusted to reflect the refunded portion.	8,000,000	6.14%	2039	8,000,000
2013	2013 LTGO Bonds to finance repairing and improving the Washington Center for the Performing Arts, install LED street lights and refund the City's 2011 LTGO BAN	6,345,000	3.00-5.00%	2032	2,290,000
Total					\$54,615,000

The annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 2,645,000	\$ 2,201,890	\$ 4,846,890
2023	2,575,000	2,069,640	4,644,640
2024	2,705,000	1,942,540	4,647,540
2025	2,840,000	1,808,990	4,648,990
2026	2,970,000	1,668,790	4,638,790
2027-2031	15,430,000	6,123,860	21,553,860
2032-2036	15,500,000	3,369,254	18,869,254
2037-2039	9,950,000	724,416	10,674,416
Total	\$ 54,615,000	\$ 19,909,380	\$ 74,524,380

Enterprise revenue bonds currently outstanding are as follows:

Issuance Date	Purpose	Original Issue	Interest Rates	Maturity Date	Debt Outstanding
2013	2013 Water/Sewer Bonds issued to finance drinking water capital improvements and to refund all of the 2001 Bonds	\$7,780,000	4.00-4.125	2023	\$1,790,000
Total					\$1,790,000

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

Year Ending December 31,	Business-Type Activities		
	Principal	Interest	Total
2022	\$ 880,000	\$ 71,600	\$ 951,600
2023	910,000	36,400	946,400
Total	<u>\$ 1,790,000</u>	<u>\$ 108,000</u>	<u>\$ 1,898,000</u>

Notes for direct borrowings include loans from Public Works Trust Fund, the State of Washington Department of Ecology, the Washington Department of Health Drinking Water State Revolving Fund, and private parties. Notes from direct placements include the 2020 refinance of 2010 Streets bonds, 2010B HOCM bonds, and 2010 and 2013 Water and Sewer bonds with Kitsap Bank.

Notes currently outstanding are as follows:

Issuance Date	Purpose	Original Issue / Total Draw	Interest Rates	Maturity Date	Debt Outstanding
State of Washington Trust Fund Loans					
2008	Public Works Board loan for Sleater-Kinney sewerage project	\$ 1,085,025	0.05%	2028	\$ 643,624
2020	Public Works Board loan for Percival Creek Bridge repairs*	1,000,000	1.58%	2039	466,027
Department of Ecology Loans					
2010	DOE Yauger Park Stormwater Expansion	1,219,756	2.90%	2030	626,768
2012	DOE Septic Conversion Assistance Program	100,725	3.10%	2032	62,537
2015	DOE State Ave. Stormwater Retrofit	626,081	2.30%	2035	480,710
Drinking Water State Revolving Fund					
2014	McAllister wellfield development project	5,689,267	1.5%	2034	3,698,023
2014	McAllister wellfield transmission pipeline	4,811,640	1.5%	2034	3,127,566
2017	SE Olympia reservoir project	8,390,929	1.5%	2037	7,458,604
2015	McAllister wellfield corrosion control facility	3,351,197	1.5%	2035	2,552,455
2018	Fones Road booster pump stations*	1,931,982	1.5%	2038	1,460,263
2018	Elliott Ave reservoir seismic retrofit*	1,515,000	1.5%	2038	1,438,921
2018	Fir St Reservoir seismic & value house retrofit*	1,676,476	1.5%	2038	1,616,449
Other Notes					
2018	Zahn note for parks land acquisition	6,700,000	0.00	2022	700,000
2020	2020 LTGO bond refinance with Kitsap Bank for the following purposes:				
	Refinance 2010 Street Bonds to provide funds to finance transportation projects	3,527,792	1.56-2.20%	2029	2,879,999
	Refinance 2010B HOCM bonds to provide funds for the construction of the Hands-On Children's Museum	3,372,211	1.56-2.02%	2029	2,993,000
	Total 2020 LTGO bond refinancing	6,900,003			5,872,999
2020	2020 bond refinance with Kitsap Bank to refinance the following:				
	2007 waterworks bond issued to fund waterworks utility improvements	4,060,045	4.100%	2027	3,124,600
	2010 sewer bond issued to fund sewer utility improvements	4,042,075		2030	3,365,100
	Total 2020 revenue bond refinancing	8,102,120			6,489,700
Total loans outstanding					\$ 36,694,646

Below are the terms of the City's debt obligations, related to significant events of default with finance-related consequences, termination events with finance-related consequences, and subjective acceleration clauses, if any. The City has not pledged any assets as collateral for debt.

State of Washington Trust Fund Loans

Default in Repayment – Loan repayments shall be made on the loan in accordance with the contract terms. A payment not received within thirty (30) days of the due date shall be declared delinquent and the City

shall be assessed a monthly penalty beginning on the first day past the due date. The penalty will be assessed on the entire payment amount. The penalty will be 1% per month or 12% per annum.

Termination for Cause – If the City fails to comply with the terms of the agreement or fails to use loan proceeds only for those activities identified in the agreement, the Board may terminate the contract in whole or in part at any time. Nothing in this section shall affect the City's obligation to repay the unpaid balance of the loan.

Termination for Convenience – The Board may terminate the contract if state funds are no longer available to the Board or are not appropriated for the purpose of meeting the Board's obligations under the contract. Termination will be effective when the Board sends written notice of termination to the City. Nothing in this section shall affect the City's obligation to repay the unpaid balance of the loan.

Washington State Department of Ecology (DOE) Loans

Default Events – In response to a termination event or in response to a loan default event, the Department may in its sole discretion demand that the City repay the outstanding balance of the loan amount and all accrued interest. From the time the Department demands repayment of funds, amounts owed by the City will accrue addition interest at the rate of one percent per month, or fraction thereof.

The Department may at its sole discretion declare the principal and interest on the loan immediately due and payable, subject to the prior lien and charge of any outstanding Senior Lien Obligations upon the Net Revenue. Repayments not made immediately upon such acceleration will incur late charges.

Any state funds otherwise due to the City may, in the Department's sole discretion, be withheld and applied to the repayment of the loan.

At the option of the Department, any property acquired under the agreement may become the Department's property. In that circumstance, the City's liability to repay money will be reduced by an amount reflecting the fair value of such property.

The State of Washington reserves the right to take any actions it deems necessary to collect the amounts due, or to become due, or to enforce the performance and observance of any obligation by the City, under the loan agreement.

Termination for Cause – In the event the City unjustifiably fails, in the opinion of the Department, to perform any obligation required of it by the loan agreement, the Department may refuse to pay any further funds thereunder and/or terminate the loan agreement by giving written notice of termination.

Defeasance of the Loan – So long as the Department will hold the loan, the City will not be entitled to, and will not effect, an economic defeasance of the loan. The City will not advance refund the loan.

Washington State Department of Health (DOH) Drinking Water State Revolving Fund Loans

Default Events – DOH must receive the City's payment within thirty calendar days of the due date. Late payments are delinquent and assessed a monthly penalty on the first (1st) day past the due date. The penalty is one percent of the late payment amount per month. Penalty and fees accrue interest at the rate stated in the loan agreement. The City is responsible for all attorney fees and costs incurred by DOH in any action taken to enforce its rights, including in any alternative dispute resolution proceeding.

Termination - Notice of termination will be in writing and state the reason(s) for termination or suspension, and the effective date. The effective date will be determined by DOH. The notice will allow the City at least thirty business days to cure the breach, if curable. If the breach is not cured or cannot be cured within thirty business days, the outstanding balance of the loan, with any interest accrued and other costs as authorized

by the contract shall be due and payable to DOH. If DOH terminates the contract, it is only liable for payments incurred prior to the date of termination.

Other Notes

For all other notes (promissory notes with private parties and placements with Kitsap bank), lenders are entitled to seek monetary damages from the City.

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

Year Ending December 31,	Governmental Activities		Business-Type Activities		Total Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 1,437,700	\$ 106,669	\$ 2,503,310	\$ 494,570	\$ 3,941,010	\$ 601,239
2023	766,900	94,259	2,529,179	453,746	3,296,079	548,005
2024	790,300	80,806	2,554,425	411,902	3,344,725	492,708
2025	823,200	66,291	2,573,751	368,846	3,396,951	435,137
2026	855,000	50,702	2,601,759	325,024	3,456,759	375,726
2027-2031	1,899,900	61,577	10,218,481	1,007,765	12,118,381	1,069,341
2032-2036	—	—	6,237,451	313,146	6,237,451	313,146
2037-2039	—	—	903,289	16,543	903,289	16,543
Total	<u>\$ 6,573,000</u>	<u>\$ 460,304</u>	<u>\$30,121,647</u>	<u>\$3,391,540</u>	<u>\$ 36,694,647</u>	<u>\$ 3,851,844</u>

At December 31, 2021, the City has \$642,874 available in debt service funds to service the general bonded debt. Restricted assets in proprietary funds contain \$1,015,352 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 \$32,582,917 in unrestricted net position, ensuring that funds are available for repayment.

B. Changes in Long-Term Liabilities

During the year ended December 31, 2021, the following changes occurred in long-term liabilities:

	Balance 1/1/2020	Additions	Retirements	Balance 1/1/2021	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 57,360,000	\$ —	\$ 2,745,000	\$54,615,000	2,645,000
Unamortized premium on GO bond	4,967,727	—	392,986	4,574,741	392,986
Total bonds payable	62,327,727	—	3,137,986	59,189,741	3,037,986
WA State Trust Fund loans	173,383	—	173,383	—	—
Other notes	8,285,711	—	1,712,712	6,572,999	1,437,700
Net pension liability - state plans	8,976,690	—	6,844,262	2,132,428	—
Net pension liability - fire pension	508,253	—	122,776	385,477	—
OPEB liability	29,540,866	—	288,671	29,252,195	1,305,000
Compensated absences	6,571,509	3,605,068	3,341,998	6,834,579	683,458
Subtotal	116,384,139	3,605,068	15,621,788	104,367,419	6,464,144
Business-Type Activities					
Enterprise revenue bonds	2,640,000	—	850,000	1,790,000	880,000
Unamortized premium on revenue bond	213,540	—	68,483	145,057	68,483
Total bonds payable	2,853,540	—	918,483	1,935,057	948,483
WA State Trust Fund loans	1,036,635	180,807.11	107,791	1,109,651	117,836
Other notes	29,715,781	1,603,272.61	2,307,057	29,011,997	2,385,472
Net pension liability	2,739,264	—	2,079,817	659,447	0
Compensated absences	1,398,129	1,026,213	972,086	1,452,256	145,226
Subtotal	37,743,348	2,810,293	6,385,234	34,168,407	3,597,017
Total	\$ 154,127,487	\$ 6,415,361	\$ 22,007,022	\$138,535,821	\$ 10,061,161

For the governmental funds and business-type activities, long-term liabilities other than debt (i.e. compensated absences and other postemployment benefits) are generally liquidated in the fund to which the associated employee's salary is charged. 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 \$53,157 of internal service funds compensated absences are included in the above amounts. This liability will be paid from the internal services funds.

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 7B. Firemen's Pension.

C. 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, 2021, the City has no arbitrage rebate liability.

NOTE 10 - CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

The City has entered into various significant contracts which have unpaid portions as of year end. The projects listed below represent both committed construction projects and other projects currently underway as of December 31, 2021:

Project	Fund	Spent to Date	Remaining Commitment	Outside Financing Sources
Griswold's Building Demolition	317 Capital Improvement	—	286,847	N/A
Sequoia STEP Upgrade	462 Sewer Capital Improvement	8,205	166,769	N/A
Miller and Central Lift Station	462 Sewer Capital Improvement	512,455	1,784,500	N/A
Franklin Street Improvements	317/461 Water Capital Improvement	2,800,989	722,563	N/A
Water Street Lift Station	462 Sewer Capital Improvement	278,660	97,993	N/A
2021 CIPP Rehab	464/462 Storm/Sewer Capital Improvement	—	428,709	N/A
Henderson Blvd Emergency Paving	317 Capital Improvement	—	392,238	N/A
Total significant construction commitments		3,600,309	3,879,619	

Project	Fund	Spent to Date	Remaining Commitment	Outside Financing Sources
Interfaith Works - Unity Commons	318 Home Fund Capital	312,448	187,552	N/A
LIHI - Martin Way Phase 2	318 Home Fund Capital	—	150,000	N/A
HATC - Hotel Purchase	318 Home Fund Capital	—	150,000	N/A
FSC - Bellwether Homeless Shelter	318 Home Fund Capital	—	1,400,000	Grant - WA Dept of Commerce
CCS - Franklin St Mitigation Site	142 Home	564,802	637,887	N/A
LIHI - Plum St Village Operations	142 Home	575,342	558,330	N/A
CYS - Rosie's Place Operations	142 Home	189,361	200,000	N/A
Software Implementation Consulting	General Fund	423,000	2,100,398	N/A
Software and Training	General Fund	321,768	4,139,662	N/A
Total other significant commitments		2,386,721	9,523,829	

NOTE 11 - LEASES

A. Operating Leases

The City leases land, building, copiers, and police radios under noncancelable operating leases. Total cost for such leases was \$303,012 for the year ended December 31, 2021. The future minimum lease payments for these leases are as follows:

Year Ending December 31,	Amount
2021	\$20,000
2022	20,000
2023	20,000
2024	20,000
2025	20,000
2026 - 2030	100,000
2031 - 2035	100,000
2036 - 2040	100,000
2041 - 2045	100,000
2046 - 2050	100,000
2051 - 2054	80,000
Total	\$680,000

NOTE 12 - CONTINGENCIES AND LITIGATION

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. The City is not aware of any material claims that need to be accrued at this time.

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 from 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 has completed remediation work at the site. While the contamination levels are lower, the City will continue monitoring in order to apply for a no further action status.

