STATE OF WASHINGTON
OFFICE OF THE STATE TREASURER

WASHINGTON STATE LOCAL GOVERNMENT FINANCIAL HEALTH INDICATORS

AUGUST 2010

WASHINGTON STATE
LOCAL GOVERNMENT FINANCIAL HEALTH INDICATORS

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Executive Summary

Purpose

In June 2010 the Office of the State Treasurer requested that the Department of Commerce's Research Services unit assist them with an update of a 2005 study Commerce's predecessor agency completed for the Office of Financial Management assessing the fiscal health of Washington's 320 city and county governments. Washington, along with the rest of the nation, has been affected by a significant economic downturn that began in 2007. The Treasurer's Office sought to know:

1. What changes have occurred since 2005 in the number of cities and counties in Washington that show signs of fiscal stress as measured by the ten financial health indicators used in the document entitled, "Washington State Local Government Fiscal Stress Analysis: A Comparison to State Assistance Under Senate Bill 6050"?

2. Which jurisdictions are currently showing indications of the most financial stress?

3. Which cities and counties show indications of the most improved financial health?

Approach

A nationally recognized method of assessing local government financial condition was used to evaluate the financial health of Washington's counties and cities. The methodology was developed by the International City/County Management Association (ICMA) and the Government Finance Officers Association (GFOA) and has been in use for 40 years. It is primarily used by individual local governments but it has also been adapted for use in a variety of comparative studies.

Using the financial health indictor methodology, ten key indicators of financial condition were selected for Washington cities and counties. These indicators are used to determine which jurisdictions in the state are experiencing the most financial stress based on 1998 to 2008 data. Data were collected from generally available state sources for all 39 counties and 281 cities. The ten selected indicators are balanced to reflect the health of each local government's revenue base (resource supply), demand factors driving local government service delivery (service demand), and the financial results of operations. Indicators were selected that had the potential of providing a "warning" in advance of a local government's failing financial viability.

Executive Summary

Conclusions

Study Question 1: Changes in City and County Financial Health between 2004 and 2008

The financial condition of Washington's local governments has generally declined between 2004 and 2008 based on the selected stress indicators. Of the 10 indicators of financial health for all counties and cities, six declined, one improved and three showed mixed results, with some measures improving and some measures declining (See Table 1).

Increased Financial Stress

Cities and counties showed more financial stress overall than in 2004 (See Figure1).

- For every four local governments, two were more financially stressed than 2004, one stayed the same and one improved its financial health.
- Overall, local governments received 18 percent more stress points than in 2004 statewide.

Greatest Indicator Change

Five of the ten indicators showed the most change between 2004 and 2008. Three showed declines in financial health since 2004 and two showed some improvement.

- *Economic conditions* changed significantly in Washington along with the rest of the nation. Employment growth changed to employment loss and per capita personal income growth deteriorated.
- Increased numbers of cities and counties displayed financial stress as a result of low *per capita general fund operating revenue* compared to 2004.
- Increased numbers of cities and counties had beginning *cash balances* at or below 5 percent of expenditures in one or more years between 2004 and 2008 than in the prior five years.
- Fewer cities and counties had low *sales tax revenue per capita* compared to 2004, although sales tax revenue statewide declined between 2007 and 2009 by 15.2 percent for cities and 12.8 percent for counties.
- Fewer cities and counties had multi-year *general fund operating gaps* compared to 2004. However, counties in aggregate had a statewide operating loss in 2008.

Executive Summary

Table 1: Summary of Financial Health Indicator Results Comparing the 2004 and 2008 Reporting Periods

Indicator	1994* Compared to 2004	2004 Compared to 2008
Indicator 1: *General Fund Revenue per Capita*		Counties  Cities 
Indicator 2: *Revenue Elasticity*		
Indicator 3: *Cash Balance*	Counties  Cities 	
Indicator 4: *Expenditures Used for Capital or Debt*	Counties  Cities 	Counties  Cities 
Indicator 5: *Revenue Restricted for Specific Uses*		Counties  Cities 
Indicator 6: *Property Tax Burden*		
Indicator 7: *General Fund Operating Gaps*		
Indicator 8: *Economic Condition*	*	
Indicator 9: *Tax Base Condition*		
Indicator 10: *Service Demand*	*	

** 1994 data were not available for comparison.*

Executive Summary

Over 40 Percent of All Cities and Counties Showed Financial Stress in Two Indicators
In 2008 a large proportion of local governments showed financial stress as a result of employment losses and low per capita personal income.

- Employment growth turned to employment loss between 2004 and 2008 statewide. The number of local governments with 50 percent more employment loss/gain than the state average increased from 60 (or 19 percent) to 146 (or 46 percent).
- The number of counties and cities whose annual per capita personal income fell within the bottom quartile of the state's personal income range increased from 29 in 2004 to 128 (or 40 percent of all jurisdictions) in 2008.

A large proportion of cities and counties showed indications of stress from a high proportion of debt and capital expenditures.

- Forty-nine percent of all cities and counties spent 27 percent or more of total expenditures on capital and debt in 2008.
- The number of cities expending 50 percent or more of all funds on capital increased from 30 to 58 or 21 percent of all cities.

2008 Financial Health Indicator Results

The map below shows the counties (in blue) and cities (indicated under each county name by words, e.g., "3 out of 8 cities") that were determined to be the most distressed in 2008 based on the data and benchmarks selected for the ten indicators of local government financial condition. In order to fall into the distressed category a city or county had to have a score of four or more "stress points." A county or city received a point for each measure where they fell below the selected stress benchmark. A summary of all the scores for each jurisdiction is listed in the appendix.

County Results
Counties as a group had the highest average stress scores in both 2004 and 2008. Overall:

- Twenty-six counties (or two thirds) received four or more stress points in 2008 compared to 23 in 2004.
- As county unincorporated population decreased, average stress scores increased, ranging from three to seven in 2004 and 2008.

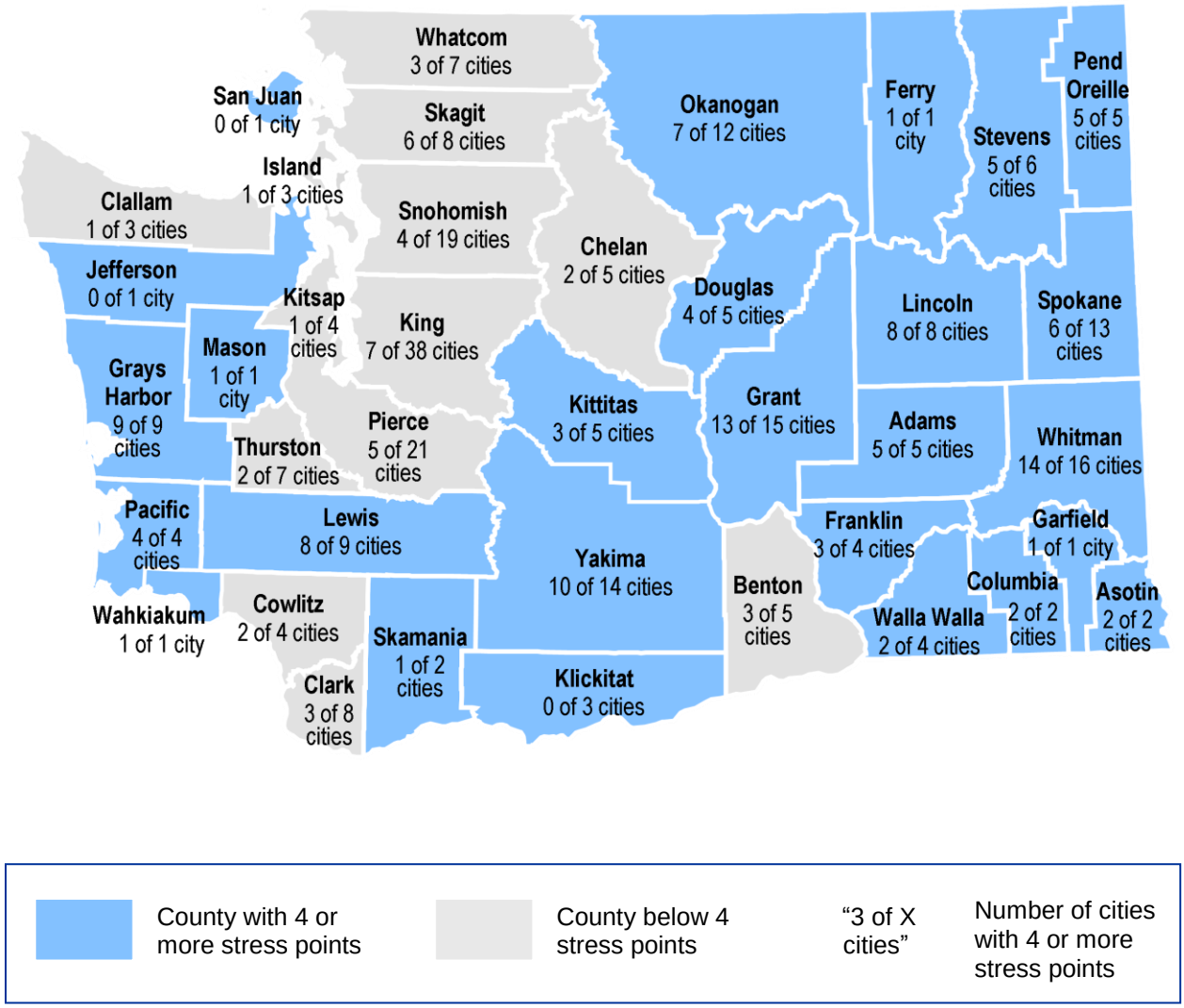
Executive Summary

City Results

Cities as a group experienced the most increase in financial stress scores between 2004 and 2008. Overall:

- One hundred fifty-five cities (or 55 percent) received four or more financial health stress points in 2008 compared to 121 in 2004. An additional nine had incomplete data.
- As city population decreased, average stress scores increased. Cities overall average scores moved up approximately one full point between 2004 and 2008, ranging from 2.2 to 6.3 in 2008.

Figure 1: 2008 Washington Counties and Cities with Four or More Financial Health Stress Points



Executive Summary

Study Question 2: Jurisdictions Showing Indications of the Most Financial Stress

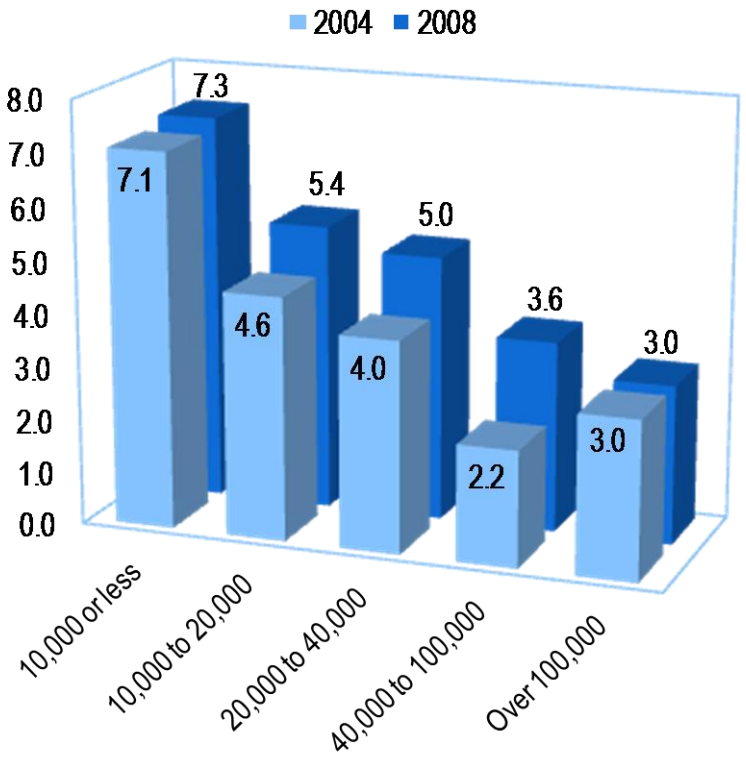
Counties and cities with the most financial stress in 2004 were located in three regions of the state outside of the Puget Sound area and tended to be smaller in population. In 2008 the number of stressed jurisdictions increased and size became the dominate factor.

Counties

The graphic below shows the average financial stress results by population size for counties. Smaller unincorporated population counties tended to have higher stress scores on average.

- Counties with unincorporated populations of less than 10,000 were the most stressed population band with an average stress score of 7.3.
- Ferry County, the county with the highest stress in 2004, improved its financial health by four points to a score of seven. Stevens and Pacific counties replaced Ferry County as the most stressed in 2008.
- Five counties added three or more stress points between 2004 and 2008. Four were in western Washington.

Figure 2: 2004 and 2008 Average Stress Points by County Unincorporated Population



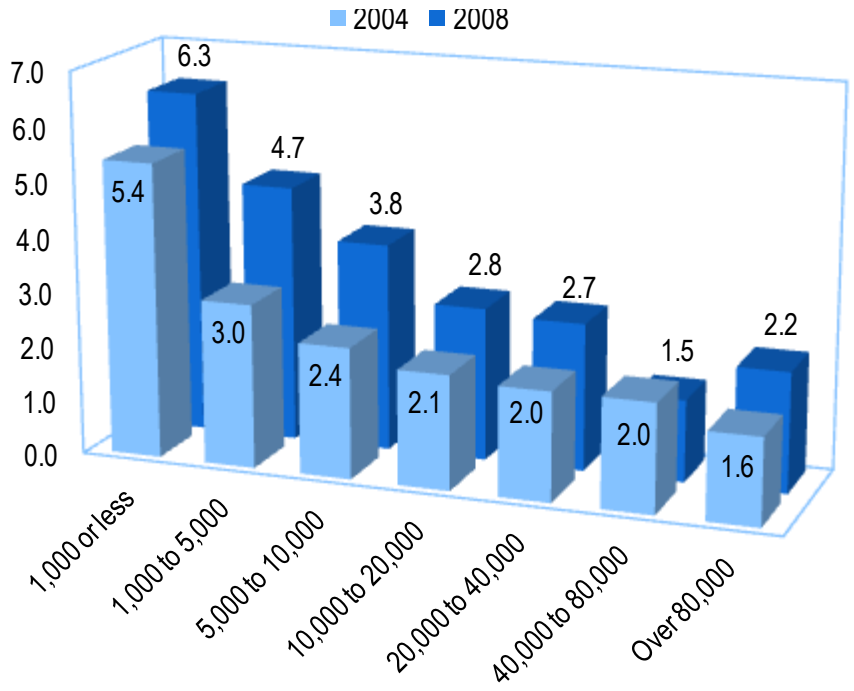
Executive Summary

Cities

The graphic below shows the average financial stress results by population size for cities. Smaller population cities tended to have higher stress scores on average.

- Cities with a population of 1,000 or less were the most stressed population band, with an average stress score of 6.3 in 2008.
- The City of Republic, the city with the highest stress in 2004, has improved its financial health by four points to a score of six. Ten cities replaced Republic as the most stressed in 2008. All are under 1,000 population in eastern Washington.
    - Lamont, Endicott, Farmington and Rosalia in Whitman County
    - Almira and Wilbur in Lincoln County
    - Ione in Pend Oreille County
    - Lind and Washtucna in Adams County
    - Riverside in Okanogan County.
- Sixteen percent of cities (or 46) increased three or more stress points between 2004 and 2008. All population bands were represented.

Figure 3: 2004 and 2008 Average Stress Points by City Population



Study Question 3: Cities and Counties that Show Indications of the Most Improved Financial Health

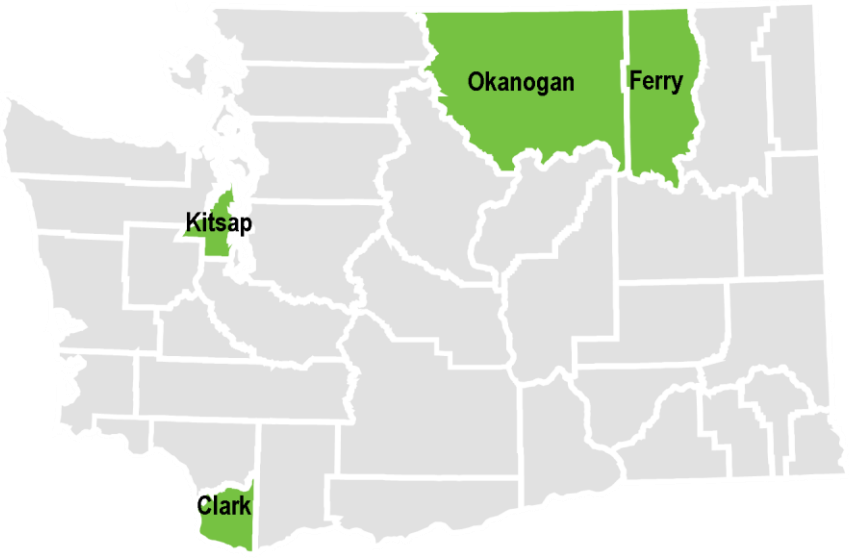
One in four cities and counties improved their financial health between 2004 and 2008. One of the factors in the improvement seen in some jurisdictions was the impact of the implementation of a restructuring of the sales tax collection and distribution system in Washington called the streamlined sales tax program. While overall statewide sales tax receipts have declined between 2007 and 2009, 12.8 percent for counties and 15.2 percent for cities, how the receipts are distributed has changed. Generally counties, and cities that are primarily residential in character, received a greater proportion of sales tax receipts.

Counties

Four counties financial health improved by three or more stress points between 2004 and 2008. Three of the four counties reduced their general fund operating gaps. Other indicators that improved were:

- General fund revenue per capita
- Low general fund beginning cash balance
- Reduced diversion of county road property tax
- Lower proportion of restricted revenue

Figure 4: Counties that Improved Three of More Stress Points between 2004 and 2008

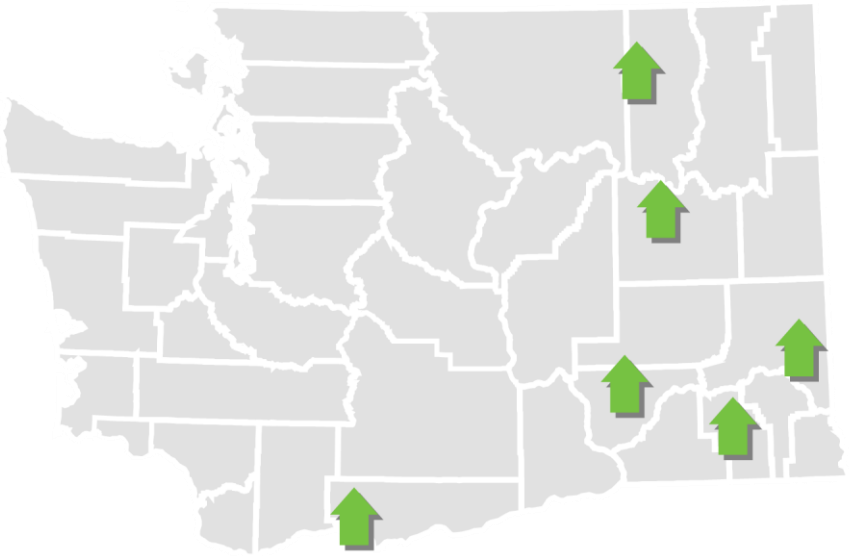


Cities

Six cities under 5,000 population in eastern Washington improved three or more stress points between 2004 and 2005. Most of the cities reduced their proportion of restricted revenue, improved employment growth/loss rates and reduced general fund operating gaps. Other indicators that were improved were:

- Fewer jurisdictions with low per capita sales tax
- Decline in DSHS clients
- Reduced proportion of total expenditures used for debt and capital

Figure 5: Cities that Improved Three or More Stress Points between 2004 and 2008



Background

Purpose

In June 2010 the Office of the State Treasurer requested that the Department of Commerce's Research Services unit assist them with an update of a 2005 study Commerce's predecessor agency completed for the Office of Financial Management. That study assessed the fiscal health of Washington's 320 city and county governments. Since that study was completed Washington, along with the rest of the nation, has been affected by a significant economic downturn, which began in 2007. The Treasurer's Office thus sought to know:

1. What changes have occurred since 2005 in the number of cities and counties in Washington that show signs of fiscal stress as measured by the ten financial health indicators used in the document entitled "Washington State Local Government Fiscal Stress Analysis: A Comparison to State Assistance Under Senate Bill 6050"?

2. Which jurisdictions are currently showing indications of the most financial stress?

3. Which cities and counties show indications of the most improved financial health?

The Office of Financial Management's original 2005 research request was based on two concerns:

- An interest in reviewing state financial assistance being provided to cities and counties under Senate Bill 6050 (now known as the city and county assistance account).
- Concern about Ferry County's 2005 request that the state intervene and provide supplemental operating funds sufficient for the county to meet expenses. The state (through an appropriation from the Governor's emergency fund) provided $150,000 and required that a management review be completed. The *Ferry County Management and Organization Review* was completed in October 2005. The review found that Ferry County had insufficient revenue and an insufficient revenue base to meet on-going basic operating expenses and would likely need continued state assistance. From the data gathered for the review, some of the state's other small-population counties appeared to be similarly situated. In 2006 Columbia County reported that it was experiencing significant financial distress and reports appeared of some smaller cities also experiencing difficulties.

Background

Methodology

National Method

A nationally recognized method of assessing local government financial condition was used to evaluate the financial health of Washington's counties and cities. The methodology was developed by the International City/County Management Association (ICMA) and the Government Finance Officers Association (GFOA) and has been in use for 40 years (Greisel and Kloha, 2005). It is primarily used by individual local governments but has also been adapted for use in a variety of comparative studies.

Much of the early work with this method picked a relatively large number of indicators (frequently around 30) that would be tracked over time for an individual city or county. As the methodology matured, the numbers of indicators became smaller and more self explanatory to a wider audience. A limited number of states began measuring local government financial condition using indicators in the 1980s.

Indicator Selection

Using the financial health indictor methodology, ten key indicators of financial condition were selected for Washington cities and counties. These indicators are used to determine which jurisdictions in the state are experiencing the most financial stress based on data collected between 1998 and 2008. Data were collected from generally available state sources for all 39 counties and 281 cities. The ten selected indicators are balanced to reflect the health of each local government's revenue base (resource supply), demand factors driving local government service delivery (service demand), and the financial results of operations. Indicators were selected that might provide a "warning" in advance of a local government's failing financial viability.

Preference was given to indicators that are used nationally. Emphasis was placed on measures as "predictors' of financial health rather than indirect measures (such as legal compliance with accounting or internal control requirements) or measures of financial failure (such as default on debt) (Kloha, 2005). Predictive measures provide more information about the underpinning or drivers of distress than measures that show financial failure.

Data

Data for the 2005 study was collected for 1994 through 2004 in order to be able to measure changes over time. This time period brackets the repeal of the Motor Vehicle Excise Tax and provides at least a decade of comparative data. Local government financial results were influenced during this period by a number of factors other than the repeal of MVET. These factors included widely varying economic conditions, the impact of property tax limitation

initiatives, and the implementation of the state's Growth Management Act (GMA). The GMA accelerated annexation and incorporation activity by cities, resulting in the creation of fifteen new cities and significant annexation of unincorporated county areas, creating changes in service delivery and land use patterns statewide.

Data for the current update were gathered for the period 1998 to 2008 and compared to the 2005 study results. Between the base data years of 2004 and 2008 the state's economy has significantly changed and a restructuring of the state sales tax collection and distribution system (streamlined sales tax) was implemented.

Presentation Format

The ten financial health indicators selected for this analysis are presented individually in the following pages. Each indicator's results include a page of narrative and one or more maps depicting "financially distressed" counties and cities based on the indicator's stress benchmark. The narrative contains a detailed discussion of each indicator and its measure(s) describing how it is calculated, interpretation of the indicator, the benchmarks used, source of data, the 2008 statewide results for cities and counties, and a comparison of the 2004 and 2008 base data year results.

A summary of the most distressed Washington cities and counties with four or more stress points appears at the beginning of the section on indicator results. Specific data for each indicator is included in the appendix.

Benchmarks

A city or county is considered "distressed" if four or more indicators of stress are registered for that individual city or county. Four was selected after evaluating the practice in other states. Some states appeared to have picked too many indicators (for example eight or more stress points out of 10) leading to a system that did not really identify local governments with significant stress early enough to provide intervention. Picking too few (for example, one stress point) resulted in "false alarms" and/or a number that policy makers might not find believable. The number four was selected in an effort to capture both those jurisdictions in the most distress and those that were headed in the same direction. The number could be increased (e.g., five), but likely not decreased and still be credible.

Data Sources

Six of the measures in this analysis rely on data that is available from the Local Government Financial Reporting System maintained by the State Auditor's Office. For the decade reviewed in this study, all counties reported their financial data every year with 92 percent, or 259 of 281 cities consistently reporting. The appendix summary tables show an asterisk (∗) by those cities

with missing data. In addition to the cities that did not report, four new cities were incorporated between 1998 and 2003. These cities do not have data available for some measures for the years prior to incorporation.

The Local Government Financial Reporting System (LGFRS) is the only comprehensive source of annual financial reporting data available for all cities and counties statewide. LGFRS has limitations, including that the local governments themselves report the data and in many cases it is reported prior to audit. Indicator systems across the country vary in the number and type of indicators that have been selected to measure financial stress or condition but almost all systems rely to some extent on data from local government annual financial reports. When there was an independent source of data that has been audited, tested or generally accepted, that data was used instead of LGFRS data. Data from 2008 was consistently used, even when later data (such as from 2009) was available. This provided consistency between indicators by avoiding the use of different time periods for each measure.

Evaluation of Alternative Statistical Methods

Alternative methods of conducting the financial condition analysis were reviewed and, in some cases, tested. For example, a weighing system was tested by selecting "more important" and "less important" measures. The results of the test weighing system did not vary significantly from the results of an un-weighted analysis and added an additional layer of subjective judgment. In effect, by balancing the number of indicators that measured resources, service demand and results of operations, those three factors were equally weighted. Finally, statistical weighting systems work better when there is a clear or statistically tested method of determining which indicators should receive the most weight. Since there are so many variables involved in evaluating local governments with a wide range of characteristics that change over time, it would be hard to construct a valid weighting system.

The selected analysis method was compared to the results of a national research study on the effectiveness of indicator systems in predicting financial distress to determine whether the design met the predictive criteria developed in the study (Kloha, 2005). In addition, the draft analysis was reviewed for comments by the Association of Washington Cities and Washington State Association of Counties staff.

Establishing Stress Benchmarks

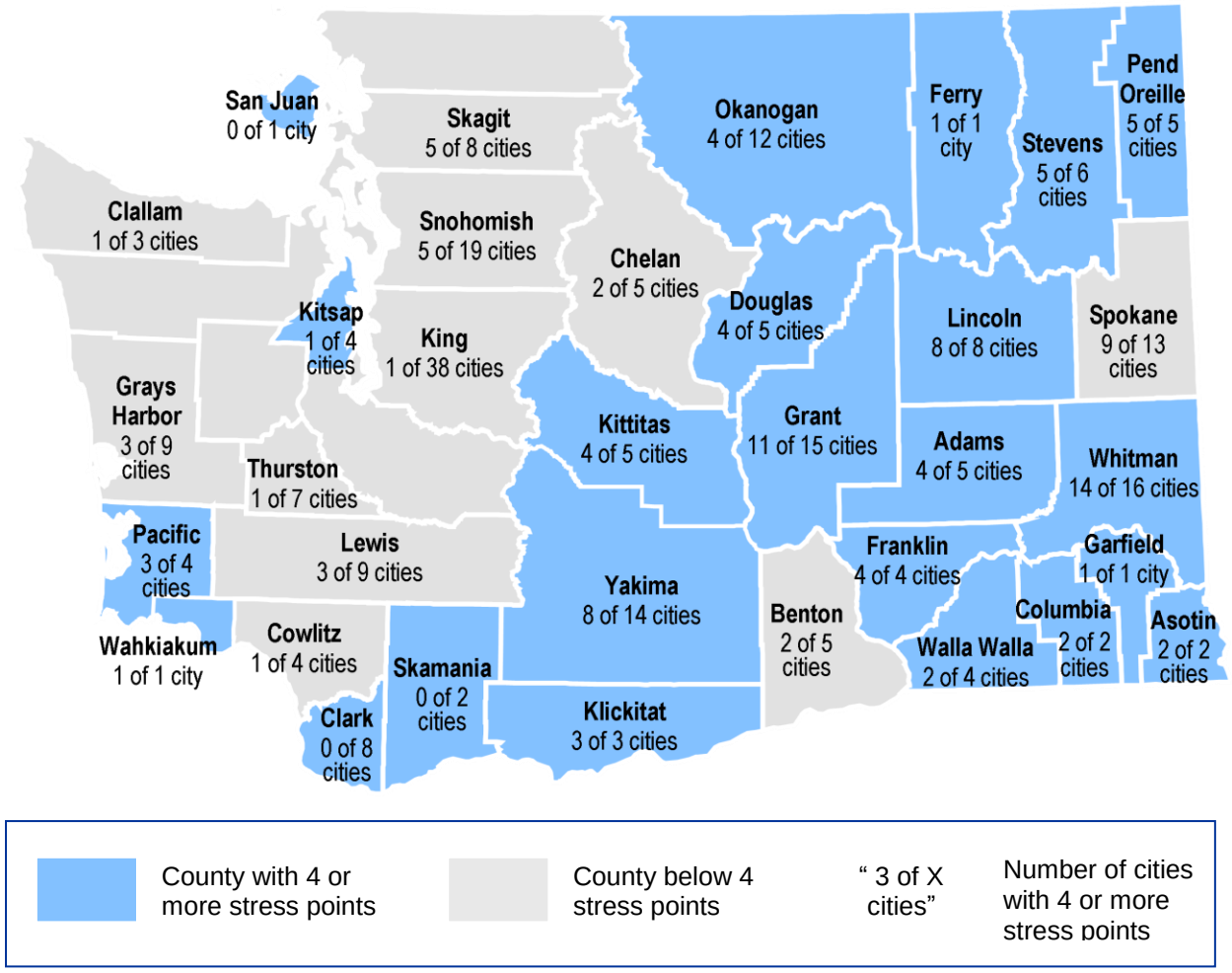
Setting the point for each indicator that divided stressed jurisdictions from jurisdictions not experiencing stress from a given factor was the most difficult part of the analysis. In general, when a national benchmark was available for a given indicator (e.g. 5 percent cash balance as established by municipal bond rating agencies) then the national benchmark was adopted. When a national benchmark was not available, or could not be applied to Washington, then a general rule of 50 percent below the state average or median (lowest quartile) was used. A 50 percent

level was selected in order to distinguish between those that are significantly different from the norm and those that vary somewhat. The narrative for each indicator includes a discussion of how the benchmark for each measure is established or calculated.

