



**Annual Comprehensive
Financial Report
For the Fiscal Year Ended
December 31, 2023**

WALAWALA PLAZA

**Prepared by the
Finance Department**

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**Annual
Comprehensive
Financial Report**

For the Fiscal Year Ended

December 31, 2023

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CITY OF WALLA WALLA

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

Introductory Section





July 26, 2024

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

We are pleased to present the Annual Comprehensive Financial Report of the City of Walla Walla for the fiscal year ending December 31, 2023. This report is published as the official annual financial report. It complies with State law (RCW 43.09.230) requiring annual reports for Washington municipal governments to be certified and filed with the Washington State Auditor's Office.

The annual financial report is presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards. Pursuant to that requirement, we filed initial statements with the State Auditor's Office and are hereby issuing a finalized and audited annual comprehensive financial report of the City of Walla Walla for the fiscal year ending December 31, 2023.

This report consists of management's representations concerning the finances of the City of Walla Walla. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the City of Walla Walla has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile reliable information for the preparation of the City of Walla Walla financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Walla Walla's comprehensive internal controls framework has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Washington State Auditor's Office has audited the City of Walla Walla's financial statements. The goal of this independent audit was to provide reasonable assurance that the financial statements of the City of Walla Walla for the fiscal year ending December 31, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Walla Walla's financial statements for the fiscal year ended December 31, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City, incorporated in 1862, is located in the southeastern section of the State, six miles north of the Washington-Oregon border, 271 miles southeast of the City of Seattle, and 158 miles south of the City of Spokane. The City encompasses an area of approximately 14 square miles and is the largest City and the county seat of Walla Walla County. The City's 2024 population is 34,580.

The City operates under the council-manager form of government. A seven-member City Council is the City's legislative body and establishes and controls policy for the City. Council members are elected on a non-partisan basis to staggered four-year terms by the qualified electors of the City. There are four positions by ward (Central, West, East, and South) and three at large positions. The City Council elects one of its members to serve as Mayor for a two-year term. The City Council appoints the City Manager as the City's chief executive officer. The City Manager is responsible for carrying out the governing Council's policies and ordinances, overseeing the government's day-to-day operations, and appointing the heads of the various departments.

The City of Walla Walla is empowered to levy a property tax on real and personal properties within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Governing Council. The governing Council is responsible, among other things, for passing ordinances, adopting the budget, and appointing advisory boards and commissions.

The City of Walla Walla's adopted mission statement, core values, and vision statement are as follows:

Mission: Dedicated to enhancing the quality of life in Walla Walla.

Core Values: - Service - Integrity - Collaboration - Equity - Leadership - Community

Vision: The best of the best of the Northwest.

The City's updated strategic plan (July 2024) consists of four key focus areas: Livability, Economic Health, Safe Community and High Performing Organization, which will guide budgeting decisions for the organization.

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The City of Walla Walla provides a full range of municipal services, including police and fire protection; emergency medical services; street maintenance and construction and other infrastructure; development services; parks and recreation and library services; water, wastewater, sanitation, stormwater, and landfill utilities; a golf course; and a cemetery.

The 2023-24 Biennial Budget served as the foundation for the City of Walla Walla's financial planning and control. All City of Walla Walla departments must submit requests for appropriation to the City Manager in early July of the year preceding the next biennium. The City Manager uses these requests as the starting point for developing a proposed budget. Prior to October, the City Manager presents this proposed budget to the Council for review. The Council must hold public hearings on the proposed budget and adopt a final budget by no later than December 31, the close of the City of Walla Walla's fiscal year.

The appropriated budget is adopted at the fund level. The City Manager may authorize the transfer of appropriations within a fund. However, transfers of appropriations between funds and amendments to appropriations require the City Council's approval. Budget-to-actual comparisons are provided in this report for the general fund and special revenue funds for which an appropriated biennial budget has been adopted. This comparison is presented as part of the required supplementary information for the general fund.

Local economy

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Walla Walla operates. The economy of the City is based on a mix of agriculture and related agri-business, manufacturing firms, higher education, health care, trade, tourism, and government. Its economic base continues diversifying from its historical dependence on agriculture to other major employers. The City serves as the marketing, trading, health, and educational hub for over 70,000 people in southeastern Washington and northeastern Oregon.

Agriculture: The City is in one of the primary agriculture-producing regions of the state and lies on the eastern edge of the Columbia and Snake River basins in southeastern Washington. The County has approximately two-thirds of its acreage classified as suitable for growing crops, with about 645,121 acres of tillable land in the County. Agriculture accounts for 13% of the total wages in the County. The County's most important commercial crop is wheat, ranking among the top in the state in the crop's production.

Other significant local crops include asparagus, peas, alfalfa hay, wine grapes, and Walla Walla sweet onions. Over the last few years, the total value of fruits in the County has increased due to the expansion of vineyards. It is a highly desirable destination for lovers of wine, food, art, history, and outdoor recreation, with an ever-increasing reputation nationally and globally. More than

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150 wineries and nearly 3,000 acres of planted vineyards are located in the Walla Walla Valley. Wineries employ over 2,400 employees in wine production and wine tourism. Steady growth in tourism traffic has led to new hotels and other amenities being constructed. The COVID-19 pandemic did impact tourism, with total visitor spending topping \$132MM by over 600,000 visitors in 2021. The average length of stay is 2.4 days.

Food Processing and Manufacturing: The primary livestock farming activity in the County is beef cattle production. Tyson Foods, Inc. operates a large beef and chicken packing plant in Wallula, 35 miles from the City, and employs over 1,400 workers. First Fruits is among the larger orchards in the County with up to 2,500 people employed in the growing, packing, and shipping of apples. Cliffstar produces fruit juices sold by grocery chains under store labels. Key Technology produces automated optical sorting and quality management equipment for the food processing industry, serving domestic and international customers and employing approximately 450 full-time employees. Nelson Irrigation Corporation manufactures agricultural and turf irrigation equipment and currently employs approximately 170 people. Packaging Corporation of America has a labor force of over 456 at its Wallula location.

Health Care: The City serves as a health care center for southeastern Washington and northeastern Oregon. Facilities include a U.S. Veterans Administration Medical Center and Providence St. Mary's Medical Center. Complete diagnostic and treatment services, as well as emergency and trauma care, are provided at these facilities.

Government: The City is the location of several major government installations including the Walla Walla County seat; the U.S. Army Corps of Engineers' district headquarters which administers programs in portions of six states; the Washington State Penitentiary, the largest non-manufacturing employer in the City; the Walla Walla Veterans Administration Medical Center; and the Bonneville Power Administration, another local federal government employer.

Higher Education: The City is home to two institutions of higher learning, Whitman College, the oldest institution of higher learning in the state, and Walla Walla Community College, a two-year state college. Walla Walla University is located next door in College Place.

Retail: In partnership with the business community, the City developed a revision of the 1989 Downtown Master Plan. That previous plan led to over \$50 million in reinvestment in the downtown. The revised plan was adopted in late 2004 and further enhanced and improved the Walla Walla downtown, which was recognized in 2001 as a Great American Main Street Award winner and in 2011 as the "Friendliest Town in America." The Lodge Apartment project bought 120 apartment units, 20% affordable, and 17 extended stay to the downtown. The Mill Creek Apartments brings 96 units in Phase 1 to the former Kmart site. Construction on Phase 1 is complete and Phase 2 is in building permit review.

Walla Walla Town Center Mall, a regional retail center opened in 2018 to serve southeast Washington, northeast Oregon and

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southwest Idaho. National retailers such as Ross, Marshalls, Sportsman's Warehouse, Ulta Beauty, Hobby Lobby and Petco all opened to great success. A new bulk grocery store, U.S. Foods arrived in Walla Walla with construction of a 20,000 square foot store. The store opened Fall of 2020. Continued redevelopment at Walla Walla Town Center continues with the former Shopko building being remodeled for three new retail tenants (Home Goods and Burlington) and the former Gottchalks building being remodeled for Planet Fitness and another retailer. The former Bed, Bath, and Beyond retail space is being redeveloped into an Old Navy.

Tourism: Largely spawned by the growing wine industry and enhanced by the interest in heritage and recreation, tourism has become a significant industry for Walla Walla. Lodging and other related tourism businesses have grown significantly in the last several years adding further diversity to the local economy. The former downtown Red Lion underwent an extensive renovation and rebranding as a boutique hotel, The Finch. In addition, several boutique hotels are proposed for the downtown area including the former Macy's building now known as the Jensen building.

Long-term financial planning

The City of Walla Walla has endeavored to strategically plan for its financial future with flexible responsiveness in mind, thereby positioning itself to react in an effective way to the often unpredictable and dynamic demands and limitations that present themselves to public agencies. In general, the government utilizes diverse funding sources in the form of taxes and fees to fund public safety, community programs and streets.

In the enterprise funds, planning looks five, ten, or twenty years ahead to anticipate growth trends; infrastructure renewal and expansion; and unfunded mandates. Additionally, the Water/Wastewater enterprise continues its program of major infrastructure repair and replacement (IRRP). The IRRP has become a major component of the infrastructure improvement plan for water/wastewater and stormwater. Major projects during the 2023-2024 budget year include completing two phases of the Alder/Poplar Corridor and constructing three roundabouts, pavement preservation projects on two major arterials, Rose Street and 2nd Avenue, and beginning the design of the Myra Road Extension.

The landfill operation continues to grow and diversify with the addition of its methane gas flaring facility and plans for gaining enterprise revenue from related carbon credits. The composting facility continues to do well, accepting green waste and producing and selling its compost products.

The City is actively participating in community efforts aimed at economic development, cooperating with the Port of Walla Walla and Walla Walla County as well as community groups such as the Walla Walla Valley Chamber of Commerce, the Downtown Walla Walla Foundation, and Visit Walla Walla.

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The City continues to fund minor street overlay and repair projects, scheduling such work annually. In 2011, the City formed the City of Walla Walla Transportation Benefit District (TBD) to better provide the funding for repair of its streets. In 2012, voters approved a 0.2% increase in the sales tax to fund such repairs, and the City began collecting the tax revenues and planning streets projects. Voters renewed the TBD sales tax for an additional ten years with a 74.0% approval in November 2021. The completed two phases of the Alder/Poplar corridor in 2023 and is the design phase for the next phase from 5th Ave to 14th Ave. The City successfully seeks public and private partnerships to leverage available resources to acquire public and private funds, both grants and loans; to support legislation that provides more flexibility and effectiveness to municipal governments; and to maximize the productive use of all its resources.

Cash management policies and practices

The City invests its available funds pursuant to an investment policy that emphasizes preserving principal, maintaining necessary liquidity, matching investment maturities to estimated cash flow requirements and achieving maximum yield. Eligible investments include U.S. Treasury bonds, notes, bills or other government obligations of the U.S. Government or agencies of the U.S. Government; interest bearing demand or time deposits issued by certain banks, trust companies or savings and loan associations; fully secured repurchase agreements; bankers' acceptances having a term of 180 days or less; and the Local Government Investment Pool (LGIP). The City investment policy also establishes guidelines for diversification of the portfolio relating to maturity, default risk and liquidity risk, as well as performance benchmarks that are reviewed by the City's Investment Committee.

Investments: The State Treasurer's Office administers the Washington State Local Government Investment Pool (LGIP), which invests money on behalf of more than 500 cities, counties, and special taxing districts. In managing the LGIP, the State Treasurer is required to adhere to principles appropriate for the prudent investment of public funds, including, in priority order (i) the safety of principal; (ii) the assurance of sufficient liquidity to meet cash flow demands; and (iii) the attainment of the highest possible yield within the constraints of the first two goals. Historically, the LGIP has had sufficient liquidity to meet all cash flow demands.

The LGIP, authorized by chapter 43.250 RCW, is a voluntary pool that allows its participants to benefit from the economies of scale inherent in pooling. It is also intended to offer participants increased safety of principal and the ability to achieve a higher investment yield than would otherwise be available. The pool is restricted to investments with maturities of one year or less, and the average life typically is less than 90 days. Investments permitted under the pool's guideline include U.S. government and agency securities, bankers' acceptances, high-quality commercial paper, repurchase and reverse repurchase agreements, motor vehicle fund warrants, and certificates of deposit issued by qualified State depositories.



Acknowledgments

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We want to express our appreciation to all those who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the Governing Council for their unfailing support for maintaining the highest standards of professionalism in managing the City of Walla Walla finances.

Respectfully submitted,

Elizabeth Chamberlain

Elizabeth Chamberlain
City Manager

Elizabeth Moeller

Elizabeth Moeller
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Walla Walla
Washington**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO



CITY COUNCIL AND SENIOR MANAGEMENT

Walla Walla City Councilmembers are part-time City employees. They devote, on average 20 hours per week to council business. Most have full time careers in addition to their City Council duties. The seven members on Walla Walla's City Council are elected to four-year terms from the community within each of the North, West, South, and East wards and three at-large positions. The terms are staggered, with positions ending for three members at one time and four members the following two years.