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 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.

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 (former) 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 established an Agreed Order with the Department of Ecology in 2017 to finalize site characterization efforts and determine remedial activities. That work was completed in 2021, subsequent to year-end. The City is in the process of establishing a second Agreed Order with Ecology for the final cleanup action. The City intends to sell the property for commercial development according to the final cleanup action plan, when approved by Ecology. 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 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 13 – RESTRICTED COMPONENT OF NET POSITION

Net position reflects the difference between assets and liabilities, in the government-wide and proprietary fund statement of net position. The net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The following shows the composition of the restricted net position balances reported in the government-wide and proprietary fund statements for the year ended December 31, 2021:

Restricted Net Position			
	Governmental Activities	Business-Type Activities	Total
Restricted by Enabling Legislation:			
Impact fees	\$ 11,350,536	\$ —	\$ 11,350,536
SEPA mitigation	1,209,513	—	1,209,513
Voted park and trails utility tax	6,852,853		6,852,853
Real estate excise tax	8,477,193		8,477,193
Olympia Park District	4,116,076		4,116,076
Boating safety, seizure and forfeitures, other	15,857	—	15,857
Public, educational, governmental cable	385,508		385,508
Housing and homeless programs	9,707,506	—	9,707,506
Transportation	3,322,784	—	3,322,784
Promoting downtown businesses	184,050	—	184,050
Net pension asset	59,929,184	6,207,005	66,136,189
Lodging tax	1,549,401	—	1,549,401
Hands On Children's Museum	509,571	—	509,571
Workers' comp reserve	605,317	—	605,317
Debt service	642,874	1,015,352	1,658,226
Other purposes	2,410	—	2,410
TOTAL RESTRICTED NET POSITION	\$ 108,860,632	\$ 7,222,357	\$ 116,082,989

NOTE 14 - INTERFUND TRANSFERS

Interfund transfers are the flow of assets without a reciprocal return of assets, goods or services. Interfund transfers are used to fund budgeted construction and maintenance projects, move certain revenue sources to debt service funds for principal and interest payments, and move unrestricted general fund revenues to finance various programs that the city must account for in other funds in accordance with laws, regulations, or contracts. There were no significant transfers made during the year that do not occur on a routine basis or that are inconsistent with the activities of the fund making the transfer. The interfund transfer activity for the year is as follows:

TRANSFERS OUT								
Fund Types	General Fund	Other Governmental Funds	Internal Service Funds	Enterprise			Total	
				Drinking Wtr/ Wastewater Funds	Waste Resources Funds	Storm & Surface Water Funds		
General Fund	\$ —	\$ 7,179,048	\$ —	\$ 30,080	\$ 37,540	\$ 37,540	\$ 7,284,208	
Special Revenue Funds	553,500	—	—	—	—	—	553,500	
Debt Service Funds	432,702	2,228,100	—	—	—	—	2,660,802	
Capital Improvement Funds	2,576,849	5,249,582	—	—	—	—	7,826,431	
Internal Service Funds	116,000	—	0	75,000	300,000	227,000	718,000	
Enterprise Funds	60,660	—	41,000	—	—	—	101,660	
Total Transfer Out	<u>\$ 3,739,711</u>	<u>\$ 14,656,730</u>	<u>\$ 41,000</u>	<u>\$ 105,080</u>	<u>\$ 337,540</u>	<u>\$ 264,540</u>	<u>\$ 19,144,601</u>	

NOTE 15 – RECEIVABLE BALANCES

The City participates in several 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, 2021, the receivables from other governmental units consisted of the following:

Governmental Funds		
General Fund		
Tumwater Fire Department	\$ 10,502	
Thurston County Fire District 9	16,931	
WA State Emergency Management Division	19,076	
Thurston County Medic	533,218	
Department of Ecology	0	
Criminal Justice Training Comm	10,024	
Thurston County Fire District 3	17,451	
Thurston County Fire District 8	26,865	
West Thurston Fire Authority	23,238	
Thurston County Fire District 13	3,720	
Mason County Fire District 4	7,336	
Bullet Proof Partnership	3,832	
Environmental Protection Agency	68,885	
City of Olympia PBIA	1,715	
Federal Emergency Management Agency	38,555	
Office of Justice Program	25,269	
Thurston County	343,041	
Department of Housing and Urban Development	7,406	
		1,157,064.00
Special Revenue Funds		
Department of Housing and Urban Development	52,760	
		52,760.00
Capital Project Funds		
Department of Ecology	21,255	
Department of Transportation	172,545	
Recreation and Conservation	56,888	
		\$ 250,688
Total governmental		<u>\$ 1,460,512</u>
Business-Type Funds		
Enterprise Funds		
City of Lacey	\$ 10,373	
Tumwater Fire Department	2,054	
WA State Emergency Management Division	1,118,470	
Department of Ecology	137,771	
Department of Commerce	5,750	
Thurston County Stormwater Utility	8,858	
		1,283,276
Internal Service Funds		
WA Stat Dept of Enterprise Systems Fleet	8,247	
WA Consolidated Mail Services	393	
		8,640
Total business-type		<u>\$ 1,291,916</u>

B. Current and Non-Current Long-Term Receivables

At December 31, 2021, the receivables from current and long-term notes, contracts, and loans receivable consisted of the following:

	Current	Non-Current	Total
General Fund			
HUD Downtown Housing	\$ 61,658	\$ 2,002,607	\$ 2,064,266
Subtotal - General Fund	61,658	2,002,607	2,064,266
Special Revenue Funds			
HUD CDBG Block/Shelter Grant	49,709	4,187,020	4,236,729
Subtotal - Special Revenue Funds	49,709	4,187,020	4,236,729
Total Long Term Receivables	<u>\$ 111,367</u>	<u>\$ 6,189,627</u>	<u>\$ 6,300,995</u>

NOTE 16 - 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 2021 the City of Olympia had a 22.93 percent share of the equity. Net Position as of December 31, 2021, was \$3,297,159. 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 \$756,039.

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 custodial 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, 2021, the City of Olympia has a 42.00% share of the equity. Net position as of December 31, 2021, was \$239,189. 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 \$100,457.

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 fiduciary 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 2021, the City of Olympia received \$700,739 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 2021, the City of Olympia contributed \$104,737, which is received by Thurston County Public Health and Social Services Department.

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 2021:

Aggregate OPEB Amounts - All Plans		
OPEB liabilities	\$	29,252,195
OPEB assets		—
Deferred outflows of resources		—
Deferred inflows of resources		—
OPEB expenses/expenditures		582,152

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

Employees Covered By the Benefit Terms at December 31, 2021:

Inactive employees of beneficiaries currently receiving benefits	64
Inactive employees entitled to but not yet receiving benefits	N/A
Active employees	N/A
Total	64

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 \$357,885 in medical benefits for plan members in year ending December 31, 2021.

Assumptions and Other Inputs	
Discount Rate	3.00%
Mortality Table	RP-2000 Mortality Table
Mortality Improvements	100% of Projection Scale BB
Age Setback	-1 year males/+1 year females/+2 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 Rates	1% Increase
Total OPEB Liability	\$ 25,615,552	\$ 29,252,195	\$ 33,559,194

The following presents the total OPEB liability of the City calculated using the discount rate of 2 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1 percent) or 1 percentage point higher (3 percent) than the current rate.

	1% Decrease 1.00%	Discount Rate of 2.00%	1% Increase 3.00%
Total OPEB Liability	\$ 30,341,552	\$ 29,252,195	\$ 28,896,804

Changes in the Total OPEB Liability

LEOFF1	
Total OPEB Liability at 1/1/2020	\$ 29,540,866
Service cost	—
Interest	582,152
Effect of plan changes	—
Effect of economic/demographic gains or losses	—
Effect of assumption changes or inputs	—
Expected benefit payments	(870,823)
Total OPEB liability at 12/31/2021	<u>\$ 29,252,195</u>

The measurement date of the actuarial valuation was December 31, 2021.

The actuarial valuation was January 1, 2020.

The reporting date is December 31, 2021, the fiscal year ending date.

In 2021 the discount rate remained at 2.00%. No significant changes were made to the assumptions or other inputs. 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.

For 2021, the actuarially determined contribution is equal to the budgeted contribution developed in the January 1, 2020 actuarial valuation report, dated November 10, 2020. The contributions calculated in that report were scheduled to be sufficient to amortize the actuarial deficiency by the end of 2025.

The medical trend was updated to reflect the H.R. 1865 Further Consolidated Appropriations Act, 2020, which became law on December 20, 2019. This law repeals the excise tax for high cost or “Cadillac” health plans completely. As of the January 1, 2020 valuation date, the excise tax for high cost or “Cadillac” health plans were not valued.

B. AWC Benefits

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.

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 & Asuris HealthFirst 1000	
Retiree only - Non-Medicare Coverage	\$ 1,092
Retiree & Spouse - Non-Medicare Coverage	2,194
Retiree with Medicare A&B (Medicare Advantage)	380
Retiree & Spouse with Medicare A&B (Medicare Advantage)	380
Kaiser Permanente 1000	
Retiree only - Non-Medicare Coverage	1,007
Retiree & Spouse - Non-Medicare Coverage	1,984
Retiree with Medicare Coverage & Spouse without	492
Retiree & Spouse - with Medicare Coverage	492
Delta Dental of Washington	
Retiree only	62
Retiree & Spouse	125
Retiree & Child(ren)	125
Retiree & Spouse & Child(ren)	187

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

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.

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
NWFFT Plan \$1500	
Retiree only	\$ 641
Retiree & Spouse	1,400
Retiree & 1 Dependent	1,045
Retiree & 2 Dependent	1,258
Retiree, Spouse & 1 Dependent	1,804
Retiree, Spouse & 2 Dependents	2,017
NWFFT Plan \$5000	
Retiree only	580
Retiree & Spouse	1,266
Retiree & 1 Dependent	945
Retiree & 2 Dependent	1,138
Retiree, Spouse & 1 Dependent	1,632
Retiree, Spouse & 2 Dependents	1,824
NWFFT Retiree Dental	
Retiree only	52
Retiree & Spouse	96
Retiree & 1 Dependent	96
Retiree & 2 Dependent	147
Retiree, Spouse & 1 Dependent	147
Retiree, Spouse & 2 Dependents	147
NWFFT Plan \$50	
Retiree only	1,093
Retiree & Spouse	2,387
Retiree & 1 Dependent	1,785
Retiree & 2 Dependent	2,148
Retiree, Spouse & 1 Dependent	3,079
Retiree, Spouse & 2 Dependents	3,442

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 – ACCOUNTING AND REPORTING CHANGES, AND OTHER DISCLOSURES

A. Changes in Accounting

In Fiscal Year 2021, the City did not implement any accounting and reporting changes.

The following GASB pronouncements have been issued and were effective during the current fiscal year, however they did not apply to the City:

- GASB Statement No. 91, Conduit Debt Obligations
- GASB Statement No. 93, Replacement of Interbank Offered Rates
- GASB Statement No. 97, Certain Component Unit Criteria (paragraphs 4 and 5 only)

The following GASB pronouncements have been issued, but are not yet effective as of December 31, 2021, some as a result of GASB 95 postponement of certain effective dates:

- GASB Statement No. 87, Leases
- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements
- GASB Statement No. 96, Subscription-based Information Technology Arrangements

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

Below is the calculation of net position, net investment in capital assets:

Governmental Activities:		Business-Type Activities:	
Capital assets, net of depreciation	\$ 267,856,855	Capital assets, net of depreciation	\$ 134,649,874
General obligation bonds payable	(54,615,000)	Revenue bonds payable	(1,790,000)
Unamortized premium on bonds	(4,574,742)	Unamortized premium on bonds	(145,057)
Deferred outflow - amount on refunding	439,854	Loans payable to other governments	(30,121,647)
Loans payable to other governments	(6,572,999)		
Unspent capital related borrowings	—		
Net investment in capital assets	\$ 202,533,968	Net investment in capital assets	\$ 102,593,170

Note 19 - EFFECTS OF COVID-19

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

The City of Olympia issued a proclamation of local emergency on March 17, 2020 in order to support measures that may be needed in order to protect public health, safety and welfare within the City. An emergency order was issued to close public facilities, including recreations centers and City Hall, and on March 18, 2020 the City closed outdoor recreations facilities including parks and playgrounds.

City Services continued to be offered online such as applications for permits and business licensing and payment of utility bills. In line with the Governors orders, extensions to pay utility bills and taxes were granted to our business and residential community along with waiving any penalties for late payment.

Since then, the City has participated in phased reopening in according with local laws and guidance. Public facilities and City Hall have largely reopened as a result. Subsequent to year-end, utility bill deferral programs ended and the City resumed collecting fees and fines.

The City has continued to pursue funding assistance from federal and state governments. Accordingly, the City received approximately \$4.6 million of Federal American Rescue Plan Act funds in 2021 and expects another payment of the same amount in 2022.

These funds have been used and will continue to be used for the following objectives:

- Support public health response
- Address negative economic impacts
- Replace public sector revenue loss

The length of time these measures will continue to be in place, and the full extent of the financial impact of this pandemic on the City is unknown at this time.

Note 20 - Other Subsequent Events

Subsequent to year end, the City made a significant purchase of approximately six acres of property on Franz-Anderson Road. The purchase price was approximately \$1.8 million dollars. The long-term goal of the property is to build a supportive housing facility. The project is a collaborative effort with Thurston County via an interlocal agreement.

Additionally in April 2022, Proposition No. 1 was approved by the requisite number of City voters and its passage was certified by the County Auditor on May 6, 2022 imposing a sales and use tax for the purposes authorized under Chapter 36.160 RCW and as provided by RCW 82.14.525, for a period of seven consecutive years. Proceeds from this tax will be used to fund a cultural access program for certain public school students. The sales and use tax shall be imposed at a rate of one-tenth of one percent (0.1%) of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax.