2004 Financial Health Indicator Results

The 2004 assessment of city and county financial health was depicted on a map of the state. Counties in blue had a financial stress score of four or more points and cities with a score of four or more points were noted below each county name. Areas of the state experiencing the greatest stress were generally located outside the Puget Sound area in eastern or southern Washington.

Figure 6: 2004 Washington Counties and Cities with Four or More Financial Health Stress Points



Background

The State's Role in Local Government Fiscal Crisis

History of Local Government Fiscal Crisis

American history contains many instances of localities in financial difficulty. In the 1870s, approximately one-quarter of the indebtedness of major local governments was in default, primarily as a result of carpetbagger governments and railroad-aid bonds (Advisory Commission on Intergovernmental Relations, 1985). In the 1970s and 1980s, some of the nation's larger local governments, including New York, Philadelphia and Orange County, California, faced tremendous financial difficulties and were helped out by their states. In 2002 a survey of all states found that 36 states reported one or more local governments in fiscal crisis in recent history (Honadle, 2003). In most of these instances, the state's role was reactive — stepping in when the emergency was evident. As a result of these experiences, states have also developed more proactive approaches in which they try to recognize problems and have mechanisms for dealing with them before they balloon into fiscal crises. Key to these proactive approaches is the choice of fiscal indicators to predict pending distress early enough that state or local actions can alleviate the fiscal difficulties (Cahill and James, 1992). These indicators are key to state intervention — an intervention that can be controversial because it may be uninvited and may conflict with the local autonomy.

State Role in Monitoring Local Government Fiscal Affairs

Nationally, states vary in the role that they play in monitoring and/or intervening in a local government "fiscal crisis." Fifteen states use some form of an indicator system to monitor the financial condition of local governments (Honadle, 2005 and Greisel, 2005). These states are Alaska, Connecticut, Florida, Illinois, Maryland, Massachusetts, Michigan, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and West Virginia.

An additional six states monitor or regulate local governments in poor financial condition in some other way. The states vary in their approach to intervention. Some states provide information on indicator results to local elected officials, the state legislature and/or the general public or create "watch lists." Other states intervene by providing additional funds for operations or debt payments, management assistance or economic development, approving budgets and certifying financial officers, or in the extreme, taking control of the local jurisdiction (Honadle, 2005 and Greisel, 2005).

As an example, the State of Pennsylvania passed Act 47 in 1987 that required local governments to annually report on 27 indicators related to their fiscal condition. Local governments who are classified as fiscally stressed qualify for state assistance in the form of technical assistance (up to $100,000) and grants and loans aimed at returning the community to a sound fiscal footing.

Background

Twenty-two cities and boroughs have been designated as fiscally stressed since 1987 including the City of Pittsburgh.

Washington Statutes Concerning Local Government Bankruptcy

Washington State adopted a statute in 1935 (RCW 39.64 Taxing District Relief) that provided authority for a local government to declare bankruptcy under federal statutes, appoint receivers, and reorganize. In 1974 the state adopted RCW 35.21.750 Public Corporations – Insolvency, which provides for the Superior Court in the appropriate County to appoint receivers or trustees. There appears to be no known use of either of these statutes by cities, towns or counties in the state.

The State's Interest in Local Government Financial Management

The state has an interest in the financial viability and effective management of Washington local governments as a key partner in the delivery of state programs. Counties and cities are important strategic partners in the delivery of multi-billion dollars of services to Washington residents and businesses. The largest joint state and local service delivery systems are criminal justice transportation and health and human services. States across the nation have a stake in local governments' fiscal health and condition. Local fiscal crises can affect the state's bond rating, the economic development potential of the state, and the quality and quantity of basic public services.

Financial Health Indicator Results

Washington Local Government Financial Condition

Results of the financial health indicators analysis for 2008 are presented in two sections. The first section assesses results statewide comparing the most financially distressed local governments in 2008 to those in 2004.

The second section presents the 2008 individual financial indicator results. The ten indicators of financial condition selected for Washington local governments are measured using one or more sets of data generally available for all jurisdictions between 1998 and 2008. A one page narrative for each indicator is followed by a map(s) that provides a visual summary of the counties and cities that fall below the selected stress benchmark for that indicator. The narrative includes:

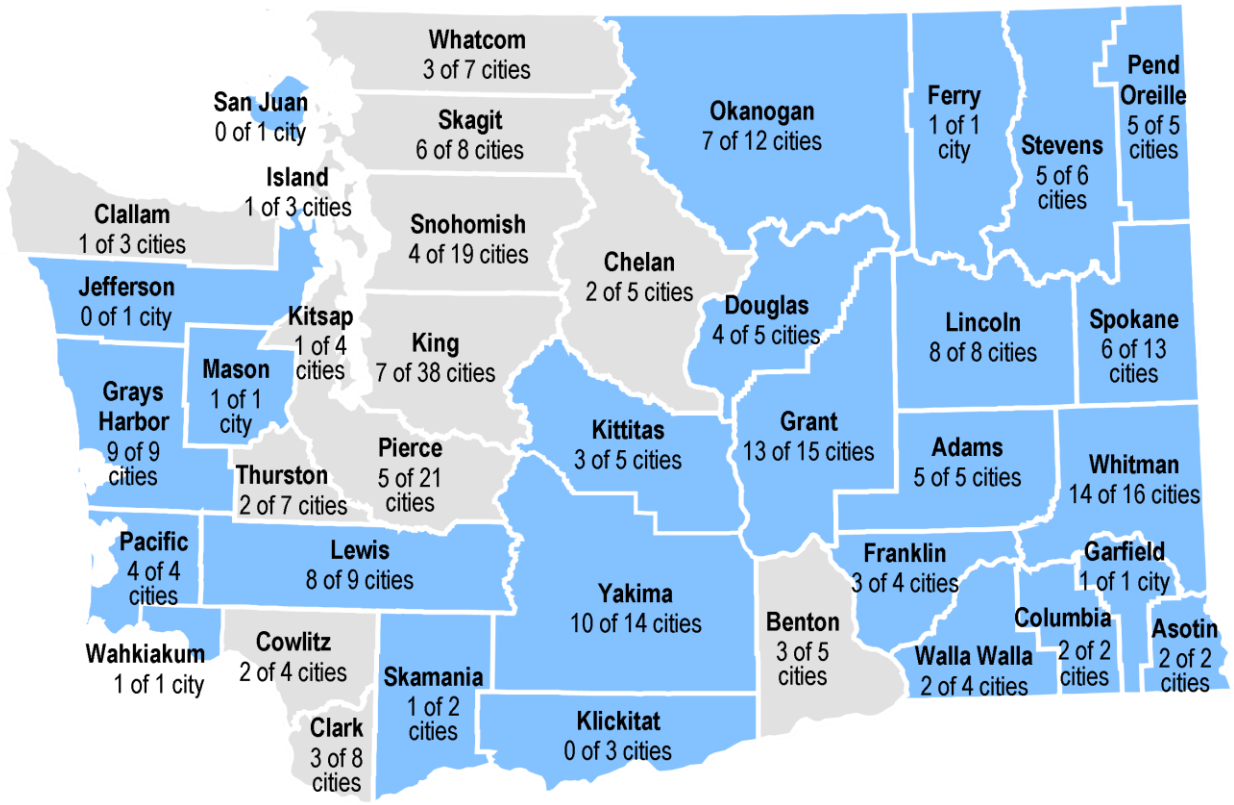
- Name and number of the indicator
- How the indicator is measured
- What the benchmarks are, and how the "line" was drawn defining stress
- How the indicator/measure is interpreted
- Data sources for the indicator
- Findings
- Noted changes between 2004 to 2008 financial health results.

2008 Statewide Financial Health Indicators Results

The map below shows the counties (shown in blue) and cities (indicated under each county name by words e.g. "3 out of 8 cities") that were determined to be the most distressed in 2008 based on the data and benchmarks selected for the ten indicators of local government financial condition. In order to fall into the distressed category a city or county had to have a score of four or more stress points. A county or city received a point for each measure where they fell below the selected stress benchmark. A summary of all the scores for each jurisdiction is listed in the appendix. A second map shows just the counties and cities with four or more stress points that are "new" between 2004 and 2008. Two additional maps are included for comparison, showing changes between 2004 and 2008 in stress scores for all counties and cities.

Financial Health Indicator Results

Figure 7: 2008 Washington Counties and Cities with Four or More Financial Health Stress Points

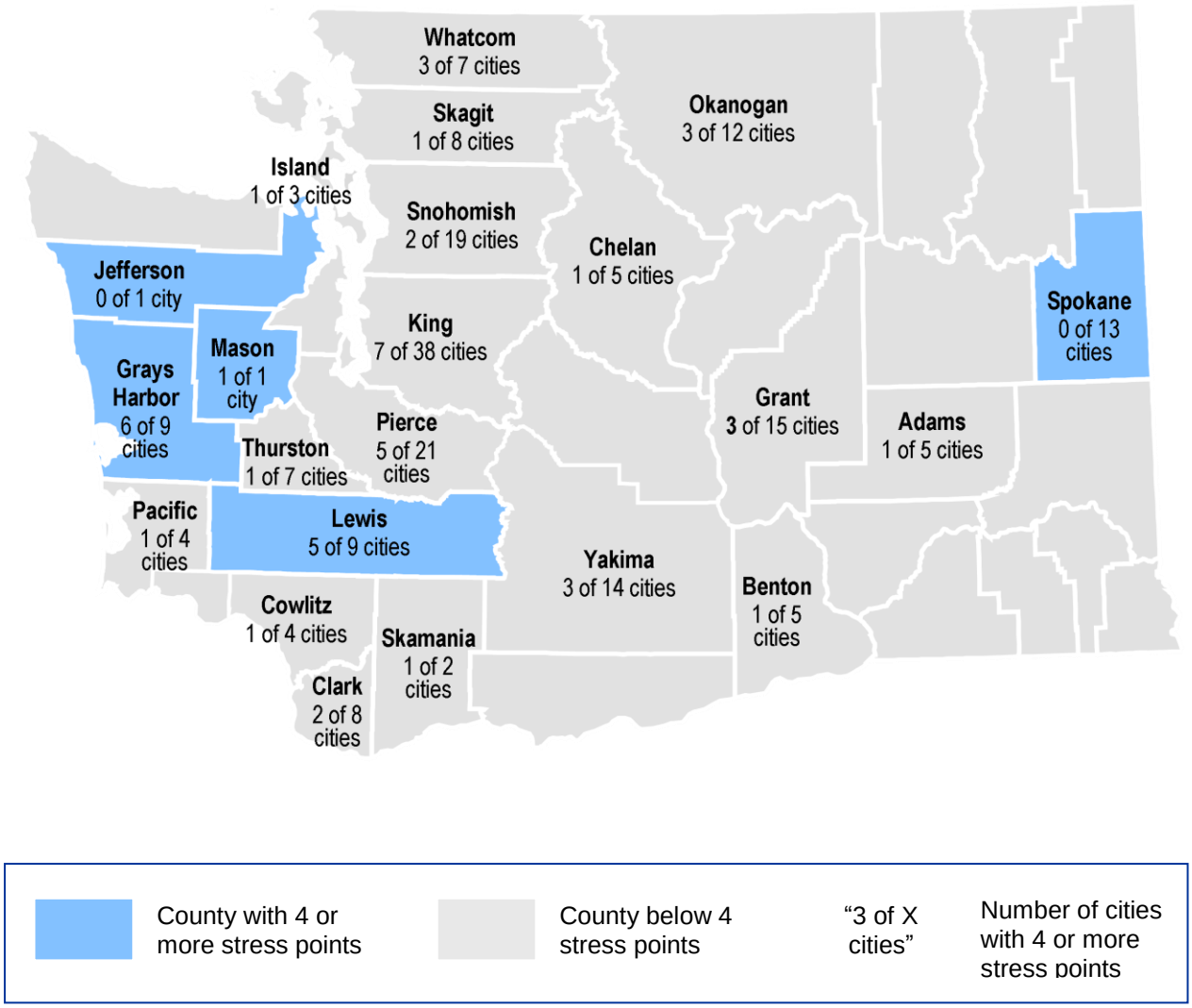


Financial Health Indicator Results

Financial Health Score Changes between 2004 and 2008

Between 2004 and 2008 a large number of local governments showed a change in their financial health score. Those that received four or more stress points for the first time in 2008 are depicted on the map below.

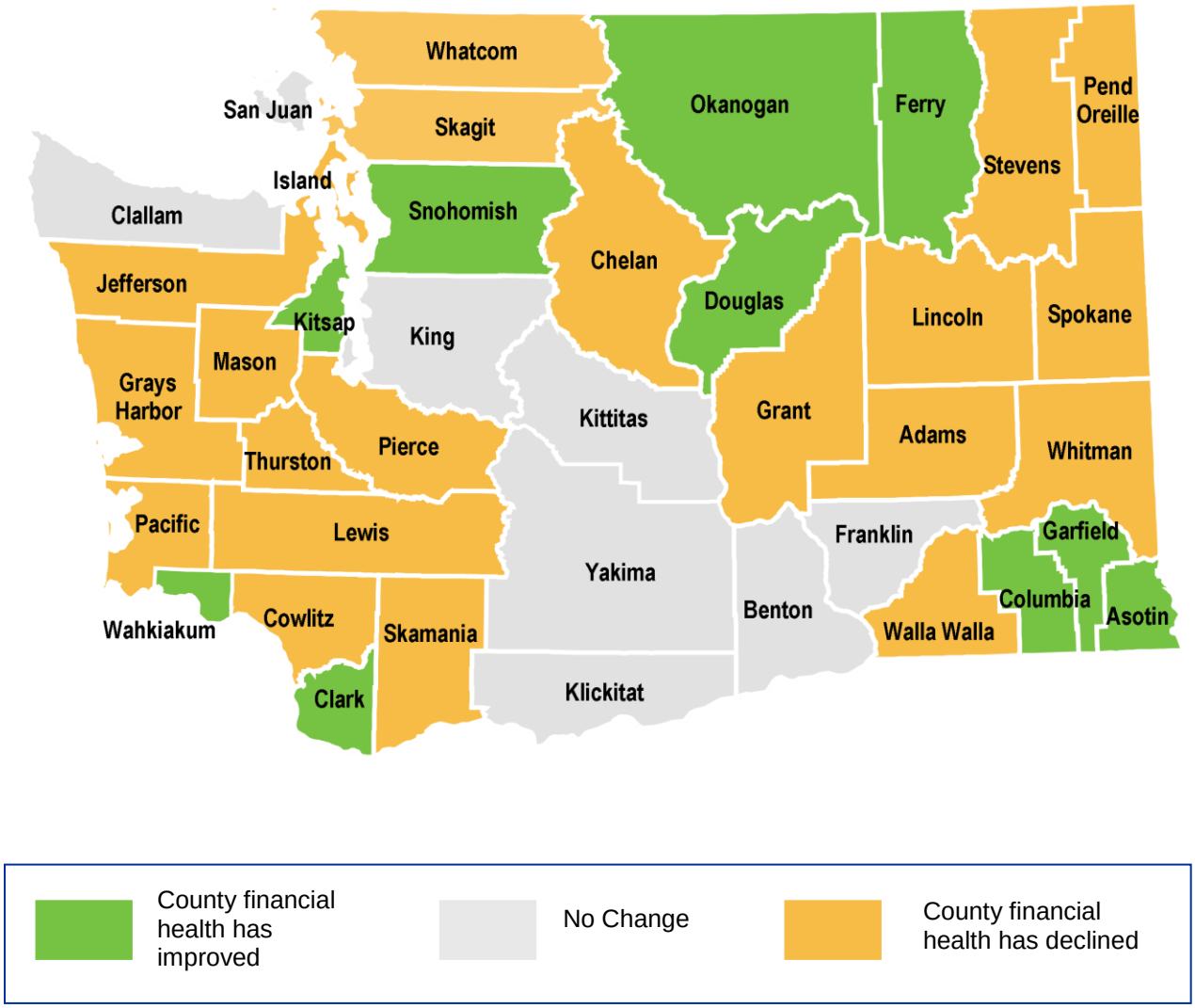
Figure 8: New Local Governments with Four or More Financial Health Stress Points Since 2004



Those local governments that changed by one point or more between 2004 and 2008 are depicted in figures 9 and 10. Local governments whose scores improved are shown in green and those whose scores deteriorated are shown in orange.

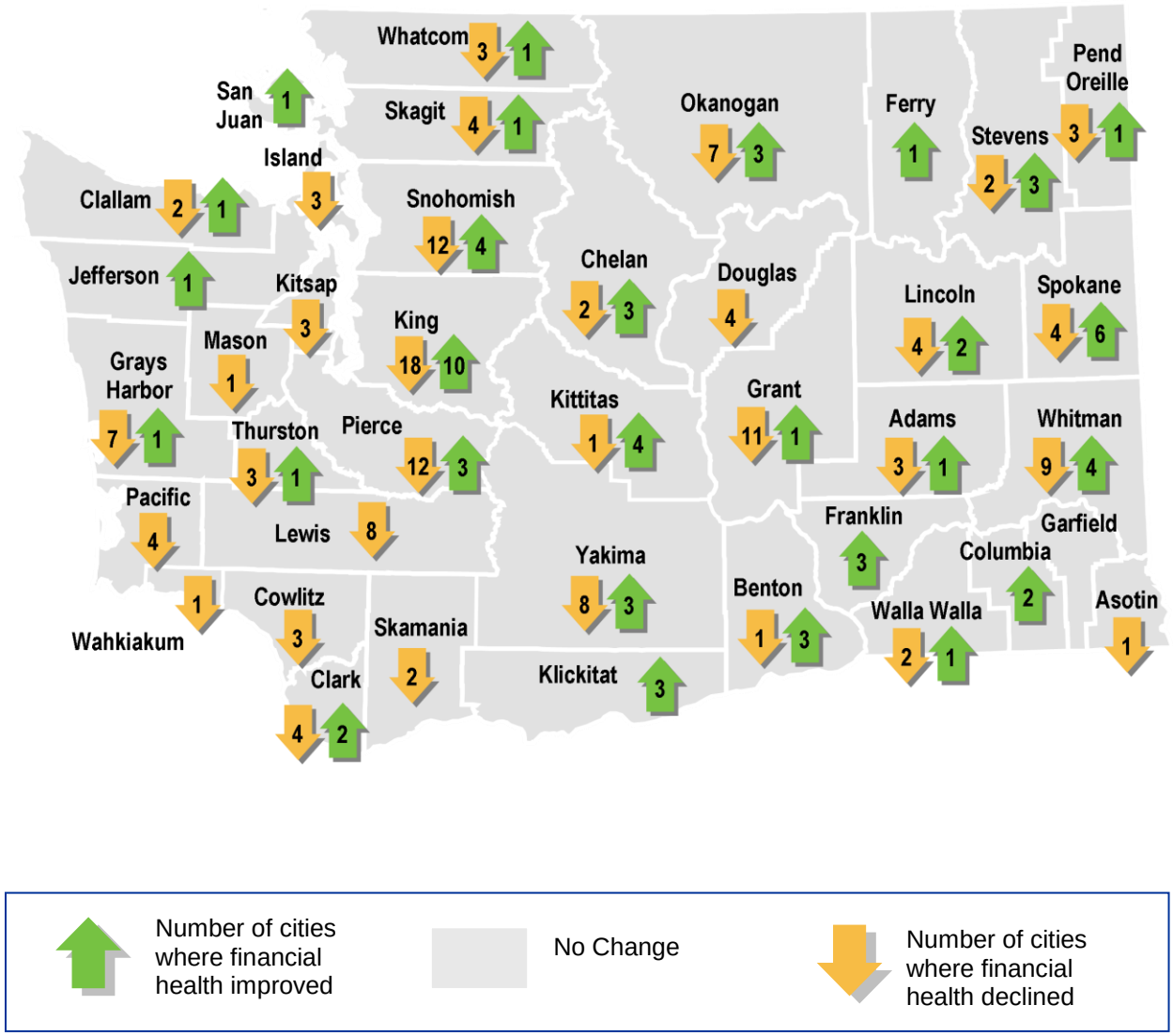
Financial Health Indicator Results

Figure 9: County Stress Point Changes 2004 to 2008



Financial Health Indicator Results

Figure 10: City Stress Point Changes 2004 to 2008



Conclusions

Changes in the Economy and Tax System

2008 city and county financial condition results reflect changes in the state's economy and implementation of the streamlined sales tax program affecting local government revenue. Like the rest of the nation, Washington's counties and cities have experienced a major shift in economic conditions. Job losses are prevalent through out Washington coupled with declines in per capita personal income and consumer spending. These changes affect both demand for local government services and the revenue available to support service delivery.

Sales tax is one of three primary local government general operating revenues. Sales tax distribution reports showed a decline of sales tax receipts in aggregate of 15.2 percent for cities and 12.8 percent for counties between 2007 and 2009. State government sales tax revenue declined by 15.2 percent. At the same time the streamlined sales tax program was implemented, restructuring the method used for collecting and distributing sales tax revenue to local governments. In general a larger proportion of local sales tax revenue was distributed under this program to counties and cities with primarily residential populations.

These changes coupled with many individual changes in operating conditions for local governments in various regions of the state combined to create the backdrop for the financial health indicator results in 2008.

Study Question 1: Changes in City and County Financial Health between 2004 and 2008

The financial condition of Washington's local governments has generally declined between 2004 and 2008 based on the selected stress indicators. Of the ten indicators of financial health for all counties and cities six declined, one improved and three showed mixed results with some measures improving and some measures declining (See Table 1).

Increased Financial Stress

Cities and counties showed more financial stress overall than in 2004 (See Figure1).

- For every four local governments: two were more financially stressed than 2004, one stayed the same and one improved its financial health.
- Statewide, local governments received 18 percent more stress points than in 2004.

Greatest Indicator Change

Five of the ten indicators showed the most change between 2004 and 2008. Three showed declines in financial health since 2004 and two showed some improvement.

- *Economic conditions* changed significantly in Washington along with the rest of the nation. Employment growth changed to employment loss and per capita personal income growth deteriorated.
- Increased numbers of cities and counties showed financial stress as a result of low *per capita general fund operating revenue* compared to 2004.
- Increased numbers of cities and counties had beginning *cash balances* at or below 5 percent of expenditures in one or more years between 2004 and 2008 than in the prior five years.
- Fewer cities and counties had low *sales tax revenue per capita* compared to 2004, although sales tax revenue statewide declined.
- Fewer cities and counties had multi-year *general fund operating gaps* compared to 2004 however counties in aggregate had a statewide operating loss in 2008.

Over 40 percent of all cities and counties showed financial stress in two indicators

In 2008 a large proportion of local governments showed financial stress as a result of employment losses and low per capita personal income.

- Employment growth turned to employment loss between 2004 and 2008 statewide. The number of local governments with 50 percent more employment loss/gain than the state average increased from 60 (or 19 percent) to 146 (or 46 percent).
- The number of counties and cities whose annual per capita personal income fell within the bottom quartile of the state's personal income range increased from 29 in 2004 to 128 (or 40 percent of all jurisdictions) in 2008.

A large proportion of cities and counties showed indications of stress from a high proportion of debt and capital expenditures.

- Forty nine percent of all cities and counties spent 27 percent or more of total expenditures on capital and debt in 2008.
- The number of cities expending 50% or more of all funds on capital increased from 30 to 58 or 21 percent of all cities.

Financial Health Indicator Results

Table 2: 2008 Fiscal Health Indicator Results

Indicator	Benchmark of Financial Condition	Change between 2004 and 2008
Indicator 1: **General Fund Revenue per Capita** **Counties**  **Cities** 	Low general fund per capita revenue is an indicator of inadequate resources to meet service delivery requirements.	The number of jurisdictions with low general fund per capita revenue increased since the last reporting period (from113 in 2004 to 122 in 2008), showing negative movement in this indicator overall. One hundred twenty-two jurisdictions represent 38 percent of the total.
Indicator 2: **Revenue Elasticity** 	Elasticity measures whether a local government's revenue growth keeps pace with its economy by comparing revenue changes to changes in per capita personal income. State government's revenue elasticity generally is 90 percent of the state's economic growth as measured by changes in personal income.	Thirty five percent of local governments had revenue base growth at rates below the benchmark. These communities may have too few resources to address service delivery requirements. The number of cities and counties exceeding the stress benchmark increased from 94 in 2004 to 112 in 2008. The number of counties with low revenue elasticity increased from 23 percent to 38 percent. Thirty-two cities and one county showed revenue declines or negative growth for the decade 1998 to 2008.

Financial Health Indicator Results

Indicator	Benchmark of Financial Condition	Change between 2004 and 2008
Indicator 3: **Cash Balance** 	A cash balance of 5 percent or less is generally regarded by municipal debt rating agencies as a red flag. Adequate revenue to cover operating expenses during the year prior to major revenue receipt is important to sound financial operations.	The number of local governments with low cash balances rose from 29 to 88 (or 28 percent) between 2004 and 2008, reversing the trend in the prior decade. In 2008, fifteen counties (or 38 percent) had at least one year in the previous five with a low cash balance. Seventy-three cities (or 26 percent) had at least one year in the previous five with a low cash balance.
Indicator 4: **Proportion of Expenditures Used for Capital or Debt** **Counties**  **Cities** 	A high (15 percent to 20 percent or greater) proportion of operating expenditures used for debt service is considered a warning signal by municipal debt rating agencies. Capital expenditures were included for Washington local governments due to frequent use of pay-as-you-go capital financing.	The number of cities with greater than 27.5 percent expenditures for capital increased from 138 to 158 (or 56 percent of all cities). The number of cities expending 50 percent or more on capital increased from 30 to 58 or 21 percent of all cities even though expenditures for capital and debt statewide declined. The number of counties expending 27.5 percent or more for capital decreased from 8 to 6 (or 15 percent of all counties). No counties spent over 50 percent on capital. This decline continues the prior decade's trend.
Indicator 5: **Proportion of Revenue Restricted for Specific Uses** **Counties**  **Cities** 	An increasing proportion of restricted revenue over time is seen as reducing a government's ability to respond to changing citizen needs or state and federal laws.	The number of jurisdictions with restricted revenue at or above the benchmark increased from 35 to 45 (or 14 percent) reversing the prior decade's trend. Statewide the average annual amount of restricted revenue for all local governments peaked in 2004 at 53 percent and has declined somewhat in 2008. Counties experienced the most overall decline in restricted revenue.

Financial Health Indicator Results

Indicator	Benchmark of Financial Condition	Change between 2004 and 2008
Indicator 6: **Property Tax Burden** 	Compared to other states Washington's local governments have a relatively low to moderate property tax burden. Nationally, distress is defined as annual overlapping property taxes that exceed 2 percent of property market value.	Property tax limitation Initiatives passed during the study decade have affected the small number of jurisdictions with even a moderate level of tax burden compared to national benchmarks. The number of local governments with moderate tax burden related stress indicators decreased from 27 to 11 (or 3 percent of all local governments) between 1994 and 2004 showing improvement overall.
Indicator 7: **General Fund Operating Gaps** 	Two operating gaps (where annual expenditures exceed annual revenue) out of five years are viewed negatively by municipal debt rating firms. Local governments who had four or more general fund operating gaps during the decade or two operating gaps in the last three years were classed as stressed.	The number of cities and counties meeting the stress benchmark in 2008 declined compared to the 2004 measure. Cities declined from 171 (or 61 percent) to 78 (or 28 percent) and counties declined from 22 (or 56 percent) to 12 (or 31 percent). The number of cities with special revenue fund operating gaps however increased from 124 to 179 (or 64 percent) between 2004 and 2008 while the number of cities with general fund operating gaps declined. The number of counties with special revenue fund operating gaps rose from 21 to 31 (or 79 percent) between 2004 and 2008 while the number with general fund operating gaps declined.