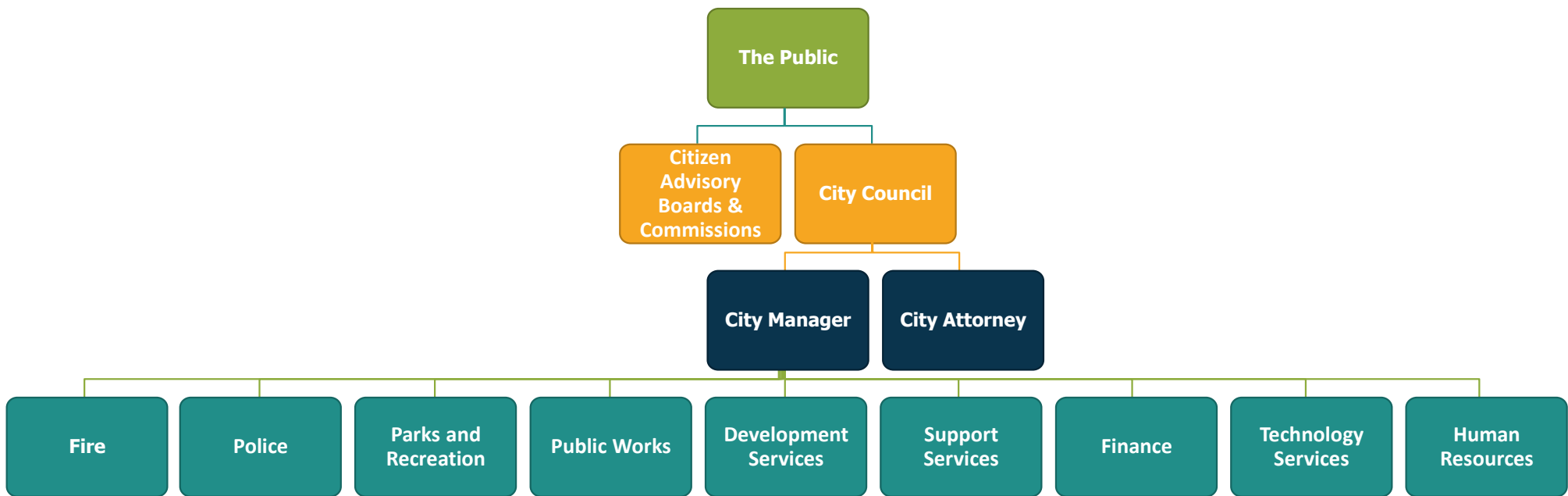
Pictured above left to right, Brian Casey, Gustavo Reyna, Susan Nakonieczny, Tom Scribner (Mayor), Ted Khoehler, Rick Eskil, Steve Moss (Mayor Pro Tempore)



City Manager
Elizabeth Chamberlain
Appointed December 2022

Senior Management

- CITY ATTORNEY [Tim Donaldson](#)
- DEPUTY CITY MANAGER [Robert Francis](#)
- DEVELOPMENT SERVICES DIRECTOR [Preston Frederickson](#)
- FINANCE DIRECTOR [Elizabeth Moeller](#)
- FIRE CHIEF [John Knowles](#)
- HUMAN RESOURCES DIRECTOR [Pam Taylor](#)
- LIBRARY DIRECTOR [Heather VanTassell](#)
- PARKS & RECREATION DIRECTOR [Andy Coleman](#)
- POLICE CHIEF [Chris Buttice](#)
- PUBLIC WORKS DIRECTOR [Ki Bealey](#)
- TECHNOLOGY SERVICES DIRECTOR [Chris Owen](#)





Auditor's Letter





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

July 30, 2024

Mayor and City Council
City of Walla Walla
Walla Walla, Washington

Report on Financial Statements

Please find attached our report on the City of Walla Walla's financial statements.

We are issuing this report for inclusion in the City's annual comprehensive financial report package, which will be issued by the City under the City's own cover.

This report is in addition to our regular financial statement audit report, which will be available on our website and includes the City's basic financial statements.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.



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

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

Mayor and City Council
City of Walla Walla
Walla Walla, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Walla Walla as of and for the year then ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of basic, the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Walla Walla, as of December 31, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed;

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated July 30, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

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

Pat McCarthy, State Auditor

Olympia, WA

July 30, 2024



Management's Discussion and Analysis



This narrative provides an overview and analysis of the City of Walla Walla's financial activities for the fiscal year ended December 31, 2023. The purpose is to introduce readers to the City's operations, explain how they are presented in this report, highlight significant financial activities and resulting changes in financial position, and economic factors affecting the City. Readers should consider the information presented here in conjunction with this report's letter of transmittal and other components. **Unless otherwise indicated, all amounts in this section are expressed in thousands of dollars.**

Financial Information

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

FINANCIAL HIGHLIGHTS

- At the end of the year, the City of Walla Walla's assets and deferred resource outflows exceeded its liabilities and deferred inflows by \$297,065 (net position).
- The City's total net position increased by \$21,641 over 2022. Business-type and governmental activities contributed \$9,778 and \$11,864 to the increase. The City's overall financial position improved during 2023, which continues a conservative growth trend over the past several years.
- At the close of the current fiscal year, the City of Walla Walla's governmental funds reported combined ending fund balances of \$22,408, a decrease of \$6. Compared to the prior year. Approximately 36.3% of this amount (\$8,137) is available for spending at the City's discretion (unassigned fund balance).
- The City of Walla Walla's outstanding long-term debt increased by \$1,123. The City made its regularly scheduled principal payments. However, the increase was still attributed to new leases, the City's implementation of SBITA recognition, and additional borrowing from public works trust fund loans.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the financial statements

This report also contains other supplementary information to provide additional details supporting the basic financial statements. The financial statements focus on the City as a whole (government-wide) and on major individual funds. Both perspectives allow the user to address relevant questions, broaden a basis for annual comparisons and enhance the City's accountability.

Government-wide Financial Statements.

The government-wide financial statements are designed to provide readers with a broad overview of the City of Walla Walla's financial position in a manner similar to a private-sector business. These statements are reported using full accrual-based accounting. The statements are presented for governmental and business-type activities.

The statement of net position presents financial information for all City of Walla Walla assets, liabilities, and deferred inflows/outflows of resources, with the difference, reported as net position. Over time, increases or decreases in net position serve as a useful indicator of whether the City's financial position is improving or deteriorating. The statement presents a roll-up of all governmental and business-type activities separately. The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, known as net position, is one way to measure the City's financial status.

The Statement of Activities presents information showing how the government's revenues and expenses impacted its net position during 2023. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items, which will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The statement distinguishes revenue generated by specific functions from revenue provided by taxes and other sources unrelated to a specific function. The revenue generated by specific functions (charges for services, grants, and contributions) is compared to the expenses for those functions to show how each function supports itself or relies on taxes and other general funding sources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidies to various business-type activities. By separating program revenue from general revenue, users of the financial statements can identify how much the program relies on taxes for funding.

- **Governmental Activities** – Most of the City's basic services are reported here, including fire, police service, non-utility public works (street maintenance), criminal justice, community development and planning, parks, arts and recreation, and general government administration. Taxes, licenses and permits, fines and forfeitures, and charges for general governmental services primarily support these activities.
- **Business-type Activities** – Customer charges for services mainly support these activities. Customers pay based on their actual usage. The business-type activities include water/wastewater, stormwater, sanitation, landfill, golf course, ambulance, and vehicle equipment maintenance and replacement services.

Fund Financial Statements.

The annual comprehensive financial report includes fund financial statements in addition to government-wide financial statements. While the government-wide statements present the City's finances based on the type of activity, governmental versus business-type, the fund financial statements are presented by fund type. A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific

activities or meet certain objectives. Funds are often set up per special regulations, restrictions, or limitations. Like other state and local agencies, the City of Walla Walla uses fund accounting to ensure and show compliance with finance-related legal requirements.

The City's funds are divided into two categories: governmental and proprietary funds. In the governmental statements, major governmental funds are presented in separate columns, and the remaining funds are combined into a column titled Total Non-Major Funds. Separate statements for the City's proprietary funds follow the governmental funds.

Governmental Funds are essentially the same functions reported as governmental activities in the government-wide financial statements. They are used to account for activities supported by taxes, grants, services, and other similar types of revenue. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of available resources at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund statement of net position and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City of Walla Walla maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the only major fund in 2023. Data from the remaining 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major governmental funds are provided in the form of combining and individual fund statements elsewhere in this report.

The City of Walla Walla adopts a biennial budget at the fund level for all funds in accordance with state law. A budgetary comparison statement has been provided for the General Fund and other governmental funds to demonstrate compliance with the budget.

Proprietary Funds are used to account for business-type activities and are reported under two categories, enterprise funds for business-type activities and internal service funds for internal service activities. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for ambulance, sanitation, water/wastewater, and the landfill, which are presented as major funds. Data from the other two enterprise funds, stormwater, golf course, and internal service funds, are combined into two aggregated presentations in the proprietary fund financial statements. This report provides individual fund data for the non-major enterprise funds and the internal service funds in the combining and individual fund statements and schedule section.

Internal service funds are an accounting device that accumulates and allocates costs internally among the City's various functions. The City uses internal service funds to manage its health and industrial insurance, equipment maintenance and replacement, emergency communication, and service center functions. The city evaluated the internal service funds and the Emergency Communications, Service

Center, Health Insurance, and Industrial Insurance funds are reported with governmental activity, and the Fleet and Vehicle Replacement funds are reported with the business-type activity in the government-wide statements.

Notes to the Financial Statements. The notes provide additional information essential to a full understanding of data in the government-wide and fund financial statements. They are located immediately following the basic financial statements.

Other Information. Following the notes to the financial statements, the City presents the required supplementary information (RSI). The information can be found immediately following the notes to the financial statements. Within the RSI, the City reports its proportionate share of the state-sponsored pension plans and its obligations to provide pension and other post-employment benefits (OPEB) for its Fire Pension and LEOFF 1 employees. The only OPEB obligation of the City is to the 37 qualifying police officers and firefighters hired prior to October 1, 1977.

Combining Statements. The combining statements for other governmental, non-major enterprise, and internal service funds are presented immediately following the required supplementary information.

Statistical Section. This section includes unaudited trends and demographic information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

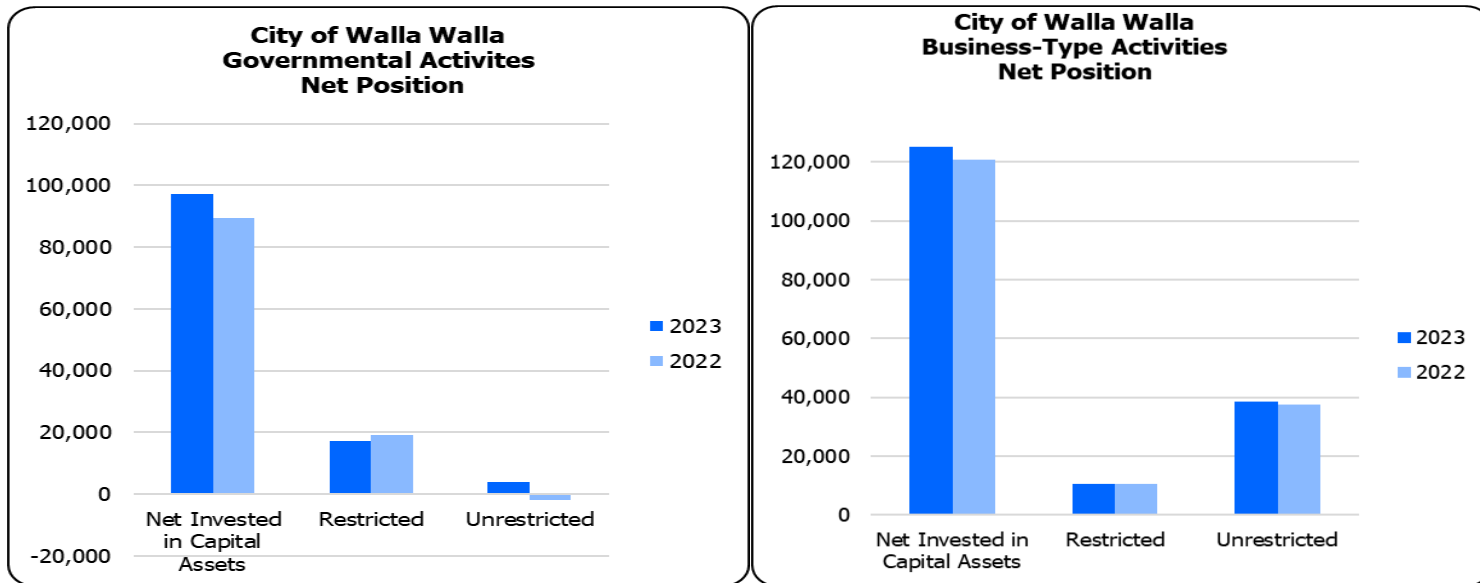
The Government-wide Statement of Net Position of the City as of December 31, 2023, and December 31, 2022, is summarized in the following table.