Required Supplementary Information



**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - General Fund
For Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
REVENUES				
Taxes	\$ 58,356,981	\$ 58,654,672	\$ 63,424,635	\$ 4,769,963
Licenses and permits	3,976,195	3,976,695	3,473,206	(503,489)
Intergovernmental revenues	2,854,705	5,618,711	5,086,342	(532,369)
Charges for services	19,021,504	19,669,464	18,779,674	(889,790)
Fines and forfeits	708,273	708,273	588,551	(119,722)
Miscellaneous revenues	3,546,437	3,738,501	3,223,084	(515,417)
Total revenues	88,464,095	92,366,316	94,575,492	2,209,176
EXPENDITURES				
Current:				
General government services	33,253,178	37,728,717	28,979,405	(8,749,312)
Security of persons & property	41,634,742	43,140,226	41,547,555	(1,592,671)
Utilities and environment	—	—	9,883	9,883
Transportation	4,185,811	4,199,461	1,629,349	(2,570,112)
Economic environment	3,768,794	8,240,326	2,699,963	(5,540,363)
Mental and physical health	1,485,764	1,981,323	1,309,393	(671,930)
Culture and recreation	9,633,132	10,268,833	8,209,862	(2,058,971)
Debt service:				
Interest	—	—	—	—
Capital outlays	24,500	102,069	6,710,058	6,607,989
Total expenditures	93,985,921	105,660,955	91,095,468	(14,565,487)
Excess (deficiency) of revenues over expenditures	(5,521,826)	(13,294,639)	3,480,024	16,774,663
OTHER FINANCING SOURCES (USES)				
Transfers in	8,146,865	14,727,182	7,284,208	(7,442,974)
Transfers out	5,217,025	10,521,322	3,739,711	(6,781,611)
Insurance Proceeds	—	—	11,363	11,363
Sale of capital assets	—	—	800,000	800,000
Total other financing sources (uses)	2,929,840	4,205,860	4,355,860	150,000
Excess (deficiency) of revenues and other sources and expenditures and other uses	(2,591,986)	(9,088,779)	7,835,884	16,924,663
FUND BALANCE JANUARY 1	38,887,674	38,887,674	38,887,674	—
FUND BALANCE DECEMBER 31	<u>\$36,295,688</u>	<u>\$29,798,895</u>	<u>\$46,723,558</u>	<u>\$16,924,663</u>

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - HUD Fund
For Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 395,684	\$ 460,684	\$ 412,979	\$ (47,705)
Miscellaneous revenues	76,668	126,668	126,610	(58)
Total revenues	472,352	587,352	539,589	(47,763)
EXPENDITURES				
Current:				
Economic environment	472,704	587,704	541,625	(46,079)
Debt service:				
Principal retirement	—	—	—	—
Interest	—	—	—	—
Capital outlays	—	—	—	—
Total expenditures	472,704	587,704	541,625	(46,079)
Excess (deficiency) of revenues over expenditures	(352)	(352)	(2,036)	(1,684)
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	—	—	—	—
Excess (deficiency) of revenues and other sources and expenditures and other uses	(352)	(352)	(2,036)	(1,684)
FUND BALANCE JANUARY 1	89,496	89,496	89,496	—
Prior period adjustment	0	0	(20,953)	0
FUND BALANCE DECEMBER 31	\$ 89,144	\$ 89,144	\$ 66,507	\$ (1,684)

Schedule of Proportionate Share of Net Pension Liability - 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 2020, the City of Olympia's Statement of Net Position reported the required pension information as a result of GASB Statement 68. The following charts are reflected these statements.

As of June 30, 2021, 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)	Covered payroll	City of Olympia's proportionate share of the net pension liability as a percentage of covered 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,*					
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%	61.40%
2018	0.237422%	10,603,347	31,045,213	34.15%	63.22%
2019	0.236711%	9,102,378	32,788,947	27.76%	67.12%
2020	0.230250%	8,129,068	34,335,530	23.68%	68.64%
2021	0.228611%	2,791,875	34,806,550	8.02%	88.74%
Schedule of Proportionate Share of the Net Pension Liability - PERS 2/3-For Year Ended June 30,*					
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%
2019	0.285886%	2,776,925	31,188,867	8.90%	97.77%
2020	0.280457%	3,586,885	32,648,103	10.99%	97.22%
2021	0.275841%	(27,478,202)	33,155,866	-82.88%	120.29%
Schedule of Proportionate Share of the Net Pension Liability - PSERS 2-For Year Ended June 30,*					
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%
2019	0.278297%	(36,190)	1,280,621	-2.83%	101.85%
2020	0.218684%	(30,091)	1,339,659	-2.25%	101.68%
2021	0.194121%	445,972	1,317,025	33.86%	123.67%
Schedule of Proportionate Share of the Net Pension Liability - LEOFF Plan 1-For Year Ended June 30,*					
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%
2019	0.144062%	(2,847,545)	—	0.00%	148.78%
2020	0.144254%	(2,724,450)	—	0.00%	146.88%
2021	0.147395%	(5,049,107)	—	0.00%	187.45%
* This schedule is to be built prospectively until ten years of data are available and represents the Plan's 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	Covered payroll	City of Olympia's proportionate share of the net pension liability as a percentage of covered 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,*							
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	0.586600%	(11,909,198)	(7,710,975)	(19,620,173)	19,239,605	-101.98%	118.50%
2019	0.582174%	(13,487,184)	(8,832,305)	(22,319,489)	20,367,809	-109.58%	119.43%
2020	0.542861%	(11,073,572)	(7,080,710)	(18,154,282)	20,461,637	-88.72%	115.83%
2021	0.570946%	(33,162,907)	(21,393,695)	(54,556,602)	22,058,377	-247.33%	142.00%
* This schedule is to be built prospectively until ten years of data are available and represents the Plan's fiscal year-end.							

Schedule of Employer Contributions

As of December 31, 2021, 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 payroll	Contributions as a percentage of covered payroll
Schedule of Contributions - PERS Plan 1-For Year Ended December 31,*					
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	5.17%
2019	1,636,706	1,636,706	—	33,914,415	4.83%
2020	1,671,105	1,671,105	—	32,945,770	5.07%
2021	1,561,018	1,561,018	—	36,013,564	4.33%
Schedule of Contributions - PERS 2/3-For Year Ended December 31,*					
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	7.52%
2019	2,448,813	2,448,813	—	32,232,400	7.60%
2020	2,583,388	2,583,388	—	32,618,806	7.92%
2021	2,456,978	2,456,978	—	34,478,331	7.13%
Schedule of Contributions - PSERS 2-For Year Ended December 31,*					
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	7.20%
2019	95,554	95,554	—	1,339,090	7.14%
2020	98,355	98,355	—	1,366,111	7.20%
2021	87,369	87,369	—	1,278,099	6.84%
Schedule of Contributions - LEOFF Plan 2-For Year Ended December 31,*					
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%
2019	1,073,409	1,073,409	—	20,510,827	5.23%
2020	1,095,171	1,095,171	—	21,187,728	5.17%
2021	1,150,270	1,150,270	—	22,257,509	5.17%
*This Schedule is to be built prospectively until it contains ten years of data and represents the plan's fiscal year end. Schedule does not include LEOFF 1 because there are no employer contributions to this plan.					

Schedule of Changed in Net Pension Liability - Firemen's Pension Plan

The Required Supplementary Information related to the Firemen's Pension Fund Plan provides detailed disclosures related to GASB Statements 67 and 68. During the reporting year of 2021, 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 are reflected in these statements.

As of January 1, 2020, the most recent actuarial valuation date, the changes in net pension liability and related ratios was as follows:

Firemen's Pension Fund Plan - Schedule of Changes in Net Pension Liability and Related Ratios (Dollar amounts in thousands) Fiscal Year Ending December 31,								
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Interest on total pension liability	\$ 166	\$ 187	\$ 246	\$ 230	\$ 201	\$ 198	\$ 187	\$ 191
Effect of economic/demographic gains/(losses)	—	(943)	—	—	1,196	—	(171)	—
Effect of assumption changes/inputs	—	(136)	760	(307)	167	(147)	602	135
Benefit payments	(358)	(356)	(361)	(364)	(355)	(326)	(294)	(277)
Net change in total pension liability	(192)	(1,248)	645	(441)	1,209	(275)	324	49
Total pension liability, beginning	5,714	6,962	6,317	6,758	5,549	5,824	5,500	5,451
Total pension liability, ending (a)	5,522	5,714	6,962	6,317	6,758	5,549	5,824	5,500
Fiduciary Net Position								
Employer contributions	288	288	288	266	205	100	154	1,077
Tax	107	102	102	101	94	92	91	91
Net investment income	(102)	261	167	83	75	44	3	15
Prior period adjustment	—	—	(4)	(36)	—	—	—	—
Benefit payments	(358)	(356)	(362)	(364)	(355)	(326)	(294)	(277)
Medical payment from fund	—	—	—	—	—	—	—	(460)
Administrative expenses	(3)	(12)	(3)	(12)	(2)	(12)	(1)	(24)
Net change in plan fiduciary net position	(68)	283	187	38	17	(103)	(48)	422
Fiduciary net position, beginning	5,205	4,922	4,735	4,697	4,680	4,783	4,830	4,408
Fiduciary net position, ending (b)	5,137	5,205	4,922	4,735	4,697	4,680	4,783	4,830
Net pension liability, ending = (a) - (b)	\$ 384	\$ 508	\$ 2,039	\$ 1,582	\$ 2,061	\$ 869	\$ 1,041	\$ 670
Fiduciary net position as a percentage of total pension liability	93.04%	91.10%	70.71%	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	N/A	N/A	N/A

Notes to Schedule:

In 2018 and 2019 the "Prior Period Adjustments" are results of overstatements in investment income in prior years.

As of January 1, 2020, the most recent actuarial evaluation date, the employer contributions to the actuarially determined contributions was as follows:

Firemen's 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	
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	
2019	253,000	389,822	(136,822)	—	N/A	
2020	241,000	389,838	(148,838)	—	N/A	
2021	256,000	394,668	(138,668)	—	N/A	

Note to Schedule: Employer contributions for pensions are total contributions to the fund net of disbursement 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 employee contributions.

Actuarial Valuation Information

Valuation date:	January 1, 2020
Actuarial cost method:	Entry Age Normal
Amortization method:	21-year, closed as of January 1, 2008
Remaining amortization period:	3 years
Asset valuation method:	Fair Value

Actuarial Assumptions

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:	3.00%
Discount rate:	3.00%
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 (set forward 2 years for disabled members)

Schedule of Changes in Total OPEB Liability

Changes in Total LEOFF 1 OPEB Liability Fiscal Year Ending December 31,			
	2021	2020	2019
Total LEOFF 1 OPEB Liability*			
Interest on total OPEB liability	\$ 582,152	\$ 825,923	\$ 1,008,697
Effect of economic/demographic gains or losses	—	(655,072)	—
Effect of assumption changes/inputs	—	(257,139)	4,655,989
Benefit payments	(870,823)	(807,389)	(886,440)
Net Changes in Total OPEB Liability	(288,671)	(893,677)	4,778,246
Total OPEB Liability, Beginning	29,540,866	30,434,543	25,656,297
Total OPEB Liability, Ending	\$ 29,252,195	\$ 29,540,866	\$ 30,434,543
Covered payroll	—	—	—
Total OPEB liability as a percentage of covered payroll	N/A	N/A	N/A

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

** No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.*

** There are no active employees participating in the City-sponsored plans, therefore, there is no covered payroll.*

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).

LODGING TAX FUND (132)

This fund is used to account for levied excise taxes for sales and charged for lodging.

PARKS AND REC SIDEWALKS UTILITIES TAX FUND (134)

This fund is used to accounts for additional authorized taxes for improvements to parks, wildlife habitat, natural areas, open space, and recreational sidewalks.

PARKING IMPROVEMENT BENEFIT AREA FUND (PBIA) (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 federal monies received from the American Rescue Plan Act of 2021.

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.

HOME FUND (142)

This fund is used to account for monies from authorized taxes for housing-related purposes as permitted by state law.

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.

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 PWTFI 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 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 LED street light replacement, 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.

CAPITAL IMPROVEMENT FUND (317)

This fund is to track available funds for general capital improvements.

CAPITAL IMPROVEMENTS HOME FUND (318)

This fund is for capital improvements for housing-related purposes as permitted by state law.

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 SERVICE 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 covers 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 claim liability and any possibility of payment of benefits to any entitled worker.

CUSTODIAL FUNDS

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

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.

STATE TAXES AND FEES (630)

This fund accounts for taxes and fees levied by the State or County that have not yet been remitted to the State or County.