Financial Health Indicator Results

Indicator	Benchmark of Financial Condition	Change between 2004 and 2008
Indicator 8: **Economic Condition** 	Lack of growth in population, and employment or low per capita personal income is an indicator of economic stress effecting revenue collections and service demand.	Employment growth turned to employment loss between 2004 and 2008 statewide. The number of local governments with 50 percent more employment loss/gain than the state average increased from 60 (or 19 percent) to 146 (or 46 percent). The number of counties and cities whose annual per capita personal income fell within the bottom quartile of the state's personal income range increased from 29 in 2004 to 128 (or 40 percent of all jurisdictions) in 2008. Service population decline occurred in 49 (or 15 percent) of local governments in 2008 compared to 43 (or 13 percent) in 2004 with three counties showing a net loss in incorporated population for the first time.
Indicator 9: **Tax Base Condition** 	Local governments are considered stressed whose major tax revenues per capita (property and sales taxes) were measured as 50 percent below the state average or median.	Overall, the number of jurisdictions with tax base related stress is lower, declining from 141 to 127 (or 40 percent of all cities and counties). The number of local governments with low per capita assessed value increased from 73 to 86 (or 27 percent) of all local governments. The number of local governments with low per capita sales tax revenue declined between 2004 and 2008 from 122 to 89 (or 28 percent). The average per capita sales tax revenue for both cities and counties declined during the same period. The average per capita sales tax revenue for cities dropped by 16 percent. The average per unincorporated capita sales tax revenue for counties dropped by 8 percent.

Financial Health Indicator Results

Indicator	Benchmark of Financial Condition	Change between 2004 and 2008
Indicator 10: **Service Demand** 	Low density generally increases the cost per unit of service delivery. High proportions of DSHS clients or high school dropouts are indicators of high service demand which may place a higher than typical stress on local government resources.	More local governments showed stress in this indicator overall increasing from 168 to 174. Population density and high school dropout rates improved while the number of local governments with low assessed value per square mile and high numbers of DSHS clients increased.

2008 Financial Health Indicator Results

The map below shows the counties (in blue) and cities (indicated under each county name by words e.g. "3 out of 8 cities") that were determined to be the most distressed in 2008 based on the data and benchmarks selected for the ten indicators of local government financial condition. In order to fall into the distressed category a city or county had to have a score of four or more stress points. A county or city received a point for each measure where they fell below the selected stress benchmark. A summary of all the scores for each jurisdiction is listed in the appendix.

County Results

Counties as a group had the *highest average stress scores* in both 2004 and 2008. Overall:

- Twenty-six counties (or two thirds) received four or more stress points in 2008 compared to 23 in 2004.
- As county unincorporated population decreased, average stress scores increased, ranging from an average of 3 to 7 by population band in 2004 and 2008.

City Results

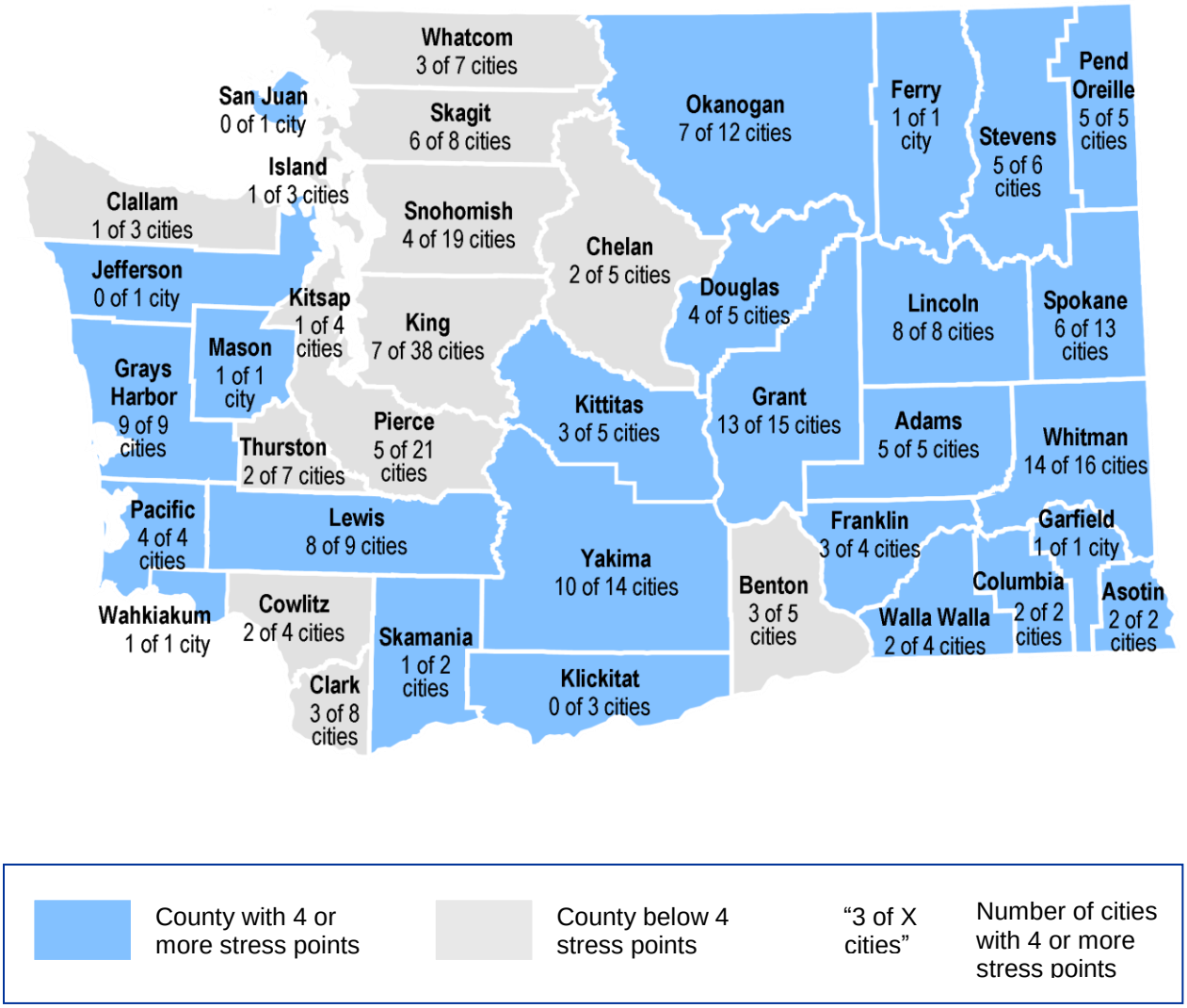
Cities as a group experienced *the most increase in financial stress scores* between 2004 and 2008. Overall:

- One hundred fifty-five cities (or 55 percent) received four or more financial health stress points in 2008 compared to 121 in 2004. An additional nine had incomplete data.

Financial Health Indicator Results

- As city population decreased, average stress scores increased. Cities overall average scores moved up approximately one full point between 2004 and 2008, ranging from 2.2 to 6.3 in 2008.

Figure 11: 2008 Washington Counties and Cities with Four or More Financial Health Stress Points



Study Question 2: Jurisdictions Showing Indications of the Most Financial Stress

Counties and cities with the most financial stress in 2004 tended to be smaller in population and were located in three regions of the state outside of the Puget Sound area. In 2008 the number of stressed jurisdictions increased and size became the dominate characteristic.

Financial Health Indicator Results

Counties

The graphic below shows those counties with stress point changes of three or more between 2004 and 2008. The next graphic shows the average financial stress results by population size for all counties. Smaller unincorporated population counties tended to have higher stress scores.

- Counties with unincorporated populations of less than 10,000 were the most stressed population band with an average stress score of 7.3.
- Ferry County, the county with the highest stress in 2004, improved its financial health by four points to a score of seven. Stevens and Pacific counties replaced Ferry County as the most stressed in 2008.
- Five counties added three or more stress points between 2004 and 2008. Four were in western Washington.

Figure 12: Counties with Stress Point Changes of Three of More

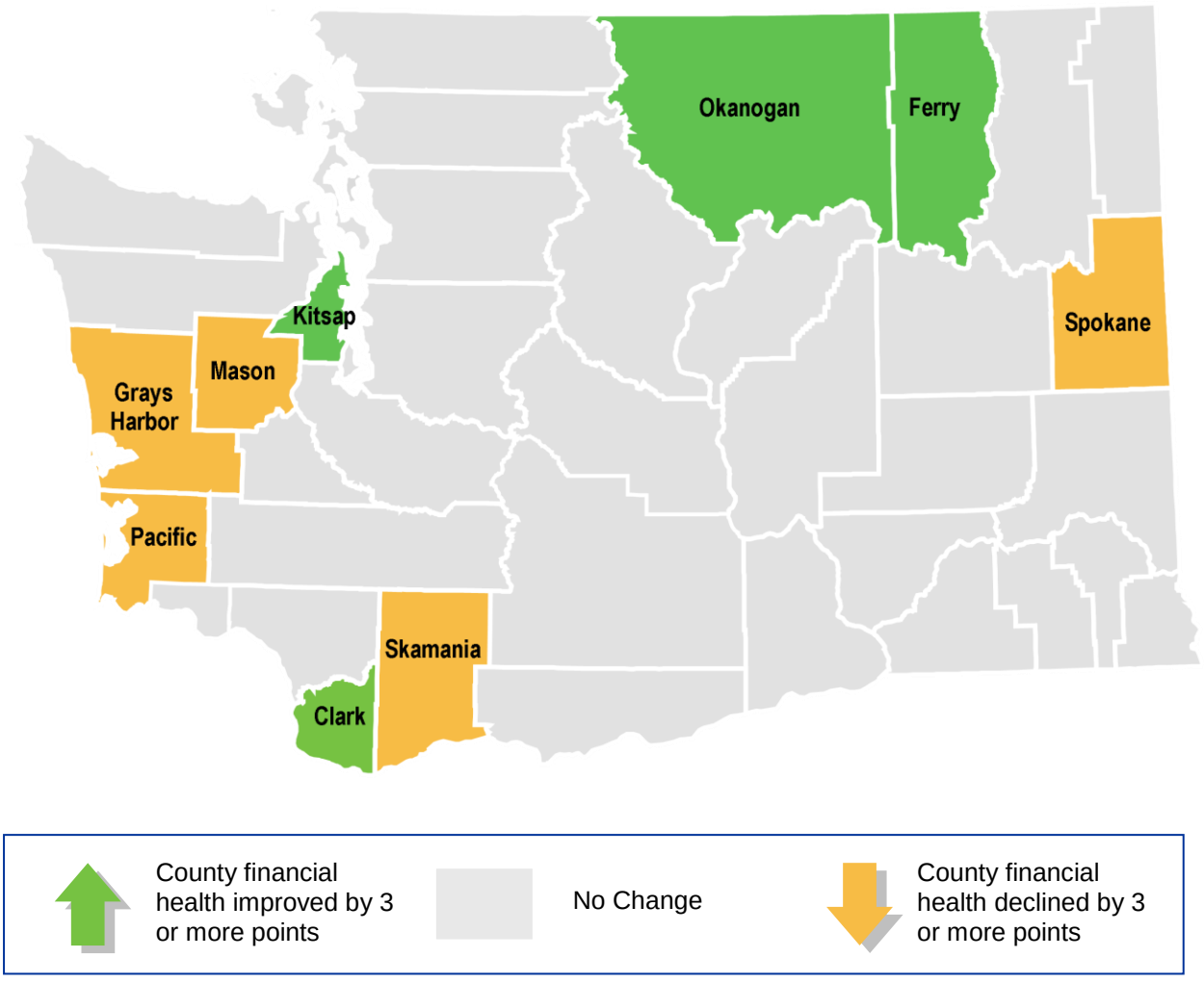
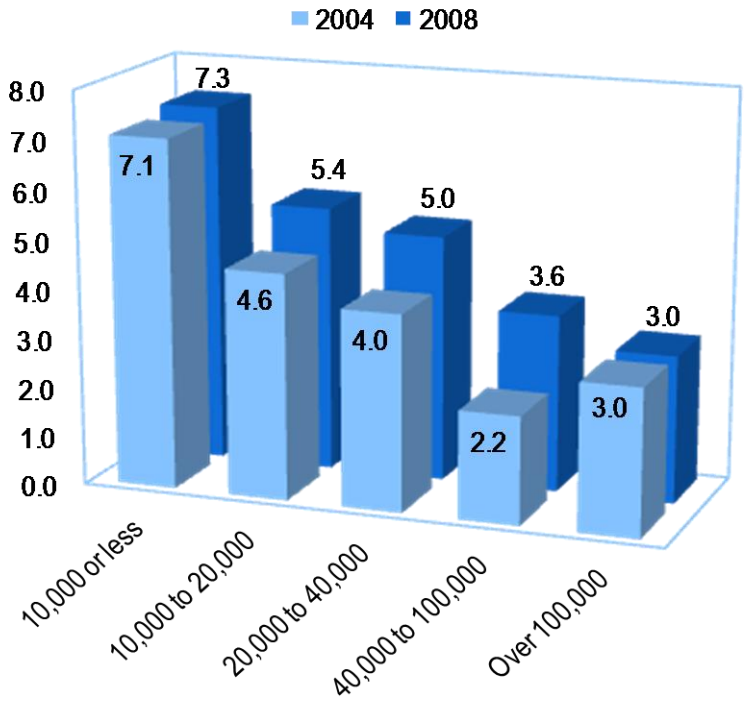


Figure 13: 2004 and 2008 Average Stress Points by County Unincorporated Population



Cities

The graphic below shows those cities with stress point changes of three or more between 2004 and 2008. The next graphic shows the average financial stress results by population size for all cities. Smaller population cities tended to have higher stress scores on average.

- Cities with a population of 1,000 or less were the most stressed population band, with an average stress score of 6.3 in 2008.
- The City of Republic, the city with the highest stress in 2004, has improved its financial health by 4 points to a score of six. Ten cities replaced Republic as the most stressed in 2008. All are under 1,000 population in eastern Washington.
    - Lamont, Endicott, Farmington and Rosalia in Whitman County
    - Almira and Wilbur in Lincoln County
    - Ione in Pend Oreille County
    - Lind and Washtucna in Adams County
    - Riverside in Okanogan County.
- Sixteen percent of cities (or 46) increased three or more stress points between 2004 and 2008. All population bands were represented.

Financial Health Indicator Results

Figure 14: Number of Cities with Stress Point Change of Three or More

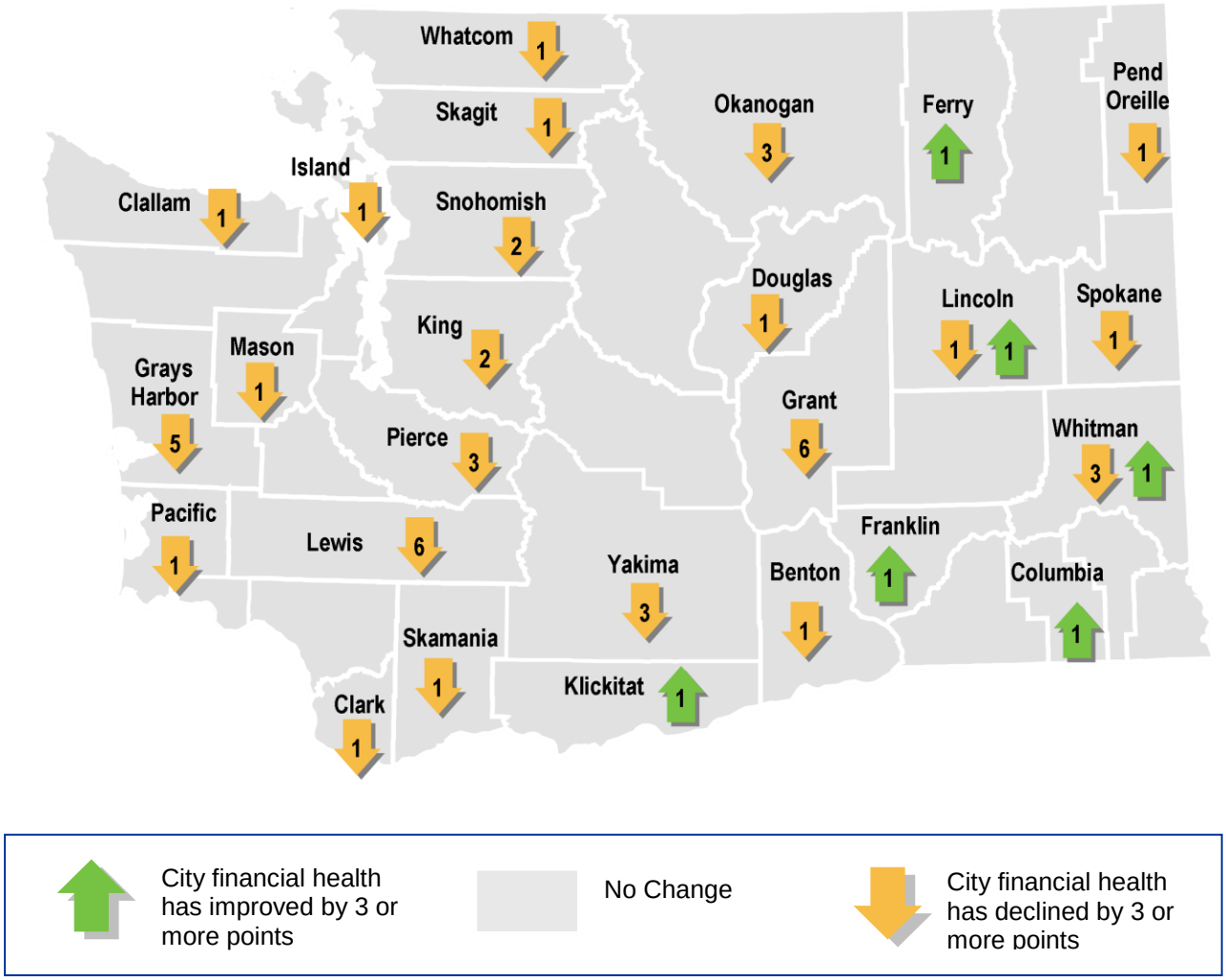
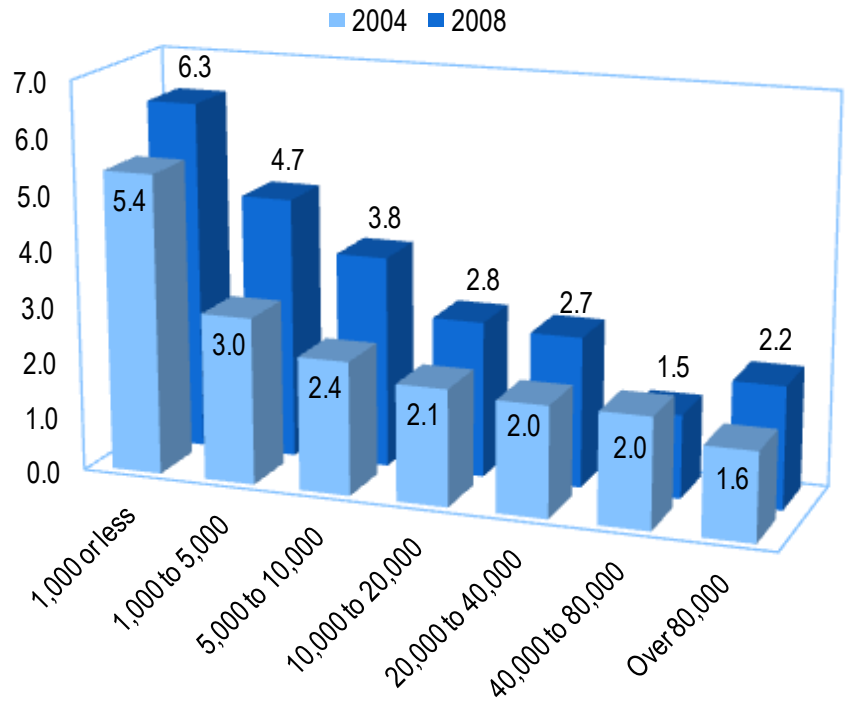


Figure 15: 2004 and 2008 Average Stress Points by City Population



Study Question 3: Cities and Counties that Show Indications of the Most Improved Financial Health

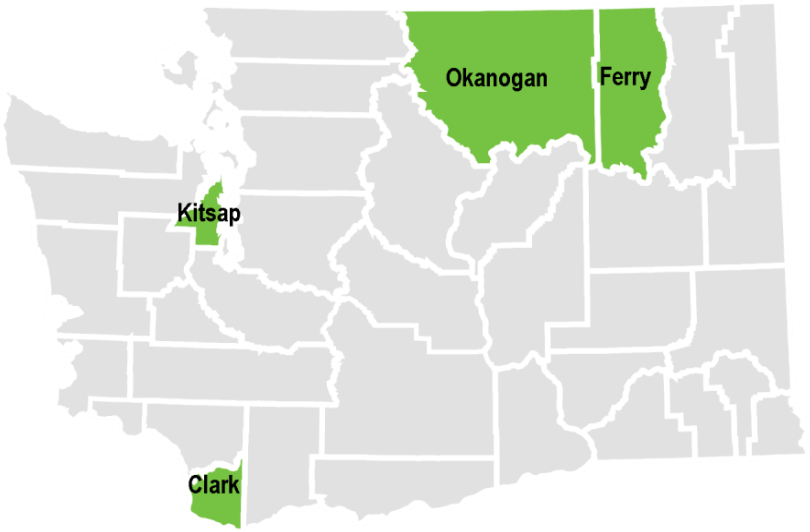
One in four general purpose local governments improved their financial health between 2004 and 2008. One of the factors in the improvement seen in some jurisdictions was the impact of the implementation of a restructuring of the sales tax collection and distribution system in Washington through the streamlined sales tax program. While overall statewide sales tax receipts have declined between 2007 and 2009, 12.8 percent for counties and 15.2 percent for cities, how the receipts are distributed has changed. Generally counties, and cities that are primarily residential in character, received a greater proportion of sales tax receipts.

Counties

Four counties financial health improved by three or more stress points between 2004 and 2008. Three of the four counties reduced their general fund operating gaps. Other indicators that improved were:

- General fund revenue per capita
- Low general fund beginning cash balance
- Reduced diversion of county road property tax
- Lower proportion of restricted revenue.

Figure 16: Counties that Improved Three of More Stress Points between 2004 and 2008

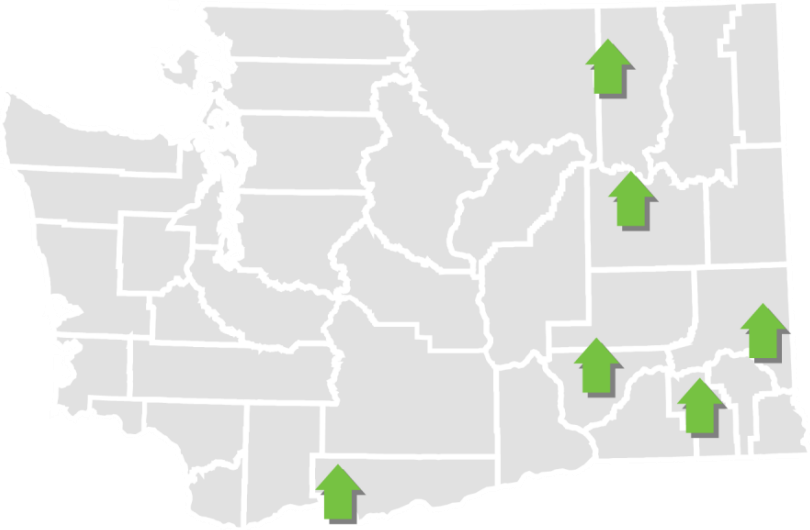


Cities

Six cities under 5,000 population in eastern Washington improved three or more stress points between 2004 and 2005. Most of the cities reduced their proportion of restricted revenue, experienced improvement in employment growth/loss rates and reduced general fund operating gaps. Other indicators displaying positive change were:

- Per capita sales tax
- DSHS clients levels
- Proportion of expenditures used for debt and capital.

Figure 17: Cities that Improved Three or More Stress Points between 2004 and 2008



Individual Indicator Results

Indicator 1: General Operating Fund Revenue per Capita

Benchmark
Local governments are defined as fiscally stressed if their per capita (or unincorporated per capita for counties) general fund revenue was 50 percent less than the state average for cities (benchmark equaled $512 per capita in 2008) or counties (benchmark equaled $561 per unincorporated capita in 2008).

Interpretation
Per capita general fund revenue levels provide an indication of the resources available to provide local government services. The lower the per capita revenue level the less able the local government may be to finance basic governmental services, retain qualified employees, and maintain public assets.

Measure
2008 general or current fund revenue without beginning fund balance divided by total population for cities and unincorporated population for counties. As an example, the county benchmark was calculated as follows: ((state average or $753 minus lowest per cap or $368)/2) + 368 = $561 per unincorporated capita. The county with the lowest per unincorporated capita 2008 general fund revenue number equaled $368, the city's lowest per capita revenue was $173.

2004 to 2008 Indicator Comparison
The number of jurisdictions with low general fund per capita revenue increased since the last reporting period (from113 in 2004 to 122 in 2008), showing negative movement in this indicator overall.

County Findings
Seven counties (18 percent) had general fund revenue per unincorporated capita of 50 percent below the state average ($561 or less) in 2008. In 1994, eight counties had revenue per unincorporated capita of 50 percent below the state average ($295 or less).

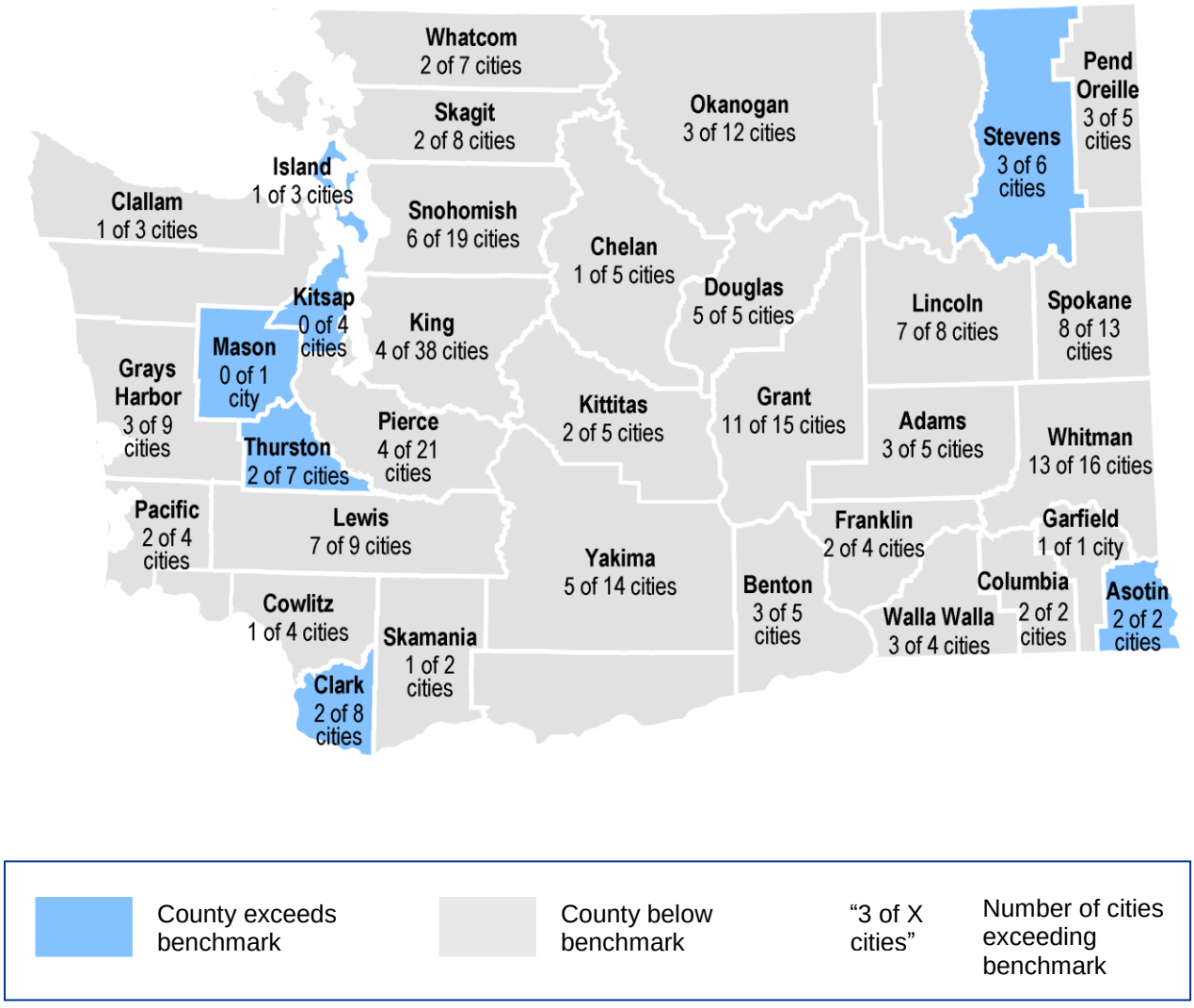
City Findings
115 cities (41 percent with 14 not reporting) had general fund revenue per capita of 50 percent below the state average ($512 or less) in 2008. In 1994, 124 cities (44 percent with 16 not reporting) had per capita revenue at 50 percent below the state average ($344 or less).