Summary of Statement of Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$46,641	\$48,762	\$59,528	\$59,085	\$106,169	\$107,847
Capital assets	110,181	102,819	169,071	158,330	279,252	261,149
Total assets	156,821	151,581	228,600	217,415	385,421	368,996
Total deferred outflows of resources	7,065	6,884	2,171	2,104	9,236	8,988
Current liabilities	7,827	8,923	3,274	3,722	11,101	12,645
Noncurrent liabilities	32,709	33,942	47,488	44,530	80,196	78,473
Total liabilities	40,536	42,865	50,762	48,253	91,297	91,117
Total deferred inflows of resources	4,877	8,991	1,418	2,452	6,294	11,443
Net position:					-	
Net investment in capital assets	97,389	89,377	129,598	120,680	226,987	210,057
Restricted	17,239	19,015	10,382	10,519	27,620	29,534
Unrestricted	3,845	(1,783)	38,612	37,614	42,457	35,832
Total net position	\$118,473	\$106,610	\$178,591	\$168,813	\$297,065	\$275,423

In 2023, the City’s total assets changed by \$16,425, and deferred outflows of resources increased by \$248. Total liabilities increased by \$180, and deferred inflows of resources decreased by \$5,149, primarily related to an increase in the State pension asset and decrease in liability this year. The net result is an increase in the total net position of \$21,641, or 7.9%.

Of the City’s total assets, cash and investments changed by \$984, and restricted cash and investments increased by \$653 due to additional landfill set-aside amounts required to support future closure and remediation obligations. Receivables decreased by 1,073 primarily due to reduced leases receivable balance and fewer grants receivable at year-end. Capital assets increased by \$18,104.

The largest portion of the City of Walla Walla’s net position, \$226,987 (76.4%), is the City’s investment in capital assets, including land, building, equipment, and infrastructure, net of accumulated depreciation, and related debt for acquiring these capital assets. The City of Walla Walla uses these capital assets to provide various services to its citizens. These assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, we should note that the resources used to repay this debt are provided from other sources since the capital assets cannot be used to liquidate these liabilities.



Additional portions of the City of Walla Walla’s net position, \$27,620 (9.3%), represent resources subject to external restrictions on their use. The restricted net position includes taxes and grants collected in the various capital projects, special revenue, and debt service funds. The remaining balance of \$42,457 (14.3%) is unrestricted and will be used to meet the government’s ongoing obligations to its citizens and creditors.

At the end of 2023, the City reported positive balances in all three categories of net position for the government.

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

Statement of Changes in Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for service	\$ 7,805	\$ 7,034	\$ 48,240	\$ 45,627	\$ 56,045	\$ 52,661
Operating grants/contributions	4,269	6,679	3,981	2,984	8,331	9,663
Capital grants/contributions	3,365	8,060	3,671	3,502	7,036	11,562
General revenues:						
Property taxes	8,328	8,283	-	-	8,328	8,283
Utility excise tax	6,754	6,951	-	-	6,754	6,951
Other taxes	17,999	17,766	-	-	17,999	17,767
Grants and contributions not restricted to specific programs	716	1,553	66	144	782	1,697
Other Revenues	2,947	761	1,086	(577)	4,033	184
Total revenues	52,183	57,087	57,044	51,680	109,308	108,767
Expenses:						
General government	6,992	6,256	-	-	6,992	6,256
Public safety	18,153	18,901	-	-	18,153	18,901
Utilities and environment	655	679	-	-	655	679
Transportation	7,783	7,013	-	-	7,783	7,013
Economic environment	3,857	3,031	-	-	3,857	3,031
Social Services	329	266	-	-	329	266
Culture and recreation	6,212	5,980	-	-	6,212	5,980
Interest on long-term debt	344	369	-	-	344	369
Ambulance	-	-	4,630	4,022	4,630	4,022
Golf course	-	-	157	217	157	217
Landfill	-	-	6,121	5,864	6,121	5,864
Sanitation	-	-	7,592	6,992	7,592	6,992
Stormwater	-	-	2,987	2,623	2,987	2,623
Water/Wastewater	-	-	21,774	20,967	21,774	20,967
Total expenses	44,325	42,496	43,260	40,683	87,586	83,179
Increase in net position before transfers	7,858	14,591	13,784	10,997	21,642	25,588
Transfers	4,005	(2,246)	(4,005)	2,246	-	-
Increase in net position	11,864	12,345	9,778	13,243	21,642	25,588
Net position- beginning	106,610	94,265	168,813	155,570	275,423	249,835
Net position - ending	\$118,473	\$106,610	\$178,591	\$168,813	\$297,065	\$275,423

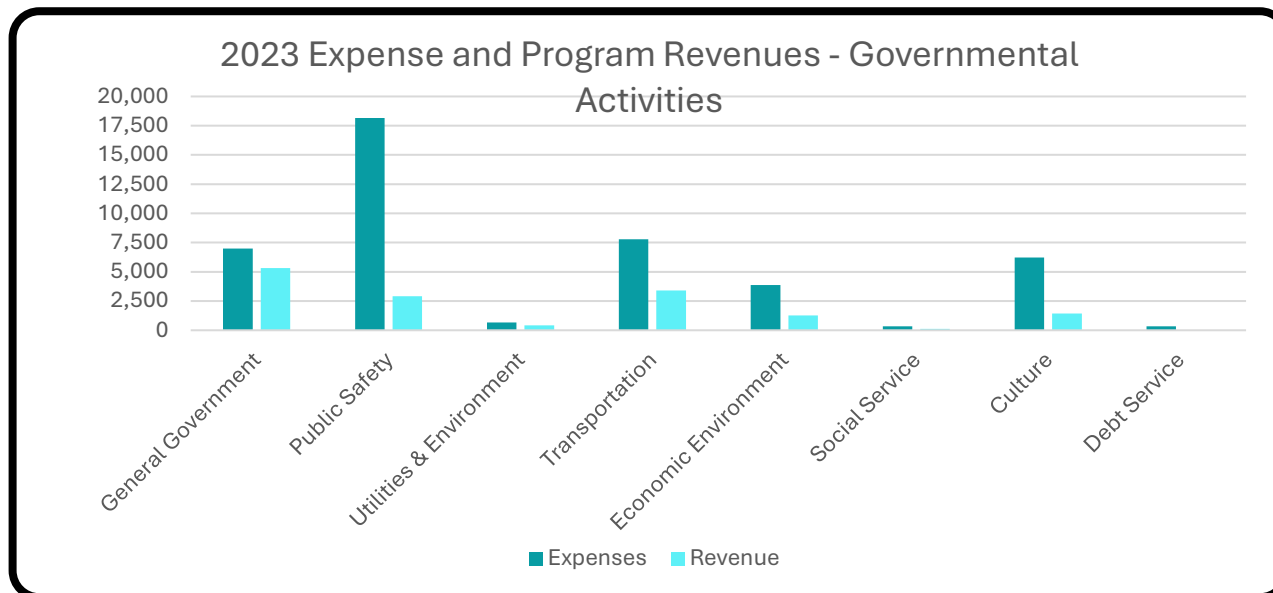
Governmental Activity Analysis

The net position of governmental activities increased by \$11,864 (11.1%), with a net ending of \$118,473.

Total revenues decreased by \$4,904 or by 8.6%. The largest revenue decreases were in operating and capital grants and contributions. The city recognized less American Rescue Plan Act (ARPA) revenue in 2023, and the city completed transportation projects, which resulted in fewer grant payments. General revenues increased by \$1,430, or 4% over 2022, primarily due to increased property tax, grants not restricted to specific programs, and interest revenue. In 2023, other revenues increased by \$2,186 over 2022, mainly due to the increase in the Washington State Local Government Investment Pool (LGIP) rates to over 5% and reinvestment of securities at higher yields.

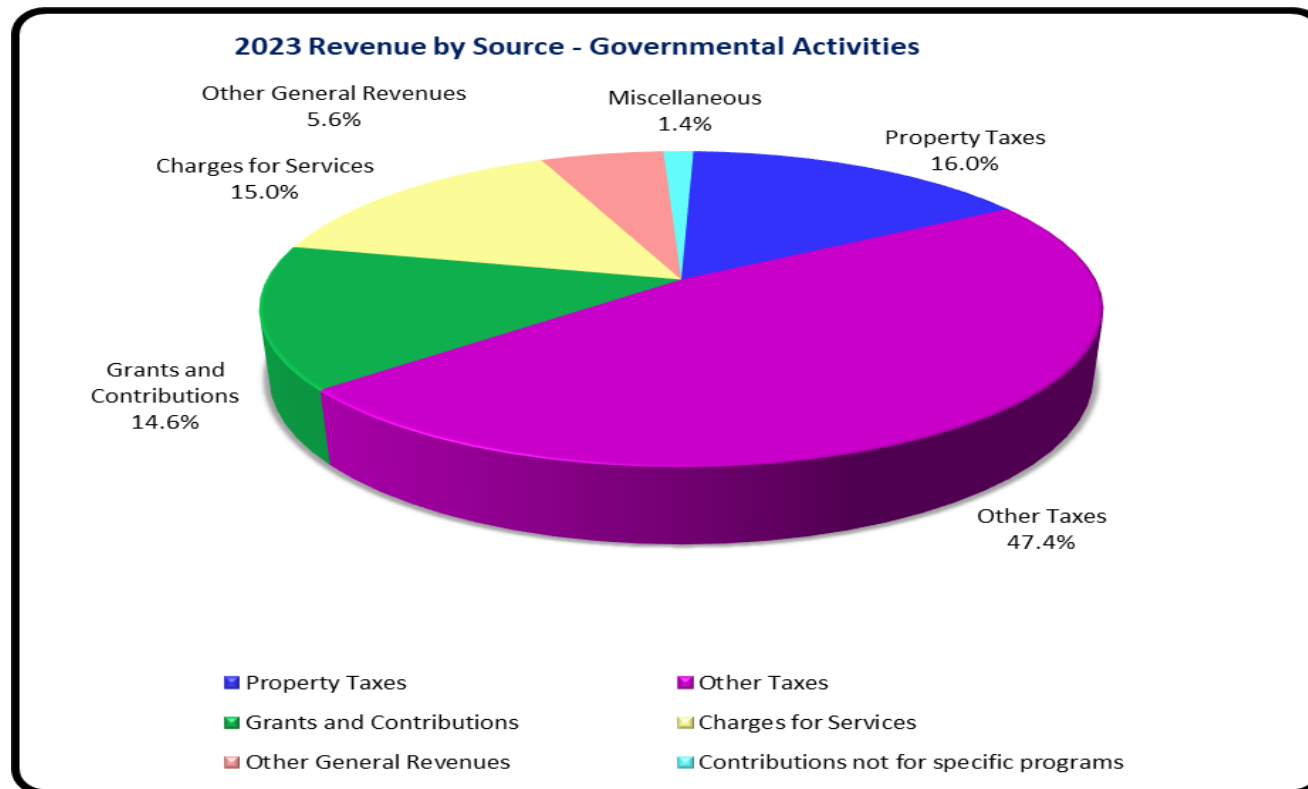
Governmental activities expenses increased from \$42,496 in 2022 to \$44,325, or 4.3%, in 2023. General government, transportation, and economic environment expenses significantly increased. In 2023, the City’s liability insurance premiums increased by 16% due to losses in our risk pool, and the City supported economic development projects. Transportation expenses increased because the city performed several traffic and parking studies to determine the impact of charging traffic impact fees or charging for downtown parking.

As shown in the chart below, revenues generated by the City of Walla Walla’s programs are insufficient to cover expenses. The City relies on property taxes, sales taxes, investment income, and other general revenue to cover the expenses associated with various programs.