Combining Balance Sheet - Other Governmental Funds
December 31, 2021

	SPECIAL REVENUE FUNDS			
	Impact Fees Fund 127	SEPA Mitigation Fund 130	Lodging Tax Fund 132	Parks and Rec Sidewalk Fund 134
ASSETS				
Cash and cash equivalents	\$ 97,480	\$ 48,195	\$ 57,503	\$ 53,134
Investments	11,249,235	1,160,225	1,510,895	6,064,336
Receivables (net of allowances):				
Taxes	—	—	122,207	714,904
Special assessments	—	—	—	—
Accrued interest and penalty	20,436	1,093	1,416	20,478
Other receivables	—	—	—	—
Due from other governmental units	—	—	—	—
Total Assets	11,367,151	1,209,513	1,692,021	6,852,853
LIABILITIES				
Accounts payable	16,344	—	142,621	—
Contracts payable	—	—	—	—
Interfund loan payable	—	—	—	—
Accrued wages payable	—	—	—	—
Other accrued liabilities	271	—	—	—
Deposits payable	—	—	—	—
Unearned revenues	—	—	—	—
Total Liabilities	16,615	—	142,621	—
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - Property taxes	—	—	—	—
Unavailable revenue - Other governmental	—	—	—	—
Total deferred inflows of resources	—	—	—	—
FUND BALANCE:				
Restricted	11,350,536	1,209,513	1,549,401	6,852,853
Committed	—	—	—	—
Total fund balance	11,350,536	1,209,513	1,549,401	6,852,853
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,367,151	\$ 1,209,513	\$ 1,692,021	\$ 6,852,853

Combining Balance Sheet - Other Governmental Funds (Continued)
December 31, 2021

	SPECIAL REVENUE FUNDS			
	Parking	Farmers	Hands On	
	Improvement	Market Repair/	Children's	Transportation
	Benefit Area	Replacement	Museum	Benefit District
	Fund 135	Fund 136	Fund 137	Fund 138
ASSETS				
Cash and cash equivalents	\$ 15,020	\$ 13,020	\$ 74,828	\$ 62,651
Investments	75,728	67,012	434,397	3,247,731
Receivables (net of allowances):				
Taxes	—	—	—	—
Special assessments	—	—	—	—
Accrued interest and penalty	—	58	346	12,442
Other receivables	18,912	—	58,958	—
Due from other governmental units	—	—	—	—
Total Assets	109,660	80,089	568,529	3,322,824
LIABILITIES				
Accounts payable	5,700	—	—	40
Contracts payable	—	—	—	—
Interfund loan payable	—	—	—	—
Accrued wages payable	—	—	—	—
Other accrued liabilities	—	—	—	—
Deposits payable	—	—	—	—
Unearned revenues	—	—	—	—
Total Liabilities	5,700	—	0	40
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - Property taxes	—	—	—	—
Unavailable revenue - Other governmental	—	—	58,958	—
Total deferred inflows of resources	—	—	58,958	—
FUND BALANCE:				
Restricted	103,960	80,089	509,571	3,322,784
Committed	—	—	—	—
Total fund balance	103,960	80,089	509,571	3,322,784
TOTAL LIABILITIES AND FUND BALANCES	\$ 109,660	\$ 80,089	\$ 568,529	\$ 3,322,824

Combining Balance Sheet - Other Governmental Funds (Continued)
December 31, 2021

	Special Revenue Funds			
	Olympia			
	Grants	Real Estate	Metropolitan	
	Control	Excise Tax	Parks District	HOME
	Fund 139	Fund 140	Fund 141	Fund 142
ASSETS				
Cash and cash equivalents	\$ 28,122	\$ 327,486	\$ 64,080	\$ 71,898
Investments	725,222	8,134,856	4,035,021	1,155,150
Receivables (net of allowances):				
Taxes	—	—	58,996	255,957
Special assessments	—	—	—	—
Accrued interest and penalty	—	14,852	2,225	—
Other receivables	—	—	—	—
Due from other governmental units	—	—	—	—
Total Assets	753,343	8,477,193	4,160,321	1,483,006
LIABILITIES				
Accounts payable	—	—	566	605,070
Contracts payable	—	—	—	—
Interfund loan payable	—	—	—	700,000
Accrued wages payable	—	—	—	9,695
Other accrued liabilities	—	—	—	—
Deposits payable	—	—	—	—
Unearned revenues	750,934	—	—	—
Total Liabilities	750,934	—	566	1,318,713
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - Property taxes	—	—	43,680	—
Unavailable revenue - Other governmental	—	—	—	—
Total deferred inflows of resources	—	—	43,680	0
FUND BALANCE:				
Restricted	2,410	8,477,193	4,116,076	164,292
Committed	—	—	—	—
Total fund balance	2,410	8,477,193	4,116,076	164,292
TOTAL LIABILITIES AND FUND BALANCES	\$ 753,343	\$ 8,477,193	\$ 4,160,321	\$ 1,483,006

Combining Balance Sheet - Other Governmental Funds (Continued)
December 31, 2021

	Debt Service Funds			
	LID Obligation Control Fund 208	LID Guaranty Fund 213	4th/5th Ave Bridge PWTFL Repayment Fund 216	UTGO Fire Bond Fund 224
ASSETS				
Cash and cash equivalents	\$ 45	\$ 284	\$ 42	\$ 177
Investments	5,863	70,162	2,582	201,115
Receivables (net of allowances):				
Taxes	—	—	—	287,597
Special assessments	—	—	—	—
Accrued interest and penalty	—	—	—	—
Other receivables	—	—	—	—
Due from other governmental units	—	—	—	—
Total Assets	5,908	70,446	2,624	488,889
LIABILITIES				
Accounts payable	—	—	—	—
Contracts payable	—	—	—	—
Interfund loan payable	—	—	—	—
Accrued wages payable	—	—	—	—
Other accrued liabilities	—	—	—	—
Deposits payable	—	—	—	—
Unearned revenues	—	—	—	—
Total Liabilities	—	—	—	—
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - Property taxes	—	—	—	284,010
Unavailable revenue - Other governmental	—	—	—	—
Total deferred inflows of resources	—	—	—	284,009.78
FUND BALANCE:				
Restricted	5,908	70,446	—	204,879
Committed	—	—	2,624	—
Total fund balance	5,908	70,446	2,624	204,879
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,908	\$ 70,446	\$ 2,624	\$ 488,889

Combining Balance Sheet - Other Governmental Funds (Continued)
December 31, 2021

	Debt Service Funds			
	City Hall	LTGO	Local	Hands On
	Debt	Streets	Debt	Children's
	Fund 225	Bond	Fund 227	Museum Bond
	Fund 225	Fund 226	Fund 227	Fund 228
ASSETS				
Cash and cash equivalents	\$ 2,060	\$ 365	\$ 1	\$ 220
Investments	292,059	22,431	—	40,530
Receivables (net of allowances):				
Taxes	—	—	—	—
Accrued interest and penalty	—	—	—	—
Other receivables	—	—	—	—
Due from other governmental units	—	—	—	—
Total Assets	294,119	22,796	1	40,749
LIABILITIES				
Accounts payable	—	—	—	—
Contracts payable	—	—	—	—
Interfund loan payable	—	—	—	—
Accrued wages payable	—	—	—	—
Other accrued liabilities	—	—	—	—
Deposits payable	—	—	—	—
Unearned revenues	—	—	—	—
Total Liabilities	—	—	—	—
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - Property taxes	—	—	—	—
Unavailable revenue - Other governmental	—	—	—	—
Total deferred inflows of resources	—	—	—	—
FUND BALANCE:				
Restricted	—	—	—	—
Committed	294,119	22,796	1	40,749
Total fund balance	294,119	22,796	1	40,749
TOTAL LIABILITIES AND FUND BALANCES	\$ 294,119	\$ 22,796	\$ 1	\$ 40,749

Combining Balance Sheet - Other Governmental Funds (Continued)
December 31, 2021

	Debt Service Fund		Capital Project Fund	
	LTGO WA Ctr Lighting, Park Bond Fund 229	LTGO Bond Anticipation Note Fund 230	Capital Improvement Fund 317	Home Fund Capital Fund 318
ASSETS				
Cash and cash equivalents	345	101	75,305	77,105
Investments	341	564	7,676,473	2,879,277
Receivables (net of allowances):				
Taxes	—	—	476,276	336,490
Accrued interest and penalty	—	—	9,354	2,516
Other receivables	—	—	—	—
Due from other governmental units	—	—	250,688	—
Total Assets	687	665	8,488,097	3,295,388
LIABILITIES				
Accounts payable	—	—	244,090	116,789
Contracts payable	—	—	45,714	2,886
Interfund loan payable	—	—	—	—
Accrued wages payable	—	—	26,993	—
Other accrued liabilities	—	—	—	—
Deposits payable	—	—	1,650	—
Unearned revenues	—	—	—	—
Total Liabilities	—	—	318,447	119,675
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - Property taxes	—	—	—	—
Unavailable revenue - Other governmental	—	—	—	—
Total deferred inflows of resources	—	—	0	0
FUND BALANCE:				
Restricted	—	—	—	3,175,713
Committed	687	665	8,169,650	—
Total fund balance	687	665	8,169,650	3,175,713
TOTAL LIABILITIES AND FUND BALANCES	\$ 687	\$ 665	\$ 8,488,097	\$ 3,295,388

Combining Balance Sheet - Other Governmental Funds (Continued)
December 31, 2021

	Capital Project Funds		
	City Hall Construction Fund 325	Fire Equipment Reserve Fund 331	Total Other Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 730	\$ 886	\$ 1,071,082
Investments	3,495	269,569	49,324,270
Receivables (net of allowances):			
Taxes	—	—	2,252,426
Accrued interest and penalty	3	1,284	86,501
Other receivables	—	—	77,871
Due from other governmental units	—	—	250,688
Total Assets	4,228	271,738	53,062,839
LIABILITIES			
Accounts payable	—	3,935	1,135,155
Contracts payable	—	—	48,600
Interfund loan payable	—	—	700,000
Accrued wages payable	—	—	36,688
Other accrued liabilities	—	—	4,219
Deposits payable	—	—	1,650
Unearned revenues	—	—	750,934
Total Liabilities	—	3,935	\$ 2,677,245
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Property taxes	—	—	327,690
Unavailable revenue - Other governmental	—	—	58,958
Total deferred inflows of resources	—	—	386,648
FUND BALANCE:			
Restricted	—	—	41,195,623
Committed	4,228	267,803	8,803,323
Total fund balance	4,228	267,803	49,998,946
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,228	\$ 271,738	\$ 53,062,839

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Other Governmental Funds
For Year Ended December 31, 2021**

	Special Revenue Funds				
	Impact Fees Fund 127	SEPA Mitigation Fund 130	Lodging Tax Fund 132	Parks and Rec Sidewalk Fund 134	Parking Improvement Benefit Area Fund 135
REVENUES					
Taxes	\$ —	\$ —	\$ 879,494	\$ 2,714,224	\$ —
Licenses and permits	—	—	—	—	—
Intergovernmental revenues	—	—	—	—	—
Charges for services	3,205,992	2,123	—	—	—
Fines and forfeits	—	—	—	—	—
Rents and leases	—	—	—	—	—
Miscellaneous revenues	80,457	9,047	14,458	34,722	22,488
Total revenues	3,286,449	11,170	893,951	2,748,946	22,488
EXPENDITURES					
Current:					
General government services	—	—	—	—	25,371
Public safety	—	—	—	—	531
Transportation	—	—	—	—	—
Economic environment	—	—	495,317	—	—
Culture and recreation	—	—	—	180	—
Debt service:					
Principal retirement	—	—	—	—	—
Interest	—	—	—	—	—
Capital outlays	—	—	—	—	—
Total expenditures	—	—	495,317	180	25,901
Excess (deficiency) of revenues over expenditures	3,286,449	11,170	398,635	2,748,766	(3,414)
OTHER FINANCING SOURCES (USES)					
Transfers in	—	—	—	—	53,500
Transfers out	(1,893,112)	(199,175)	(423,365)	(250,158)	(46,500)
Total other financing sources (uses)	(1,893,112)	(199,175)	(423,365)	(250,158)	7,000
Net change in fund balances	1,393,337	(188,005)	(24,730)	2,498,608	3,586
FUND BALANCE JANUARY 1	9,957,199	1,397,518	1,574,131	4,354,244	100,374
FUND BALANCE DECEMBER 31	\$ 11,350,536	\$ 1,209,513	\$ 1,549,401	\$ 6,852,853	\$ 103,960

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Other Governmental Funds
(Continued)
For Year Ended December 31, 2021**

	Special Revenue Funds				
	Farmers Market Repair/ Replacement Fund 136	Hands On Children's Museum Fund 137	Transportation Benefit District Fund 138	Grants Control Fund 139	Real Estate Excise Tax Fund 140
REVENUES					
Taxes	\$ —	\$ —	\$ 1,695,288	\$ —	\$ 3,484,079
Licenses and permits	—	—	—	—	—
Intergovernmental revenues	—	700,739	—	—	—
Charges for services	—	—	—	—	—
Rents and leases	—	—	—	—	—
Miscellaneous revenues	549	15,042	37,487	2,410	80,337
Total revenues	549	715,780	1,732,775	2,410	3,564,416
EXPENDITURES					
Current:					
General government services	—	15,165	2,538	—	—
Transportation	—	—	—	—	—
Economic environment	—	—	—	—	—
Culture and recreation	—	—	—	—	—
Debt service:					
Principal retirement	—	—	—	—	—
Interest	—	—	—	—	—
Capital outlays	—	—	—	—	—
Total expenditures	—	15,165	2,538	—	—
Excess (deficiency) of revenues over expenditures	549	700,615	1,730,237	2,410	3,564,416
OTHER FINANCING SOURCES (USES)					
Transfers in	—	—	—	—	—
Issuance of refund bonds	—	—	—	—	—
agent	—	—	—	—	—
Sale of capital assets	—	—	—	—	—
Insurance proceeds	—	—	—	—	—
Transfers out	—	(628,521)	(2,379,275)	—	(1,689,776)
Total other financing sources (uses)	—	(628,521)	(2,379,275)	—	(1,689,776)
Net change in fund balances	549	72,094	(649,038)	2,410	1,874,640
FUND BALANCE JANUARY 1	79,541	437,476	3,971,822	—	6,602,553
FUND BALANCE DECEMBER 31	<u>\$ 80,089</u>	<u>\$ 509,571</u>	<u>\$ 3,322,784</u>	<u>\$ 2,410</u>	<u>\$ 8,477,193</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Other Governmental Funds
(Continued)
For Year Ended December 31, 2021**