Individual Indicator Results

Data Sources

- Revenue data is from a custom query from the Local Government Financial Reporting System http://www2.sao.wa.gov/applications/lgfrs/
- Washington State Auditor's Office, Duane Walz 360-725-5594 walzd@sao.wa.gov and Lori Beckner, 560-725-5362, Becknerl@sao.wa.gov
- Population data is from the Forecasting Division, Office of Financial Management for 2008, *April 1 Intercensal Population Estimates for the state, counties, cities and towns for 1990 to 2010*, http://www.ofm.wa.gov/pop/april1/default.asp

Figure 18: Jurisdictions with Low General Fund Revenue per Capita



Indicator 2: Revenue Elasticity

Benchmark
Revenue elasticity for state government is the standard, measured at 0.90. Local governments with an elasticity ratio of less than 0.90 are shown as stressed.

Interpretation
As the economic base expands or inflation increases, elastic revenues rise in roughly proportional amounts while inelastic revenues are relatively unresponsive. It is generally desirable for revenue to expand with personal income in order to have adequate resources to finance public services. This is not true, of course, during times of deflation. An elasticity ratio of 0.90 means that revenues grow at a rate that is 10 percent less than the growth rate for personal income.

Measure
Growth in all fund revenue (without beginning fund balance) divided by growth in the jurisdiction's per capita personal income from 1998 to 2008.

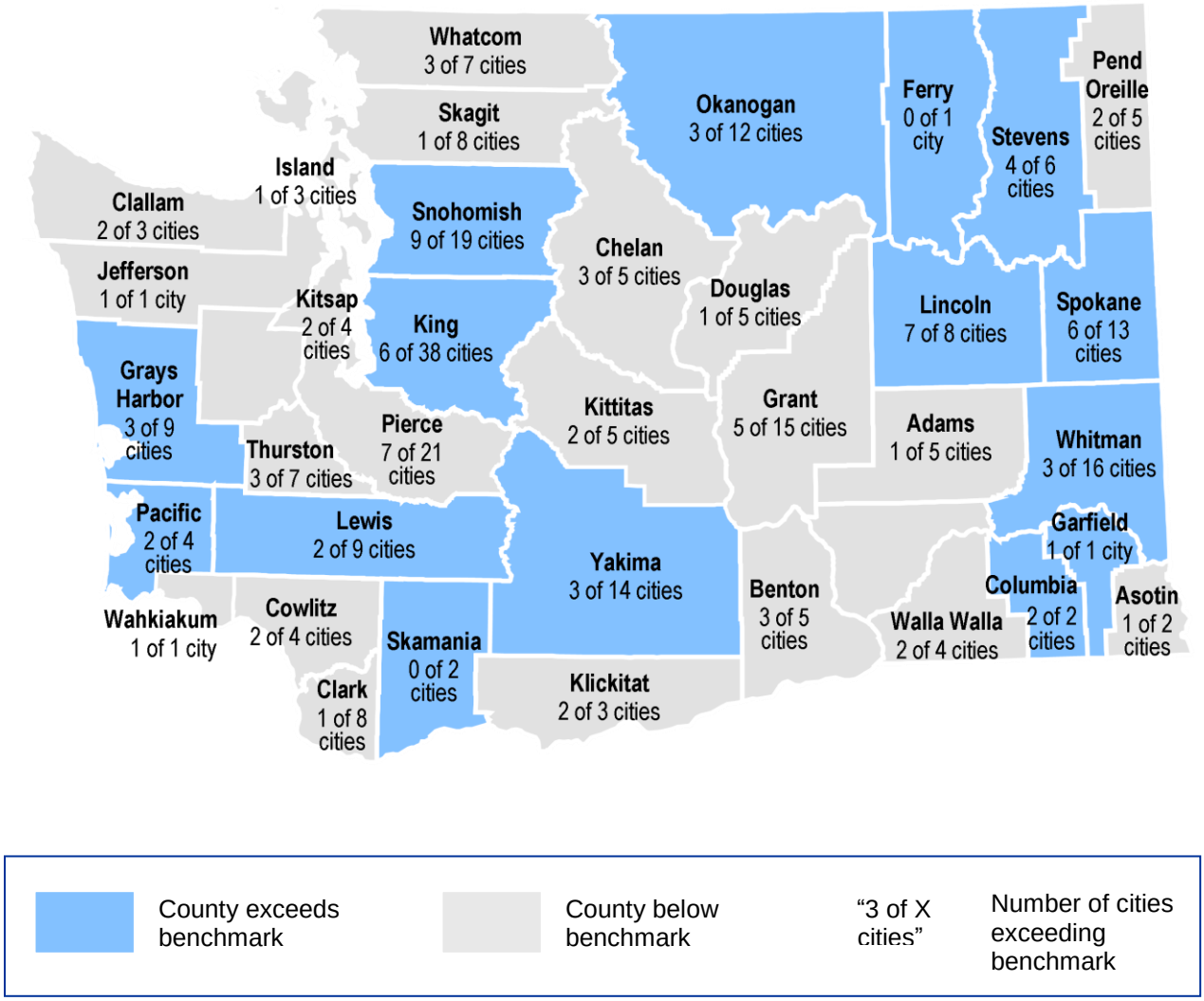
2004 to 2008 Indicator Comparison
The number of cities and counties exceeding the stress benchmark increased from 2004 to 2008 to greater than one third of all local governments. The percentage of counties with low revenue elasticity increased by a greater proportion than the cities. However, a larger proportion of cities showed negative revenue growth.

County and City Findings
Fifteen counties (38 percent) and 97 cities (35 percent) show revenue elasticity that is lower than the benchmark revenue elasticity of 0.90. These local governments' revenue bases grow at a slower rate than their economy. Of the 97 cities with low elasticity 32 (or 11 percent) experienced overall revenue declines for the decade. Of the 15 counties with low elasticity one (or 3 percent) experienced an overall revenue decline for the decade.

Data Sources

- Revenue data is a custom query from the Local Government Financial Reporting System http://www2.sao.wa.gov/applications/lgfrs/
  Washington State Auditor's Office, Duane Walz 360-725-5594 walzd@sao.wa.gov and Lori Beckner, 560-725-5362, Becknerl@sao.wa.gov
- Per capita personal income data is from the federal Bureau of Economic Analysis, Department of Commerce, table CA1-3 Per capita personal income 2/ http://www.bea.gov/regional/reis/default.cfm?selTable=CA1-3&section=2

Figure 19: Low Revenue Elasticity



Indicator 3: Cash Balance

Benchmark

Local governments with a beginning cash balance of 5 percent or less in at least one year in the years 2004 to 2008. A ratio below 5 percent is generally regarded by the debt rating agencies as a red flag indicating probable fiscal stress. Fitch IBCA indicates that, as a cushion against potential revenue and expenditure volatility, an unreserved fund balance equal to 5 percent of expenditures and transfers or current revenues and transfers is regarded as a sound level. Issuers that can consistently maintain unreserved fund balances of 10 percent or more, however, are viewed more favorably. They do note that this level may vary depending on the locality's tax collection calendar.

Some counties use diverted county road property tax as a non-road fund operating revenue under state law. Reliance on this revenue is considered an indicator of a weak or stressed tax base. Counties were considered stressed if they relied on diverted county road property tax for more than 2 percent of current fund revenue.

Related Notes

- Standard & Poor's uses unreserved general fund balances as a percent of operating revenues. Fifteen percent or more with no cash borrowing over the fiscal year is considered strong, 5-15 percent adequate, and 0-5 percent low. They caution that this is only a general guideline – what is considered high or low depends on peak cash-flow needs during the year as well as whether the fiscal year ends in a historically cash poor or cash rich month.
- Many local government finance professionals advise local governments to maintain at least a 8 percent cash balance (an amount equal to one month's expenditures) when revenue cash flow does not require a higher balance to cover the low point in a local government's revenue cycle.

Interpretation

- Indicates the availability of financial reserves to meet current year obligations before receipt of tax revenue and unforeseen contingencies. A decline in unreserved fund balances as a percentage of operating revenues over time suggests the government is less able to withstand financial emergencies and more likely to need to borrow funds for capital purchases. Note that this may not be the case if the government planned to draw down fund balances or made a large capital purchase on a pay-as-you-go basis out of balances.
- Over reliance on diverted county road property tax is an indicator of a weak or stressed tax base.

Measures

- Unreserved general fund (or current fund) balance divided by total general fund (or current fund) expenditures for 2004 through 2008.
- Diverted county road property tax divided by current fund revenue without beginning cash balance for 2008.

2004 to 2008 Indicator Comparison

- The number of local governments with low cash balances rose from 32 to 59 (or 18 percent of all cities and counties) between 2004 and 2008, reversing the trend in the prior decade.
- In 2008, eleven counties (or 28 percent) had at least one year in the previous five with a low cash balance.
- Wahkiakum County reported low cash balances in all years and negative current fund revenue growth over the decade. In addition an increasing number of counties shifted road tax revenue to their current fund.
- Forty eight cities (or 17 percent) had at least one year in the previous five with a low cash balance.
- Six cities with low cash balances also had negative general fund revenue growth over the decade (Rosalia, Oakville, Lind, Pe Ell, Riverside and Farmington).
- One city had low cash balances in all years (Brewster).

County Findings

- The number of counties with cash balances of 5 percent or less increased from six to eleven from 2004 to 2008 (or from15 percent to 28 percent of all counties)
- The number of counties that rely on diverted or shifted road property tax for 2 percent or more of their current fund revenue increased from seven in 1994 to 15 in 2008 (or 38 percent of all counties).
- For the first time total county diverted or shifted road tax represented just under 2 percent of all county current fund revenue statewide.

City Findings

The number of cities with cash balances of less than 5 percent increased from 26 to 48 from 2004 to 2008 (or from 9 percent to 17 percent of all cities).

Data Sources

- Revenue and expenditure data is a custom query from the Local Government Financial Reporting System http://www2.sao.wa.gov/applications/lgfrs/

Washington State Auditor's Office, Duane Walz 360-725-5594 walzd@sao.wa.gov and Lori Beckner, 560-725-5362, Becknerl@sao.wa.gov

- Diverted Road Tax data, Cohttp://www.crab.wa.gov/#unty Road Administration Board (CRAB), http://www.crab.wa.gov/# Report Updates: Diverted County Road Levy.

Figure 20: Beginning Cash Balance Below 5 Percent

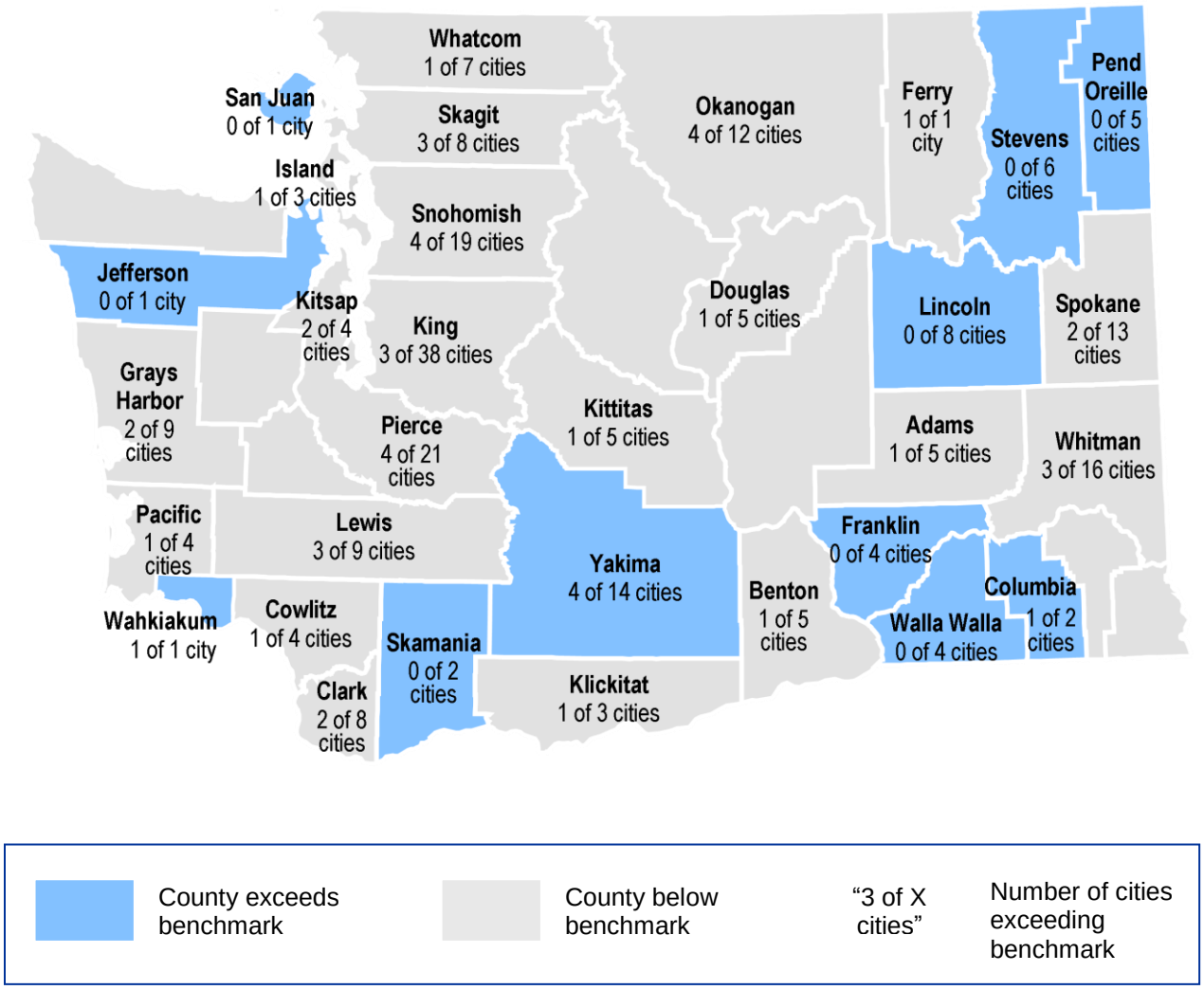
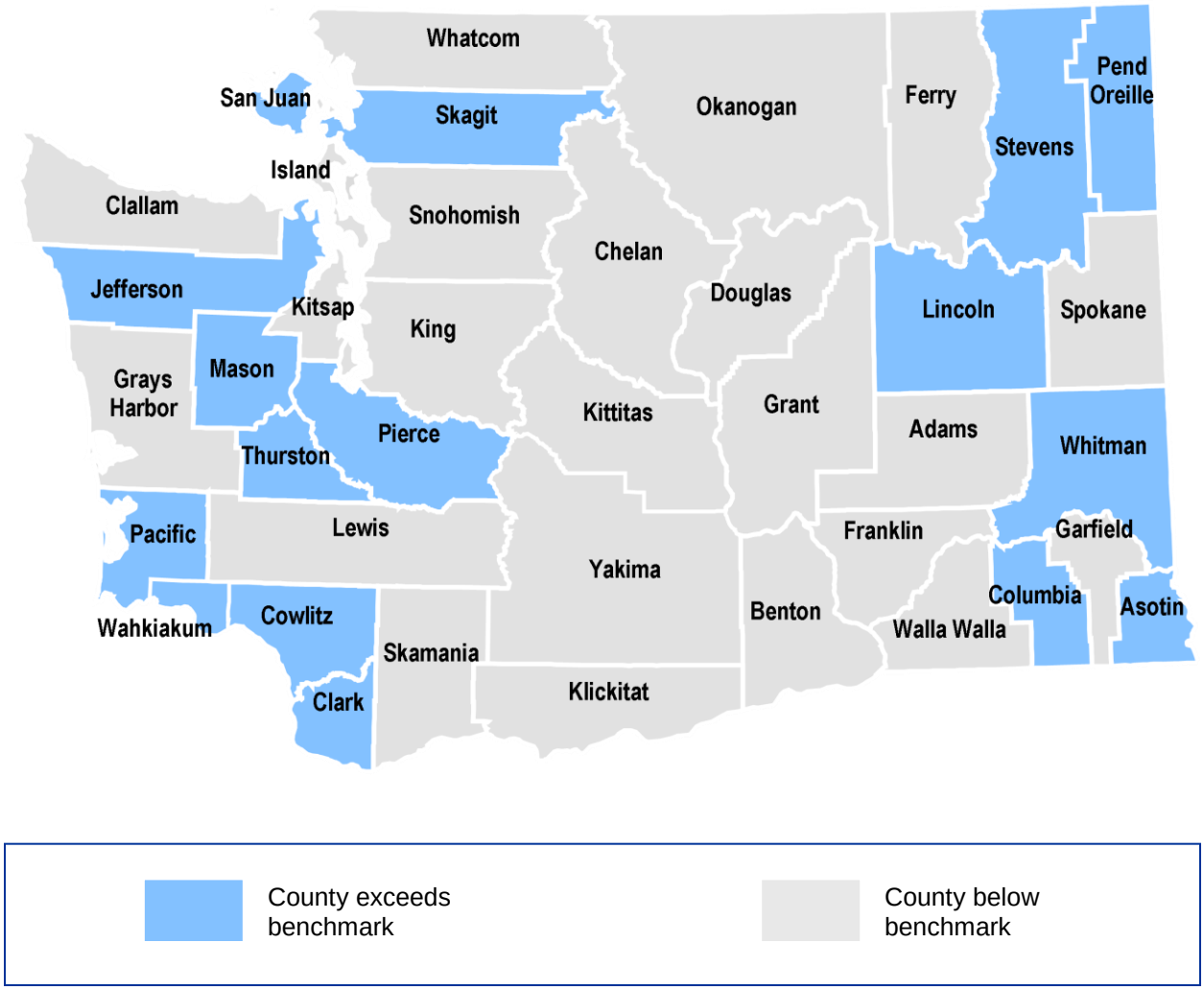


Figure 21: Counties Using Diverted Road Property Tax For 2 Percent or More of General Operating Fund Revenue



Indicator 4: Proportion of Expenditures Used For Debt and Capital Improvement

Benchmark
Local governments with debt and capital expenditures of 27.5 percent or more of total expenditures were considered stressed. This number is above the national benchmarks described below because capital expenditures were included.

Local governments are stewards of public infrastructure systems, including streets and roads, utilities, public safety facilities, parks and recreation facilities, and a variety of other public buildings and land. These systems need to be maintained, renewed and expanded with growth. Some local governments have greater capital burdens than others due to a variety of circumstances, including the requirements of the state Growth Management Act and various federal statutes. This indicator helps to identify local governments whose capital burdens are a fiscal stressor. The typical measure in this arena is the proportion of a government's expenditures used for debt service. In Washington however, many local governments rely on pay-as-you-go financing for capital needs, so debt service obligations only tell part of the story.

Debt service on direct debt that exceeds 20 percent of operating revenue is considered a warning signal by bond rating agencies. A ratio of 10 percent or less is considered acceptable. Fitch IBCA suggests that debt service above 10 percent of expenditures or revenues constitutes a level at which budgetary competition is a significant consideration. Standard & Poor's indicates that debt service as a percent of expenditures of <= 5 percent, represents a low carrying charge; 10 percent a moderate carrying charge; and >= 15 percent a high carrying charge.

Interpretation
Indicates the extent of the government's fixed costs related to paying principal and interest on its direct tax-supported debt and capital requirements. Increasing net direct debt service as a percentage of operating revenues reduces a government's expenditure flexibility and may suggest excessive debt and/or fiscal strain.

Measure
All fund debt and capital expenditures divided by all fund expenditures in 2008. Debt and capital include all account codes in BARS category 5CA, 5DI and 5DP.

2004 to 2008 Indicator Comparison

- From 2004 to 2008 the number of cities spending 27.5 percent or more for capital and debt increased to 152 cities (or 54 percent) from 128 (or 46 percent) in 1994. The number of cities expending 50 percent or greater for debt or capital increased to 58 (or 21 percent) from 28 in 1994.
- The statewide city average annual expenditure for capital and debt declined from 29.6% of total expenditures in 2004 to 27.3 percent in 2008.
- The number of counties expending 27.5 percent or greater of total expenditures for capital and debt continued to decline from nine in 1994 to six in 2008, with no counties spending greater than 50 percent for debt and capital.
- The statewide county average annual expenditure for capital and debt declined from 23.5 percent of total expenditures in 2004 to 20 percent in 2008.

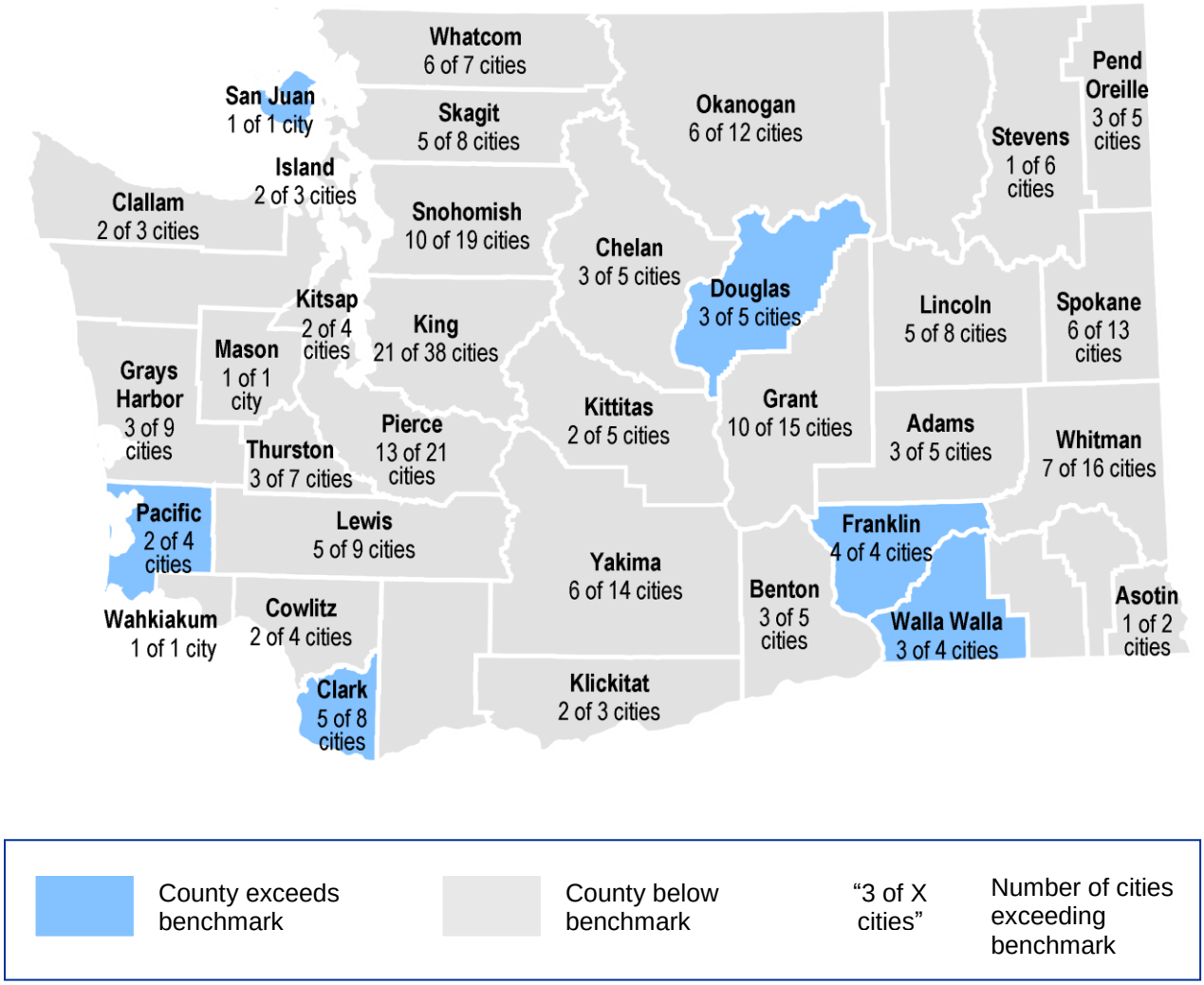
County and City Findings

- The average Washington local government's expenditures for capital, including debt, declined from 27 percent in 2004 to 24.6 percent of total all fund expenditures reversing the prior decades trend.
- The number of cities with greater than 27.5 percent expenditures for capital increased from 138 to 158 with 14 cities not reporting. One hundred fifty-eight cities represent 56 percent of the total of all cities. The number of cities expending 50 percent or more on capital increased from 30 to 58, or 21 percent of all cities, even though expenditures for capital and debt statewide declined overall.
- The number of counties expending 27.5 percent or more for capital decreased from eight to six. Six counties represent 15 percent of the total. No counties spent more than 50 percent on capital. This decline continues the prior decade's trend.

Data Source

- Data is from a custom query of the Local Government Financial Reporting System http://www2.sao.wa.gov/applications/lgfrs/
  Washington State Auditor's Office, Duane Walz 360-725-5594 walzd@sao.wa.gov and Lori Beckner, 560-725-5362, Becknerl@sao.wa.gov

Figure 22: Over 27 Percent of Expenditures Are Used for Debt or Capital



Indicator 5: Proportion of Revenue that Is Restricted for Specific Uses

Benchmark

Large amounts of restricted revenue are generally interpreted as reducing a local government's ability to respond to changing regulatory, economic or social conditions over time. There is no nationally defined benchmark for this indicator. It was assumed that local governments where half or more of their revenue base was restricted fell in the category of being at greater risk than other local governments with fewer restrictions. In 2004 the average county in Washington had 53 percent of their revenue base restricted for specific purposes so the average was used as the benchmark for counties. In 2004 cities on average had 24.9 percent of their revenue restricted; 49.8 percent was selected as the city benchmark (twice the average). Local governments were considered stressed if they met or exceeded these benchmarks.

Interpretation

An increasing amount of restricted operating revenues as a percentage of net operating revenues over time reduces a government's ability to respond to changing conditions and citizens' needs and demands. It may also indicate an overdependence on revenue from external sources.

Measure

Restricted revenue from all funds divided by revenue from all funds without beginning fund balance. Revenue was considered "restricted" if classified as such by the Local Government Financial Reporting System of the State Auditor's Office. Restricted revenue is generally defined as revenue that must be used only for specific purposes under federal or state law.

2004 to 2008 Indicator Comparison

The average amount of restricted revenue for all local governments peaked in 2004 and has declined somewhat in 2008. The number of jurisdictions with restricted revenue at or over the benchmark compared to total revenue increased from 35 to 45 (or 14 percent), reversing the prior decade's trend.

County Findings

On average the amount of county revenue that is restricted for specific purposes peaked at 53 percent of all revenue in 2004 and declined to 47 percent in 2008. The number of counties with restricted revenue above the 2004 average decreased from a peak of 21 in 1994 to 9 in 2008 (or 23 percent of all counties).

Individual Indicator Results

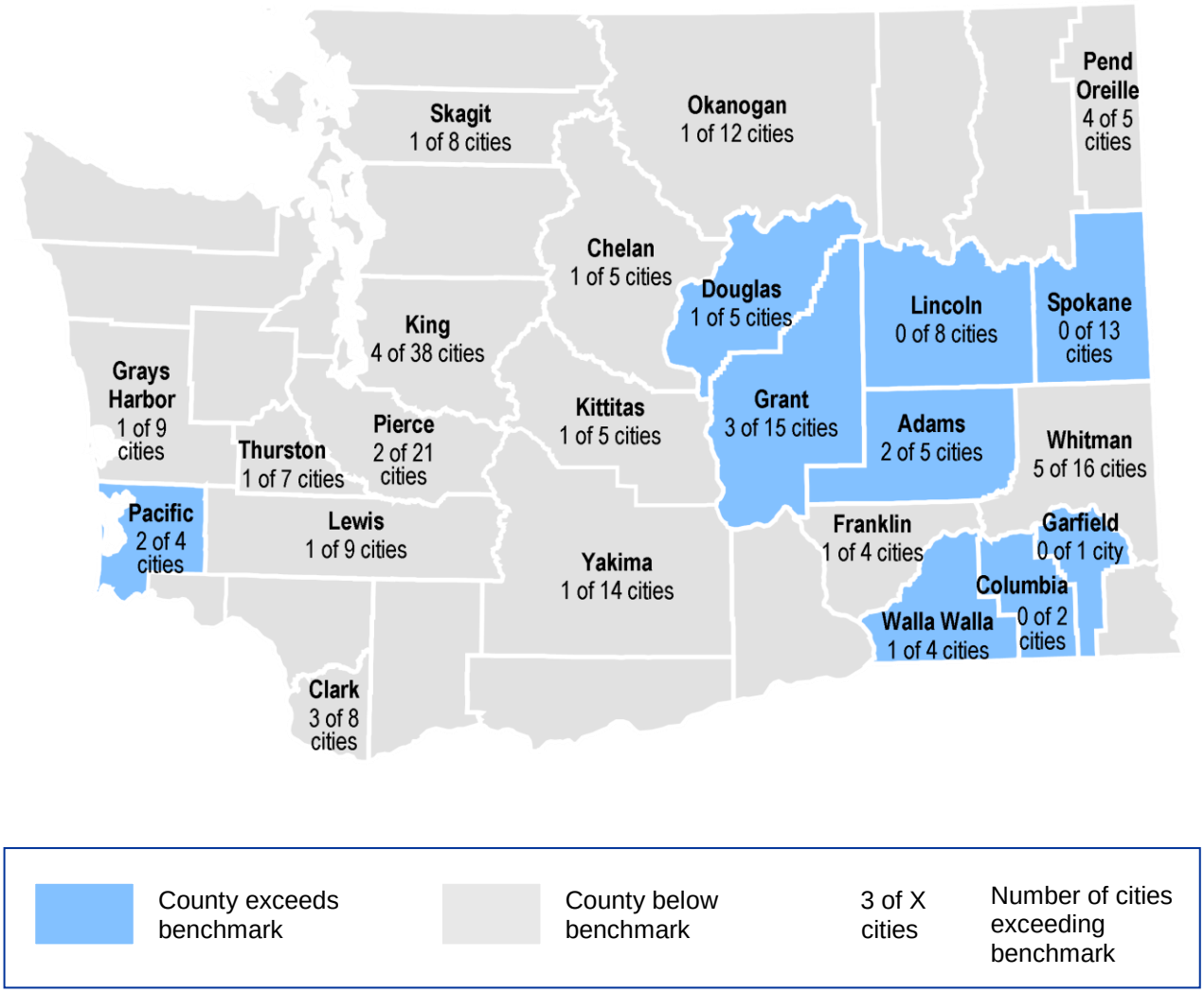
City Findings

On average the amount of city revenue that is restricted for specific purposes peaked at 24.9 percent in 2004 and declined slightly to 24.1 percent in 2008. The number of cities that exceeded double the 2004 state average in restricted revenue (49.8 percent) increased to 36 (or 13 percent of all cities) from 22 in 2004 reversing the prior decade trend.