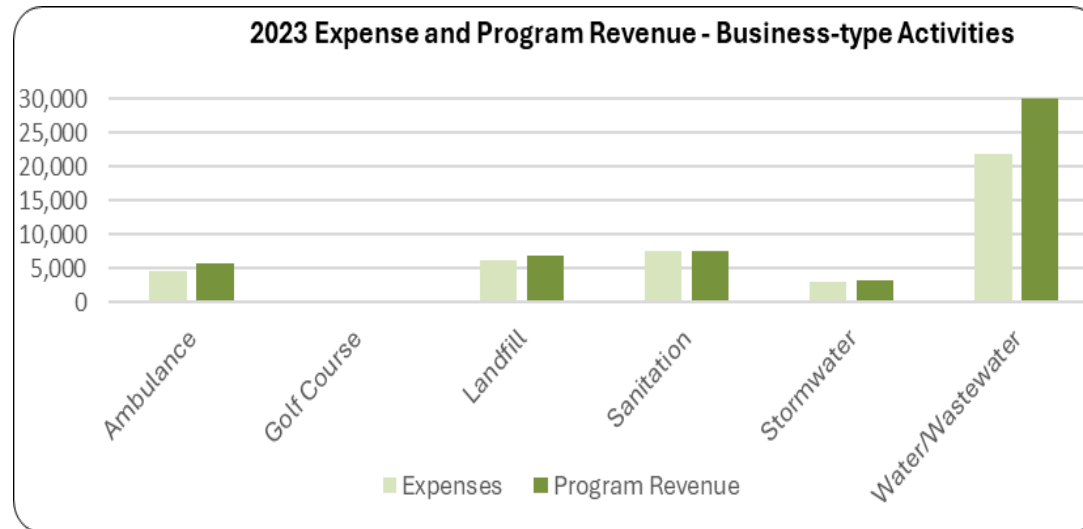


The chart above displays how the City’s programs are supported by generated revenue (fees, intergovernmental, and contributions specifically related to that program). For example, public safety comprises 41% of the total expenses for governmental activities but generates 19.6% of program revenues. The public safety program revenues include traffic citations, parking citations, criminal charges, miscellaneous court fees, fire services, fire inspections, and operating grant contributions. Public safety and property tax funds cover the remaining public safety expenditures.

The following chart displays the source breakdown for all revenues that fund governmental activities. Approximately 63.4% of the total governmental revenue activity is taxes. The largest governmental revenue source is other taxes, 47.4%, and the second-largest source is property taxes, 16%. Program-specific charges for services, grants, and contributions generate 29.6% of the total revenue for general governmental activity. The remaining 7% of other general revenue includes interest and miscellaneous revenue.



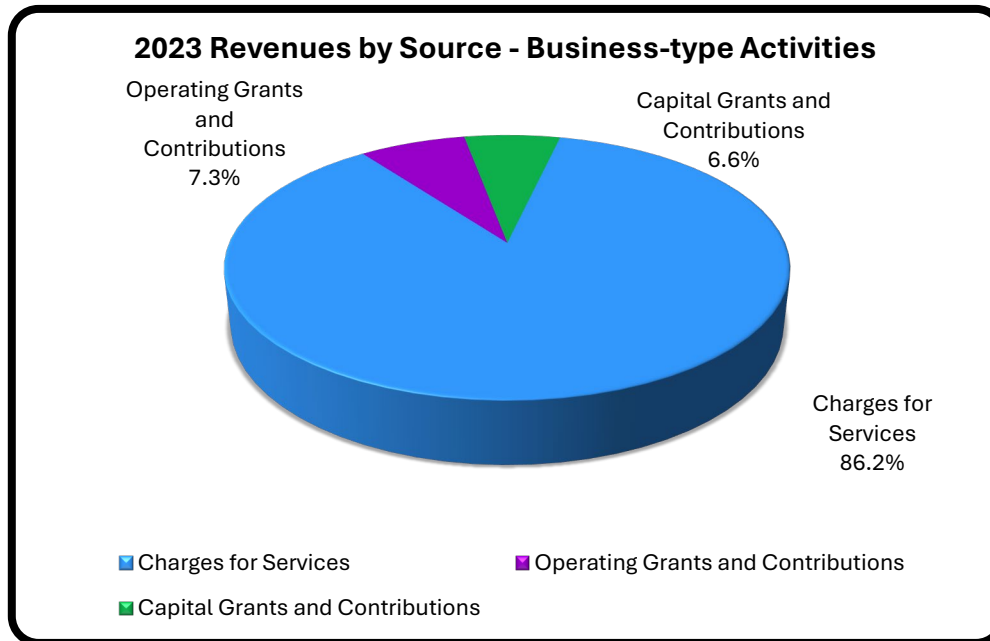
Business-type Activities. The City of Walla Walla’s business-type activities' overall net position increased during the 2023 fiscal year by \$9,778 (5.8%) over 2022, with the 2023 ending net position of \$178,591. The primary source of revenue for business-type activities is user fees and charges. The disparity between program costs and revenues is lower than governmental funds. The following chart displays the expenses of the city’s business-type programs and their revenue (fees, intergovernmental, and other revenue related to each program).



The Business-type activity revenue and expenses changed by \$5,445 and \$2,577, respectively. The revenue increase is attributed to an average 4.9% rate increase throughout all utility funds and an increase in grants and contributions. The Water/Wastewater and Stormwater funds had Total business-type expenses of \$43,260 and total business-type revenue of \$71,330.

For business-type activity funds, program revenue is higher than the program costs for all funds. Costs for salaries and benefits and operating expenses for all business-type activities continue to increase. Service expenses also contributed to increased costs, primarily related to increased utility costs, fuel, and fleet maintenance rates in 2023. The operating balances for these funds are necessary for future planned system infrastructure replacements, repairs, and enhancements. The Ambulance fund revenue fluctuates based on call volume; in 2023, the City started charging all active residential and commercial water/wastewater accounts within city limits a \$7 per month charge to ensure it continues providing the highest quality service.

The following chart illustrates the revenue source for business-type activities, which are supported primarily by charges for services. Charges for services generated \$48,240, or 86.2% of total revenue sources, while grant revenue and contributions generated \$7,652, or 13.9% of the total revenue sources. There was a \$1,657 (3.8%) increase in charges for services from 2022 and a \$1,166 (15.23%) increase from 2022.



FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the City of Walla Walla uses fund accounting to promote accountability and stewardship and demonstrate compliance with finance-related legal requirements.

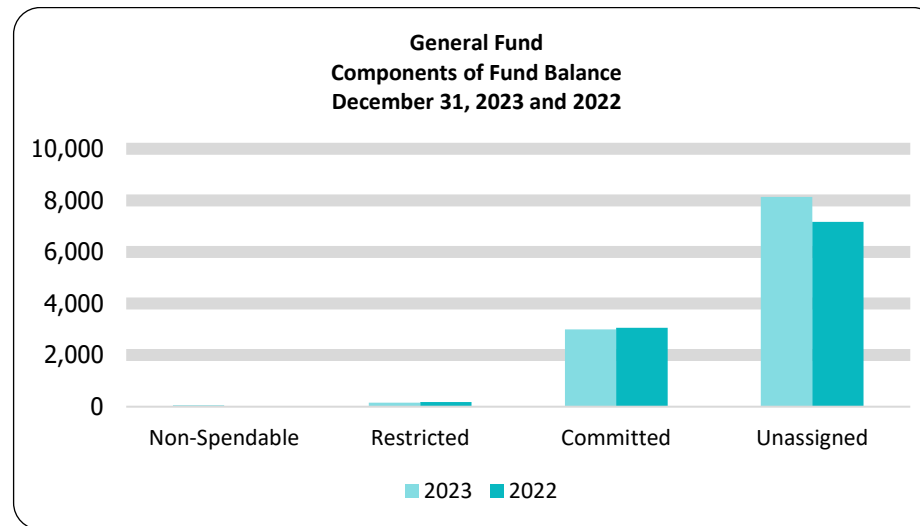
Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. These reports use a different “basis of accounting” than that used in the government-wide statements. The information in the governmental fund statements can be useful in assessing the City of Walla Walla’s financing requirements and immediate fiscal health. Categories of fund balance serve as a useful measure of available fund balance, particularly unassigned fund balance in governmental funds and unrestricted net position in business-type funds, which are resources available for discretionary use. Comparing fund statements to their government-wide statements can help the reader better understand the long-term impact of the City’s current-year financing decisions. Reconciliations between the governmental funds’ and

government-wide financial statements are included, following the Balance Sheet – Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds statements.

The City of Walla Walla maintains multiple individual governmental funds. The City reports one major governmental fund on the above-mentioned governmental fund statements. The remaining governmental funds are combined on these statements into a single column labeled non-major funds. Unassigned fund balance represents the portion of fund balance that has not been limited to use for a specific purpose and may serve as a valuable measure of a government’s net resources available for discretionary spending.

Governmental Funds.

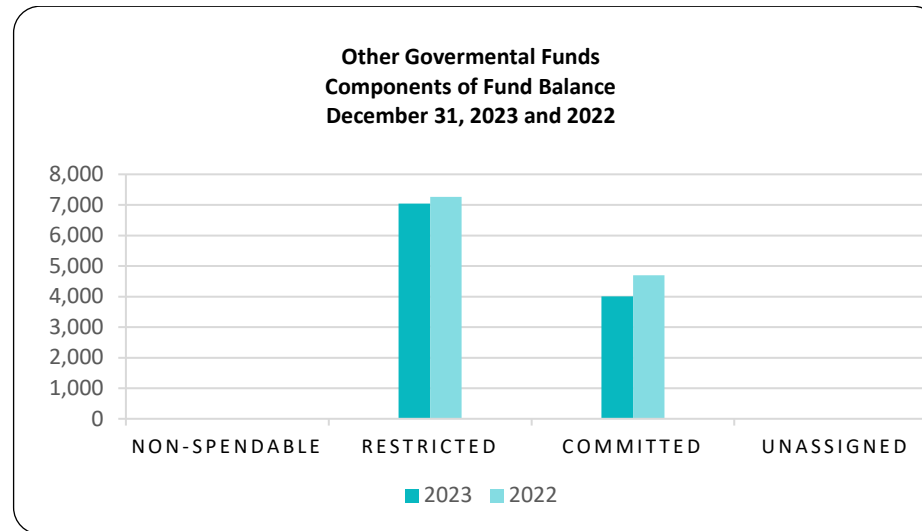
On December 31, 2023, the City of Walla Walla’s governmental funds reported combined ending fund balances of \$22,408, a decrease of \$6 compared to the prior year. Approximately 36.3% of the ending governmental fund balance (\$8,137) constitutes unassigned fund balance, available for spending at the government’s discretion. The remainder of the fund balance is nonspendable, restricted, committed, or assigned to indicate that the amount 1) not in spendable form (\$76), 2) restricted for specific purposes (\$7,191), or 3) committed for purposes (\$7,004).



The General Fund is the chief operating fund of the City of Walla Walla, and its ending fund balance is \$11,348, an increase of \$921 from 2022. At the end of 2023, the General Fund's unassigned, committed, and restricted fund balances were \$8,137, \$2,999, and \$153, respectively. Expenditures outpaced the revenues with an increase of \$2,748 or 7%, while revenue decreased by \$1. Comparing unassigned and total fund

balances to total expenditures is useful to measure the General Fund's liquidity. Accordingly, the unassigned fund balance represents 19.3% of the total expenditures, while the total fund balance represents 26.9%.

Key factors in expenditure increases during 2023 were one-time capital expenditures for public safety equipment and employment contract increases. Overall revenue decreased; however, investment income increased by \$1,552 (182.2%) in 2023, the LGIP investment rate remained over 5%. In addition, securities matured, and the city replaced them with securities offering higher yields. Taxes increased by \$267 (1%), visitors continued to support local businesses, which provided additional sales tax revenues, and the City added \$68,672 of new construction assessed value.



The committed fund balance for government funds, excluding the general fund, is \$4,004 due to the City’s established Code Enforcement Fund and committed cash in the Street Fund for maintenance. The restricted fund balance was \$7,039 at year-end. The balance includes restrictions for capital improvement, debt service, and drug crime-related expenses.

Proprietary Funds

The proprietary fund statements provide the same information found in government-wide financial statements but in more detail by disclosing information related to the individual utilities. The analysis for the proprietary funds is found within the business-type activities analysis and discussion above. The proprietary fund statements also include a column for internal service fund activity in the aggregate. These activities are

consolidated with general governmental and business-type activities in the government-wide statements. The unrestricted net position for the major proprietary funds at the end of the year are as follows: Ambulance \$(126), Landfill \$459, Sanitation \$2,494, and Water/Wastewater \$24,106. As noted earlier in the discussion of business-type activities, the increases in landfill, sanitation, and water/wastewater rates contributed to the growth of the unrestricted net position.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City of Walla Walla’s net investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounts to \$226,987 (net of accumulated depreciation). Capital asset investments include land, buildings, improvements, machinery, equipment, park facilities, roads, and bridges. The total increase in capital assets (net of accumulated depreciation) for the current fiscal year was \$18,104 (6.9%).