	Special Revenue Fund		Debt Service Funds		
	Olympia Metropolitan Parks District Fund 141	HOME Fund 142	LID Obligation Control Fund 208	LID Guaranty Fund 213	4th/5th Ave Bridge PWTF Repayment Fund 216
REVENUES					
Taxes	\$ 4,388,161	\$ 1,647,664	\$ —	\$ —	\$ 174,250
Licenses and permits	—	—	—	—	—
Intergovernmental revenues	26,127	791,693	—	—	—
Charges for services	—	—	—	—	—
Rents and leases	—	1	—	—	—
Miscellaneous revenues	12,400	110,107	5	73	3
Total revenues	4,426,688	2,549,464	5	73	174,253
EXPENDITURES					
Current:					
General government services	—	18,010	—	—	—
Public safety	—	—	—	—	—
Utilities and environment	—	—	—	—	—
Transportation	—	—	—	—	—
Economic environment	—	2,861,532	—	—	—
Culture and recreation	9,250	—	—	—	—
Debt service:					
Principal retirement	—	—	—	—	173,382
Interest	—	—	—	—	867
Capital outlays	—	—	—	—	—
Total expenditures	9,250	2,879,543	—	—	174,249
Excess (deficiency) of revenues over expenditures	4,417,438	(330,079)	5	73	3
OTHER FINANCING SOURCES (USES)					
Transfers in	—	500,000	—	—	—
Issuance of refund bonds	—	—	—	—	—
agent	—	—	—	—	—
Sale of capital assets	—	—	—	—	—
Insurance proceeds	—	—	—	—	—
Transfers out	(3,181,509)	(63,562)	—	—	—
Total other financing sources (uses)	(3,181,509)	436,438	—	—	—
Net change in fund balances	1,235,929	106,359	5	73	3
FUND BALANCE JANUARY 1	2,880,147	57,933	5,903	70,374	2,620
FUND BALANCE DECEMBER 31	<u>\$ 4,116,076</u>	<u>\$ 164,292</u>	<u>\$ 5,908</u>	<u>\$ 70,446</u>	<u>\$ 2,624</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Other Governmental Funds
(Continued)
For Year Ended December 31, 2021**

	Debt Service Funds				
	UTGO Fire Bond Fund 224	City Hall Debt Fund 225	LTGO Streets Bond Fund 226	Local Debt Fund 227	Hands On Children's Museum Bond Fund 228
REVENUES					
Taxes	\$ 1,058,794	\$ 2,045,934	\$ —	\$ —	\$ —
Licenses and permits	—	—	—	—	—
Intergovernmental revenues	—	162,200	—	—	—
Charges for services	—	—	—	—	—
Rents and leases	—	—	—	—	—
Miscellaneous revenues	407	2,587	134	—	80
Total revenues	1,059,201	2,210,721	134	—	80
EXPENDITURES					
Current:					
General government services	—	—	—	—	—
Transportation	—	—	—	—	—
Economic environment	—	—	—	—	—
Culture and recreation	—	—	—	—	—
Debt service:					
Principal retirement	675,000	995,000	333,500	—	379,211
Interest	372,800	1,360,303	61,062	—	57,110
Capital outlays	—	—	—	—	—
Total expenditures	1,047,800	2,355,303	394,562	—	436,321
Excess (deficiency) of revenues over expenditures	11,401	(144,581)	(394,428)	—	(436,241)
OTHER FINANCING SOURCES (USES)					
Transfers in	—	147,219	394,562	—	436,321
Issuance of refund bonds agent	—	—	—	—	—
Sale of capital assets	—	—	—	—	—
Insurance proceeds	—	—	—	—	—
Transfers out	—	—	—	—	—
Total other financing sources (uses)	—	147,219	394,562	—	436,321
Net change in fund balances	11,401	2,638	134	—	80
FUND BALANCE JANUARY 1	193,478	291,482	22,663	1	40,670
FUND BALANCE DECEMBER 31	<u>\$ 204,879</u>	<u>\$ 294,119</u>	<u>\$ 22,796</u>	<u>\$ 1</u>	<u>\$ 40,749</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Other Governmental Funds
(Continued)
For Year Ended December 31, 2021**

	Debt Service Funds		Capital Project Funds	
	LTGO WA Ctr Lighting, Park Bond Fund 229	LTGO Bond Anticipation Note Fund 230	Capital Improvement Fund 317	Home Fund Capital Fund 318
REVENUES				
Taxes	\$ —	\$ —	\$ 1,829,473	\$ 1,864,121
Licenses and permits	—	—	14,950	—
Intergovernmental revenues	—	—	1,996,040	2,200,000
Charges for services	—	—	8,902	—
Rents and leases	—	—	11,585	—
Miscellaneous revenues	191	214	32,220	19,594
Total revenues	191	214	3,893,169	4,083,715
EXPENDITURES				
Current:				
General government services	—	—	86,045	—
Transportation	—	—	1,248,350	—
Economic environment	—	—	221,784	—
Culture and recreation	—	—	891,747	—
Debt service:				
Principal retirement	560,000	515,000	1,000,000.00	—
Interest	114,325	493,263	—	6,753.67
Capital outlays	—	—	6,259,770	3,671,256
Total expenditures	674,325	1,008,263	9,707,696	3,678,009
Excess (deficiency) of revenues over expenditures	(674,134)	(1,008,048)	(5,814,527)	405,705
OTHER FINANCING SOURCES (USES)				
Transfers in	674,325	1,008,375	7,389,431	237,000
Issuance of refund bonds agent	—	—	—	—
Sale of capital assets	—	—	—	—
Insurance proceeds	—	—	—	—
Transfers out	—	—	(3,754,559)	—
Total other financing sources (uses)	674,325	1,008,375	3,634,872	237,000
Net change in fund balances	191	327	(2,179,655)	642,705
FUND BALANCE JANUARY 1	496	338	10,349,306	2,533,007
FUND BALANCE DECEMBER 31	\$687	\$665	\$ 8,169,651	\$ 3,175,713

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Other Governmental Funds
(Continued)
For Year Ended December 31, 2021**

	Capital Improvement Fund		
	City Hall Construction Fund 325	Fire Equipment Reserve Fund 331	Total Other Governmental
REVENUES			
Taxes	\$ —	\$ —	\$ 21,781,481
Licenses and permits	—	—	14,950
Intergovernmental revenues	—	—	5,876,797
Charges for services	—	—	3,217,016
Rents and leases	—	—	11,586
Miscellaneous revenues	29	(9,380)	465,658
Total revenues	29	(9,380)	31,367,488
EXPENDITURES			
Current:			
General government services	—	—	147,129
Public safety	—	—	531
Transportation	—	—	1,248,350
Economic environment	—	—	3,578,634
Culture and recreation	—	—	901,177
Debt service:			
Principal retirement	—	—	4,631,093
Interest	—	—	2,466,483
Capital outlays	—	1,829,672	11,760,698
Total expenditures	—	1,829,672	24,734,094
Excess (deficiency) of revenues over expenditures	29	(1,839,052)	6,633,395
OTHER FINANCING SOURCES (USES)			
Transfers in	—	200,000	11,040,733
Transfers out	—	(147,219)	(14,656,730)
Total other financing sources (uses)	—	52,781	(3,615,997)
Net change in fund balances	29	(1,786,271)	3,017,398
FUND BALANCE JANUARY 1	4,199	2,054,074	46,981,548
FUND BALANCE DECEMBER 31	4,228	267,803	49,998,946

Combining Statement of Net Position - Internal Service Funds

December 31, 2021

	Governmental Activities - Internal Service Funds				
	Equipment Rental	Unemployment Compensation	Risk Management	Workers' Compensation	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 80,950	\$ 55,426	\$ 38,828	\$ 1,352	\$ 176,557
Investments	7,970,714	728,936	391,012	1,913,153	11,003,815
Receivables					
Accrued interest and penalty	18,191	511	63	5,406	24,172
Other receivables	—	4,396	—	45,848	50,244
Interfund loan receivable	700,000	—	—	—	700,000
Other governmental units	8,640	—	—	—	8,640
Inventories	199,904	—	—	—	199,904
Other current assets	—	—	—	125,004	125,004
Total current assets	8,978,399	789,269	429,902	2,090,764	12,288,334
Non-current assets					
Capital assets, net of depreciation	6,405,339	—	—	—	6,405,339
Net pension asset	348,709	—	—	—	348,709
Restricted cash and investments	—	—	—	191,677	191,677
Total non-current assets	6,754,048	—	—	191,677	6,945,725
Total assets	15,732,447	789,269	429,902	2,282,441	19,234,060
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflow - Related to Pensions	44,160	—	—	—	44,160
Total Deferred Outflows of Resources	44,160	—	—	—	44,160
LIABILITIES					
Current liabilities					
Accounts payable	147,491	—	210	(209)	147,492
Claims and judgments payable	—	—	—	1,619,184	1,619,184
Due to other governmental units	—	31,156	—	45,442	76,598
Other current liabilities	—	—	—	—	—
Wages payable	27,888	—	—	12,706	40,594
Unearned revenue	—	—	—	—	—
Current portion of long-term obligations	5,316	—	—	—	5,316
Total current liabilities	180,694	31,156	210	1,677,124	1,889,184
Non-current liabilities					
Compensated absences	47,841	—	—	—	47,841
Net pension liability	34,602	—	—	—	34,602
Total non-current liabilities	82,443	—	—	—	82,443
Total liabilities	263,137	31,156	210	1,677,124	1,971,627
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	367,049	—	—	—	367,049
Total deferred inflows of resources	367,049	—	—	—	367,049
NET POSITION					
Net investment in capital assets	6,405,339	—	—	—	6,405,339
Restricted for:					
Workers' comp reserve	—	—	—	191,677	191,677
Net pension asset	348,709	—	—	—	348,709
Unrestricted (deficit)	8,392,372	758,113	429,692	413,640	9,993,818
Total net position	\$ 15,146,421	\$ 758,113	\$ 429,692	\$ 605,317	\$ 16,939,543

**Combining Statement of Revenue, Expenses, and Changes in Fund Net Position - Internal Service Funds
For the Year Ended December 31, 2021**

	Governmental Activities- Internal Service Funds				
	Equipment Rental	Unemployment Compensation	Risk Management	Workers' Compensation	Total
OPERATING REVENUES					
Charges for service	\$ 2,526,860	\$ 104,915	\$ 2,436,184	\$ 1,128,479	\$ 6,196,438
Miscellaneous revenue	2,191,388	—	66,871	59,268	2,317,527
Intergovernmental revenue	—	—	—	—	—
Total operating revenue	4,718,248	104,915	2,503,055	1,187,747	8,513,965
OPERATING EXPENSES					
Administration and overhead	857,567	2,750	10,893	351,438	1,222,648
Operations and maintenance	1,468,032	55,297	2,320,886	1,489,171	5,333,387
Depreciation and amortization	1,288,587	—	—	—	1,288,587
Total operating expenses	3,614,187	58,047	2,331,779	1,840,609	7,844,621
Operating income (loss)	1,104,062	46,868	171,276	(652,863)	669,343
NON-OPERATING REVENUES (EXPENSES)					
Investment earnings	(51,187)	575	251	(13,967)	(64,328)
Gain(loss) on disposal of capital assets	39,740	—	—	—	39,740
Insurance recoveries	5,852	—	—	—	5,852
Total non-operating revenues (expenses)	(5,595)	575	251	(13,967)	(24,588)
Income (loss) before transfers	1,098,467	47,443	171,527	(666,829)	650,607
Transfers in	718,000	—	—	—	718,000
Transfers out	(41,000)	—	—	—	(41,000)
Change in net position	1,775,467	47,443	171,527	(666,829)	1,327,607
Net Position - Beginning	13,370,954	710,670	258,165	1,272,146	15,611,936
Net Position - Ending	<u>\$ 15,146,421</u>	<u>\$ 758,113</u>	<u>\$ 429,692</u>	<u>\$ 605,317</u>	<u>\$ 16,939,543</u>

Combining Statement of Cash Flows - Internal Service Funds
For the Year Ended December 31, 2021

	Governmental Activities - Internal Service Funds				
	Equipment Rental	Unemployment Compensation	Risk Management	Workers' Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	\$ 2,827,488	\$ (4,396)	\$ 66,871	\$ 1,185,497	\$ 4,075,459
Cash received from interfund activity	1,891,742	104,915	2,436,184	2,250	4,435,091
Cash paid to suppliers	(1,773,456)	(42,666)	(2,331,569)	(593,765)	(4,741,455)
Cash paid to employees	(673,925)	—	—	(1,347,542)	(2,021,468)
Net cash provided (used) by operating activities	2,271,848	57,853	171,486	(753,561)	1,747,627
CASH FLOW FROM NON-CAPITAL ACTIVITIES:					
Transfers in	718,000	—	—	—	718,000
Transfers out	(41,000)	—	—	—	(41,000)
Insurance recovery	5,852	—	—	—	5,852
85	—	—	—	—	—
Net cash provided (used) by non-capital activities	682,852	—	—	—	682,852
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of capital assets	(1,593,069)	—	—	—	(1,593,069)
Interfund loan receivable	(350,000)	—	—	150,000	(200,000)
Proceeds from sale of capital assets	108,233	—	—	—	108,233
Net cash provided by capital and related Financing activities	(1,834,836)	—	—	150,000	(1,684,836)
CASH FLOW FROM INVESTING ACTIVITIES:					
Investment (purchases)/ sales	(1,630,198)	(251,770)	(331,913)	410,240	(1,803,641)
Interest on investments	(51,187)	576	251	(13,967)	(64,327)
Net cash provided (used) by investing activities	(1,681,385)	(251,194)	(331,662)	396,273	(1,867,968)
Net increase in cash and cash equivalents	(561,520)	(193,341)	(160,175)	(207,288)	(1,122,324)
Cash and cash equivalents, January 1	642,470	248,767	199,003	400,317	1,490,557
Cash and cash equivalents, December 31	<u>\$ 80,950</u>	<u>\$ 55,426</u>	<u>\$ 38,828</u>	<u>\$ 193,029</u>	<u>\$ 368,233</u>