Data Source

- Revenue data is a custom query from the Local Government Financial Reporting System http://www2.sao.wa.gov/applications/lgfrs/
  Washington State Auditor's Office, Duane Walz 360-725-5594 walzd@sao.wa.gov and Lori Beckner, 560-725-5362, Becknerl@sao.wa.gov

Figure 23: High Proportion of Revenue that is Restricted for Specific Uses



Indicator 6: Property Tax Burden

Benchmark
Counties and cities with property tax levels of 1.5 percent of total assessed value or more were considered to be at a moderate level of fiscal stress.

Interpretation
Standard & Poor's measures overlapping property tax as a percent of market value to evaluate fiscal stability/capacity. Counties and cities with property tax levels of 1.5 percent of total assessed value or more were considered to be at a moderate level of fiscal stress. Standard & Poor's Low = 1 percent of market value, Moderate = 1.5-2 percent of market value, Moderately High = 2-2.5 percent of market value, Very High = greater than 2.5 percent of market value.

Measure
The county and city measure is total overlapping property tax levy divided by total assessed value. County and city property tax burden was measured by creating a ratio between the highest combined overlapping taxing district's property tax rate and the jurisdiction-wide assessed value. The highest combined unincorporated tax rate was measured against the unincorporated assessed value of road districts to determine the county ratio.

County and City Findings
Local government property tax burden overall in Washington is relatively low compared to national benchmarks. The number of cities with property tax levels equal to 1.5 percent or more of assessed property value declined from 15 in 1994 to seven in 2008. The number of counties with overlapping property tax levels equal to 1.5 percent or more of assessed property value declined from 12 to five between 1994 and 2008. However, the number of counties with moderate property tax burden increased between 2004 and 2008 from two to five. No jurisdictions were at the 2 percent or greater national benchmark for moderately high risk.

2004 to 2008 Indicator Comparison

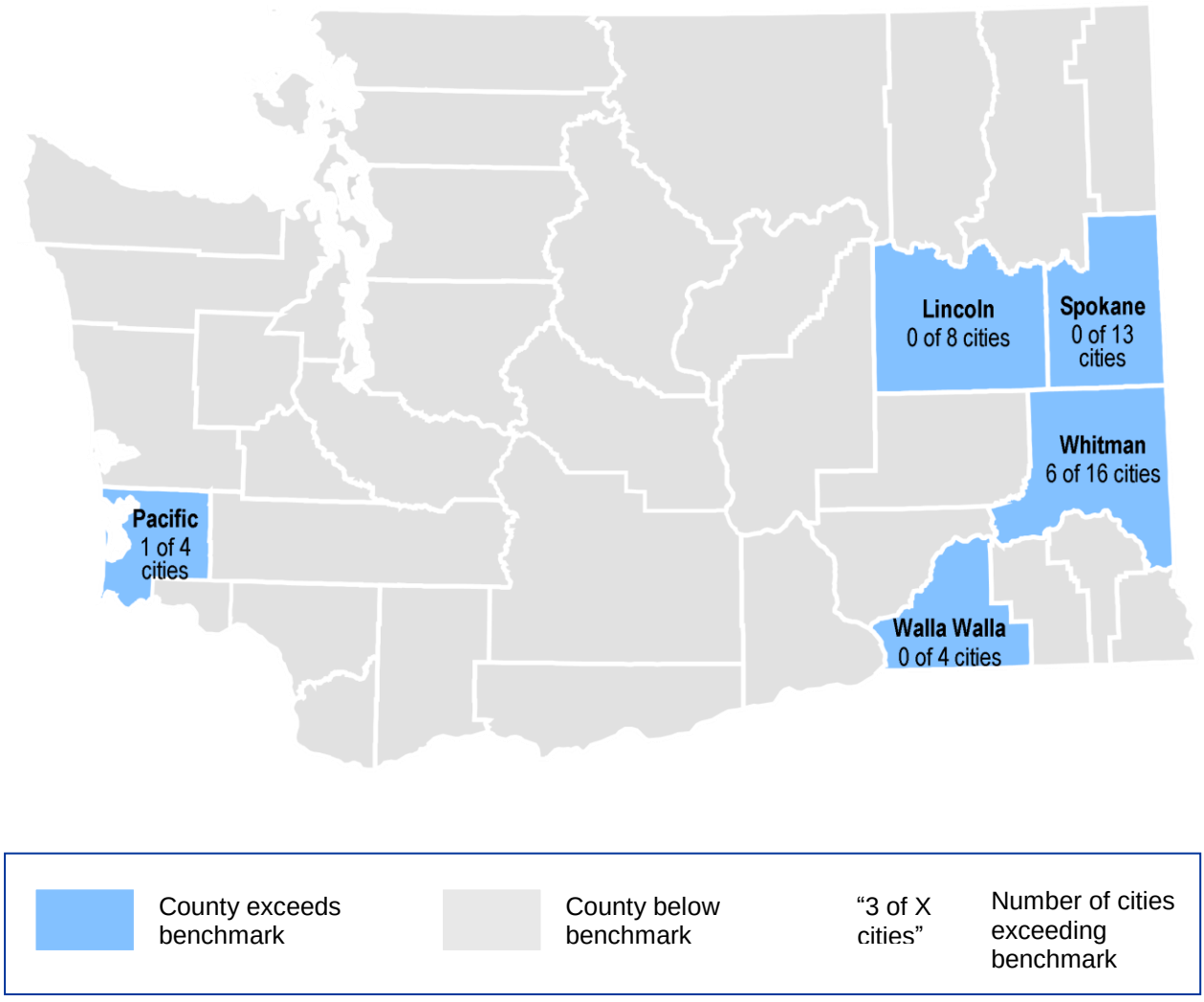
- The number of cities with moderate property tax burden risk decreased from nine to seven (note that a city method of measurement was available in 2008 and not in 2004).
- The number of counties with moderate property tax burden risk increased from two to five.
- Total number of jurisdictions with moderate risk increased from 11 to 12, reversing the prior trend.

Individual Indicator Results

Data Source

- Department of Revenue, tax code area tax rates detail for cities and counties and assessed value for senior taxing districts. Tax rate detail was provided by Department of Revenue. Property assessed value, detail for Table 30, Diana Tibbetts, 360-570-6085 Dianat@DOR.WA.GOV http://dor.wa.gov/Content/AboutUs/StatisticsAndReports/2009/Property_Tax_Statistics_2009/default.aspx

Figure 24: Moderate Property Tax Burden



Indicator 7: General Fund Operating Gaps

Benchmark

This indicator has two benchmarks that would cause a local government to be classified as stressed. Local governments with four or more general fund operating gaps between current revenue and current expenditures between 1998 and 2008 combined with three or more operating gaps in aggregated special revenue funds were considered to be fiscally stressed. Operating gaps in both fund groups is a more reliable indicator of financial stress than operating gaps in one fund category alone. Local governments with general fund operating gaps in two or more of the last three years were also considered to be fiscally stressed.

Both of these measures are used nationally. Ratings firms consider a current year operating gap a minor warning signal. Two consecutive years' of gaps, a current gap greater than that in the previous year, a gap in two or more of the last five years, or an abnormally large gap (i.e., greater than 5-10 percent) in a single year, are more serious and typically viewed negatively.

Interpretation

Increasing general fund operating gaps as a percentage of net operating revenues over time is viewed unfavorably. Though an operating gap in any one year may not be a cause for concern because reserves from prior years can be used to cover the difference, frequent and increasing gaps can indicate that current revenues are not supporting current expenditures.

Special revenue funds in Washington are operating funds that account at least in part for restricted revenue. Special revenue funds are used for city and county services such as road/street, permitting, human services and parks.

Measure

The number of years between 1998 and 2008 that a local government's general (or current) fund expenditures exceeded its general (or current fund) revenues without a beginning fund balance.

County and City Findings

- The number of annual general fund operating gaps among local governments over the 1998 to 2008 decade varied from a low of 45 in 2000 to a high of 114 in 2008 (or 36 percent of all local governments).
- Eighty-nine cities (or 32 percent) and 14 counties (or 36 percent) met the operating gap benchmarks for stress in 2008.
- No year between 2004 and 2008 had an aggregate statewide general fund operating gap for cities.
- Counties in aggregate had a general fund operating loss in 2008.

- City special revenue funds had an aggregate operating loss in all years. County special revenue funds statewide had no aggregate losses.

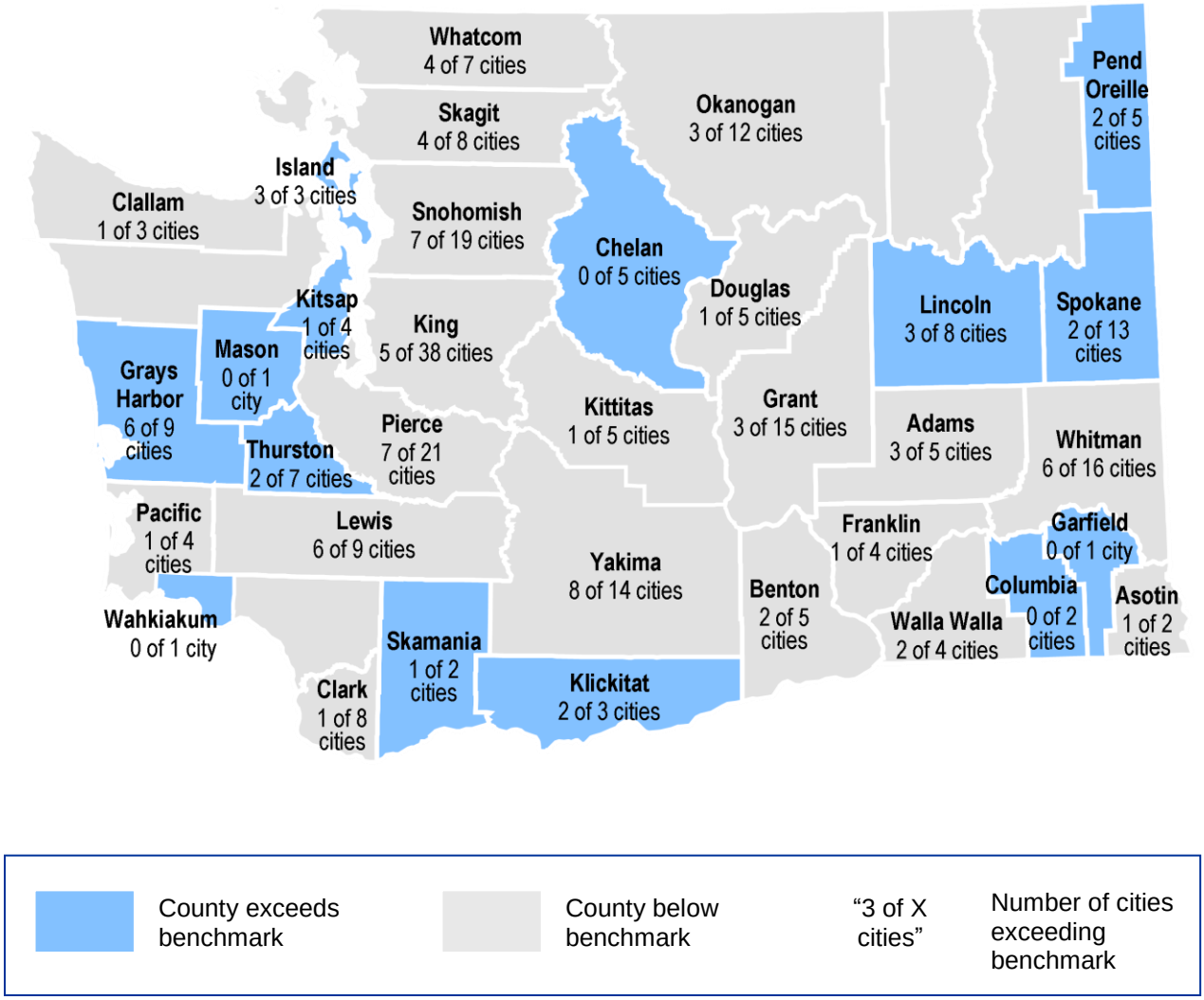
2004 to 2008 Indicator Comparison

- The number of cities and counties meeting the stress benchmark in 2008 declined compared to the 2004 measure. Cities declined from 171 (or 61 percent) to 89 (or 32 percent) and counties declined from 22 (or 56 percent) to 14 (or 36 percent).
- The number of cities with special revenue fund operating gaps increased from 124 to 179 (or 64 percent) between 2004 and 2008 while the number of cities with general fund operating gaps declined from 179 to 89 (or 32 percent).
- The number of counties with special revenue fund operating gaps rose from 21 to 31 (or 79 percent) between 2004 and 2008 while the number with general fund operating gaps declined from 22 to 14 (or 36 percent).

Data Source

- Revenue and expenditure data from a custom query of the Local Government Financial Reporting System http://www2.sao.wa.gov/applications/lgfrs/
  Washington State Auditor's Office, Duane Walz 360-725-5594 walzd@sao.wa.gov and Lori Beckner, 560-725-5362, Becknerl@sao.wa.gov

Figure 25: Recent and Four or More General Fund Operating Gaps 1998 to 2008



Indicator 8: Economic Condition

Benchmarks

Population loss, personal income levels and employment growth/decline are generally accepted national economic condition benchmarks. For the purposes of this analysis a local government was considered to be stressed if:

- The local government lost service population between 1998 and 2008. In the case of counties, net loss of unincorporated population over the decade was considered loss of service population. Loss of population is generally thought to be aligned with poor economic conditions.
- The local government showed a net loss of employment between July 2007 and July 2009 by an amount equal to or less than negative 4.11 percent (50 percent lower than the state average of job loss/gain of negative 2.7 percent). The rate of employment growth is thought to be generally aligned with economic condition.
- The local government showed a 2008 per capita personal income in the lowest quartile statewide (under $31,966). Median per capita personal income for the state was $40,691. Median personal income rather than average personal income was used in order to provide a more representative picture of income levels statewide. The level of per capita personal income is thought to be generally aligned with economic condition.

Interpretation

Low, loss or slow population, personal income and/or employment indicate economic stress, effecting tax revenue and service demand.

Measures

- Population growth/decline from 1998 to 2008 is calculated by taking 2008 population subtracting 1998 population.
- Employment growth/decline between July 2007 and July 2009 was equal to or less than negative 4.11 percent (50 percent lower than the state average of job loss/gain of negative 2.7 percent for the same time period).
- Personal income per capita for 2008 is data directly from the data source listed below. Personal income per capita for cities is based on individual listings from the data source or the personal income per capita listed for the county if an individual city is not listed.

2004 to 2008 Indicator Comparison

- The state's economy took a turn for the worse along with the rest of the nation. Employment, population and personal income all fell overall with roughly twice as many counties in the economic distress category compared to 2004.

- Employment growth turned to employment loss between 2004 and 2008 statewide. The number of local governments with 50 percent more employment loss/gain than the state average increased from 60 (or 19 percent) to 146 (or 46 percent).
- The number of counties and cities whose annual per capita personal income fell within the bottom quartile of the state's personal income range increased from 29 in 2004 to 128 (or 40 percent of all jurisdictions) in 2008.
- Service population decline occurred in 49 (or 15 percent) local governments in 2008, compared to 43 (or 13 percent) in 2004. Three counties saw a net loss in incorporated population for the first time.

County Findings

- Two counties had a net population loss for the decade 1998 to 2008 and six additional counties showed a net loss of unincorporated population as cities annexed or incorporated. For the first time three counties showed a net loss of incorporated population. Seventeen counties (or 44 percent) per capita annual personal income was below the benchmark of $31,966.
- Twenty counties (or 51 percent of all counties) lost 50 percent more employment than the state average.

City Findings

- Forty-one cities (or 15 percent of all cities) lost population over the decade.
- One hundred-eleven cities (or 40 percent of all cities) had per capita personal income in the lower quartile at or below $31,966 in 2008.
- One hundred twenty-six cities (or 45 percent of all cities) lost 50 percent more employment than the state average; 13 not reported.

Data Sources

- Population, Washington State Office of Financial Management, Forecasting Division, *April 1 Intercensal Population Estimates for the state, counties, cities and towns for 1990 to 2010*, http://www.ofm.wa.gov/pop/april1/default.asp
- Per capita personal income data is from the federal Bureau of Economic Analysis, Department of Commerce, table CA1-3 Per capita personal income http://www.bea.gov/regional/reis/
- QCEW Average Annual Employment Growth Data (July 2007-July 2009) for counties and custom query for cites, Washington State Department of Employment Security, Lisa Nordberg, 360-438-3250, LNordberg@ESD.WA.GOV, http://www.workforceexplorer.com/cgi/dataanalysis/?PAGEID=94&SUBID=149; Using 2009 Department of Revenue city boundaries. 13 cities employment was too small to count without violating privacy standards.