City of Walla Walla's Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$4,728	\$4,728	\$3,355	\$3,375	\$8,083	\$8,103
Construction in progress	2,933	7,080	7,481	5,238	\$10,414	\$12,318
Non-depreciable intangibles	-	-	225	225	\$225	\$225
Buildings	16,884	17,385	21,262	22,046	\$38,146	\$39,431
Improvements	8,349	7,499	4,624	4,936	\$12,973	\$12,435
Equipment	2,045	1,965	20,344	19,564	\$22,388	\$21,529
Leases	263	-	1,546	-	\$1,809	-
SBITAS	863	-	386	-	\$1,249	-
Infrastructure	74,060	63,799	109,749	101,807	\$183,809	\$165,606
Intangibles	56	363	100	1,137	\$156	\$1,500
Total Capital Assets	\$110,181	\$102,819	\$169,071	\$158,330	\$279,252	\$261,149

Capital assets are affected by various additions, deletions, and depreciation. The city adds assets by purchasing or constructing capital assets, current year work in process, or private developer contributions. Asset deletions are from the sale of or replacement of a capital asset. Major capital assets events during the current fiscal year included the following:

- The city constructed \$13,261 of roadway, sidewalk, and lighting. The total includes city funding and contributions from private developers.
- The city added \$9,644 in utility infrastructure during the fiscal year 2023.
- Purchasing various vehicles and equipment in the Vehicle Replacement Fund costs \$2,068.

- Eight pickleball courts were added and placed into service at the Millcreek Sports Plex, with construction costs of \$1,985.

For more information on capital assets and construction commitments, please refer to Notes 5 and 6 in the financial statements.

Debt Administration. At the end of 2023, the City of Walla Walla had a total outstanding bonded debt of \$22,650, of which \$16,667 is backed by the full faith and credit of the government. The remainder of the City of Walla Walla’s long-term obligations comprise revenue bonds and public works trust fund loans.

City of Walla Walla's Outstanding Debt						
General Obligation and Revenue Bonds						
	Government-type Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 10,304	\$ 12,004	\$ 5,650	\$ 6,530	\$ 15,954	\$ 18,534
G.O. bond premiums	589	672	124	140	713	812
Revenue bonds	-	-	5,470	5,715	5,470	5,715
Revenue bond premiums	-	-	513	550	513	550
Leases/SBITAs	1,097	298	1,899	935	2,996	1,234
Trust fund loans	-	-	24,614	22,292	24,614	22,292
Total	\$ 11,990	\$ 12,974	\$ 38,270	\$ 36,163	\$ 50,260	\$ 49,137

The City of Walla Walla’s total debt increased by \$1,123 (2.3%) during 2023 due to the addition of new leases and the SBITA’s recorded in our debt. During the fiscal year 2023, the City continued to pull from the 2021 PW Trust Fund loan for improvements to the Wastewater Treatment Plant and received a \$1.5 million Public Works Trust Fund loan to upgrade the hydroelectric controls and the water treatment plant. The City of Walla Walla maintains an “AA” rating from Standard & Poor’s for general obligation debt. The city entered into several leases during 2023, including new water equipment and defibrillators for the City’s ambulances.

State statutes limit the general obligation debt a governmental entity may issue up to 7.5% of the assessed property valuation. The current legal debt limit for the City of Walla Walla is \$289,077,335, significantly more than the City’s outstanding general obligation debt. Please refer to Note 9 and Note 12 in the financial statements for more information regarding debt.

GENERAL FUND FINAL BUDGET COMPARED TO ACTUAL RESULTS (actual amounts)

The City of Walla Walla budgets on a biennial process that adopts two one-year budgets simultaneously. The fiscal year 2023 was the first year of the 2023-2024 biennium.

The General Fund budget increased by \$1,923,674 during 2023, including transfers out. Operational increases related to business needs and personnel costs caused the increase.

The General Fund budget, excluding the transfer in and transfer out budget, varied from actuals as follows: revenue actuals were \$7,082 less than the final revenue budget of \$45,641,540, and expenditures were \$1,742,760 less than the expenditure budget of \$44,734,303. Significant budget variances between the final 2023 amended budget and actual amounts include a (\$1,100,398) variance in general government services and a (\$553,760) in public safety expenses due to unfilled positions. Sales Tax revenue and B&O Taxes were \$128,810 and \$150,723 higher than the amended budget.

The remaining General Fund budget appropriation not carried over into the next fiscal year lapses at year-end.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (actual amounts)

The following economic factors affected the City of Walla Walla and were considered when amending the 2023-2024 biennial budget.

When the City of Walla Walla adopted its 2023-2024 biennial budget, City Administrators and City Council estimated revenue and expenses based on the economic outlook for 2023 and 2024.

In 2024, the City elected to increase property taxes by 1%, plus the value of new construction. Based on current information from the County Assessor's Office, the 2024 general property tax levy of \$7,148,376 on a 2023 assessed valuation of \$4,439,928,437 includes an increase of \$106,267,500 from new construction and annexed territory.

As of January 1, 2024, water, wastewater, and stormwater residential base rates will increase by 3.42%, 6.9%, and 0%, respectively. Landfill municipal rates will increase by 3%, and sanitation rates are budgeted to increase by 3%. Ambulance base rates will not increase in 2024 for the thirteenth year. However, the City has instituted an Ambulance Utility Fee to help sustain the Ambulance Fund, along with the existing EMS levy and GEMT funding.

Requests for Information. The Finance Department prepared this report, which is intended to provide a general overview of the city's finances. The Finance Department can be contacted by writing to the City of Walla Walla, 15 N. 3rd Avenue, Walla Walla, WA 99362.

Basic Financial Statements



BASIC FINANCIAL STATEMENTS

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City of Walla Walla
Statement of Net Position
December 31, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and equivalents	\$ 20,647,730	\$ 31,849,279	\$ 52,497,009
Investments	7,281,165	13,490,538	20,771,703
Receivables (net)	4,094,884	3,479,648	7,574,533
Due from other governments	1,438,128	469,081	1,907,209
Prepays	64,681	1,898	66,579
Inventories	-	868,993	868,993
Interest receivable	-	33,743	33,743
Lease receivables	789,027	193,755	982,783
Internal balances	1,973,598	(1,973,598)	-
Restricted cash and equivalents	320,556	1,754,558	2,075,114
Restricted asset customer deposits	-	88,409	88,409
Restricted investments	-	6,047,655	6,047,655
Net pension asset	10,030,751	3,224,165	13,254,916
Capital assets not being depreciated	7,660,917	11,061,313	18,722,229
Capital assets, net of accumulated depreciation/amortization	102,519,826	158,010,116	260,529,942
Total assets	<u>156,821,264</u>	<u>228,599,554</u>	<u>385,420,818</u>
DEFERRED OUTFLOW OF RESOURCES			
Debt refunding	\$ 293,145	\$ -	\$ 293,145
OPEB	199,945	21,197	221,142
Pensions	6,571,727	2,149,653	8,721,380
Total deferred outflows of resources	<u>7,064,817</u>	<u>2,170,850</u>	<u>9,235,667</u>
Total assets and deferred outflows of resources	<u>163,886,081</u>	<u>230,770,404</u>	<u>394,656,485</u>
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 5,113,566	\$ 1,900,553	\$ 7,014,119
Retainage payable	279,115	532,968	812,083
Interest payable	45,709	242,348	288,056
Customer deposits	-	88,409	88,409
Unearned revenue	2,388,761	510,000	2,898,761

City of Walla Walla
Statement of Net Position
December 31, 2023
(continued)

Noncurrent liabilities:

Due within one year: Bonds, claims, compensated absences, leases, loans, OPEB, remediation, and SBITA	\$ 5,016,085	\$ 4,256,485	\$ 9,272,571
Bonds, claims, compensated absences, leases, loans, remediation and SBITA	10,386,039	40,641,995	51,028,033
Total pension liability	1,619,588	202,448	1,822,036
Total OPEB liability	14,193,553	1,841,912	16,035,465
Net pension liability	<u>1,493,260</u>	<u>544,695</u>	<u>2,037,955</u>
Total noncurrent liabilities	<u>32,708,525</u>	<u>47,487,535</u>	<u>80,196,060</u>
Total liabilities	<u>40,535,675</u>	<u>50,761,813</u>	<u>91,297,488</u>

DEFERRED INFLOW OF RESOURCES

Leases	\$ 761,655	\$ 180,799	\$ 942,454
Pensions	3,441,093	1,149,244	4,590,337
OPEB	674,178	87,489	761,667
Total deferred inflows of resources	<u>4,876,926</u>	<u>1,417,532</u>	<u>6,294,458</u>
Total liabilities and deferred inflows of resources	<u>45,412,601</u>	<u>52,179,345</u>	<u>97,591,946</u>

NET POSITION

Net investment in capital assets	\$ 97,389,437	\$ 129,597,695	\$ 226,987,132
Restricted for:			
Capital projects	5,360,051	-	5,360,051
Closure/post closure	-	5,643,220	5,643,220
Community service	664,526	-	664,526
Culture and recreation	152,592	-	152,592
Debt service	544,896	961,398	1,506,294
Drug investigations	385,293	-	385,293
Library endowment	30,835	-	30,835
Opioid settlement	69,778	-	69,778
Pension	10,030,751	3,224,165	13,254,916
Remediation	-	552,763	552,763
Unrestricted (deficit)	<u>3,845,321</u>	<u>38,611,819</u>	<u>42,457,140</u>
Total Net Position	<u>\$ 118,473,480</u>	<u>\$ 178,591,058</u>	<u>\$ 297,064,539</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Statement of Activities
For the Year Fiscal Ended 12/31/2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 6,991,620	\$ 3,175,737	\$ 371,515	\$ 1,776,885	\$ (1,667,484)	\$ -	\$ (1,667,484)
Public safety	18,152,621	1,242,733	2,213,761	-	(14,696,127)	-	(14,696,127)
Utilities and environment	655,274	431,515	-	-	(223,758)	-	(223,758)
Transportation	7,782,724	586,592	1,238,435	1,584,926	(4,372,771)	-	(4,372,771)
Economic development	3,857,340	1,247,018	12,148	-	(2,598,174)	-	(2,598,174)
Social services	328,863	-	129,634	-	(199,229)	-	(199,229)
Culture and recreation	6,212,231	1,120,940	303,586	2,800	(4,784,906)	-	(4,784,906)
Interest expense	344,448	-	-	-	(344,448)	-	(344,448)
Total governmental activities	<u>44,325,121</u>	<u>7,804,535</u>	<u>4,269,078</u>	<u>3,364,611</u>	<u>(28,886,897)</u>	<u>-</u>	<u>(28,886,897)</u>
Business-type activities:							
Golf course	156,811	119,531	-	-	-	(37,280)	(37,280)
Sanitation	7,591,772	7,477,914	2,003	-	-	(111,855)	(111,855)
Stormwater	2,987,438	3,156,769	-	1,679,389	-	1,848,720	1,848,720
Landfill	6,120,706	6,682,697	147,898	-	-	709,889	709,889
Ambulance	4,629,578	2,667,618	3,097,701	-	-	1,135,741	1,135,741
Water/Wastewater	21,773,811	28,135,876	733,335	1,991,183	-	9,086,583	9,086,583
Total business-type activities	<u>43,260,117</u>	<u>48,240,406</u>	<u>3,980,936</u>	<u>3,670,572</u>	<u>-</u>	<u>12,631,797</u>	<u>12,631,797</u>
Total primary government	<u>\$ 87,585,238</u>	<u>\$ 56,044,941</u>	<u>\$ 8,250,015</u>	<u>\$ 7,035,183</u>	<u>\$ (28,886,897)</u>	<u>\$ 12,631,797</u>	<u>\$ (16,255,099)</u>
General revenues:							
Property tax, levied for general purposes					6,890,905	-	6,890,905
Property tax, levied for debt service					1,436,685	-	1,436,685
Sale and use tax					13,770,035	-	13,770,035
Business and occupation taxes					3,413,224	-	3,413,224
Utility excise tax					6,754,471	-	6,754,471
Other taxes					816,180	-	816,180
Grants and contributions not restricted to specific programs					716,477	65,869	782,346
Unrestricted investment earnings					2,937,243	889,181	3,826,424
Gain on sale of capital assets					10,000	196,327	206,327
Transfers					4,005,382	(4,005,382)	-
Total general revenues, special items, and transfers					<u>40,750,600</u>	<u>(2,854,005)</u>	<u>37,896,596</u>
Change in net position					11,863,704	9,777,793	21,641,496
Net position - beginning					106,609,776	168,813,266	275,423,042
Net position - ending					<u>\$ 118,473,480</u>	<u>\$ 178,591,058</u>	<u>\$ 297,064,538</u>

The notes to financial statements are an integral part of this statement.