**Combining Statement of Cash Flows - Internal Service Funds
For the Year Ended December 31, 2021**

	Governmental Activities - Internal Service Funds				
	Equipment Rental	Unemployment Compensation	Risk Management	Workers' Compensation	Total
CASH PROVIDED BY OPERATING ACTIVITIES:					
Net operating income (loss)	\$ 1,104,062	\$ 46,868	\$ 171,276	\$ (652,863)	\$ 669,343
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Depreciation	1,288,587	—	—	—	1,288,587
(Increase) decrease in inventory	1,596	—	—	—	1,596
(Increase) decrease in other current assets	—	(4,396)	—	(28,304)	(32,700)
(Increase) decrease in net pension asset	(348,709)	—	—	—	(348,709)
(Increase) decrease in deferred outflows - pensions	4,744	—	—	—	4,744
Increase (decrease) in compensated absences	(4,982)	—	—	(4,264)	(9,246)
Increase (decrease) in net pension liability	(111,407)	—	—	—	(111,407)
Increase (decrease) in deferred inflows - pensions	318,492	—	—	—	318,492
Increase (decrease) in due to other governments	(615)	15,381	—	(6,320)	8,446
Increase (decrease) in other current liabilities	(187)	—	—	(2,883)	(3,070)
Increase (decrease) in accounts payable	20,268	—	210	(13,079)	7,399
Total adjustments	1,167,787	10,985	210	(100,698)	1,078,284
Net cash provide by operating activities	\$ 2,271,848	\$ 57,853	\$ 171,486	\$ (753,561)	\$ 1,747,627

CASH AND CASH EQUIVALENTS:

RECONCILIATION OF CASH AND CASH EQUIVALENTS REPORTED AT DECEMBER 31

Statement of net position:

Cash and cash equivalents	\$ 80,950	\$ 55,426	\$ 38,828	\$ 1,352	\$ 176,556
Restricted cash	—	—	—	191,677	191,677
Cash and cash equivalents, December 31	\$ 80,950	\$ 55,426	\$ 38,828	\$ 193,029	\$ 368,233

Combining Statement of Fiduciary Net Position - Custodial Funds
December 31, 2021

	Law Enforcement Records Management System	State and County Taxes, Fees, and Fines	Total Custodial Funds
ASSETS			
Cash and cash equivalents	\$ 4,242	\$ 14,600	\$ 18,843
Investments	44,101	—	44,101
Receivables	—	21,214	21,214
Prepayments	172,627	—	172,627
Total assets	<u>220,970</u>	<u>35,813.92</u>	<u>256,784</u>
LIABILITIES			
Accounts payable	—	11,119	11,119
Total liabilities	<u>—</u>	<u>11,119</u>	<u>11,119</u>
NET POSITION			
Restricted for other governments	<u>\$ 220,970</u>	<u>\$ 24,695</u>	<u>\$ 245,665</u>

**Combining Statement of Changes in Fiduciary Net Position - Custodial Funds
For the Year Ended December 31, 2021**

	Law Enforcement Records Management System		State Taxes and Fees		Total	
ADDITIONS						
Collection of funds for other governments:						
Charges for services	\$	436,598	\$	—	\$	436,598
Taxes and licenses		—		798,344		798,344
Court fines and fees		—		214,781		214,781
Total Additions		436,598		1,013,125		1,449,723
DEDUCTIONS						
Disbursement of funds for other governments:						
Charges for services		389,599		—		389,599
Taxes and licenses		—		839,567		839,567
Court fines and fees		—		215,854		215,854
Total Deductions		389,599		1,055,420		1,445,019
CHANGE IN NET POSITION		214,781		53,841		285,809
Net Position - Beginning of the Year		173,972		66,990		240,961
Adjustment to beginning balance for change in accounting principle						
Net Position - End of the Year	\$	220,970	\$	24,695	\$	245,665

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 Taxpayers, 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 annual comprehensive financial reports for the relevant year.

City of Olympia

Schedule 1 - Net Position by Component, Last Ten Years

(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014*	2015**	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net invested in capital assets	177,169,037	181,567,905	182,749,408	182,889,905	180,374,377	178,132,389	181,912,408	180,196,236	187,015,264	202,533,968
Restricted	13,547,730	16,250,647	14,938,346	26,881,135	30,257,414	40,844,856	51,922,452	45,125,068	56,597,024	108,860,632
Unrestricted	28,263,450	24,488,356	11,831,998	4,822,059	6,240,568	3,023,513	(7,037,914)	10,377,521	15,596,238	(7,878,722)
Total governmental activities	<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>226,796,946</u>	<u>235,698,825</u>	<u>259,208,526</u>	<u>303,515,878</u>
Business-Type Activities										
Net invested in capital assets	90,901,306	91,354,309	93,527,138	93,301,224	91,615,999	95,693,051	90,616,220	91,661,021	91,870,559	102,593,170
Restricted	438,233	1,260,733	1,260,900	1,260,900	1,260,900	1,260,900	1,260,900	1,260,900	1,008,673	7,222,357
Unrestricted	21,078,362	20,865,914	16,018,583	17,743,933	23,299,341	22,034,523	30,597,668	31,436,301	35,238,181	32,582,917
Total business-type activities	<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>	<u>124,358,222</u>	<u>128,117,413</u>	<u>142,398,444</u>
Primary Government										
Net invested in capital assets	268,070,343	272,922,214	276,276,546	276,191,129	271,990,376	273,825,440	272,528,628	271,857,257	278,885,823	305,127,138
Restricted	13,985,963	17,511,380	16,199,246	28,142,035	31,518,314	42,105,756	53,183,352	46,385,968	57,605,697	116,082,989
Unrestricted	49,341,812	45,354,270	27,850,581	22,565,992	29,539,909	25,058,036	23,559,754	41,813,822	50,834,419	24,704,196
Total primary government	<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>349,271,734</u>	<u>360,057,047</u>	<u>387,325,939</u>	<u>445,914,322</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 and OPEB Fund reclassification from a fiduciary trust into the general fund.

City of Olympia

Years

Changes in Net Position by Component, Last Ten Years

(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014*	2015	2016	2017	2018	2019*	2020	2021
Expenses										
Governmental Activities:										
General Government	\$ 24,423,345	\$ 23,390,910	\$ 36,083,883	\$ 27,310,588	\$ 26,506,321	\$ 27,091,074	\$ 23,159,642	\$ 39,027,239	\$ 32,576,638	\$ 32,972,183
Public Safety	28,083,446	29,147,579	28,612,558	31,182,898	34,015,639	35,296,198	36,437,660	37,529,719	40,107,024	34,067,510
Physical Environment	0	0	0	0	0	72	1,562	42,588	13,796	9,883
Transportation	9,668,045	9,413,918	17,628,133	15,003,326	14,706,532	13,008,781	9,204,132	17,284,274	13,372,680	11,604,531
Economic Environment	3,143,841	3,811,778	5,432,777	4,101,801	6,144,538	5,929,157	7,216,049	7,574,562	5,915,532	5,885,494
Mental and Physical Health	18,267	82,097	107,451	111,854	111,686	100,953	931,071	775,750	1,187,782	1,309,393
Culture and Recreation	6,083,524	5,858,268	7,886,138	6,747,259	5,992,961	10,618,838	15,928,421	10,530,770	8,794,497	8,492,957
Interest on Long Term Debt	3,607,848	3,594,158	3,552,801	3,431,705	3,332,015	3,285,041	3,198,950	3,766,042	2,095,736	2,094,920
Total Governmental Activities	75,028,316	75,298,708	99,303,741	87,889,431	90,809,692	95,330,114	96,077,487	116,530,944	104,063,685	96,436,871
Business-type activities:										
Drinking Water and Wastewater	25,935,482	27,549,466	32,522,084	31,318,153	30,521,606	32,879,455	33,141,022	35,205,943	35,469,553	33,933,651
Waste Resources	9,201,809	9,086,569	11,087,325	9,913,614	10,236,494	11,392,863	12,018,629	12,284,092	12,500,981	11,899,127
Storm and Surface Water	5,295,418	5,472,378	6,503,310	6,377,980	6,676,731	6,662,513	5,874,079	6,276,073	5,672,233	5,613,114
Total Business-Type Activities	40,432,609	42,108,413	50,112,719	47,609,747	47,434,831	50,934,831	51,033,730	53,766,108	53,642,767	51,445,893
Total Government Expenses	115,460,925	117,407,121	149,416,460	135,499,178	138,244,523	146,264,945	147,111,217	170,297,052	157,706,452	147,882,764
Program Revenues										
Governmental activities:										
Charges for services:										
Building Permits and Inspections	1,956,632	2,618,496	2,767,900	2,671,429	3,073,179	2,519,404	2,317,732	2,734,047	2,518,647	2,471,061
Fire Protection	4,071,206	4,241,112	4,021,605	4,236,289	4,645,380	4,853,402	4,962,173	5,347,390	5,471,230	6,042,670
Impact Fees	1,652,226	3,180,307	2,233,576	2,357,462	3,594,132	1,496,233	1,586,376	1,185,985	3,330,089	3,205,992
Other	7,905,243	11,227,859	15,317,094	14,994,920	12,300,294	15,020,861	15,599,815	25,438,916	25,375,962	26,334,316
Operating grants and contributions	6,029,974	3,870,094	4,161,895	4,580,008	5,442,857	5,313,679	6,379,383	4,894,407	6,698,562	9,208,304
Capital grants and contributions	6,317,758	2,860,324	3,943,590	3,270,005	397,671	1,151,212	3,494,598	4,322,640	6,112,919	3,545,781
Total governmental activities program revenue	27,933,039	27,998,192	32,445,660	32,110,113	29,453,513	30,354,791	34,340,077	43,923,385	49,507,409	50,808,124
Business-type activities:										
Charges for services:										
Drinking Water and Wastewater	24,919,143	28,305,004	30,339,653	31,823,214	33,975,843	35,329,851	35,177,529	34,606,485	36,502,730	37,772,178
Waste Resources	8,595,218	8,592,413	9,388,619	10,030,818	10,513,187	11,278,840	12,025,280	12,786,313	13,329,611	13,583,782
Storm and Surface Water	4,218,353	4,813,089	5,119,344	4,943,074	5,154,386	5,791,587	5,559,995	6,236,012	6,280,415	6,574,193
Operating grants and contributions	523,073	672,542	241,289	160,002	738,479	244,775	326,456	39,582	135,447	62,399
Capital grants and contributions	2,836,700	446,000	1,453,376	2,388,401	499,356	287,857	438,396	1,361,491	1,306,757	1,715,015
Total business-type activities program revenue	41,092,487	42,829,048	46,542,281	49,345,509	50,881,251	52,932,910	53,527,656	55,029,884	57,554,960	59,707,568
Total government program revenues	69,025,526	70,827,240	78,987,941	81,455,622	80,334,764	83,287,701	87,867,733	98,953,269	107,062,369	110,515,692
Net (Expense) Revenue										
Governmental activities:	(47,095,277)	(47,300,516)	(66,858,081)	(55,779,318)	(61,356,179)	(64,975,323)	(61,737,410)	(72,607,560)	(54,556,276)	(45,628,747)
Business-type activities:	659,878	720,635	(3,570,438)	1,735,762	3,446,420	1,998,079	2,493,926	1,263,776	3,912,193	8,261,675
revenue	(46,435,399)	(46,579,881)	(70,428,519)	(54,043,556)	(57,909,759)	(62,977,244)	(59,243,484)	(71,343,784)	(50,644,083)	(37,367,072)
Changes in Net Position:										
Governmental activities:										
Taxes										
Property Taxes	12,710,415	13,073,123	13,340,294	14,032,891	14,928,974	18,914,576	21,922,111	22,873,648	23,885,718	24,899,670
Sales Taxes	17,437,326	18,931,717	20,805,958	23,455,500	25,291,820	27,545,865	20,340,013	27,403,026	27,052,875	32,046,670
Business & Occupation Taxes								6,703,728	5,700,993	7,201,211
Utility Taxes								8,965,451	8,883,562	9,078,698
Gross Receipt Taxes	17,657,603	17,487,091	18,065,984	19,636,064	21,252,737	21,573,209	15,884,726	0		
Excise Taxes							4,188,679	4,342,018	4,245,595	5,628,799
Other Taxes								5,445,909	6,104,881	6,570,815
Investment earnings	264,291	98,718	82,077	70,012	328,228	419,522	1,057,421	2,066,891	1,563,952	(482,572)
Other	2,463,796	746,273	954,444	1,506,425	1,739,005	3,761,096	4,418,988	1,183,157	(272,880)	1,093,099
Special Items	0	0	0	0	0	0	0	0		
Transfers	52,320	290,285	353,271	553,524	94,674	202,972	172,580	411,017	901,282	605,500
Total governmental activities	50,585,751	50,627,207	53,602,028	59,254,416	63,635,438	72,417,240	67,984,518	79,394,845	78,065,978	86,641,889
Business-type activities:										
Investment earnings	42,432	33,904	32,380	11,528	129,173	179,290	538,806	959,611	620,089	(138,860)
Other	2,417,545	598,801	427,642	305,670	389,264	837,837	626,163	71,065	128,192	191,031
Transfers	(52,320)	(290,285)	(353,271)	(553,524)	(94,674)	(202,972)	(172,580)	(411,017)	(901,282)	(605,500)
Total business-type activities	2,407,657	342,420	106,751	(236,326)	423,763	814,155	992,389	619,659	(153,001)	(553,329)
Total government	52,993,408	50,969,627	53,708,779	59,018,090	64,059,201	73,231,395	68,976,907	80,014,504	77,912,977	86,088,560
Changes in Net Position										
Governmental activities	3,490,474	3,326,691	(13,256,053)	3,475,098	2,279,259	7,441,917	6,247,108	6,787,285	23,509,702	41,013,141
Business-type activities	3,067,535	1,063,055	(3,463,687)	1,499,436	3,870,183	2,812,234	3,486,315	1,883,435	3,759,192	7,708,346
Total Government	\$ 6,558,009	\$ 4,389,746	\$ (16,719,740)	\$ 4,974,534	\$ 6,149,442	\$ 10,254,151	\$ 9,733,423	\$ 8,670,720	\$ 27,268,894	\$ 48,721,488