Figure 26: Population Decline 1998 to 2008

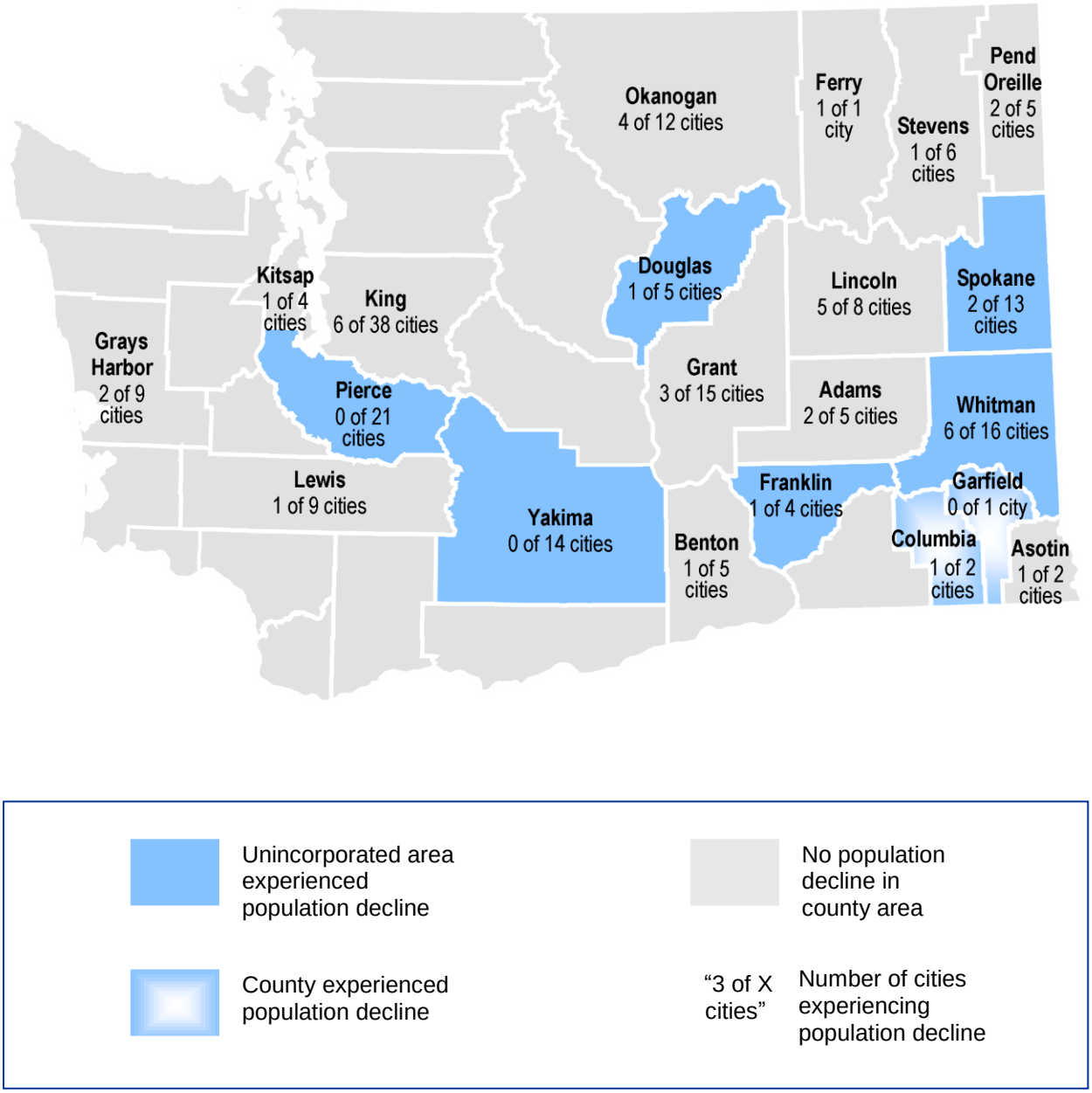


Figure 27: Employment Loss of 4.1 Percent or More, 2007 to 2009

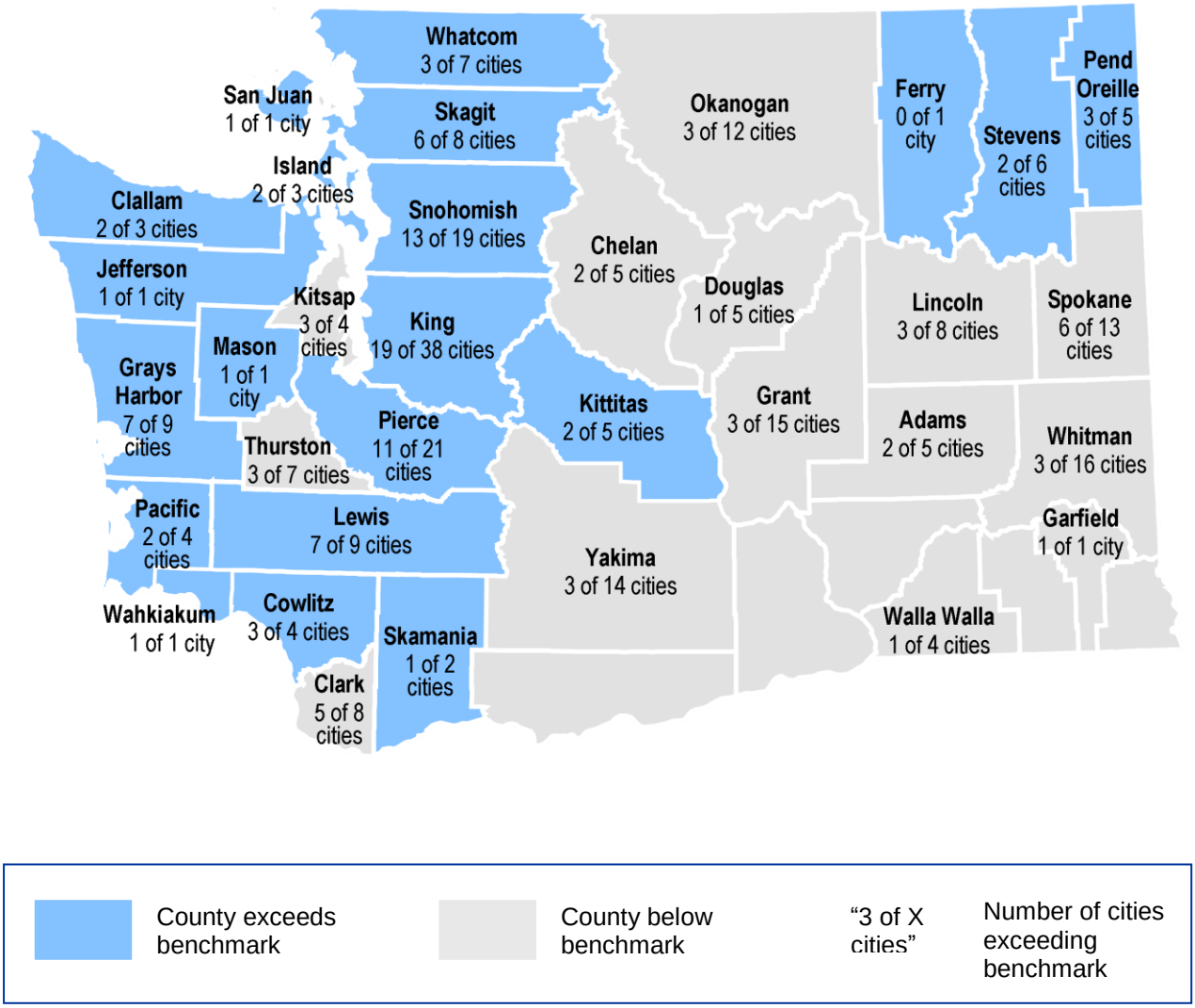


Figure 28: Employment Loss 2007 to 2009, Actual Job Loss or Gain

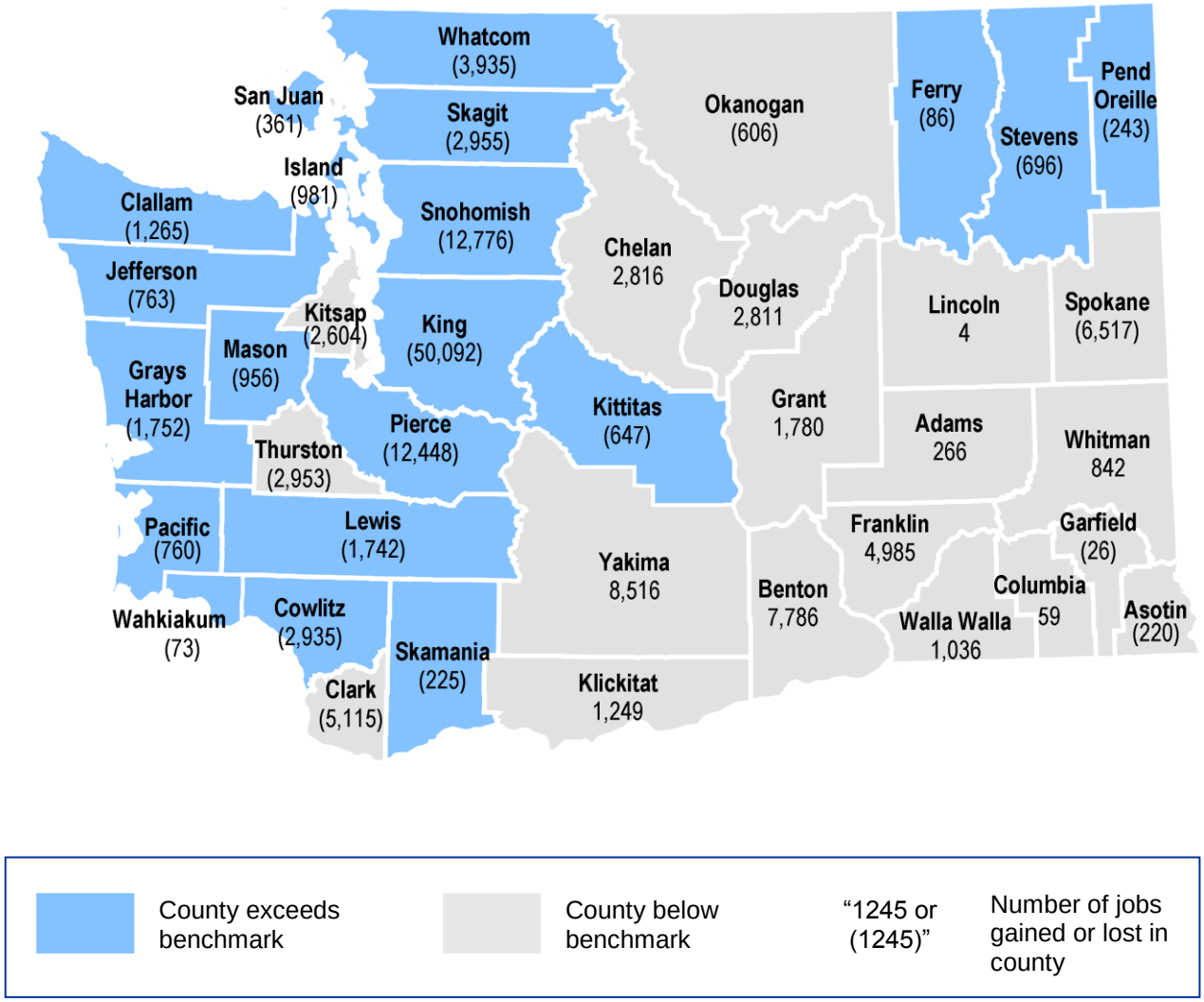
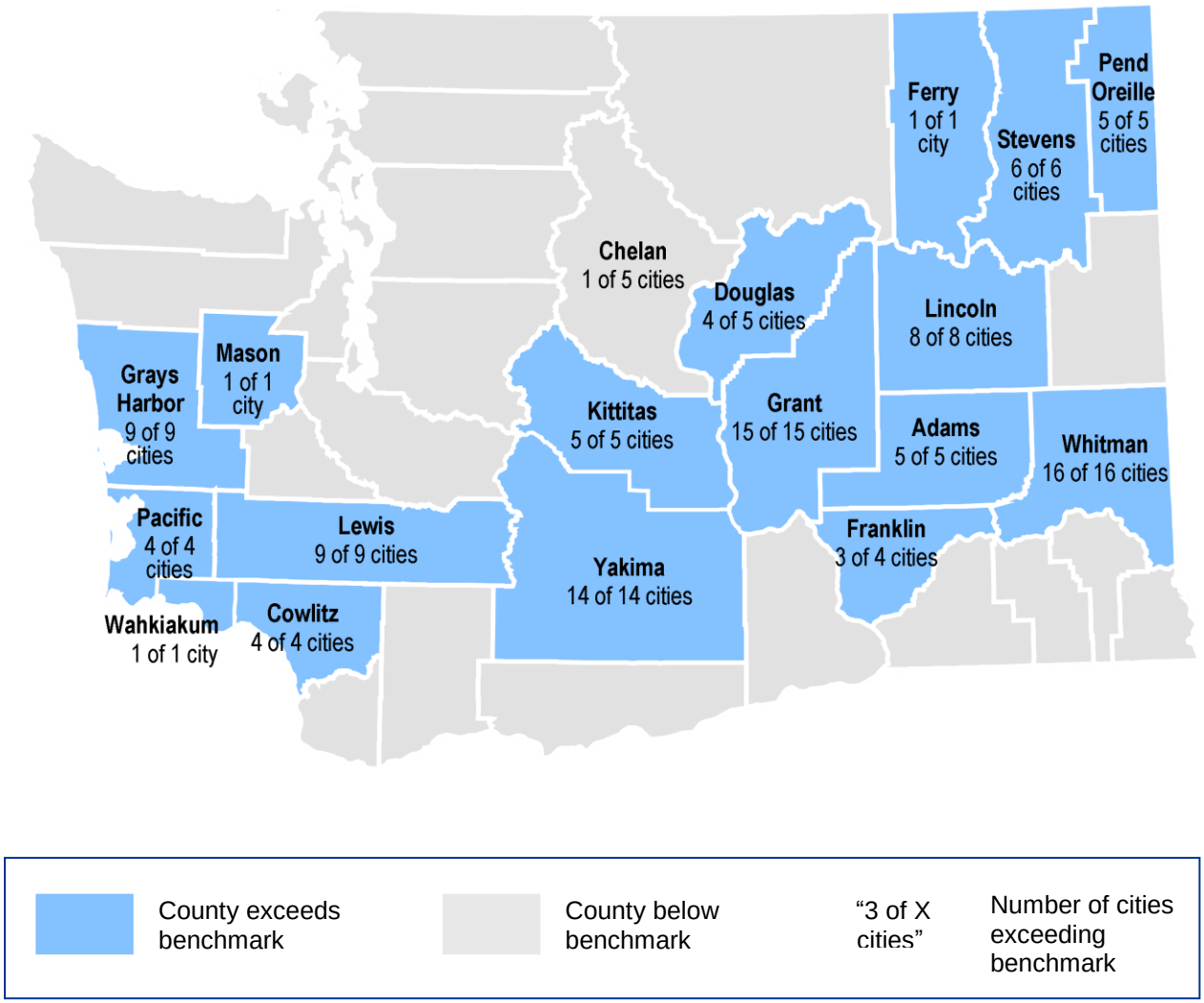


Figure 29: Low Personal Income per Capita



Indicator 9: Tax Base Condition

Benchmarks

Per capita tax revenue and assessed value are nationally accepted benchmark measure of tax base condition. This is likely due to the extensive variation in local tax systems nationally. Per capita measures are frequently used.

- It is assumed that local governments with sales tax revenue per capita equal to 50 percent or less of the state average are fiscally stressed. The city average in 2008 was $168.75 per capita; the county average was $57.46 per capita or $122.14 per unincorporated capita. Cities were considered stressed if their per capita sales tax revenue was at or below $84.38. Counties were considered stressed if their per capita sales tax revenue was at or below $28.73 or their unincorporated sales tax per capita was at or below $61.07.
- It is assumed that local governments with assessed value per capita in the bottom quartile of median assessed value per capita are fiscally stressed. The cities median assessed value per capita in 2004 was $54,005; the counties 2008 median assessed value per capita was $110,625. Cities were considered stressed if their per capita assessed value was at or below $32,775 in 2004. Counties were considered stressed if their per capita assessed value was at or below $85,078.

Interpretation

Low levels of per capita tax revenue are indicators of a tax base that may have difficulty supporting basic governmental services.

Measures

Measures for each of the two major sources of local government tax revenue were selected to reflect the strength of a local government's tax base.

- Sales tax per capita was used as a measure of the strength of a local government's sales tax base (only the base and optional portions of the general sales tax were included). Total sales tax revenue, especially for counties, was not used because they reflect cumulative local policy decisions about tax levels.
- Assessed value per capita was used to measure the strength of a local government's property tax base. Levy amounts were not used because they reflect cumulative local policy decisions about tax levels. Increases in levy amounts were significantly limited by a series of state initiatives and statutes occurring after 1994.

2004 to 2008 Indicator Comparison

- The number of local governments with low per capita sales tax revenue declined between 2004 and 2008 from 122 to 89 (or 28 percent).

- Sales tax receipts declined between 2007 and 2009 by 15.2 percent for cities and 12.8 percent for counties. State government receipts declined by 15.2 percent.
- The number of local governments with low per capita assessed value increased to 86, or 27 percent of all local governments.
- Overall, the number of unduplicated jurisdictions with tax base related stress was lower, declining from 141 to 127 (or 40 percent).

County Findings

- The number of counties with per capita sales tax at 50 percent or less of the state average declined from four to one between 1994 and 2008.
- The number of counties with per capita sales tax at 50 percent or less of the state average per unincorporated capita decreased from seven to six since 1994 (or 15 percent of all counties) reversing the prior reporting period trend.
- The number of counties in the bottom quartile of per capita assessed value increased from five in 1994 to 11 counties in 2008 (or 28 percent of all counties).

City Findings

- Eighty-three cities (30 percent of all cities) had per capita sales tax revenue 50 percent or less of the state average. This number declined from 122 in 1994.
- The number of cities in the bottom quartile of per capita assessed value increased from 31 in 1994 to 75 (or 27 percent of all cities) in 2008.

Data Sources

- Department of Revenue Property Tax Statistics, detail for Table 30, Diana Tibbetts, 360-570-6085 Dianat@DOR.WA.GOV http://dor.wa.gov/Content/AboutUs/StatisticsAndReports/2009/Property_Tax_Statistics_2009/default.aspx
- Department of Revenue, Sales Tax Statistics, Table S1 and taxable retail sales data by year. http://dor.wa.gov/docs/reports/2009/ltd2009/contents.htm

Figure 30: Low Assessed Property Value per Capita

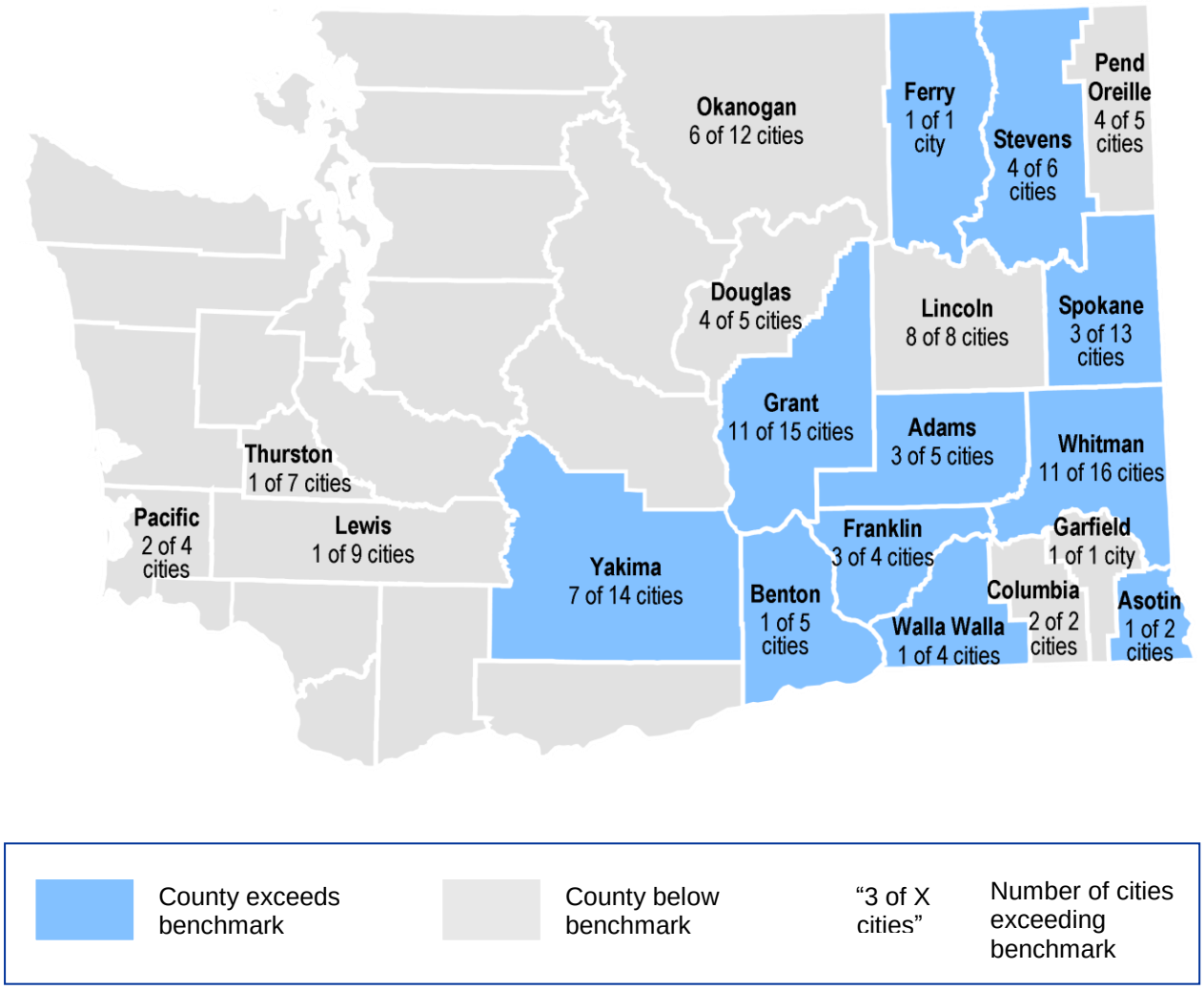
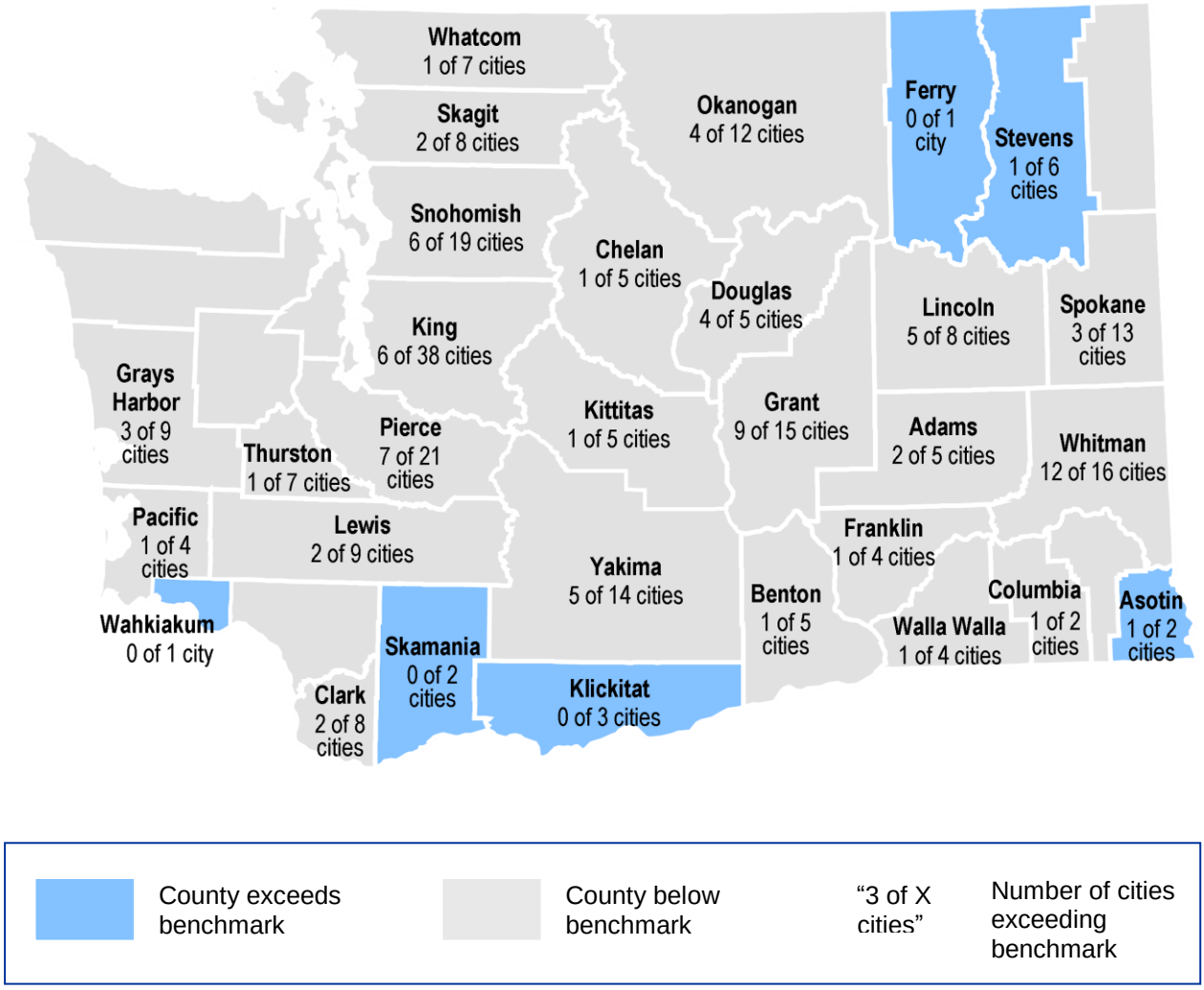


Figure 31: Low Sales Tax per Capita



Indicator 10: Service Demand

Benchmarks

There are no nationally accepted service demand indicators that are generally applied. Measures that provide insight into the characteristics of a community that are correlated with higher or lower service demand are favored over indicators that measure existing service delivery volumes (e.g., crimes per 1,000 population or annual numbers of park and recreation patrons). Existing service volumes may be influenced by the level of resources applied versus actual demand (met or unmet) in the community.

- It is assumed that population density low enough to cause fiscal stress (by significantly driving up unit costs) is 50 percent below the state average density. For counties the average density was 129 persons per square mile (2008). All counties with density below 65 persons per square mile were shown as stressed. For cities a population density of 828 per square mile or less (50 percent below the state average for all cities in 2008) is shown as indicating stress.
- It was assumed that low assessed value (and therefore land development) per square mile would be equivalent to the bottom quartile of value. The median county assessed property value per square mile in 2008 was $3,088,192. The bottom quartile includes all counties with assessed property value at $1,662,598 or less in 2008. The median city assessed property value per square mile in 2008 was $112,918,687. The bottom quartile includes all cities with assessed property value at $58,950,141 or less per square mile. The median was used to better represent the range of conditions across the state.
- On average 32.3 percent of the Washington population was a client of one or more Department of Social and Health Services (DSHS) services (which includes Medicaid, child support collection, financial assistance, mental health and substance abuse treatment, etc.) during 2004. A city or county was rated as stressed if 48.45 percent or more of its population were clients of one or more DSHS services in 2004. This percentage represents a number of clients 50 percent greater than the state average.
- Counties and cities within them where 33 percent of all students starting high school left before graduation in 2004 were shown as stressed. A dropout rate of one-third or more is considered a sign that conditions within a community do not effectively support high school completion. High school dropouts are considered to be at high risk of substance abuse and at high risk for interaction with the criminal justice system.

Interpretation

Low density for service delivery generally increases the cost per unit of service while higher density generally decreases unit costs. A high percentage of population using DSHS services and high percentage of high school dropouts are correlated with higher demand for local government services.

Measures

There are four measures for this indicator. Each has a correlation to service demand volumes or cost.

- Population density is an indicator of unit cost for services that are people based. Low density generally increases unit costs and higher density generally decreases unit costs for infrastructure system maintenance and operation and delivery of public safety, park and recreation, services to agriculture, transportation and human and health services. The actual measure used is population per square mile.
- Assessed value per square mile is also an indicator of unit cost for services that are land or structure based. Low assessed value can generally be equated to low density which increases unit costs.
- DSHS client data provide a measure of how many persons in a local jurisdiction are receiving some sort of state assistance because they are not working, have few financial resources, health issues and/or participate in the mental health system. These numbers provide some indicator of demand for local government services that complement or frequently coincide with state services. An example would be a person receiving drug or alcohol treatment services from the state and county treatment agency who may also interact with the local criminal justice system, public health, housing and transportation services. DSHS keeps comprehensive statewide data by local jurisdiction; the measure used is percentage of a jurisdiction's population receiving DSHS services. Note that in some cases, for example the City of Seattle, the number of persons receiving DSHS services may be relatively large but the percentage of the overall city population may not be large enough to meet the benchmark indicating stress.
- High school freshman attrition rates are highly correlated with criminal justice service demand and demand for transportation, health and human services. Criminal justice services make up a significant portion of both city and county service delivery costs. Population characteristics are favored over arrest or criminal filing data as a predictor of demand because this data may be dependent in part on a local government's ability to fund criminal justice services.

2004 to 2008 Indicator Comparison

Based on the four measures used for this indicator, more local governments overall showed stress than in 2004 (increased from 168 to174), or 54 percent of all cities and counties.

- The number of counties 50 percent below the state average population density rose from 23 to 26 (or 67 percent of all counties) between 2004 and 2008.
- The number of counties with low assessed property value per square mile fell from 13 to 11 (or 28 percent of all counties) in 2008.
- The number of counties with high school drop out rates or one third or greater fell from seven to four (or 10 percent of all counties).
- The number of counties where 35.7 percent or more of the population were DSHS clients increased from one to seven counties.
- The number of cities with low population density declined from 71 to 69 between 2004 and 2008, maintaining the trend since 2000.
- A larger number of cities were in the bottom quartile of assessed value per square mile rising from 85 to 94, continuing the trend from 1994.
- The number of cities where 35.7 percent or more of the population used DSHS services increased from 40 to 62 between 2004 and 2008.
- The number of cities with high school dropout rates greater than one third declined from 38 to 10.

County Findings

- Twenty-six counties (or 67 percent of all counties) have very low population density (65 persons per square mile or less). Twenty-four counties were found to have low density in 2000.
- Eleven counties (or 28 percent) were found to have low assessed property value per square mile. This number is the same as the number of counties with low values in 1994.
- Seven counties (or 18 percent of all counties) had populations in 2008 where 35.7 percent or more are served by DSHS.
- Four counties (or 10 percent of all counties) had high school drop out rates of one third or greater.

City Findings

- Sixty-nine cities (or 25 percent of all cities) have very low population density (828 persons per square mile or less). Eight more cities had low density in 2000.
- Ninety-four cities were found to have low assessed value per square mile (or 33 percent of all cities). The number of cities having low assessed value per square mile increased from 77 in 1994 to 94 in 2008.
- Ten cities (or 4 percent) had a high school drop out rate of one third or greater; 14 cities were located in counties with high drop out rates.

- Sixty-nine cities (or 25 percent of all cities) had 35.7 percent of its population or more using DSHS services.

Data Sources

- Population per square mile (density) data is from the Office of Financial Management, Forecasting Division, April 1 population density and land area by county and April 1 population, land area, and density for cities and towns. http://www.ofm.wa.gov/pop/popden/default.asp
- Assessed property value data is from Department of Revenue Property Tax Statistics, detail for Table 30, Diana Tibbetts, 360-570-6085 Dianat@DOR.WA.GOV http://dor.wa.gov/Content/AboutUs/StatisticsAndReports/2009/Property_Tax_Statistics_2009/default.aspx
- DSHS client data are from the agency's Research and Data Analysis Division. All data is keyed to jurisdictional boundaries unless noted. Elizabeth Kohlberg, 360-902-0707, Elizabeth.Kohlberg@dshs.wa.gov
- High school freshman attrition rate data is from the Office of the Superintendent of Public Instruction, Ireland, L. (2010). *Graduation and Dropout Statistics for Washington in 2008-09.* 360-725-6358 lisa.ireland@K12.wa.us Dropout rate is estimated by calculating the relative net number of students that complete high school years nine through 12 in a given year as applied to the cohort size for 12th grade in that year. City rates are translated from school district attrition rates using Department of Revenue school district property tax code area data.