**City of Walla Walla
Balance Sheet
Governmental Funds
December 31, 2023**

	General Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and equivalents	\$ 7,600,095	\$ 11,085,617	\$ 18,685,712
Restricted cash and equivalents	152,592	151,419	304,011
Investments	6,184,199	1,175,000	7,359,199
Taxes receivables	2,456,736	515,137	2,971,873
Other receivables	290,346	203,756	494,102
Due from other governments	89,588	699,380	788,968
Prepays	59,263	5,418	64,681
Lease receivable	789,027	-	789,027
Opioid receivable	-	599,163	599,163
Total assets	<u>17,621,846</u>	<u>14,434,891</u>	<u>32,056,738</u>
LIABILITIES			
Accounts payable	\$ 585,779	\$ 1,233,366	\$ 1,819,146
Retainage payable	-	279,115	279,115
Other accrued liabilities	2,926,182	70,487	2,996,669
Interfund loans payable	311,995	283,657	595,651
Unearned revenue	1,515,899	872,861	2,388,761
Total liabilities	<u>5,339,856</u>	<u>2,739,486</u>	<u>8,079,342</u>
DEFERRED INFLOWS OF RESOURCES			
Opioid settlement	\$ -	\$ 599,163	\$ 599,163
Property taxes	172,547	36,466	209,013
Leases	761,655	-	761,655
Total deferred inflows of resources	<u>934,202</u>	<u>635,629</u>	<u>1,569,831</u>
Total liabilities and deferred inflows of resources	<u>6,274,058</u>	<u>3,375,115</u>	<u>9,649,173</u>
FUND BALANCES (DEFICITS)			
Nonspendable	\$ 59,263	\$ 16,545	\$ 75,808
Restricted	152,592	7,038,833	7,191,424
Committed	2,999,154	4,004,399	7,003,552
Unassigned	8,136,779	-	8,136,779
Total fund balances (deficits)	<u>\$ 11,347,788</u>	<u>\$ 11,059,776</u>	<u>\$ 22,407,564</u>
Total liabilities and fund balances (deficits)	<u>\$ 17,621,846</u>	<u>\$ 14,434,891</u>	<u>\$ 32,056,737</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$ 22,407,565
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	110,180,743
Less capital assets already included in the internal service net position listed below.	(2,563,055)
Net pension asset are not financial resources and therefore not reported in governmental funds.	10,030,751
General long-term bonds, loans, leases and compensated absences not due and payable in the current period and therefore not reported in the governmental funds	(13,321,151)
Internal service funds are used by management to charge the costs of health and industrial insurance and emergency communication services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	4,486,582
Fair value adjustment not reported in the governmental funds	(78,035)
Long-term assets not available to pay current period expenditures and they are deferred inflows in the governmental funds.	2,716,412
Other long-term liabilities not reported in governmental funds	
Interest payable	(45,709)
Unamortized deferred amount on refunding	293,145
Deferred outflows of resources related to pensions	6,771,672
Deferred inflows related to pensions	(4,115,271)
Total pension liability	(1,619,588)
Net pension liability	(1,493,260)
Net OPEB liability	(15,177,321)
Net position of governmental activities	<u><u>\$ 118,473,480</u></u>

The notes to the financial statements are an integral part of this statement.

City of Walla Walla
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 27,731,991	\$ 5,340,895	\$ 33,072,886
Licenses and permits	953,757	270,087	1,223,843
Intergovernmental	2,088,478	3,840,450	5,928,929
Charges for goods and services	11,672,796	659,261	12,332,057
Fines and forfeitures	81,907	59,798	141,705
Investment earnings	2,402,644	299,910	2,702,554
Miscellaneous	513,814	102,284	616,097
Capital contributions	-	125,331	125,331
Total revenues	<u>45,445,386</u>	<u>10,698,015</u>	<u>56,143,402</u>
EXPENDITURES			
Current:			
General government	14,362,788	-	14,362,788
Public safety	17,510,081	243,534	17,753,616
Utilities and environment	672,940	-	672,940
Transportation	-	4,214,886	4,214,886
Economic development	1,996,141	1,928,679	3,924,819
Social services	308,763	6,325	315,088
Culture and recreation	5,929,843	14,573	5,944,416
Debt service:			
Principal	297,809	1,707,292	2,005,101
Interest	4,161	327,182	331,343
Capital outlay:			
General government	131,002	1,332,209	1,463,211
Public safety	898,620	21,458	920,078
Transportation	-	5,427,173	5,427,173
Social services	-	74,437	74,437
Culture and recreation	4,482	3,669,419	3,673,901
Total expenditures	<u>42,116,630</u>	<u>18,967,166</u>	<u>61,083,796</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,328,757</u>	<u>(8,269,151)</u>	<u>(4,940,394)</u>
OTHER FINANCING SOURCES (USES)			
Lease related	131,002	-	131,002
SBITA	883,418	11,689	895,107
Proceeds from the sale of capital	-	10,000	10,000
Transfers in	602,534	9,303,713	9,906,247
Transfers out	(4,024,452)	(1,984,443)	(6,008,895)
Total other financing sources (uses)	<u>(2,407,499)</u>	<u>7,340,960</u>	<u>4,933,460</u>
Net change in fund balances	921,258	(928,191)	(6,934)
Fund balances - beginning	10,426,531	11,987,968	22,414,498
Fund balances - ending	<u>\$ 11,347,788</u>	<u>\$ 11,059,777</u>	<u>\$ 22,407,565</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of the Governmental Funds to the statement of Activities
For the Fiscal Year Ended December 31, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Net change in fund balances - governmental funds	\$ (6,934)
Repayment of bond and loan principal reported as an expenditure in governmental funds and as a reduction of debt liability in the statement of net position.	1,700,002
Other long-term debt activity recorded as increases and decreases of current financial resources in the governmental funds, but increases and decreases long-term liabilities in the statement of net position	
Repayment of principal for leases and SBITAs reported as an expenditure in governmental funds and as a reduction of debt liability in the statement of net position	1,057,477
Amortization of deferred amounts of refunding	(48,857)
Amortization of bond premiums	82,911
Some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in the governmental funds	
(Increase)/decrease in compensated absences	(114,390)
(Increase)/decrease in accrued interest on long-term debt	12,767
Revenues in the statement of activities that do not provide current finance resources are not reported as revenues in the governmental funds, investments, leases, taxes.	(568,247)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation	
Capital outlay	10,532,692
Depreciation	(4,970,315)
Gain/(loss) on sale of capital assets	(21,690)
Contributed/donated capital assets are included in the statement of activities but are not reported in the government funds as they do not provide current financial resources.	766,888
Internal service funds or activities are used by management to charge the costs of certain activities to individual funds and are not reported in governmental funds.	149,697
Changes to net position liability and pension-related deferred outflows and inflows of resources do not require the use of current financial resources therefore are not reported as expenditures in governmental funds.	3,291,701
Change in net position of governmental activities	<u>\$ 11,863,704</u>

The notes to the financial statements are an integral part of this statement.

City of Walla Walla
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Taxes	\$ 54,018,940	\$ 54,672,350	\$ 27,731,990
Licenses and permits	1,514,050	1,694,050	953,760
Charges for goods and services	24,297,310	23,959,220	11,672,800
Fines and forfeitures	233,600	233,600	79,790
Investment earnings (loss)	1,540,000	4,180,000	2,402,640
Intergovernmental	5,501,690	4,028,080	2,088,480
Miscellaneous	503,700	648,200	513,810
Total revenues	<u>87,609,290</u>	<u>89,415,500</u>	<u>45,443,270</u>
EXPENDITURES			
Current:			
General Government	29,427,750	30,172,830	14,362,790
Public Safety	35,454,040	35,698,390	17,510,080
Utilities and Environment	1,312,820	1,366,820	672,940
Economic Development	2,618,050	3,405,600	1,996,140
Culture and Rec	11,602,840	11,927,260	5,929,840
Social Services	597,690	612,690	308,760
Total current	<u>81,013,190</u>	<u>83,183,590</u>	<u>40,780,549</u>
Debt service:			
Interest	13,160	13,160	4,160
Principal retirement	239,980	203,160	297,810
Total debt service	<u>253,140</u>	<u>216,320</u>	<u>301,970</u>
Capital outlay:			
Capital General	-	-	131,000
Capital Culture and Rec	-	-	4,490
Public Safety	-	-	-
Capital Public Safety	-	-	898,620
Total capital outlay	<u>-</u>	<u>-</u>	<u>1,034,110</u>
Total expenditures	<u>81,266,330</u>	<u>83,399,910</u>	<u>42,116,629</u>
Excess (deficiency) of revenues over expenditures	<u>6,342,960</u>	<u>6,015,590</u>	<u>3,326,641</u>
OTHER FINANCING SOURCES (USES)			
SBITA	-	-	883,420
Lease related	-	-	131,000
Transfers in	430,740	715,660	602,530
Transfers out	(6,855,150)	(6,645,240)	(4,024,450)
Gain(loss) on disposal of capital	30,000	30,000	-
Total other financing sources (uses)	<u>(6,394,410)</u>	<u>(5,899,580)</u>	<u>(2,407,500)</u>
Net change in fund balances	(51,450)	116,010	919,140
Fund balances - beginning	<u>10,426,530</u>	<u>10,426,530</u>	<u>10,426,530</u>
Fund balances - ending	<u>\$ 10,375,080</u>	<u>\$ 10,542,540</u>	<u>\$ 11,345,670</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-type Activities						Total Internal Service Funds
	Ambulance	Landfill	Sanitation	Water/ Wastewater	Total Nonmajor Funds	Total Enterprise Funds	
ASSETS							
Current assets:							
Cash and equivalents	\$ 1,827,973	\$ 3,535,277	\$ 1,314,174	\$ 19,480,030	\$ 2,184,880	\$ 28,342,334	\$ 6,446,906
Restricted assets customer deposits	-	8,362	-	36,487	43,560	88,409	-
Investments	-	2,205,193	976,857	3,604,993	309,188	7,096,231	6,394,307
Due from other governments	49,614	35,266	-	272,209	111,993	469,081	49,997
Other receivables	303,751	386,839	487,931	1,955,447	211,087	3,345,056	662,652
Lease receivable	-	39,181	-	-	154,574	193,755	-
Interfund loans receivable	-	-	-	-	-	-	227,028
Inventories	-	-	-	834,686	-	834,686	34,307
Prepays	1,898	-	-	-	-	1,898	-
Total current assets	<u>2,183,236</u>	<u>6,210,118</u>	<u>2,778,963</u>	<u>26,183,852</u>	<u>3,015,282</u>	<u>40,371,451</u>	<u>13,815,198</u>
Noncurrent assets:							
Restricted cash and equivalents	-	793,160	-	-	-	793,160	-
Restricted investments	-	6,047,655	-	-	-	6,047,655	-
Interfund loans receivable	-	-	-	-	-	-	874,676
Notes receivables	-	134,592	-	-	-	134,592	-
Restricted net pension asset	2,022,104	244,062	226,065	513,548	104,530	3,110,309	629,723
Capital assets not being depreciated	-	1,249,177	-	9,602,424	209,712	11,061,313	135,600
Capital assets, net of accumulated depreciation/amortization	5,302	7,930,962	5,126	124,208,241	13,227,972	145,377,603	15,059,968
Total noncurrent assets	<u>2,027,406</u>	<u>16,399,608</u>	<u>231,191</u>	<u>134,324,213</u>	<u>13,542,214</u>	<u>166,524,632</u>	<u>16,699,966</u>
Total assets	<u>4,210,642</u>	<u>22,609,726</u>	<u>3,010,153</u>	<u>160,508,065</u>	<u>16,557,496</u>	<u>206,896,083</u>	<u>30,515,165</u>
DEFERRED OUTFLOWS OF RESOURCES							
Pensions	1,158,391	201,262	186,421	423,490	86,199	2,055,763	519,291
OPEB	21,197	-	-	-	-	21,197	-
Total deferred outflows of resources	<u>1,179,588</u>	<u>201,262</u>	<u>186,421</u>	<u>423,490</u>	<u>86,199</u>	<u>2,076,960</u>	<u>519,291</u>
Total assets and deferred outflows of resources	<u>\$ 5,390,230</u>	<u>\$ 22,810,988</u>	<u>\$ 3,196,574</u>	<u>\$ 160,931,555</u>	<u>\$ 16,643,695</u>	<u>\$ 208,973,043</u>	<u>\$ 31,034,456</u>
LIABILITIES							
Current liabilities:							
Accounts payable	15,343	185,113	98,461	595,768	83,478	978,163	242,646
Other accrued liabilities	287,692	104,122	100,811	224,391	54,346	771,361	206,135
Compensated absences	202,436	58,031	51,005	142,413	36,954	490,839	156,306
Industrial insurance claims	-	-	-	-	-	-	278,346
Interest payable	19	13,294	30	179,777	620	193,741	53,669
Retainage payable	-	68,729	-	434,018	30,221	532,968	-