* 2014 Changes in Net Position was restated due to the 2015 GASB 68 implementation

City of Olympia

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

(modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nondisposable	\$ 150,255	\$ 194,911	\$ 78,599	\$ 74,826	\$ 190,893	\$ 247,425	\$ 364,335	\$ 425,583	\$ 373,218	\$ 534,161
Restricted	245,104	262,132	285,343	276,613	283,536	216,743	333,631	3,513,307	471,147	401,365
Committed	3,026,155	3,968,099	3,846,511	5,361,283	7,849,057	8,915,510	9,147,713	9,287,064	12,206,334	11,524,880
Assigned	5,063,120	6,110,654	6,389,484	3,875,850	4,239,357	2,896,639	2,521,995	16,714,412	18,792,999	18,926,753
Unassigned	5,784,635	6,266,733	6,616,409	7,934,158	6,640,535	8,780,509	17,872,883	3,170,037	7,043,976	15,336,400
Total General Fund	14,269,269	16,802,529	17,216,346	17,522,730	19,203,378	21,056,826	30,240,557	33,110,403	38,887,674	46,723,560
All Other Governmental Funds										
Nondisposable	—	—	—	—	—	—	—	—	—	—
Restricted	13,019,866	15,312,376	13,240,669	15,763,928	20,458,427	25,863,370	31,693,210	17,632,971	36,849,258	41,262,130
Committed	1,458,849	1,287,414	1,095,568	336,143	179,024	206,689	15,335	23,014,757	10,221,772	8,803,323
Assigned	3,055,298	2,694,641	4,172,048	4,100,711	4,447,734	4,333,600	7,516,156	245,104	—	—
Unassigned	—	—	—	—	—	—	(673,899)	4,125	—	—
Total All Other Governmental Funds	\$17,534,013	\$19,294,431	\$18,508,285	\$20,200,782	\$25,085,185	\$30,403,659	\$38,550,802	\$40,896,957	\$47,071,030	\$50,065,453

City of Olympia

Schedule 4 - Change in Fund Balances, Governmental Funds, Last Ten Years

(modified accrual basis of accounting)

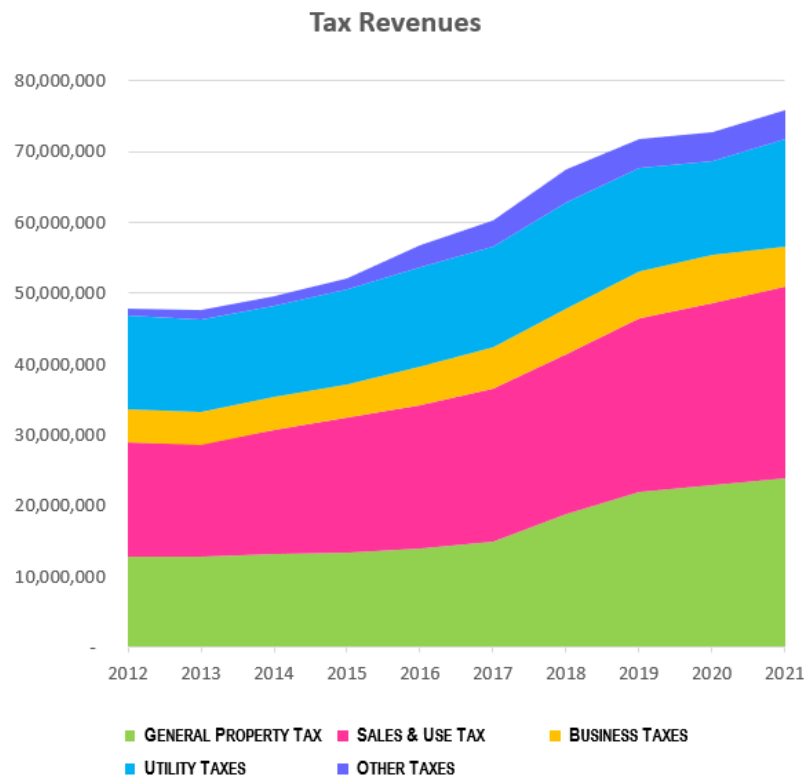
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$47,629,286	\$49,624,944	\$52,128,911	\$56,713,991	\$60,266,469	\$67,421,606	\$71,282,695	\$75,728,519	\$75,860,023	\$85,206,116
Licenses and permits	3,072,611	3,818,982	3,925,136	3,968,414	4,309,935	3,660,352	3,565,784	3,808,029	3,511,660	3,488,156
Intergovernmental revenues	8,220,062	4,954,911	6,719,821	5,693,751	5,604,018	6,068,753	9,549,475	6,730,468	9,565,650	11,376,118
Charges for services	12,286,347	16,487,641	16,993,502	16,988,973	18,483,359	17,581,378	18,474,195	19,503,053	21,699,683	21,996,691
Fines and forfeits	951,268	1,021,476	980,103	990,911	970,529	838,342	851,045	699,228	413,541	588,551
Rents and leases								3,227,879	2,386,797	2,479,459
Other misc revenues	2,699,916	3,523,003	3,000,896	3,544,591	3,866,427	5,393,127	6,243,473	2,250,054	2,066,889	1,347,479
Total revenues	<u>\$74,859,490</u>	<u>\$79,430,957</u>	<u>\$83,748,369</u>	<u>\$87,900,631</u>	<u>\$93,500,737</u>	<u>\$100,963,558</u>	<u>\$109,966,667</u>	<u>\$111,947,230</u>	<u>\$115,504,243</u>	<u>\$126,482,570</u>
Expenditures										
General government services	\$22,526,855	\$22,159,001	\$24,035,733	\$24,107,067	\$25,858,876	\$27,148,516	\$27,022,180	\$27,973,503	\$27,408,140	\$29,126,535
Security of persons and property	27,583,292	28,796,471	30,275,237	32,408,827	34,789,193	37,079,378	39,095,438	39,717,138	39,845,953	41,548,086
Utilities and environment							1,562	42,588	13,796	9,883
Transportation	4,227,734	3,950,169	6,378,624	4,472,202	4,072,937	4,005,139	4,135,756	7,818,107	4,585,675	2,877,699
Economic environment	3,143,653	3,813,141	4,023,001	4,100,640	5,716,930	6,106,882	7,216,330	7,865,176	6,465,464	6,820,221
Mental and physical health	18,267	82,097	107,451	111,854	111,686	100,953	860,978	775,750	1,187,782	1,309,393
Culture and recreation	5,981,834	5,814,641	5,578,189	6,198,180	6,530,275	8,215,939	9,474,828	10,180,214	8,427,457	9,111,038
Capital outlay	10,115,914	8,868,477	7,226,936	6,854,514	10,681,498	10,241,964	15,693,909	6,179,711	11,555,139	18,470,756
Debt service										
Principal	2,868,246	5,680,409	3,474,757	3,600,820	3,920,525	2,673,255	2,825,599	18,160,593	4,806,684	4,631,093
Interest	3,596,721	3,599,261	3,604,334	3,479,443	3,383,796	3,322,754	3,249,657	3,791,323	2,629,946	2,466,483
Total expenditures	<u>\$80,062,516</u>	<u>\$82,763,667</u>	<u>\$84,704,262</u>	<u>\$85,333,547</u>	<u>\$95,065,716</u>	<u>\$98,894,780</u>	<u>\$109,576,237</u>	<u>\$122,504,103</u>	<u>\$106,926,036</u>	<u>\$116,371,187</u>
Excess of revenues over (under) expenditures	(5,203,026)	(3,332,710)	(955,893)	2,567,084	(1,564,979)	2,068,778	390,430	(10,556,873)	8,578,207	10,111,384
Other Financing Sources (Uses)										
Transfers in	8,028,386	12,044,967	13,065,854	11,387,009	9,142,369	12,125,395	17,289,000	15,950,597	17,100,101	18,324,941
Issuance of debt								18,607,833	0	
Transfers out	(7,338,941)	(11,542,525)	(12,597,475)	(12,333,031)	(9,042,985)	(10,822,761)	(17,116,421)	(15,539,580)	(16,258,832)	(18,396,441)
Insurance proceeds	0	7,112,312	0	0	6,355,882	833,764	1,189,522	1,141,802	2,496,255	800,000
Sale of capital assets	28,172	11,634	115,185	377,819	76,516	0	0	14,090	10,203	11,363
Total other financing sources (uses)	<u>717,617</u>	<u>7,626,388</u>	<u>583,564</u>	<u>(568,203)</u>	<u>6,531,782</u>	<u>2,136,398</u>	<u>1,362,101</u>	<u>20,174,742</u>	<u>3,347,727</u>	<u>739,863</u>
Net change in fund balances	\$(4,485,409)	\$4,293,678	\$ (372,329)	\$1,998,881	\$4,966,803	\$4,205,176	\$1,752,531	\$9,617,869	\$11,925,934	\$10,851,247
Debt service as a percentage of noncapital expenditures	9.28%	12.75%	9.03%	8.82%	8.57%	6.64%	6.34%	18.87%	7.80%	6.70%

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
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
2019	22,868,388	25,797,855	6,703,728	13,246,912	4,199,263	72,816,146
2020	23,872,118	27,052,875	5,700,993	15,101,858	4,132,179	75,860,023
2021	24,899,670	31,909,807	7,201,211	14,707,497	6,570,815	85,288,999
Change 2021-2012	96.6%	100.0%	60.1%	12.6%	351.9%	79.1%



Schedule 6- City of Olympia

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

(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Sales Tax Collected (000)	\$14,767	\$15,637	\$16,352	\$17,136	\$18,515	\$19,170	\$19,271	\$20,511	\$20,547	\$24,140
Agriculture, Forestry, Fishing	0.02%	0.02%	0.02%	0.01%	0.01%	0.01%	0.01%	0.01%	0.03%	0.02%
Mining	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
Utilities	0.01%	0.01%	0.02%	0.02%	0.01%	0.02%	0.02%	0.12%	0.11%	0.17%
Construction	11.96%	11.59%	11.11%	10.61%	11.59%	12.01%	10.05%	11.06%	12.08%	11.25%
Manufacturing	1.58%	1.90%	1.59%	1.56%	1.50%	1.31%	1.54%	1.48%	1.37%	1.32%
Wholesale Trade	7.13%	7.05%	6.53%	5.67%	6.07%	5.80%	6.69%	7.20%	7.41%	7.32%
Retail Trade	52.44%	52.18%	52.29%	51.74%	51.36%	51.15%	50.39%	49.39%	51.44%	53.39%
Transportation and Warehousing	0.17%	0.18%	0.14%	0.12%	0.15%	0.08%	0.19%	0.60%	0.24%	0.46%
Information	4.63%	4.72%	4.96%	5.31%	4.95%	5.09%	4.88%	4.73%	4.12%	3.93%
Finance and Insurance	0.84%	0.84%	0.89%	0.90%	0.99%	1.04%	1.02%	0.94%	0.96%	1.03%
Real Estate, Rental, Leasing	1.80%	1.69%	1.59%	1.79%	1.67%	1.71%	1.67%	1.69%	1.62%	1.49%
Prof, Sci, Technical Svcs	3.86%	3.14%	2.78%	3.50%	3.21%	3.19%	3.06%	3.58%	3.90%	3.67%
Company Management	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Admin, Supp, Remed Svcs	0.08%	1.08%	1.79%	1.85%	1.86%	2.10%	2.69%	2.84%	3.15%	3.22%
Educational Services	0.32%	0.26%	0.30%	0.29%	0.31%	0.22%	0.21%	0.24%	0.21%	0.29%
Health Care Social Assistance	1.18%	0.97%	1.08%	1.56%	1.50%	1.36%	1.37%	0.94%	0.71%	0.47%
Arts, Entertain, Recreation	0.74%	0.91%	1.00%	0.90%	0.90%	0.87%	0.93%	0.91%	0.98%	0.94%
Accommodation and Food Svcs	9.07%	9.17%	9.39%	9.80%	9.68%	9.91%	10.26%	9.93%	7.51%	7.05%
Other Services	2.95%	2.80%	2.68%	2.68%	2.52%	2.49%	2.60%	2.57%	2.46%	2.42%
Public Administration	1.20%	1.49%	1.84%	1.69%	1.73%	1.81%	0.87%	0.82%	0.78%	0.67%



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	Oly Metro Park District	Fire	
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	12.4647
2018	2.6003	0.3821	2.8052	5.1155	1.6293	0.1938	0.5399	0.1807	13.4552
2019	2.5485	0.3621	2.5398	4.3279	1.5816	0.1841	0.5498	0.1676	12.2618
2020	2.4579	0.3405	2.9267	5.0937	1.5072	0.1763	0.5507	0.1556	13.2086
2021	2.4341	0.3237	2.9049	4.9237	1.4489	0.1705	0.5472	0.1333	12.8863