Figure 32: Low Population Density per Square Mile

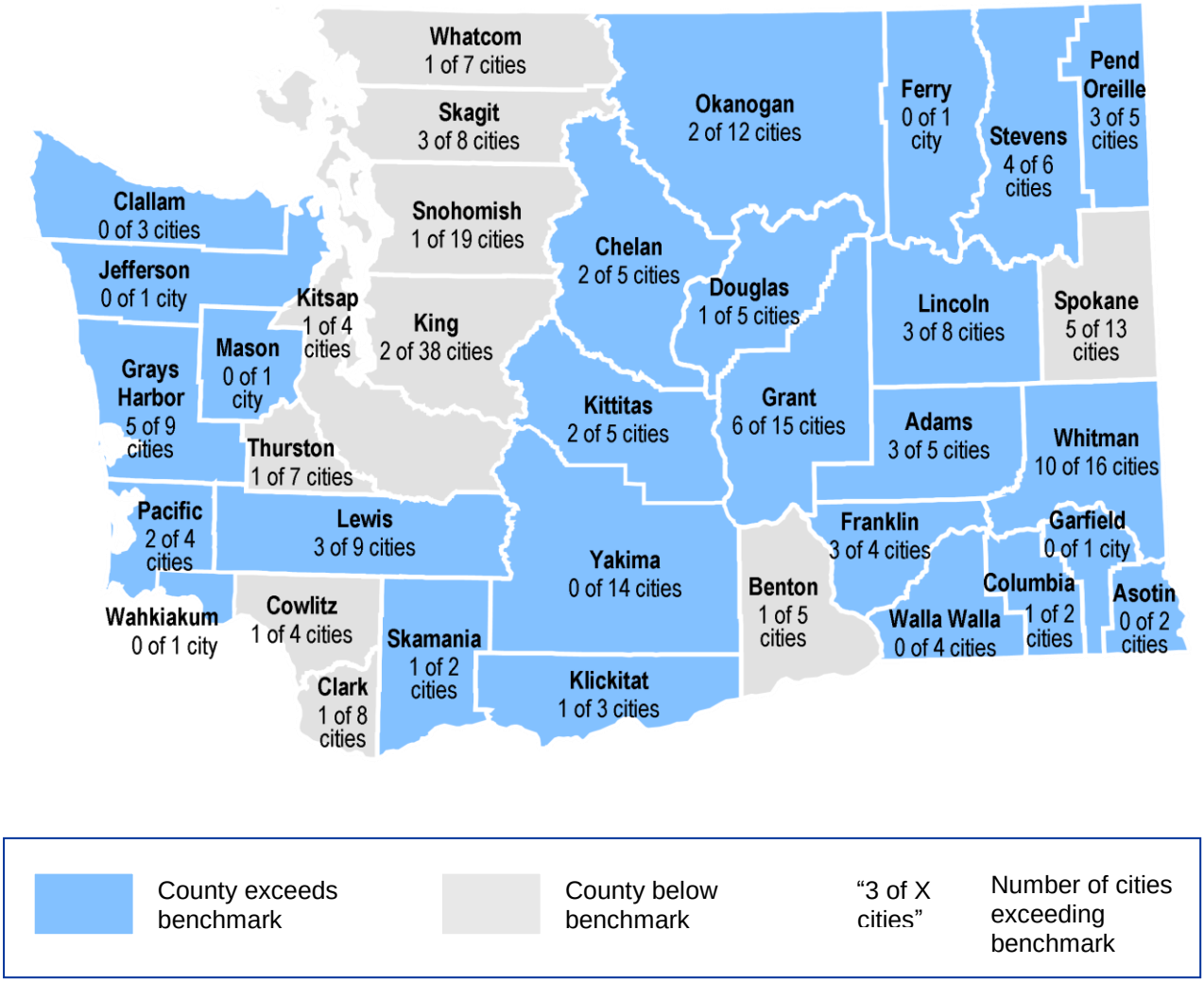


Figure 33: Low Assessed Property Value per Square Mile

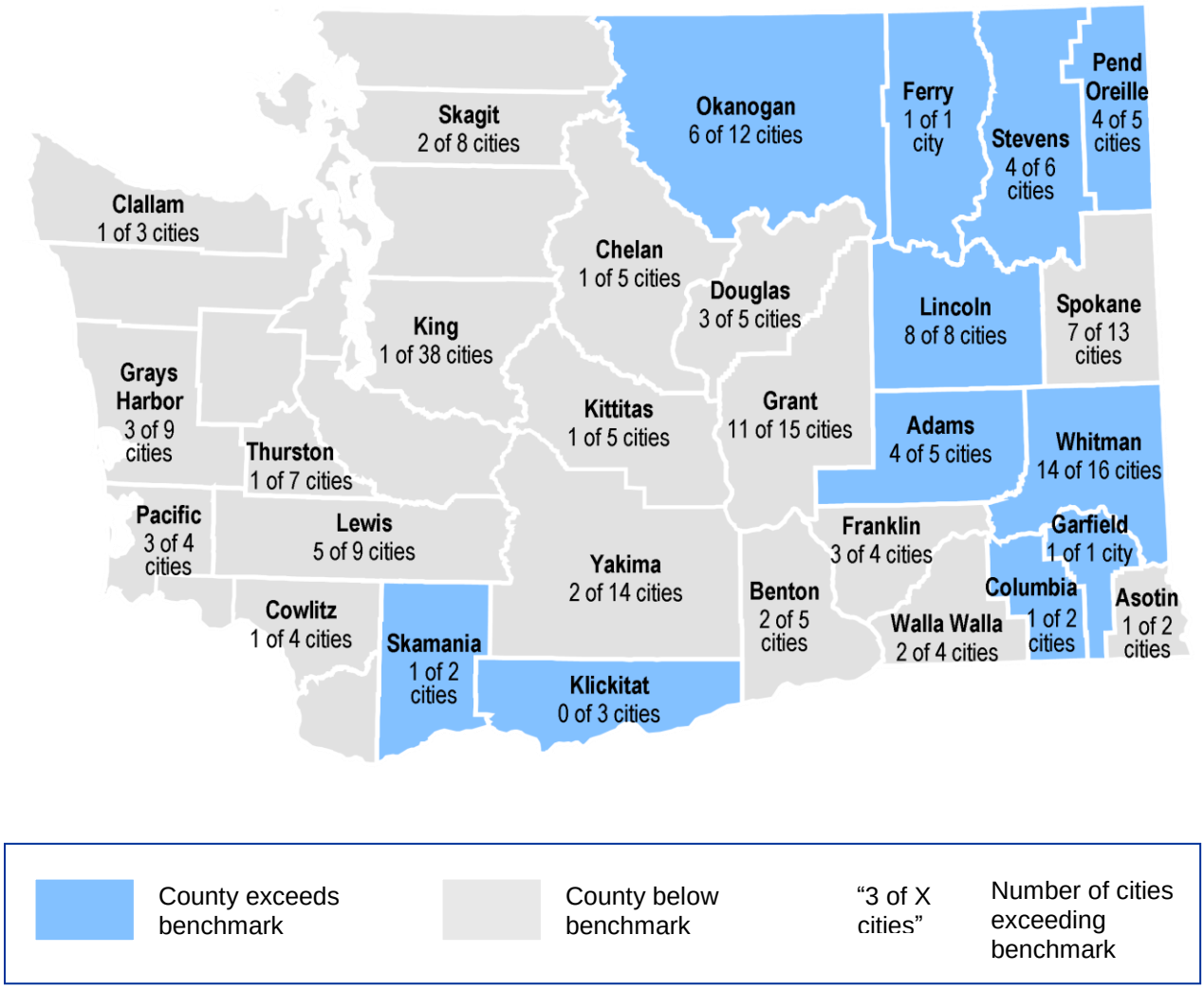


Figure 34: Thirty-Two Percent or More of Population Served By DSHS

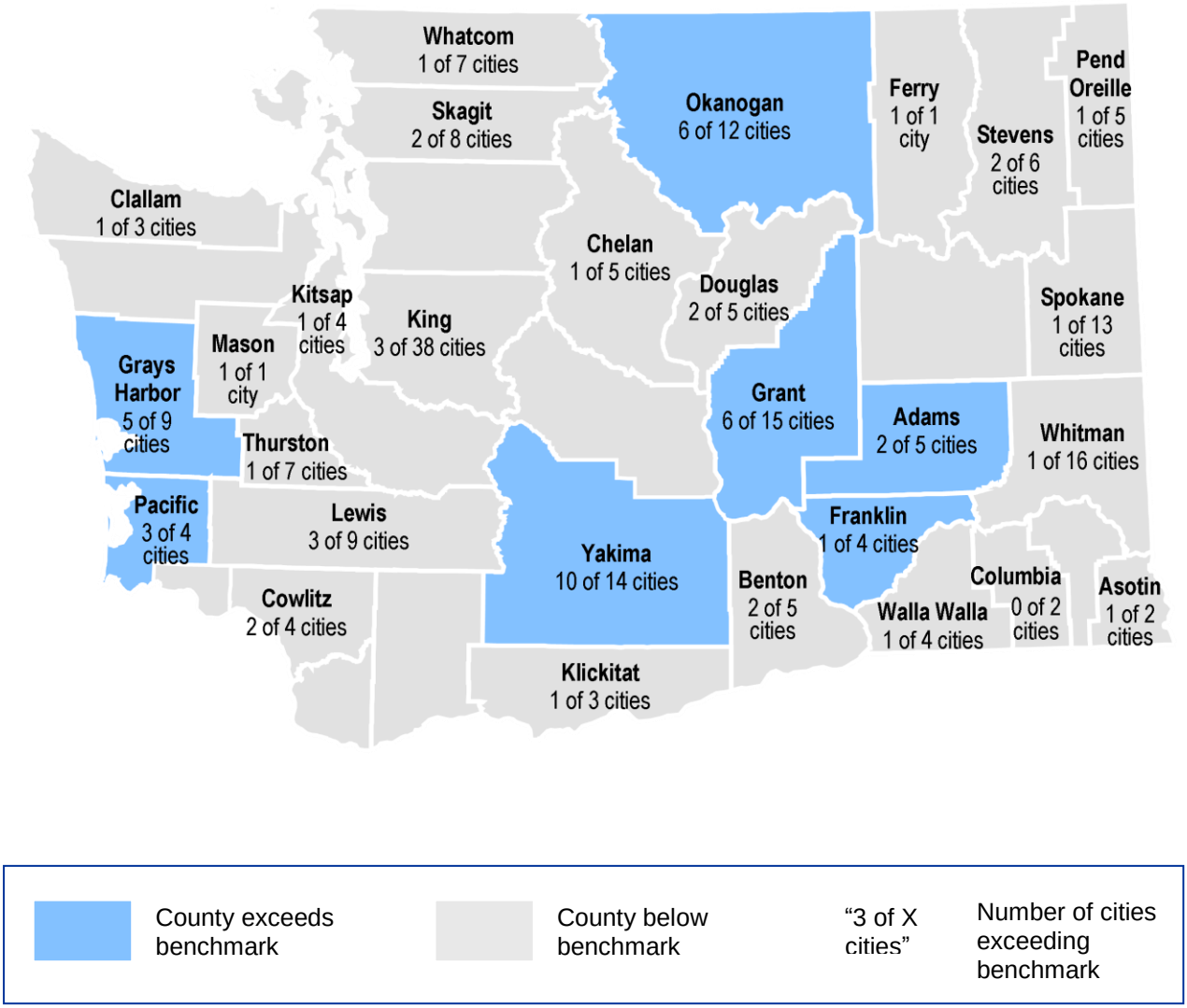
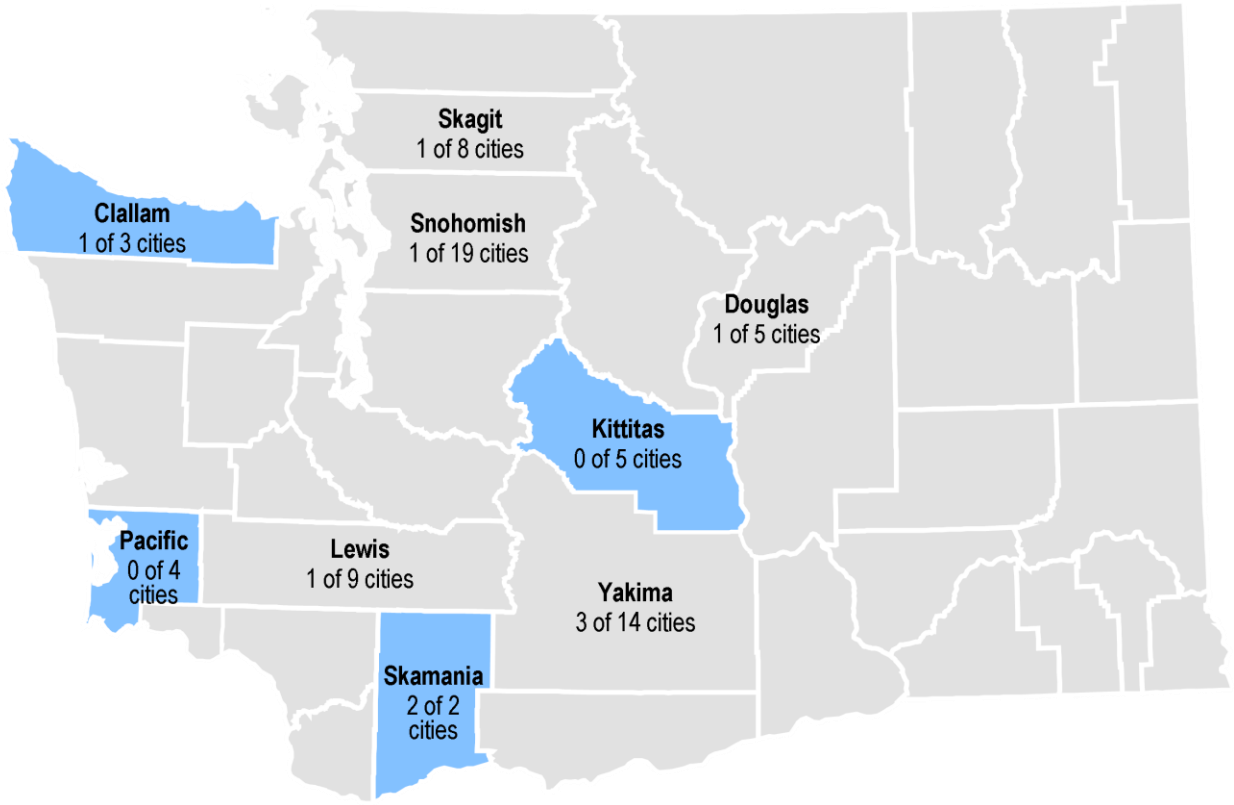


Figure 35: High School Freshman Attrition Rates Over 33 Percent



Definitions and Notes

Definitions

1. Where the word **cities** appear towns are also included.
2. The **median** is the number in the middle of a set of numbers; that is, half the numbers have values that are greater than the median, and half have values that are less. If there is an even number of numbers in the set, then MEDIAN calculates the average of the two numbers in the middle. For example:
    - MEDIAN of the set of numbers (1, 2, 3, 4, 5) equals 3
    - MEDIAN of the set of numbers (1, 2, 3, 4, 5, 6) equals 3.5, the average of 3 and 4
2. **Average** is the sum of a set of numbers divided by the number count. For example: the average of 1,2,3,4,5,6,7 is 28 (the sum of the numbers) divided by 7 (the size of the number set) equals 4.

City Data Notes

1. Cities noted in the appendix tables with an asterisk (∗) did not report financial data for one or more of the years1998 to 2008. Four of the noted cities were incorporated as new cities during the 1998-2008 timeframe and were not a reporting entity for some of the study years.
2. Personal income figures were not available for all cities. The county number was used where Personal income was not available.
3. Overlapping property tax burden for cities was not available on a batch basis in 2004, so only the property tax levy for the city was compared to assessed value. Overlapping property tax burden for all the counties was available, but is not applicable to many cities that may lie within a number of individual special districts. See Indicator 6 for an explanation of 2008 methodology.
4. Employment growth data was not available at the city level in 2004 so county level employment growth data was applied to each city within a county's boundaries. Data was available for cities in 2008.
5. Percentage of population being served by DSHS was derived from the 2008 DSHS client data base geographically coded for city limit boundaries based on Department of Revenue boundary files. Percentage of freshman leaving school before their senior year was available only on a school district and county basis. School district boundaries were translated to the cities within them by using department of revenue tax code files.

Definitions and Notes

County Data Notes

1. All counties reported financial data for 1998 to 2008 and were measured.
2. Per capita personal income figures were available for all counties.
3. Overlapping property tax burden for all counties was available. Unincorporated county areas were used to measure property tax burden.
4. Population, employment and personal income data were available for all counties.
5. Percentage of population being served by DSHS was derived from the 2008 DSHS client data base geographically coded for county boundaries.

References

1. Appendix E, *Washington State Local Government Fiscal Stress Analysis: A Comparison to State Assistance Under Senate Bill 6050*, Washington State Office of Financial Management, 2005/2006. Published as an Appendix to *County Financial Health and Governance Alternatives: A Study Requested by the Washington Legislature*, December 2007, Washington State Department of Community, Trade and Economic Development.
2. Honadle, Beth W., Incrementalism Redux: State Roles in Local Government Fiscal Crises, Institute for Policy Research University of Cincinnati, 2005 (http://www.ipr.uc.edu/Publications/Publications.cfm).
3. Kloha, P., Weissert, C., Kleine, R., Someone to Watch Over Me: State Monitoring of Local Fiscal Conditions. American Review of Public Administration 2005; 35: 236-255.
4. Greisel, J., Leatherman J. Guide to Indicators of Financial Condition. Kansas State University, Office of Local Government, Department of Agricultural Economics, (www.oznet.ksu.edu/olg/publications/other_reports/guide_to_fiscal_indicators.pdf-) Summarizes and reviews the work of the International City Management Association, the Government Finance Officers Association, bond rating agencies and academic research in the area of indicators of local government financial condition.
5. Honadle, B.W. 2003. The State's Role in U.S. Local Government Fiscal Crises: A Theoretical Model and Results of a National Survey. International Journal of Public Administration, 26(13): 1431-1472.
6. State of Pennsylvania Department of Community and Economic Development Act 47 Program, http://www.newpa.com/programDetail.aspx?id=97 and Survey of Financial Condition http://www.newpa.com/default.aspx?id=132 Governor's Center for Local Government Services, Financial Monitoring Workbook, 1999.

Appendix—Counties Sorted by Financial Stress Score

ID	County	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 3 - Diverted Road Tax	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
2500	Pacific		1		1	1	1	1			1	1			1		1	1	10
3300	Stevens	1	1	1	1						1	1	1	1	1	1			10
2200	Lincoln		1	1	1		1	1	1		1				1	1			9
700	Columbia		1	1	1		1		1	1					1	1			8
3000	Skamania		1	1					1			1		1	1	1		1	8
3800	Whitman		1		1			1		1	1		1		1	1			8
1000	Ferry		1								1	1	1	1	1	1			7
1100	Franklin			1		1				1	1		1		1		1		7
2600	Pend Oreille			1	1				1		1	1			1	1			7
3500	Wahkiakum			1	1				1		1	1		1	1				7
3900	Yakima		1	1						1	1		1		1		1		7
100	Adams						1				1		1		1	1	1		6
1200	Garfield		1				1		1	1					1	1			6
1400	Grays Harbor		1						1		1	1			1		1		6
2300	Mason	1			1				1		1	1			1				6
3200	Spokane		1				1	1	1	1			1						6
3600	Walla Walla			1		1	1	1					1		1				6
200	Asotin	1			1								1	1	1				5

Appendix—Counties Sorted by Financial Stress Score

ID	County	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 3 - Diverted Road Tax	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
900	Douglas					1	1			1	1				1				5
1300	Grant						1				1		1		1		1		5
1600	Jefferson			1	1							1			1				4
1900	Kittitas										1	1			1			1	4
2000	Klickitat								1					1	1	1			4
2100	Lewis		1								1	1			1				4
2400	Okanogan		1												1	1	1		4
2800	San Juan			1	1	1						1							4
400	Chelan								1						1			1	3
600	Clark	1			1	1													3
800	Cowlitz				1						1	1							3
2700	Pierce				1					1		1							3
3400	Thurston	1			1				1										3
500	Clallam											1			1				2
1500	Island	1										1							2
1700	King		1									1							2
1800	Kitsap	1							1										2
2900	Skagit				1							1							2
3100	Snohomish		1									1							2
300	Benton												1						1
3700	Whatcom											1							1
	State	7	15	11	16	6	9	5	13	8	17	20	11	6	26	11	7	4	192

Appendix—Counties Sorted Alphabetically

ID	County	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 3 - Diverted Road Tax	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
100	Adams						1				1		1		1	1	1		6
200	Asotin	1			1								1	1	1				5
300	Benton												1						1
400	Chelan								1						1			1	3
500	Clallam											1			1				2
600	Clark	1			1	1													3
700	Columbia		1	1	1		1		1	1					1	1			8
800	Cowlitz				1						1	1							3
900	Douglas					1	1			1	1				1				5
1000	Ferry		1								1	1	1	1	1	1			7
1100	Franklin			1		1				1	1		1		1		1		7
1200	Garfield		1				1		1	1					1	1			6
1300	Grant						1				1		1		1		1		5
1400	Grays Harbor		1						1		1	1			1		1		6
1500	Island	1										1							2
1600	Jefferson			1	1							1			1				4
1700	King		1									1							2
1800	Kitsap	1							1										2
1900	Kittitas										1	1			1			1	4
2000	Klickitat								1					1	1	1			4
2100	Lewis		1								1	1			1				4
2200	Lincoln		1	1	1		1	1	1		1				1	1			9

Appendix—Counties Sorted Alphabetically

ID	County	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 3 - Diverted Road Tax	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
2300	Mason	1			1				1		1	1			1				6
2400	Okanogan		1												1	1	1		4
2500	Pacific		1		1	1	1	1			1	1			1		1	1	10
2600	Pend Oreille			1	1				1		1	1			1	1			7
2700	Pierce				1					1		1							3
2800	San Juan			1	1	1						1							4
2900	Skagit				1							1							2
3000	Skamania		1	1					1			1		1	1	1		1	8
3100	Snohomish		1									1							2
3200	Spokane		1				1	1	1	1			1						6
3300	Stevens	1	1	1	1						1	1	1	1	1	1			10
3400	Thurston	1			1				1										3
3500	Wahkiakum			1	1				1		1	1		1	1				7
3600	Walla Walla			1		1	1	1					1		1				6
3700	Whatcom											1							1
3800	Whitman		1		1			1		1	1		1		1	1			8
3900	Yakima		1	1						1	1		1		1		1		7
	State	7	15	11	16	6	9	5	13	8	17	20	11	6	26	11	7	4	192

Appendix—Cities Sorted by Financial Stress Score

ID	City (* non-reporting)	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
3808	Lamont	1			1	1		1	1	1	1	1	1	1	1		1	12
3804	Endicott	1		1	1	1	1		1	1		1	1	1	1			11
102	Lind	1	1	1	1			1	1	1	1	1		1	1			11
3813	Rosalia	1		1		1	1	1		1	1	1	1	1	1			11
2201	Almira	1	1					1	1	1	1	1	1	1	1			10
3805	Farmington	1	1	1			1		1	1		1	1	1	1			10
2602	Ione	1			1	1		1	1	1	1	1		1	1			10
2410	Riverside	1	1	1				1	1			1	1	1	1		1	10
105	Washtucna	1			1	1		1	1	1		1	1	1	1			10
2208	Wilbur	1	1		1				1	1	1	1	1	1	1			10
3806	Garfield	1			1				1	1	1	1	1	1	1			9
1304	George	1	1		1			1	1	1		1		1	1			9
1306	Hartline	1			1	1		1		1		1	1	1	1			9
1102	Kahlotus*	1			1	1			1	1		1	1	1	1			9
3809	Malden	1	1				1	1		1		1	1	1	1			9
2603	Metaline	1	1		1	1				1	1	1		1	1			9
2503	Raymond	1		1			1			1	1	1		1	1		1	9
2108	Vader	1		1				1		1	1	1	1	1	1			9
1315	Wilson Creek	1	1		1					1	1	1	1	1	1			9
3903	Harrah	1	1							1		1	1		1	1	1	8
2204	Harrington	1	1		1				1	1		1	1		1			8
3807	LaCrosse	1	1						1	1		1	1	1	1			8
903	Mansfield	1			1	1		1		1		1	1		1			8
2104	Mossyrock	1		1				1	1	1	1			1	1			8
2206	Reardan	1	1		1			1		1		1	1		1			8
904	Rock Island	1			1				1	1	1	1	1		1			8
1311	Royal City	1	1		1			1		1		1	1		1			8
2504	South Bend	1			1	1				1		1	1		1		1	8

Appendix—Cities Sorted by Financial Stress Score

ID	City (* non-reporting)	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
3815	Tekoa	1					1	1		1		1	1	1	1			8
3912	Wapato		1	1				1		1	1	1	1				1	8
905	Waterville	1			1					1		1	1	1	1	1		8
3211	Waverly	1	1						1		1	1	1	1	1			8
3401	Bucoda	1	1								1	1	1	1	1			7
1301	Coulee City	1			1	1				1		1		1	1			7
2601	Cusick				1	1			1	1		1		1	1			7
2203	Davenport	1			1				1	1	1	1			1			7
501	Forks	1	1					1			1				1	1	1	7
2501	Ilwaco		1		1	1		1		1				1	1			7
802	Kalama	1	1	1	1					1				1	1			7
1903	Kittitas	1		1	1	1		1		1	1							7
3205	Latah	1	1						1			1	1	1	1			7
3904	Mabton*			1				1		1		1	1			1	1	7
3304	Marcus	1	1							1		1	1	1	1			7
1103	Mesa	1			1			1		1		1		1	1			7
2105	Napavine	1			1			1		1	1			1	1			7
3305	Northport	1	1						1	1		1		1	1			7
3810	Oakesdale					1	1			1		1	1	1	1			7
3811	Palouse	1			1	1				1		1	1		1			7
2106	Pe Ell	1		1	1			1		1			1		1			7
1312	Soap Lake*	1							1	1	1	1	1		1			7
2207	Sprague	1	1					1		1		1	1		1			7
702	Starbuck	1	1						1			1	1	1	1			7
3117	Sultan	1	1	1	1			1			1		1					7
3603	Waitsburg	1	1		1			1			1		1		1			7
1313	Warden	1			1	1				1			1		1		1	7
2109	Winlock	1			1	1				1	1				1		1	7

Appendix—Cities Sorted by Financial Stress Score

ID	City (* non-reporting)	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
301	Benton City	1			1				1			1			1		1	6
901	Bridgeport	1	1							1		1	1				1	6
3301	Chewelah		1							1	1			1	1		1	6
1402	Cosmopolis	1			1			1		1	1		1					6
1316	Coulee Dam	1							1	1		1	1				1	6
2202	Creston	1	1							1		1		1	1			6
3103	Darrington	1			1			1			1		1	1				6
1302	Electric City	1	1							1		1	1		1			6
1403	Elma	1	1					1		1	1						1	6
2403	Elmer City	1			1				1			1	1		1			6
403	Entiat				1	1					1		1	1	1			6
1303	Ephrata	1			1					1				1	1		1	6
3901	Grandview	1	1					1		1		1					1	6
3902	Granger*							1		1		1	1		1		1	6
101	Hatton*									1		1	1	1	1		1	6
1404	Hoquiam								1	1	1			1	1		1	6
1308	Mattawa	1	1		1					1		1	1					6
1406	Montesano			1				1		1				1	1		1	6
2103	Morton	1	1					1		1	1					1		6
3001	North	1						1			1			1	1	1		6
1407	Oakville	1	1	1				1		1			1					6
1409	Ocean Shores				1	1		1		1	1			1				6
2205	Odessa		1		1				1	1		1			1			6
2406	Okanogan	1			1						1	1			1		1	6
1001	Republic*			1					1	1		1			1		1	6
1408	Westport				1			1		1	1			1			1	6
1401	Aberdeen		1						1	1	1						1	5

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201	Asotin	1			1			1					1		1			5
2703	Carbonado	1			1	1		1					1					5
3501	Cathlamet		1	1	1					1	1							5
202	Clarkston	1	1						1			1					1	5
3803	Colton	1						1		1			1		1			5
3302	Colville		1		1					1	1						1	5
2903	Concrete			1	1						1			1		1		5
1101	Connell				1					1		1		1	1			5
2721	Edgewood	1	1		1						1		1					5
3703	Everson		1	1	1						1						1	5
3204	Fairfield	1	1		1						1				1			5
3106	Gold Bar	1	1	1				1					1					5
1305	Grand Coulee				1					1		1			1		1	5
2904	Hamilton*			1				1					1	1	1			5
302	Kennewick	1	1	1	1			1										5
1307	Krupp*									1		1	1	1	1			5
2905	La Conner		1	1	1			1			1							5
2906	Lyman	1						1					1	1	1			5
1405	McCleary									1	1		1	1	1			5
2604	Metaline Falls					1		1		1		1			1			5
3905	Moxee	1			1			1		1	1							5
2605	Newport	1	1							1	1						1	5
1723	Pacific		1	1	1						1						1	5
1201	Pomeroy	1	1								1	1			1			5
604	Ridgefield			1	1	1					1			1				5
104	Ritzville				1	1				1	1				1			5
1904	Roslyn		1		1					1				1	1			5
3814	St. John	1			1			1	1	1								5

Appendix—Cities Sorted by Financial Stress Score

ID	City (* non-reporting)	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
3908	Sunnyside			1						1		1				1	1	5
3909	Tieton	1			1	1				1			1					5
2107	Toledo	1	1		1			1		1								5
2411	Tonasket				1			1				1			1		1	5
3911	Union Gap			1	1					1	1						1	5
3816	Uniontown	1			1					1				1	1			5
305	West Richland	1			1								1	1	1			5
2718	Wilkeson		1		1			1			1		1					5
3201	Airway				1			1			1				1			4
3801	Albion*									1		1	1		1			4
1705	Black							1			1		1	1				4
3702	Blaine		1		1			1						1				4
1801	Bremerton			1					1		1						1	4
2401	Brewster			1	1							1					1	4
2101	Centralia				1					1	1						1	4
402	Chelan		1							1	1			1				4
701	Dayton	1	1	1								1						4
1709	Des Moines			1	1			1					1					4
1732	Federal Way	1			1			1			1							4
803	Kelso		1							1	1						1	4
603	La Center				1	1					1		1					4
1717	Lake Forest	1	1						1				1					4
3109	Lake Stevens	1			1			1			1							4
1502	Langley			1	1			1			1							4
2502	Long Beach		1							1	1						1	4
3705	Lynden	1			1			1			1							4
2907	Mount Vernon				1	1					1						1	4
2405	Nespelem*								1			1	1		1			4

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ID	City (* non-reporting)	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
103	Othello	1						1		1							1	4
3602	Prescott	1										1			1		1	4
3208	Rockford		1					1						1	1			4
1733	SeaTac		1		1						1						1	4
2908	Sedro-Woolley	1			1			1			1							4
2301	Shelton				1					1	1						1	4
1905	South Cle	1	1							1			1					4
2714	South Prairie	1	1								1		1					4
3209	Spangle*	1		1										1	1			4
3306	Springdale*									1		1		1	1			4
3405	Tenino				1	1		1			1							4
3910	Toppenish*							1		1		1					1	4
1729	Tukwila		1					1			1						1	4
2412	Twisp			1	1	1					1							4
2719	University	1			1	1							1					4
607	Yacolt	1	1								1		1					4
3101	Arlington			1				1			1							3
1804	Bainbridge		1		1									1				3
601	Battle Ground	1			1	1												3
2001	Bingen				1			1						1				3
3102	Brier	1	1										1					3
2902	Burlington				1						1						1	3
401	Cashmere	1	1		1													3
801	Castle Rock				1					1	1							3
2102	Chehalis*									1	1						1	3
1901	Cle Elum									1	1			1				3
3601	College Place	1			1	1												3
1501	Coupeville		1		1			1										3

Appendix—Cities Sorted by Financial Stress Score

ID	City (* non-reporting)	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
3203	Deer Park				1									1	1			3
902	East	1		1													1	3
2707	Fircrest		1								1		1					3
2002	Goldendale		1		1												1	3
3107	Granite Falls	1		1	1													3
3108	Index		1		1								1					3
1739	Kenmore				1	1					1							3
3303	Kettle Falls	1								1		1						3
804	Longview									1	1						1	3
3110	Lynnwood		1					1			1							3
1737	Maple Valley	1									1		1					3
3111	Marysville				1						1					1		3
3206	Medical Lake	1	1										1					3
3207	Millwood	1	1		1													3
3112	Monroe		1					1			1							3
1309	Moses Lake									1	1						1	3
3114	Mukilteo		1		1						1							3
3906	Naches				1			1		1								3
1731	Newcastle				1	1					1							3
3706	Nooksack	1			1								1					3
1721	Normandy		1						1				1					3
1503	Oak Harbor	1						1			1							3
2407	Omak		1		1												1	3
2710	Orting		1					1			1							3
1802	Port Orchard			1				1			1							3
1803	Poulsbo		1		1						1							3
303	Prosser		1					1									1	3
3812	Pullman	1			1					1								3

Appendix—Cities Sorted by Financial Stress Score

ID	City (* non-reporting)	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
2711	Puyallup		1		1						1							3
1310	Quincy				1					1							1	3
3404	Rainier	1			1			1										3
2712	Roy			1	1			1										3
2713	Ruston			1				1			1							3
3907	Selah*				1			1		1								3
503	Sequim		1		1						1							3
1727	Skykomish*								1					1	1			3
3210	Spokane			1							1						1	3
3213	Spokane	1			1						1							3
3604	Walla Walla		1		1			1										3
2003	White Salmon		1	1				1										3
2413	Winthrop			1				1						1				3
3913	Yakima	1								1							1	3
3407	Yelm		1		1						1							3
3914	Zillah				1					1							1	3
1704	Bellevue			1							1							2
3701	Bellingham				1						1							2
2702	Buckley				1			1										2
1735	Burien				1						1							2
602	Camas				1						1							2
1707	Carnation				1	1												2
3202	Cheney	1										1						2
3802	Colfax*									1					1			2
2402	Conconully										1		1					2
1738	Covington	1			1													2
1710	Duvall				1			1										2
2705	Eatonville*			1				1										2

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1711	Enumclaw				1						1							2
3704	Ferndale				1			1										2
2801	Friday Harbor				1						1							2
1713	Hunts Point				1						1							2
1714	Issaquah				1						1							2
1715	Kent				1						1							2
2720	Lakewood			1	1													2
404	Leavenworth		1		1													2
3212	Liberty Lake*				1						1							2
3119	Mill Creek				1						1							2
3113	Mountlake		1										1					2
1722	North Bend				1	1												2
2408	Oroville														1		1	2
1104	Pasco				1												1	2
2409	Pateros		1						1									2
1601	Port		1								1							2
3115	Snohomish*				1						1							2
3116	Stanwood				1						1							2
2715	Steilacoom		1										1					2
3707	Sumas		1					1										2
2716	Sumner				1						1							2
2717	Tacoma				1						1							2
1734	Woodinville				1						1							2
608	Woodland			1				1										2
1701	Algona				1													1
2901	Anacortes										1							1
1702	Auburn										1							1
1703	Beaux Arts		1															1

Appendix—Cities Sorted by Financial Stress Score

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2701	Bonney Lake				1													1
1706	Bothell				1													1
1708	Clyde Hill								1									1
2704	DuPont										1							1
3104	Edmonds										1							1
1902	Ellensburg									1								1
3105	Everett		1															1
2706	Fife				1													1
2708	Gig Harbor				1													1
1716	Kirkland										1							1
3402	Lacey																1	1
1718	Medina								1									1
2709	Milton										1							1
502	Port Angeles				1													1
1724	Redmond				1													1
1725	Renton										1							1
304	Richland		1															1
1740	Sammamish*												1					1
1726	Seattle										1							1
1736	Shoreline				1													1
1728	Snoqualmie				1													1
3002	Stevenson															1		1
3406	Tumwater		1															1
605	Vancouver				1													1
606	Washougal										1							1
405	Wenatchee																1	1
3118	Woodway										1							1
1730	Yarrow Point								1									1