**City of Walla Walla
Statement of Net Position
Proprietary Funds
December 31, 2023
(continued)**

Bonds, notes, and loans payable	-	598,072	-	2,631,019	62,087	3,291,178	-
Total OPEB liability	127,664	-	-	-	-	127,664	-
Leases payables	1,782	1,077	560	1,176	397	4,992	197,264
Subscriptions payable	-	25,390	1,082	46,043	5,622	78,137	63,982
Pollution remediation and closure	-	149,673	-	-	-	149,673	-
Customer deposits payable	-	8,362	-	36,487	43,560	88,409	-
Unearned revenue	200,000	-	-	-	-	200,000	310,000
Total current liabilities	834,936	1,211,863	251,948	4,291,092	317,284	6,907,124	1,508,348
Noncurrent liabilities:							
Compensated absences	-	3,174	-	12,019	-	15,192	416
Industrial insurance claims	-	-	-	-	-	-	124,276
Bonds, notes, and loans payable	-	3,336,758	-	30,210,341	39,912	33,587,010	-
Pollution remediation and closure	-	5,806,221	-	-	-	5,806,221	-
Leases payable	3,582	2,165	1,126	2,365	798	10,035	1,574,852
Subscriptions payable	-	40,058	1,119	202,945	17,787	261,909	52,065
Net pension liability	214,862	108,072	100,103	227,402	46,287	696,726	278,846
Total OPEB liability	1,841,912	-	-	-	-	1,841,912	-
Total noncurrent liabilities	2,060,356	9,296,447	102,347	30,655,071	104,784	42,219,006	2,030,456
Total liabilities	2,895,292	10,508,311	354,295	34,946,163	422,069	49,126,130	3,538,803
DEFERRED INFLOWS OF RESOURCES							
Leases	-	32,250	-	-	148,549	180,799	-
Pensions	501,123	131,592	121,889	276,892	56,360	1,087,856	339,530
OPEB	87,489	-	-	-	-	87,489	-
Total deferred inflows of resources	588,612	163,842	121,889	276,892	204,909	1,356,144	339,530
Total liabilities and deferred inflows of resources	3,483,904	10,672,153	476,184	35,223,055	626,977	50,482,273	3,878,333
NET POSITION							
Net investment in capital assets	10,666	5,116,118	249	100,253,174	13,327,860	118,708,068	13,122,289
Restricted for:							
Closure/post-closure	-	5,643,220	-	-	-	5,643,220	-
Debt service	-	123,272	-	836,100	2,026	961,398	-
Pension	2,022,104	244,062	226,065	513,548	104,530	3,110,309	629,723
Remediation	-	552,763	-	-	-	552,763	-
Unrestricted (deficit)	(126,443)	459,401	2,494,076	24,105,677	2,582,302	29,515,013	13,404,110
Total net position	\$ 1,906,327	\$ 12,138,835	\$ 2,720,390	\$ 125,708,500	\$ 16,016,718	158,490,769	\$ 27,156,122

Adjustment to report the consolidation of internal service fund activity predominantly serving business-type activities. 20,100,289
Net position of business-type activities \$ 178,591,058

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended December 31, 2023

	Business-type Activities				Total Nonmajor Funds	Total Enterprise Funds	Total Internal Service Funds
	Ambulance	Landfill	Sanitation	Water/Wastewater			
OPERATING REVENUES							
Licenses and permits	\$ -	\$ -	\$ 2,003	\$ 85,200	\$ -	\$ 87,203	\$ -
Intergovernmental	3,047,701	147,898	-	333,868	-	3,529,467	1,103,419
Charges for goods and services	2,664,338	6,650,009	7,477,914	28,035,046	3,188,956	48,016,263	752,921
Fines and forfeitures	78	-	-	1,700	-	1,778	-
Interfund charges	-	-	-	-	-	-	13,912,304
Miscellaneous	53,203	3,679	-	1,106	85,456	143,443	42,696
Total operating revenues	<u>5,765,319</u>	<u>6,801,585</u>	<u>7,479,917</u>	<u>28,456,920</u>	<u>3,274,412</u>	<u>51,778,153</u>	<u>15,811,341</u>
OPERATING EXPENSES							
Personnel services	3,263,610	1,286,485	1,185,581	2,571,229	522,843	8,829,747	2,290,763
Materials and supplies	199,576	120,378	126,718	671,300	61,172	1,179,145	1,331,248
Services and charges	1,203,065	3,443,034	6,322,023	13,876,952	2,314,502	27,159,577	10,200,459
Depreciation	9,203	464,944	1,662	4,033,184	271,717	4,780,710	1,581,516
Total operating expenses	<u>4,675,455</u>	<u>5,314,841</u>	<u>7,635,983</u>	<u>21,152,665</u>	<u>3,170,235</u>	<u>41,949,179</u>	<u>15,403,986</u>
Operating income (loss)	<u>1,089,864</u>	<u>1,486,744</u>	<u>(156,066)</u>	<u>7,304,255</u>	<u>104,177</u>	<u>9,828,974</u>	<u>407,354</u>
NONOPERATING REVENUES (EXPENSES)							
Intergovernmental	-	-	-	(3,494)	-	(3,494)	-
Charges for goods and services	-	-	-	-	-	-	8,014
Investment earnings	-	286,503	29,320	327,898	15,200	658,921	288,723
Miscellaneous	-	29,010	-	415,785	1,888	446,683	52,697
Gain on disposal of capital	-	-	-	45,039	-	45,039	-
Adjustment to landfill liability	-	(368,670)	-	-	-	(368,670)	-
Pollution remediation	-	(494,693)	-	-	-	(494,693)	-
Interest expense	(3,868)	(64,326)	(90)	(537,170)	(6,081)	(611,535)	(71,268)
Insurance recoveries	-	-	-	13,793	-	13,793	119
Total nonoperating revenues (expenses)	<u>(3,868)</u>	<u>(612,176)</u>	<u>29,230</u>	<u>261,851</u>	<u>11,007</u>	<u>(313,956)</u>	<u>278,285</u>
Income (loss) before contributions and transfers	<u>1,085,997</u>	<u>874,567</u>	<u>(126,836)</u>	<u>7,566,106</u>	<u>115,184</u>	<u>9,515,018</u>	<u>685,640</u>
Capital contributions	\$ -	\$ -	\$ -	\$ 1,991,183	\$ 1,679,389	\$ 3,670,572	\$ -
Transfers in	363,500	-	-	415,670	220,181	999,351	699,570
Transfers out	(6,870)	-	-	(5,105,190)	(90,770)	(5,202,830)	(393,443)
Change in net position	<u>1,442,627</u>	<u>874,567</u>	<u>(126,836)</u>	<u>4,867,769</u>	<u>1,923,985</u>	<u>8,982,111</u>	<u>991,766</u>
Net position - beginning	\$ 463,700	\$ 11,264,268	\$ 2,847,226	\$ 120,840,731	\$ 14,092,733	\$ 149,508,659	\$ 26,164,356
Net position - ending	<u>\$ 1,906,327</u>	<u>\$ 12,138,835</u>	<u>\$ 2,720,390</u>	<u>\$ 125,708,500</u>	<u>\$ 16,016,718</u>	<u>\$ 158,490,770</u>	<u>\$ 27,156,122</u>
Change in net position of internal service funds predominantly serving business-type activities						<u>795,682</u>	
Changes in net position of business-type activities						<u>\$ 9,777,793</u>	

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds						
	Ambulance	Landfill	Sanitation	Water/Wastewater	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 2,768,344	\$ 6,770,017	\$ 7,361,443	\$ 27,512,424	\$ 3,251,861	\$ 47,664,088	\$ 1,185,429
Receipts from interfund services	-	-	-	-	-	-	13,879,580
Other receipts	2,897,778	151,576	-	1,106	(548)	3,049,913	1,120,737
Payments to employees	(3,649,020)	(1,400,965)	(1,276,108)	(2,961,781)	(566,172)	(9,854,047)	(2,672,037)
Payments to suppliers	(532,420)	(2,082,430)	(4,569,435)	(13,820,794)	(1,436,367)	(22,441,447)	(11,065,723)
Payments due to other funds	(917,208)	(1,413,365)	(1,987,240)	(839,943)	(1,007,417)	(6,165,172)	(876,130)
Other payments	-	-	-	-	-	-	(182,813)
Net cash provided by (used for) operating activities	<u>567,475</u>	<u>2,024,834</u>	<u>(471,340)</u>	<u>9,891,011</u>	<u>241,356</u>	<u>12,253,336</u>	<u>1,389,044</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Repayment from interfund loan	(363,576)	-	-	-	(36,689)	(400,265)	-
Proceeds from repayment of interfund loan	-	-	-	-	-	-	612,022
Proceeds from operating grants and contributions	150,386	934	-	345,957	41,471	538,748	(42,096)
Transfers to other funds	(6,870)	-	-	(5,105,190)	(90,770)	(5,202,830)	(393,443)
Transfers from other funds	363,500	-	-	415,670	220,181	999,351	699,570
Net cash provided by (used for) noncapital financing activities	<u>143,440</u>	<u>934</u>	<u>-</u>	<u>(4,343,563)</u>	<u>134,194</u>	<u>(4,064,996)</u>	<u>876,053</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from capital grants and contributions	-	-	-	1,470,413	1,464,849	2,935,262	310,000
Acquisition and construction of capital assets	-	(1,667,556)	(3,322)	(10,281,506)	(938,698)	(12,891,083)	(3,159,004)
Construction retainage paid	-	68,729	-	279,486	(11,802)	336,413	-
Principal paid on capital debt	(10,754)	(533,483)	1,658	1,941,468	(20,705)	1,378,184	770,510
Interest paid on capital debt	(3,872)	(63,965)	(65)	(513,992)	(3,655)	(585,548)	(33,593)
Proceeds from the sale of capital assets	-	-	-	(62,962)	-	(62,962)	13,471
Net cash provided by (used for) capital and related financing activities	<u>(14,626)</u>	<u>(2,196,274)</u>	<u>(1,729)</u>	<u>(7,167,093)</u>	<u>489,988</u>	<u>(8,889,734)</u>	<u>(2,098,616)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Redemption of investments	-	882,271	229,238	1,554,275	5,434	2,671,218	1,147,225
Purchase of investments	-	(1,523,340)	-	-	-	(1,523,340)	-
Investment earnings	-	236,801	29,320	327,898	15,200	609,219	295,812
Net cash provided by (used for) investing activities	<u>-</u>	<u>(404,268)</u>	<u>258,558</u>	<u>1,882,174</u>	<u>20,634</u>	<u>1,757,098</u>	<u>1,443,037</u>
Net increase (decrease) in cash and cash equivalents	<u>696,289</u>	<u>(574,775)</u>	<u>(214,511)</u>	<u>262,528</u>	<u>886,172</u>	<u>1,055,704</u>	<u>1,609,518</u>
Cash and cash equivalents - beginning of year	1,131,684	4,911,574	1,528,684	19,253,989	1,342,268	28,168,198	4,837,388
Cash and cash equivalents - end of year	<u>\$ 1,827,973</u>	<u>\$ 4,336,799</u>	<u>\$ 1,314,174</u>	<u>\$ 19,516,517</u>	<u>\$ 2,228,440</u>	<u>\$ 29,223,902</u>	<u>\$ 6,446,906</u>

City of Walla Walla
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2023
(continued)

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:

Operating income	\$ 1,089,864	\$ 1,486,744	\$ (156,066)	\$ 7,304,255	\$ 104,177	\$ 9,828,974	\$ 407,354
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:							
Depreciation expense	9,203	464,944	1,662	4,033,184	271,717	4,780,710	1,581,516
(Increase) decrease in accounts receivable	(99,196)	120,008	(118,474)	(943,391)	(23,100)	(1,064,152)	374,405
(Increase) decrease in inventory	-	-	-	128,844	-	128,844	53,164
Increase (decrease) in accounts payable	(1,015)	67,617	(107,934)	(405,956)	(69,795)	(517,083)	(435,569)
Increase (decrease) in payroll payable	(172,569)	(3,167)	(588)	(5,869)	22,997	(159,195)	(28,519)
Increase (decrease) in other payables	-	-	-	-	-	-	(182,813)
Increase (decrease) in compensated absences payable	11,864	2,887	10,818	19,483	(15,682)	29,370	(45,824)
Increase (decrease) in pension adjustment	(270,675)	(114,200)	(100,758)	(239,539)	(48,959)	(774,131)	(334,670)
Net cash provided (used) by operating activities	<u>\$ 567,475</u>	<u>\$ 2,024,834</u>	<u>\$ (471,340)</u>	<u>\$ 9,891,011</u>	<u>\$ 241,356</u>	<u>\$ 12,253,336</u>	<u>\$ 1,389,044</u>

Schedule of non-cash capital and related financing activities

Contribution of capital assets from developers	\$ -	\$ -	\$ -	\$ 759,152	\$ 214,540	\$ 973,692	\$ -
Total noncash investing, capital and financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>759,152</u>	<u>214,540</u>	<u>973,692</u>	<u>-</u>

CASH RECONCILIATION

Statement of net position:

Cash and cash equivalents	\$ 1,827,973	\$ 3,535,277	\$ 1,314,174	\$ 19,480,030	\$ 2,184,880	\$ 28,342,334	\$ 6,446,906
Restricted cash and equivalents	-	793,160	-	-	-	793,160	-
Restricted assets customer deposits	-	8,362	-	36,487	43,560	88,409	-
Cash and cash equivalents, December 31	<u>\$ 1,827,973</u>	<u>\$ 4,336,799</u>	<u>\$ 1,314,174</u>	<u>\$ 19,516,517</u>	<u>\$ 2,228,440</u>	<u>\$ 29,223,902</u>	<u>\$ 6,446,906</u>

The notes to financial statements are an integral part of this statement.