- o All levies expressed in dollars per \$1,000.
- o Due to varying tax rates within the City, the average rate is shown for each item in the table.
- o County levy includes Medic 1 and the Public Utility District #1.
- o Fire levy is for the repayment of the 2009 Voted Fire Bond.
- o Olympia Metropolitan Parks District was approved by voters in 2015, 2017 is the first year of collections.
- o 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	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Vine Street Investors	\$ 93,995,300	1	1.2%	\$ 89,217,600		1.5%
Capital Mall	89,133,100	2	1.1%	56,471,400		0.9%
Puget Sound Energy	80,494,959	3	1.0%	55,786,468		0.9%
Multicare Health System	69,188,600	4	0.9%			0.0%
Ocean Front-Cambridge LLC	45,035,500	5	0.6%			0.0%
Kaiser Foundation Health Plan of WA	41,779,500	6	0.5%			0.0%
Black Lake Apartments	36,242,949	7	0.5%	20,047,746		0.3%
Breit ACG MF Woodland LLC	34,124,900	8	0.4%			0.0%
HZ Apple Park LLC	31,152,500	9	0.4%			0.0%
Bellwether #215 LLC	28,661,400	10	0.4%			0.0%
Qwest Corporation				26,914,492		0.5%
Continental Cambridge				26,350,200		0.4%
Columbia Cap Med Ctr Lmted				26,248,050		0.4%
WSECU				26,014,000		0.4%
Group Health Coop of Puget Sound				23,427,700		0.4%
PF I Olympia Square LLC				22,656,800		0.4%
Totals	549,808,708		6.8%	373,134,456		6.2%
Balance of Property Tax Payers	7,496,797,200		93.2%	4,934,916,706		93.0%
Total Assessed Values	<u>\$8,046,605,908</u>		<u>100%</u>	<u>\$5,308,051,162</u>		<u>100%</u>

Source: Thurston County Assessor's Office

City of Olympia

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

Fiscal Year	Current 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
2012	\$13,845,292	\$13,581,489	98.1%	\$263,803	\$13,845,292	100.00%
2013	14,111,435	13,909,434	98.6%	201,928	14,111,362	100.00%
2014	14,347,985	14,159,177	98.2%	188,648	14,347,825	98.24%
2015	14,776,517	14,614,476	98.9%	159,781	14,774,257	99.98%
2016	15,092,270	14,923,464	98.9%	164,731	15,088,195	98.88%
2017	18,938,049	18,737,845	99.1%	194,088	18,931,933	99.11%
2018	20,896,777	20,715,094	99.1%	143,541	20,858,635	99.82%
2019	22,057,469	21,871,269	99.2%	94,997	21,966,266	99.59%
2020	23,096,498	22,848,121	98.9%	162,180	23,010,301	99.63%
2021	25,047,512	24,849,545	99.2%	—	24,849,545	99.21%

Source: Thurston County Assessor's Office

Current levy and outstanding non-current taxes are net of adjustments.

The above includes OMPD amounts.

City of Olympia

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

Fiscal Year	Governmental Activities			Business-Type Activities		Percentage of Personal Income				
	General Obligation Bonds (1)	PWTF and Other Loans	LID Notes	Revenue Bonds (1)	PWTF and Other Loans	Total Government	Personal Income (2)	Income	Population	Per Capita
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	55,539	3.90%	52,490	2,166
2019	66,640,000	3,960,775	9,798	11,750,000	23,273,937	105,634,510	58,606	3.42%	52,770	2,002
2020	57,360,000	8,459,093	—	2,640,000	30,752,414	99,211,507	59,878	3.06%	54,150	1,832
2021	54,615,000	6,572,999	—	1,790,000	30,121,648	93,099,647	63,185	2.63%	55,960	1,664

(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; U.S Census Bureau for 2019.

City of Olympia

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

Fiscal Year	Debt (2)(3)	Accumulated Resources Restricted for Principal Repayment of G.O. Debt	Net G.O. Debt	Population	Assessed Value (1)	Ratio of Net Debt to Assessed Value	Net G.O. Debt Per Capita
2012	\$ 64,060,167	\$ 19,833	\$ 64,040,335	47,500	\$ 5,308,051,162	1.21	1,348
2013	68,638,670	43,968	68,594,702	48,480	5,060,434,532	1.36	1,415
2014	65,735,592	58,848	65,676,745	49,670	5,313,341,232	1.24	1,322
2015	62,786,805	58,567	62,728,238	51,020	5,671,256,103	1.11	1,229
2016	59,834,590	58,214	59,776,376	51,600	5,785,389,448	1.03	1,158
2017	57,820,241	59,197	57,761,044	52,160	6,361,555,378	0.91	1,107
2018	55,720,891	73,182	55,647,709	52,490	6,690,364,182	0.83	1,060
2019	66,640,000	2,630	66,637,370	52,770	7,134,825,096	0.93	1,263
2020	57,360,000	—	57,360,000	52,882	7,741,414,390	0.74	1,085
2021	61,188,000	—	61,188,000	55,960	8,046,605,908	0.76	1,090

(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.

(4) For the purposes of this schedule only, prior to 2020, only bonded debt was shown in this schedule and was the vast majority of debt held by the City. Beginning in 2020, all long-term debt instruments are included in the G.O. Debt column.

City of Olympia

Schedule 12 - Direct and Overlapping Governmental Activities Debt

Governmental Unit	G.O. Debt Outstanding at December 31, 2021	Percentage Applicable to Olympia Residents (2)	City of Olympia Residents Share of Debt
City of Olympia direct debt (1)	\$ 61,188,000	100.00%	\$ 61,188,000
Total direct debt	<u>61,188,000</u>		<u>61,188,000</u>
Olympia School District #111	243,350,000	67.08%	163,245,052
North Thurston School District #3	277,575,000	5.98%	16,607,210
Tumwater School District #33	84,220,000	0.17%	141,217
Lacey Fire District #3	18,600,000	0.63%	117,059
McLane Fire District #9	2,910,000	6.15%	178,824
PUD #1	24,205,188	20.37%	4,930,208
Port of Olympia	36,470,000	20.37%	7,428,353
Thurston County	49,012,909	20.37%	9,983,142
Total overlapping debt	<u>736,343,097</u>		<u>202,631,065</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u>\$ 797,531,097</u>		<u>\$ 263,819,065</u>

(1) G.O. direct 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

Assessed Value: \$ 7,741,414,390

Debt Limit:

General purpose debt limit without a vote of the people (1.5%)	120,699,088.62
General purpose debt limit with a vote of the people (1.0%)	80,466,059.08
Utility purpose debt limit with a vote of the people (2.5%)	201,165,147.70
Open space, park, and capital facilities debt limit with a vote of the people (2.5%)	201,165,147.70
Total legal debt limit:	603,495,443.10

Outstanding debt

General purpose debt without a vote of the people (1.5%), net of premium	54,413,000.00
General purpose debt with a vote of the people (1.0%)	6,775,000
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	—
Total net debt applicable to limit	61,188,000
Total legal debt margin	\$ 542,307,443

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value of Property	\$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	\$7,134,825,096	\$7,741,414,390	\$8,046,605,908
Debt Limit, 7.5% of Assessed Value	379,532,590	379,532,590	398,500,592	425,344,208	433,904,209	477,116,653	501,777,314	535,111,882	580,606,079	603,495,443
Total net debt applicable to limit	72,214,204	72,891,476	70,068,881	66,433,340	68,834,829	71,059,392	75,614,079	70,590,978	65,625,613	61,188,000
Legal Debt Margin	\$ 307,318,385	\$ 325,609,116	\$ 328,431,711	\$ 358,910,868	\$ 365,069,380	\$ 406,057,261	\$ 426,163,235	\$ 464,520,904	\$ 646,231,692	\$ 542,307,443
Total net debt applicable to the limit as a percentage of debt limit	19.03%	19.21%	17.58%	15.62%	15.86%	14.89%	15.07%	13.19%	11.30%	10.14%

City of Olympia

Schedule 14 - Pledged-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	
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
2019		34,331,119		24,621,870	9,709,249	1,490,000	554,781	4.75
2020		36,175,434		27,890,887	8,284,547	1,555,000	487,381	4.06
2021		37,455,547		33,425,451	4,030,096	1,790,000	539,490	1.73

*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****
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	38.0	10,231	5.0%
2019		52,770	3,092,638,620	58,606	38.3	10,391	4.3%
2020		54,150	3,242,393,700	59,878	38.4	10,486	6.5%
2021		55,960	3,535,832,600	63,185	37.7	9,837	3.5%

*Median Household Income is taken from the U.S. Census Bureau American Fact Finder for 2010-2018 forecast; the U.S. Census Bureau for 2019-2021.

**Median Age data is from the Washington State Office of Financial Management Thurston County Profile 2010-2016; 2017-2018 data is from American Fact Finder; 2019-2021 data is from the U.S. Census Bureau.

***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, data taken as of December.

City of Olympia

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

NAME	2021*		2012**	
	Approx No. Employees	Rank	Approx No. Employees	Rank
State Government, Including education	20,566	1	20,000-25,000	1
Local Government, including education	2,593	2	10,000-15,000	2
Providence St. Peter Hospital	2,173	3	1,000-5,000	3
Capital Medical Center	700	4		
YMCA	700*	5	100-500	10
Washington State Employees Credit Union	501	6		
Titus Will	431	7		
AMR Corp	499*	8		
Olympian	366	9		
Olympia Orthopedic	300	10		
Tribal Government			1,000-5,000	4
Federal Government			500-1,000	5
Group Health			500-1,000	6
Wal-Mart			500-1,000	7
Saint Martin's University			500-1,000	8
Great Wolf Lodge			500-1,000	9

*SOURCE: Data Axle Reference Solutions via Timberland Regional Library

**SOURCE: "The Profile 2012" - Thurston Regional Planning Council. Employers are for all of Thurston County.

City of Olympia

Schedule 17

Full-time Equivalent Employees by Function/Program

Function / Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	110	107	111	107	104	107	96	95	93	108
Public safety	182	180	193	193	194	195	189	216	211	219
Physical environment	79	63	67	80	79	73	69	47	48	54
Transportation	19	15	20	19	18	21	19	29	30	30
Economic environment	44	43	41	49	49	51	51	64	67	52
Culture and recreation	89	79	80	84	78	78	82	55	57	58
Drinking water & wastewater	29	27	29	30	31	30	31	44	44	47
Waste resources	26	25	25	27	27	29	24	30	29	29
Storm and surface water	5	7	7	9	8	7	7	19	20	20
Total	583	546	573	598	588	591	568	599	599	617

Source: City of Olympia Payroll

City of Olympia

Schedule 18

Operating Indicators by Function/Program, Last Ten Years

Function / Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Fire Department Fleet Vehicles	32	32	32	32	37	37	39	39	40	42
Fire Inspections	2,409	2,376	2,495	2,391	2,640	2,386	2,406	2,370	2,105	2,262
Police calls for service	48,730	51,284	58,297	54,784	47,353	48,014	50,595	49,931	50,531	49,012
Economic Environment										
# of Commercial Permits	15	13	43	31	734*	578	965	157**	173	175
Value of Commercial Const (000)	17,054	19,311	35,280	56,343	167,231	104,217	134,023	122,745**	75,922	92,841
# of Residential Permits	113	149	153	129	785*	98	96	55*	53	248
Value of Residential Const (000)	27,161	36,962	39,158	32,354	75,682	29,417	9,752	28,403**	24,880	38,362
Public Works										
Number of signalized intersections	95	95	95	95	79***	79	79	79	80	80
Parking services citations issued	30,400	27,068	24,357	23,705	23,495	20,346	17,066	6,962**	8,873	12,002
Water										
Average daily volume of water produced (millions of gallons)	7	8	7	7	7	6	7	6	6	7
Sewer										
Miles of sewer pipe	225	223	224	223	225	225	227	226	226	228
Solid Waste										
Tons of garbage collected residential	10,745	10,551	10,890	11,229	11,726	12,128	12,515	12,357	14,190	14,430
Tons of garbage collected commercial	15,933	15,342	15,843	16,417	17,775	18,297	18,397	18,734	16,565	16,141

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

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

**2019 Statistics updated for comparability based on increased data accessibility during 2020.

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

City of Olympia

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

Function / Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Fire department fleet vehicles	32	32	32	32	37	37	39	36	37	40
Public Works										
Miles of streets	211.4	214.0	215.9	216.4	216.7	217.3	217.3	218.0	218.0	218.0
Miles of ped. paths, curbs, walks	78.1	78.1	78.1	78.7	79.2	79.2	79.2	135.0	135.0	135.0
Miles of curbs without walks	77.9	77.9	77.9	77.3	76.8	76.8	76.8	83.0	83.0	83.0
Miles of concrete surface streets	6.3	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	160.1	163.5	165.2	165.6	165.9	166.7	166.7	167.3	167.3	167.3
Miles of bituminous surface treatment	44.7	43.9	44.2	44.2	44.2	44.0	44.0	44.0	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	42	44	44	45	48	48	48	49	49	55
Water										
Miles of water mains	285.0	275.0	275.0	285.0	330.0	360.0	295.0	338.7	346.0	346.7
Miles of reclaimed water lines	5.0	5.0	5.0	5.0	5.0	4.85	5.00	4.80	4.80	4.80
Sewer										
Miles of sanitary sewer lines	225.0	223.0	224.0	223.0	225.0	225.0	227.0	226.0	225.6	227.7
Stormwater										
Miles of storm pipe lines	176.0	179.0	155.0	154.0	155.0	158.0	160.0	163.2	164.0	166.3

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

City of Olympia

Schedule 20-Levy Book

City of Olympia	New Construction & Added Improvement	Real & Personal	Timber Value	State Assessed Utilities	Total Certified
Levy: City of Olympia Bond 2009	\$ 88,167,644	\$7,974,298,079	\$ —	\$ 118,866,614	\$7,974,298,079
City of Olympia General Expense	88,201,014	8,046,605,908	—	118,866,614	8,046,605,908