Appendix—Cities Sorted by Financial Stress Score

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1719	Mercer Island																	0
3403	Olympia																	0
	State Total	115	97	48	152	36	7	89	41	111	126	75	83	69	94	10	62	1215

Appendix—Cities Sorted Alphabetically

ID	City (*non-reporting)	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
1401	Aberdeen		1						1	1	1						1	5
3201	Airway Heights				1			1			1				1			4
3801	Albion*									1		1	1		1			4
1701	Algona				1													1
2201	Almira	1	1					1	1	1	1	1	1	1	1			10
2901	Anacortes										1							1
3101	Arlington			1				1			1							3
201	Asotin	1			1			1					1		1			5
1702	Auburn										1							1
1804	Bainbridge Island		1		1									1				3
601	Battle Ground	1			1	1												3
1703	Beaux Arts Village		1															1
1704	Bellevue			1							1							2
3701	Bellingham				1						1							2
301	Benton City	1			1				1			1			1		1	6
2001	Bingen				1			1						1				3
1705	Black Diamond							1			1		1	1				4
3702	Blaine		1		1			1						1				4
2701	Bonney Lake				1													1
1706	Bothell				1													1
1801	Bremerton			1					1		1						1	4
2401	Brewster			1	1							1					1	4
901	Bridgeport	1	1							1		1	1				1	6
3102	Brier	1	1										1					3
2702	Buckley				1			1										2
3401	Bucoda	1	1								1	1	1	1	1			7
1735	Burien				1						1							2
2902	Burlington				1						1						1	3

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602	Camas				1						1							2
2703	Carbonado	1			1	1		1					1					5
1707	Carnation				1	1												2
401	Cashmere	1	1		1													3
801	Castle Rock				1					1	1							3
3501	Cathlamet		1	1	1					1	1							5
2101	Centralia				1					1	1						1	4
2102	Chehalis*									1	1						1	3
402	Chelan		1							1	1			1				4
3202	Cheney	1										1						2
3301	Chewelah		1							1	1			1	1		1	6
202	Clarkston	1	1						1			1					1	5
1901	Cle Elum									1	1			1				3
1708	Clyde Hill								1									1
3802	Colfax*									1					1			2
3601	College Place	1			1	1												3
3803	Colton	1						1		1			1		1			5
3302	Colville		1		1					1	1						1	5
2402	Conconully										1		1					2
2903	Concrete			1	1						1			1		1		5
1101	Connell				1					1		1		1	1			5
1402	Cosmopolis	1			1			1		1	1		1					6
1301	Coulee City	1			1	1				1		1		1	1			7
1316	Coulee Dam	1							1	1		1	1				1	6
1501	Coupeville		1		1			1										3
1738	Covington	1			1													2
2202	Creston	1	1							1		1		1	1			6
2601	Cusick				1	1			1	1		1		1	1			7
3103	Darrington	1			1			1			1		1	1				6

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2203	Davenport	1			1				1	1	1	1			1			7
701	Dayton	1	1	1								1						4
3203	Deer Park				1									1	1			3
1709	Des Moines			1	1			1					1					4
2704	DuPont										1							1
1710	Duvall				1			1										2
902	East Wenatchee	1		1													1	3
2705	Eatonville*			1				1										2
2721	Edgewood	1	1		1						1		1					5
3104	Edmonds										1							1
1302	Electric City	1	1							1		1	1		1			6
1902	Ellensburg									1								1
1403	Elma	1	1					1		1	1						1	6
2403	Elmer City	1			1				1			1	1		1			6
3804	Endicott	1		1	1	1	1		1	1		1	1	1	1			11
403	Entiat				1	1					1		1	1	1			6
1711	Enumclaw				1						1							2
1303	Ephrata	1			1					1				1	1		1	6
3105	Everett		1															1
3703	Everson		1	1	1						1						1	5
3204	Fairfield	1	1		1						1				1			5
3805	Farmington	1	1	1			1		1	1		1	1	1	1			10
1732	Federal Way	1			1			1			1							4
3704	Ferndale				1			1										2
2706	Fife				1													1
2707	Fircrest		1								1		1					3
501	Forks	1	1					1			1				1	1	1	7
2801	Friday Harbor				1						1							2
3806	Garfield	1			1				1	1	1	1	1	1	1			9

Appendix—Cities Sorted Alphabetically

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1304	George	1	1		1			1	1	1		1		1	1			9
2708	Gig Harbor				1													1
3106	Gold Bar	1	1	1				1					1					5
2002	Goldendale		1		1												1	3
1305	Grand Coulee				1					1		1			1		1	5
3901	Grandview	1	1					1		1		1					1	6
3902	Granger*							1		1		1	1		1		1	6
3107	Granite Falls	1		1	1													3
2904	Hamilton*			1				1					1	1	1			5
3903	Harrah	1	1							1		1	1		1	1	1	8
2204	Harrington	1	1		1				1	1		1	1		1			8
1306	Hartline	1			1	1		1		1		1	1	1	1			9
101	Hatton*									1		1	1	1	1		1	6
1404	Hoquiam								1	1	1			1	1		1	6
1713	Hunts Point				1						1							2
2501	Ilwaco		1		1	1		1		1				1	1			7
3108	Index		1		1								1					3
2602	Ione	1			1	1		1	1	1	1	1		1	1			10
1714	Issaquah				1						1							2
1102	Kahlotus*	1			1	1			1	1		1	1	1	1			9
802	Kalama	1	1	1	1					1				1	1			7
803	Kelso		1							1	1						1	4
1739	Kenmore				1	1					1							3
302	Kennewick	1	1	1	1			1										5
1715	Kent				1						1							2
3303	Kettle Falls	1								1		1						3
1716	Kirkland										1							1
1903	Kittitas	1		1	1	1		1		1	1							7
1307	Krupp*									1		1	1	1	1			5

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603	La Center				1	1					1		1					4
2905	La Conner		1	1	1			1			1							5
3402	Lacey																1	1
3807	LaCrosse	1	1						1	1		1	1	1	1			8
1717	Lake Forest Park	1	1						1				1					4
3109	Lake Stevens	1			1			1			1							4
2720	Lakewood			1	1													2
3808	Lamont	1			1	1		1	1	1	1	1	1	1	1		1	12
1502	Langley			1	1			1			1							4
3205	Latah	1	1						1			1	1	1	1			7
404	Leavenworth		1		1													2
3212	Liberty Lake*				1						1							2
102	Lind	1	1	1	1			1	1	1	1	1		1	1			11
2502	Long Beach		1							1	1						1	4
804	Longview									1	1						1	3
2906	Lyman	1						1					1	1	1			5
3705	Lynden	1			1			1			1							4
3110	Lynnwood		1					1			1							3
3904	Mabton*			1				1		1		1	1			1	1	7
3809	Malden	1	1				1	1		1		1	1	1	1			9
903	Mansfield	1			1	1		1		1		1	1		1			8
1737	Maple Valley	1									1		1					3
3304	Marcus	1	1							1		1	1	1	1			7
3111	Marysville				1						1					1		3
1308	Mattawa	1	1		1					1		1	1					6
1405	McCleary									1	1		1	1	1			5
3206	Medical Lake	1	1										1					3
1718	Medina								1									1
1719	Mercer Island																	0

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1103	Mesa	1			1			1		1		1		1	1			7
2603	Metaline	1	1		1	1				1	1	1		1	1			9
2604	Metaline Falls					1		1		1		1			1			5
3119	Mill Creek				1						1							2
3207	Millwood	1	1		1													3
2709	Milton										1							1
3112	Monroe		1					1			1							3
1406	Montesano			1				1		1				1	1		1	6
2103	Morton	1	1					1		1	1					1		6
1309	Moses Lake									1	1						1	3
2104	Mossyrock	1		1				1	1	1	1			1	1			8
2907	Mount Vernon				1	1					1						1	4
3113	Mountlake Terrace		1										1					2
3905	Moxee	1			1			1		1	1							5
3114	Mukilteo		1		1						1							3
3906	Naches				1			1		1								3
2105	Napavine	1			1			1		1	1			1	1			7
2405	Nespelem*								1			1	1		1			4
1731	Newcastle				1	1					1							3
2605	Newport	1	1							1	1						1	5
3706	Nooksack	1			1								1					3
1721	Normandy Park		1						1				1					3
1722	North Bend				1	1												2
3001	North Bonneville	1						1			1			1	1	1		6
3305	Northport	1	1						1	1		1		1	1			7
1503	Oak Harbor	1						1			1							3
3810	Oakesdale					1	1			1		1	1	1	1			7
1407	Oakville	1	1	1				1		1			1					6
1409	Ocean Shores				1	1		1		1	1			1				6

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2205	Odessa		1		1				1	1		1			1			6
2406	Okanogan	1			1						1	1			1		1	6
3403	Olympia																	0
2407	Omak		1		1												1	3
2408	Oroville														1		1	2
2710	Orting		1					1			1							3
103	Othello	1						1		1							1	4
1723	Pacific		1	1	1						1						1	5
3811	Palouse	1			1	1				1		1	1		1			7
1104	Pasco				1												1	2
2409	Pateros		1						1									2
2106	Pe Ell	1		1	1			1		1			1		1			7
1201	Pomeroy	1	1								1	1			1			5
502	Port Angeles				1													1
1802	Port Orchard			1				1			1							3
1601	Port Townsend		1								1							2
1803	Poulsbo		1		1						1							3
3602	Prescott	1										1			1		1	4
303	Prosser		1					1									1	3
3812	Pullman	1			1					1								3
2711	Puyallup		1		1						1							3
1310	Quincy				1					1							1	3
3404	Rainier	1			1			1										3
2503	Raymond	1		1			1			1	1	1		1	1		1	9
2206	Reardan	1	1		1			1		1		1	1		1			8
1724	Redmond				1													1
1725	Renton										1							1
1001	Republic*			1					1	1		1			1		1	6
304	Richland		1															1

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604	Ridgefield			1	1	1					1			1				5
104	Ritzville				1	1				1	1				1			5
2410	Riverside	1	1	1				1	1			1	1	1	1		1	10
904	Rock Island	1			1				1	1	1	1	1		1			8
3208	Rockford		1					1						1	1			4
3813	Rosalia	1		1		1	1	1		1	1	1	1	1	1			11
1904	Roslyn		1		1					1				1	1			5
2712	Roy			1	1			1										3
1311	Royal City	1	1		1			1		1		1	1		1			8
2713	Ruston			1				1			1							3
1740	Sammamish*												1					1
1733	SeaTac		1		1						1						1	4
1726	Seattle										1							1
2908	Sedro-Woolley	1			1			1			1							4
3907	Selah*				1			1		1								3
503	Sequim		1		1						1							3
2301	Shelton				1					1	1						1	4
1736	Shoreline				1													1
1727	Skykomish*								1					1	1			3
3115	Snohomish*				1						1							2
1728	Snoqualmie				1													1
1312	Soap Lake*	1							1	1	1	1	1		1			7
2504	South Bend	1			1	1				1		1	1		1		1	8
1905	South Cle Elum	1	1							1			1					4
2714	South Prairie	1	1								1		1					4
3209	Spangle*	1		1										1	1			4
3210	Spokane			1							1						1	3
3213	Spokane Valley*	1			1						1							3
2207	Sprague	1	1					1		1		1	1		1			7

Appendix—Cities Sorted Alphabetically

ID	City (*non-reporting)	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
3306	Springdale*									1		1		1	1			4
3814	St. John	1			1			1	1	1								5
3116	Stanwood				1						1							2
702	Starbuck	1	1						1			1	1	1	1			7
2715	Steilacoom		1										1					2
3002	Stevenson															1		1
3117	Sultan	1	1	1	1			1			1		1					7
3707	Sumas		1					1										2
2716	Sumner				1						1							2
3908	Sunnyside			1						1		1				1	1	5
2717	Tacoma				1						1							2
3815	Tekoa	1					1	1		1		1	1	1	1			8
3405	Tenino				1	1		1			1							4
3909	Tieton	1			1	1				1			1					5
2107	Toledo	1	1		1			1		1								5
2411	Tonasket				1			1				1			1		1	5
3910	Toppenish*							1		1		1					1	4
1729	Tukwila		1					1			1						1	4
3406	Tumwater		1															1
2412	Twisp			1	1	1					1							4
3911	Union Gap			1	1					1	1						1	5
3816	Uniontown	1			1					1				1	1			5
2719	University Place	1			1	1							1					4
2108	Vader	1		1				1		1	1	1	1	1	1			9
605	Vancouver				1													1
3603	Waitsburg	1	1		1			1			1		1		1			7
3604	Walla Walla		1		1			1										3
3912	Wapato		1	1				1		1	1	1	1				1	8
1313	Warden	1			1	1				1			1		1		1	7

Appendix—Cities Sorted Alphabetically

ID	City (*non-reporting)	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
606	Washougal										1							1
105	Washtucna	1			1	1		1	1	1		1	1	1	1			10
905	Waterville	1			1					1		1	1	1	1	1		8
3211	Waverly	1	1						1		1	1	1	1	1			8
405	Wenatchee																1	1
305	West Richland	1			1								1	1	1			5
1408	Westport				1			1		1	1			1			1	6
2003	White Salmon		1	1				1										3
2208	Wilbur	1	1		1				1	1	1	1	1	1	1			10
2718	Wilkeson		1		1			1			1		1					5
1315	Wilson Creek	1	1		1					1	1	1	1	1	1			9
2109	Winlock	1			1	1				1	1				1		1	7
2413	Winthrop			1				1						1				3
1734	Woodinville				1						1							2
608	Woodland			1				1										2
3118	Woodway										1							1
607	Yacolt	1	1								1		1					4
3913	Yakima	1								1							1	3
1730	Yarrow Point								1									1
3407	Yelm		1		1						1							3
3914	Zillah				1					1							1	3
	State Total	115	97	48	15	36	7	89	41	111	126	75	83	69	94	10	62	1215

Appendix—Cities Sorted by Primary County

ID	City (*non-reporting)	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
ADAMS COUNTY																		
101	Hatton*									1		1	1	1	1		1	6
102	Lind	1	1	1	1			1	1	1	1	1		1	1			11
103	Othello	1						1		1							1	4
104	Ritzville				1	1				1	1				1			5
105	Washtucna	1			1	1		1	1	1		1	1	1	1			10
ASOTIN COUNTY																		
201	Asotin	1			1			1					1		1			5
202	Clarkston	1	1						1			1					1	5
BENTON COUNTY																		
301	Benton City	1			1				1			1			1		1	6
302	Kennewick	1	1	1	1			1										5
303	Prosser		1					1									1	3
304	Richland		1															1
305	West Richland	1			1								1	1	1			5
CHELAN COUNTY																		
401	Cashmere	1	1		1													3
402	Chelan		1							1	1			1				4
403	Entiat				1	1					1		1	1	1			6
404	Leavenworth		1		1													2
405	Wenatchee																1	1
CLALLAM COUNTY																		
501	Forks	1	1					1			1				1	1	1	7
502	Port Angeles				1													1
503	Sequim		1		1						1							3
CLARK COUNTY																		
601	Battle Ground	1			1	1												3
602	Camas				1						1							2

Appendix—Cities Sorted by Primary County

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603	La Center				1	1					1		1					4
604	Ridgefield			1	1	1					1			1				5
605	Vancouver				1													1
606	Washougal										1							1
607	Yacolt	1	1								1		1					4
608	Woodland			1				1										2
COLUMBIA COUNTY																		
701	Dayton	1	1	1								1						4
702	Starbuck	1	1						1			1	1	1	1			7
COWLITZ COUNTY																		
801	Castle Rock				1					1	1							3
802	Kalama	1	1	1	1					1				1	1			7
803	Kelso		1							1	1						1	4
804	Longview									1	1						1	3
DOUGLAS COUNTY																		
901	Bridgeport	1	1							1		1	1				1	6
902	East Wenatchee	1		1													1	3
903	Mansfield	1			1	1		1		1		1	1		1			8
904	Rock Island	1			1				1	1	1	1	1		1			8
905	Waterville	1			1					1		1	1	1	1	1		8
FERRY COUNTY																		
1001	Republic*			1					1	1		1			1		1	6
FRANKLIN COUNTY																		
1101	Connell				1					1		1		1	1			5
1102	Kahlotus*	1			1	1			1	1		1	1	1	1			9
1103	Mesa	1			1			1		1		1		1	1			7
1104	Pasco				1												1	2

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GARFIELD COUNTY																		
1201	Pomeroy	1	1								1	1			1			5
GRANT COUNTY																		
1301	Coulee City	1			1	1				1		1		1	1			7
1302	Electric City	1	1							1		1	1		1			6
1303	Ephrata	1			1					1				1	1		1	6
1304	George	1	1		1			1	1	1		1		1	1			9
1305	Grand Coulee				1					1		1			1		1	5
1306	Hartline	1			1	1		1		1		1	1	1	1			9
1307	Krupp*									1		1	1	1	1			5
1308	Mattawa	1	1		1					1		1	1					6
1309	Moses Lake									1	1						1	3
1310	Quincy				1					1							1	3
1311	Royal City	1	1		1			1		1		1	1		1			8
1312	Soap Lake*	1							1	1	1	1	1		1			7
1313	Warden	1			1	1				1			1		1		1	7
1315	Wilson Creek	1	1		1					1	1	1	1	1	1			9
1316	Coulee Dam	1							1	1		1	1				1	6
GRAYS HARBOR COUNTY																		
1401	Aberdeen		1						1	1	1						1	5
1402	Cosmopolis	1			1			1		1	1		1					6
1403	Elma	1	1					1		1	1						1	6
1404	Hoquiam								1	1	1			1	1		1	6
1405	McCleary									1	1		1	1	1			5
1406	Montesano			1				1		1				1	1		1	6
1407	Oakville	1	1	1				1		1			1					6
1408	Westport				1			1		1	1			1			1	6
1409	Ocean Shores				1	1		1		1	1			1				6

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ISLAND COUNTY																		
1501	Coupeville		1		1			1										3
1502	Langley			1	1			1			1							4
1503	Oak Harbor	1						1			1							3
JEFFERSON COUNTY																		
1601	Port Townsend		1								1							2
KING COUNTY																		
1701	Algona				1													1
1702	Auburn										1							1
1703	Beaux Arts Village		1															1
1704	Bellevue			1							1							2
1705	Black Diamond							1			1		1	1				4
1706	Bothell				1													1
1707	Carnation				1	1												2
1708	Clyde Hill								1									1
1709	Des Moines			1	1			1					1					4
1710	Duvall				1			1										2
1711	Enumclaw				1						1							2
1713	Hunts Point				1						1							2
1714	Issaquah				1						1							2
1715	Kent				1						1							2
1716	Kirkland										1							1
1717	Lake Forest Park	1	1						1				1					4
1718	Medina								1									1
1719	Mercer Island																	0
1721	Normandy Park		1						1				1					3
1722	North Bend				1	1												2
1723	Pacific		1	1	1						1						1	5

Appendix—Cities Sorted by Primary County

ID	City (*non-reporting)	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
1724	Redmond				1													1
1725	Renton										1							1
1726	Seattle										1							1
1727	Skykomish*								1					1	1			3
1728	Snoqualmie				1													1
1729	Tukwila		1					1			1						1	4
1730	Yarrow Point								1									1
1731	Newcastle				1	1					1							3
1732	Federal Way	1			1			1			1							4
1733	SeaTac		1		1						1						1	4
1734	Woodinville				1						1							2
1735	Burien				1						1							2
1736	Shoreline				1													1
1737	Maple Valley	1									1		1					3
1738	Covington	1			1													2
1739	Kenmore				1	1					1							3
1740	Sammamish*												1					1
KITSAP COUNTY																		
1801	Bremerton			1					1		1						1	4
1802	Port Orchard			1				1			1							3
1803	Poulsbo		1		1						1							3
1804	Bainbridge Island		1		1									1				3
KITTITAS COUNTY																		
1901	Cle Elum									1	1			1				3
1902	Ellensburg									1								1
1903	Kittitas	1		1	1	1		1		1	1							7
1904	Roslyn		1		1					1				1	1			5
1905	South Cle Elum	1	1							1			1					4

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KLICKITAT COUNTY																		
2001	Bingen				1			1						1				3
2002	Goldendale		1		1												1	3
2003	White Salmon		1	1				1										3
LEWIS COUNTY																		
2101	Centralia				1					1	1						1	4
2102	Chehalis*									1	1						1	3
2103	Morton	1	1					1		1	1					1		6
2104	Mossyrock	1		1				1	1	1	1			1	1			8
2105	Napavine	1			1			1		1	1			1	1			7
2106	Pe Ell	1		1	1			1		1			1		1			7
2107	Toledo	1	1		1			1		1								5
2108	Vader	1		1				1		1	1	1	1	1	1			9
2109	Winlock	1			1	1				1	1				1		1	7
LINCOLN COUNTY																		
2201	Almira	1	1					1	1	1	1	1	1	1	1			10
2202	Creston	1	1							1		1		1	1			6
2203	Davenport	1			1				1	1	1	1			1			7
2204	Harrington	1	1		1				1	1		1	1		1			8
2205	Odessa		1		1				1	1		1			1			6
2206	Reardan	1	1		1			1		1		1	1		1			8
2207	Sprague	1	1					1		1		1	1		1			7
2208	Wilbur	1	1		1				1	1	1	1	1	1	1			10
MASON COUNTY																		
2301	Shelton				1					1	1						1	4
OKANOGAN COUNTY																		
2401	Brewster			1	1							1					1	4
2402	Conconully										1		1					2

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2403	Elmer City	1			1				1			1	1		1			6
2405	Nespelem*								1			1	1		1			4
2406	Okanogan	1			1						1	1			1		1	6
2407	Omak		1		1												1	3
2408	Oroville														1		1	2
2409	Pateros		1						1									2
2410	Riverside	1	1	1				1	1			1	1	1	1		1	10
2411	Tonasket				1			1				1			1		1	5
2412	Twisp			1	1	1					1							4
2413	Winthrop			1				1						1				3
PACIFIC COUNTY																		
2501	Ilwaco		1		1	1		1		1				1	1			7
2502	Long Beach		1							1	1						1	4
2503	Raymond	1		1			1			1	1	1		1	1		1	9
2504	South Bend	1			1	1				1		1	1		1		1	8
PEND OREILLE COUNTY																		
2601	Cusick				1	1			1	1		1		1	1			7
2602	Ione	1			1	1		1	1	1	1	1		1	1			10
2603	Metaline	1	1		1	1				1	1	1		1	1			9
2604	Metaline Falls					1		1		1		1			1			5
2605	Newport	1	1							1	1						1	5
PIERCE COUNTY																		
2701	Bonney Lake				1													1
2702	Buckley				1			1										2
2703	Carbonado	1			1	1		1					1					5
2704	DuPont										1							1
2705	Eatonville*			1				1										2
2706	Fife				1													1

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2707	Fircrest		1								1		1					3
2708	Gig Harbor				1													1
2709	Milton										1							1
2710	Orting		1					1			1							3
2711	Puyallup		1		1						1							3
2712	Roy			1	1			1										3
2713	Ruston			1				1			1							3
2714	South Prairie	1	1								1		1					4
2715	Steilacoom		1										1					2
2716	Sumner				1						1							2
2717	Tacoma				1						1							2
2718	Wilkeson		1		1			1			1		1					5
2719	University Place	1			1	1							1					4
2720	Lakewood			1	1													2
2721	Edgewood	1	1		1						1		1					5
SAN JUAN COUNTY																		
2801	Friday Harbor				1						1							2
SKAGIT COUNTY																		
2901	Anacortes										1							1
2902	Burlington				1						1						1	3
2903	Concrete			1	1						1			1		1		5
2904	Hamilton*			1				1					1	1	1			5
2905	La Conner		1	1	1			1			1							5
2906	Lyman	1						1					1	1	1			5
2907	Mount Vernon				1	1					1						1	4
2908	Sedro-Woolley	1			1			1			1							4
SKAMANIA COUNTY																		
3001	North Bonneville	1						1			1			1	1	1		6

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3002	Stevenson															1		1
SNOHOMISH COUNTY																		
3101	Arlington			1				1			1							3
3102	Brier	1	1										1					3
3103	Darrington	1			1			1			1		1	1				6
3104	Edmonds										1							1
3105	Everett		1															1
3106	Gold Bar	1	1	1				1					1					5
3107	Granite Falls	1		1	1													3
3108	Index		1		1								1					3
3109	Lake Stevens	1			1			1			1							4
3110	Lynnwood		1					1			1							3
3111	Marysville				1						1					1		3
3112	Monroe		1					1			1							3
3113	Mountlake Terrace		1										1					2
3114	Mukilteo		1		1						1							3
3115	Snohomish*				1						1							2
3116	Stanwood				1						1							2
3117	Sultan	1	1	1	1			1			1		1					7
3118	Woodway										1							1
3119	Mill Creek				1						1							2
SPOKANE COUNTY																		
3201	Airway Heights				1			1			1				1			4
3202	Cheney	1										1						2
3203	Deer Park				1									1	1			3
3204	Fairfield	1	1		1						1				1			5
3205	Latah	1	1						1			1	1	1	1			7
3206	Medical Lake	1	1										1					3

Appendix—Cities Sorted by Primary County

ID	City (*non-reporting)	Indicator 1 - GF Revenue	Indicator 2 - Revenue Elasticity	Indicator 3 - Cash Balance	Indicator 4 - Debt and Capital	Indicator 5 - Restricted Revenue	Indicator 6 - Property Tax Burden	Indicator 7 - Operating Gaps	Indicator 8 - Population	Indicator 8 - Personal Income	Indicator 8 Employment Growth	Indicator 9 - Assessed Value	Indicator 9 - Sales Tax	Indicator 10 - Population Density	Indicator 10 - Assessed Value per Square Mile	Indicator 10 - Dropout Rate	Indicator 10 - DSHS Clients	Stress Score
3207	Millwood	1	1		1													3
3208	Rockford		1					1						1	1			4
3209	Spangle*	1		1										1	1			4
3210	Spokane			1							1						1	3
3211	Waverly	1	1						1		1	1	1	1	1			8
3212	Liberty Lake*				1						1							2
3213	Spokane Valley*	1			1						1							3
STEVENS COUNTY																		
3301	Chewelah		1							1	1			1	1		1	6
3302	Colville		1		1					1	1						1	5
3303	Kettle Falls	1								1		1						3
3304	Marcus	1	1							1		1	1	1	1			7
3305	Northport	1	1						1	1		1		1	1			7
3306	Springdale*									1		1		1	1			4
THURSTON COUNTY																		
3401	Bucoda	1	1								1	1	1	1	1			7
3402	Lacey																1	1
3403	Olympia																	0
3404	Rainier	1			1			1										3
3405	Tenino				1	1		1			1							4
3406	Tumwater		1															1
3407	Yelm		1		1						1							3
WAHKIAKUM COUNTY																		
3501	Cathlamet		1	1	1					1	1							5
WALLA WALLA COUNTY																		
3601	College Place	1			1	1												3
3602	Prescott	1										1			1		1	4
3603	Waitsburg	1	1		1			1			1		1		1			7

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3604	Walla Walla		1		1			1										3
WHATCOM COUNTY																		
3701	Bellingham				1						1							2
3702	Blaine		1		1			1						1				4
3703	Everson		1	1	1						1						1	5
3704	Ferndale				1			1										2
3705	Lynden	1			1			1			1							4
3706	Nooksack	1			1								1					3
3707	Sumas		1					1										2
WHITMAN COUNTY																		
3801	Albion*									1		1	1		1			4
3802	Colfax*									1					1			2
3803	Colton	1						1		1			1		1			5
3804	Endicott	1		1	1	1	1		1	1		1	1	1	1			11
3805	Farmington	1	1	1			1		1	1		1	1	1	1			10
3806	Garfield	1			1				1	1	1	1	1	1	1			9
3807	LaCrosse	1	1						1	1		1	1	1	1			8
3808	Lamont	1			1	1		1	1	1	1	1	1	1	1		1	12
3809	Malden	1	1				1	1		1		1	1	1	1			9
3810	Oakesdale					1	1			1		1	1	1	1			7
3811	Palouse	1			1	1				1		1	1		1			7
3812	Pullman	1			1					1								3
3813	Rosalia	1		1		1	1	1		1	1	1	1	1	1			11
3814	St. John	1			1			1	1	1								5
3815	Tekoa	1					1	1		1		1	1	1	1			8
3816	Uniontown	1			1					1				1	1			5
YAKIMA COUNTY																		
3901	Grandview	1	1					1		1		1					1	6

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3902	Granger*							1		1		1	1		1		1	6
3903	Harrah	1	1							1		1	1		1	1	1	8
3904	Mabton*			1				1		1		1	1			1	1	7
3905	Moxee	1			1			1		1	1							5
3906	Naches				1			1		1								3
3907	Selah*				1			1		1								3
3908	Sunnyside			1						1		1				1	1	5
3909	Tieton	1			1	1				1			1					5
3910	Toppenish*							1		1		1					1	4
3911	Union Gap			1	1					1	1						1	5
3912	Wapato		1	1				1		1	1	1	1				1	8
3913	Yakima	1								1							1	3
3914	Zillah				1					1							1	3
	State Total	115	97	48	152	36	7	89	41	111	126	75	83	69	94	10	62	1215