Notes to the Financial Statements



January 1, 2023, through December 31, 2023

The accompanying notes are an integral part of the enclosed financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

As required by generally accepted accounting principles, the financial statements present the City of Walla Walla. The City was incorporated in 1862 and operates under the laws of the state of Washington applicable to non-chartered code cities, council-manager form of government. Walla Walla is served by a full-time City Manager appointed by a part-time Council of seven members who are elected with four positions being elected in wards and three positions elected at-large. The elections are staggered with alternating four-year terms, including the Mayor, elected to the position by the Council.

B. Government-wide and Fund Financial Statements

The government-wide statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support.

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

As a general rule, the effect of the interfund activity has been eliminated for the government-wide financial statements. Exceptions to this general rule are interfund charges for governmental services, including utilities and certain internal services. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Separate fund financial statements are provided for governmental funds and proprietary funds. Major governmental and individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

- General Fund - The general (or current expense) fund is the City's primary operating fund. It accounts for the financial resources of the general government, except those required or elected to be accounted for in another fund.

The City reports the following major enterprise funds:

- The Sanitation Fund is responsible for the collection and disposal of solid waste throughout the City and administers the contract for the City's recycling program.
- The Water/Wastewater Fund accounts for water treatment plant activities, wastewater treatment and disposal, water distribution, and wastewater collection throughout the City, including some areas outside city limits.
- The Landfill Fund accounts for activities related to waste stored at the landfill, composting operations, and the household hazardous waste disposal program.
- Ambulance Fund.

Additionally, the City reports the following fund types:

- Special revenue funds are used to account for revenues that are legally restricted to expenditures for a specified purpose.
- Debt service funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- Capital project funds are used to report significant capital acquisition and construction separate from ongoing operating activities.
- Permanent funds are used to report legally restricted resources to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.
- Internal service funds are proprietary funds used to account for an activity that provides goods or services to other funds, departments, or agencies of the primary government on a cost-reimbursement basis.

C. Measurement Focus, Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, similar to proprietary and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The proprietary fund statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred regardless of the timing of the cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for enterprise funds are charges for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and capital asset depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgetary Information

The City operates under a biennial budget in accordance with the Revised Code of Washington (RCW) 35.34.

Scope of Budget

Biennial appropriated budgets are adopted for the general and special revenue funds on the modified accrual basis of accounting. Proprietary funds are adopted on the accrual basis of accounting. Budgets for debt service and capital project funds are adopted at the level of the individual debt issue or project and for the fiscal periods which correspond to the lives of debt issues or projects. The appropriated budget is prepared by fund, function, and department. The fund level is the legal level for budgetary control for all funds. Appropriations generally lapse at year-end, except for appropriations for capital outlays, which may be carried forward from year to year until fully expended or the purpose of the appropriation has been accomplished or abandoned.

Encumbrance accounting is employed in all funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservation of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Amending the Budget

The City Manager is authorized to transfer budgeted amounts between departments within any fund. However, revisions that are transferred between funds or that alter the total revenue of the City must be approved by the City Council and adopted by ordinance. When the Walla Walla City Council determines it is in the City's best interest to increase or decrease the appropriation for a particular fund, it may do so by ordinance approved by one more than the majority after holding a public hearing(s).

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. The financial statements contain the original and final budget information. The original budget is the first complete appropriated biennial budget by the Council. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the biennial budget.

Excess of Expenditures over Appropriations

For the year ended December 31, 2023, the General Fund did not exceed the appropriated amounts.

E. Assets, Liabilities, Fund Balance, Net Position

Cash and Equivalents

It is the City's policy to invest all temporary cash surpluses. On December 31, 2023, the State Local Government Investment Pool (LGIP) was holding \$52,239,545 in short-term residual investments of surplus cash. This amount is classified on the balance sheet as cash and cash equivalents in various funds. The interest on these investments is prorated to various funds.

The amounts reported as cash and cash equivalents also include compensating balances maintained with certain banks in lieu of payments for services rendered. The average compensating balance maintained during 2023 was \$5,195,996.

For purposes of the statement of cash flows, the city considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments - See Note 3, Deposits, and Investments.

Receivables

Taxes receivable consist of property taxes, other taxes, and related interest and penalties. See Note 4, Property Tax. Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

Customer accounts receivable consist of amounts owed from private individuals or organizations for goods and services, including amounts owed for which billings still need to be prepared.

Amounts Due to and from Other Funds and Governments, Interfund Loans, and Advances Receivable

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund loans receivable/payable or advances to/from other funds. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. A separate schedule of interfund loans receivable and payable is furnished in Note 13, Interfund Balances and Transfers.

Inventories and Prepaid Items

Inventories in proprietary funds are valued by the FIFO (first-in-first-out) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when received or consumed rather than when purchased.

Restricted Assets and Liabilities

These accounts contain restricted resources for liabilities in enterprise funds. The restricted assets of the enterprise funds are composed of the following:

Cash and Investments	
Closure, post-closure, and remediation	6,195,983
Debt service	<u>961,398</u>
Total	\$7,157,381

Capital Assets

Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements applicable governmental or business-type columns. The government defines capital assets as assets with an initial individual cost of \$5,000 or more and an estimated useful life over two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation, except for donated historical treasures not capitalized because they meet the exemption from capitalization per GASB Statement 34, paragraph 27.

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset. The costs for normal maintenance and repairs are not capitalized. Major outlays for capital assets, and improvements are capitalized as projects are constructed.

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

Assets	Capitalization Threshold	Years
Land	30,000	n/a
Buildings	30,000	10 to 100
Improvements	30,000	5 to 100
Infrastructure	30,000	5 to 125
Intangible	30,000	Varies
Machinery and Equipment	5,000	2 to 20

See Note 5, Capital Assets, for additional detail.

Leases

Lessee: The City is a lessee for noncancelable leases. In the government-wide and proprietary fund financial statements, the City recognizes a lease liability and an intangible right-to-use lease asset. The City recognizes lease liabilities with an initial individual value of \$0 or more. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized using a straight-line basis over its useful life.

Governmental funds recognize a capital outlay and other financing sources at the commencement of a new lease. Lease payments in governmental funds are reported as debt service principal and debt service interest expenditures.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor: The City is a lessor for noncancelable leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term using the straight-line method.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease liability are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. See Note 10, Leases, for additional detail.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. Deferred charges on debt refunding result from the difference in the carrying value of refunded debt and the reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows related to pension plans are discussed in detail in Note 7, Pension Plans and deferred outflows on OPEB are discussed in Note 15.

In addition to liabilities, the Statement of Net Position will at times report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and will only be recognized as an inflow of resources (revenue) at that time. Deferred inflows related to pension plans, leases, and OPEB are discussed in detail in Note 7, 10, and 15, respectively.

Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. All vacation and sick pay is accrued when incurred in the government-wide and proprietary statements. Vacation, sick, and compensatory time is earned based on the terms of the personnel policy and collective bargaining agreements (CBA). At employment termination, accrued but unused leave time is paid following the personnel policy and CBA.

Pensions

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

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

Other Accrued Liabilities

These accounts include accrued wages and employee benefits, credit cards payable, concealed permits payable, and taxes payable.

Long-Term Debt - See Note 9, Long-Term Debt.

Unearned Revenue

Includes amounts recognized as receivable but not revenues in governmental funds because the revenue recognition criteria still need to be met.

Fund Balance Classification

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

- **Nonspendable** – Unavailable fund balance due to its form and legally required to remain intact.
- **Restricted** - Fund balance can only be used for specific purposes stipulated by the constitution, external resource provider, or through enabling legislation.
- **Committed** - A fund balance that can only be used for specific purposes as determined by formal action of the City Council. The City Council is the highest level of decision-making authority for the government, which can commit fund balance by adopting an ordinance prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

- **Assigned** - The City Council or its designated official imposes constraints for specific purposes. Resolution 2022-131, City of Walla Walla Fund Balance Policy, was adopted by the Council in December 2022.
- **Unassigned** - The positive fund balance in the General Fund has not met the requirements of the above classifications. In other governmental funds, a negative assigned fund balance may apply if expenditures incurred for specific purposes exceed those available in the above classifications.

Fund Balance Details

Fund Balances	General Fund	Non-Major Governmental	Total Governmental
Nonspendable:			
Prepays	\$59,263	\$ -	\$59,263
Library trusts	-	16,545	16,545
Restricted for:			
Community services	152,592	664,526	817,118
Debt service	-	544,896	544,896
Drug investigations	-	385,292	385,292
Library	-	14,290	14,290
Opioid Settlement	-	69,778	69,778
Capital projects	-	5,360,051	5,360,051
Committed to:			
Community enforcement and development	2,999,154	251,700	3,250,854
Debt service	-	2,234	2,234
Streets	-	3,286,984	3,286,984
Capital projects	-	463,480	463,480
Unassigned:	8,136,779	-	8,136,779
Total fund balances:	\$11,347,788	\$11,059,777	\$22,407,565

Minimum Fund Balance

In 2022, the City Council passed Resolution 2022-131 General Fund Reserve Policy to establish a minimum unassigned fund balance for the General Fund. The policy requires an annual review of the General Fund reserve level and sets the target reserve level at 15%. If, at any time, the reserve level drops below the 10% minimum, the City Council will institute budgetary actions to bring the reserve up to the minimum level. The City's prioritization of fund balance use, as authorized by the City Council in the Fund Balance Policy, is as follows: Unless legal requirements do not allow it, the City will spend the most restricted dollars before less restricted in the following order: 1. Nonspendable if the funds become spendable, 2. Restricted, 3. Committed, 4. Assigned, 5. Unassigned.

Net Position Classification

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position comprises three components: net investment in capital assets, restricted, and unrestricted.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTE 2 – Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities reported in the government-wide statement of net position. One element of the reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.” The details of the \$110,180,743 are as follows:

Capital assets governmental activities:	
Capital assets not being depreciated:	\$ 7,660,917
Depreciable assets, net	102,519,826
Total capital assets governmental activities	<u>110,180,743</u>
Land	\$ 4,727,956
Construction in progress	2,932,961
Buildings	28,871,021
Less: accumulated depreciation	(11,986,949)
Improvements other than buildings	11,533,095
Less: accumulated depreciation	(3,183,739)
Machinery and equipment	4,213,750
Less: accumulated depreciation	(2,168,926)
Leases	340,191
Less: accumulated depreciation	(77,461)
SBITAs	1,215,691
Less: accumulated depreciation	(352,345)
Intangibles	784,305
Less: accumulated depreciation	(728,406)
Infrastructure	128,546,068
Less: accumulated depreciation	<u>(54,486,472)</u>
Net adjustment to increase fund balance- total governmental funds to arrive at net position-governmental activities	<u>110,180,743</u>

B. Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances—total governmental funds—and changes in the net position of governmental activities as reported in the government-wide statement of activities. One element of the reconciliation expense is the “net position liability of pension and OPEB related expenses not reported and expenditures in the government funds.” The details of the \$3,291,701 are as follows:

Net pension expense	\$1,916,591
Total pension expense	35,713
Total OPEB expense	<u>1,339,397</u>
Total adjustment	\$3,291,701

C. Explanation of certain differences between the Proprietary Fund Statement of Net Position and the Government-wide Statement of Net Position

The proprietary fund statement of net position includes a reconciliation between net position-total enterprise funds and net position of business-type activities as reported in the government-wide statement of net position. The reconciliation is an adjustment to report business-type internal service fund assets and liabilities and the cumulative internal balance for the net effect of the internal activity between internal service funds and the enterprise funds over time. The \$20,100,289 difference is as follows:

Net position of internal service funds predominantly servicing business-type activities.	\$22,669,539
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.	<u>(2,569,250)</u>
Net adjustment to increase net position – business-type activities	\$20,100,289

D. Explanation of certain differences between the Proprietary Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The proprietary fund statement of net position includes a reconciliation between net position-total enterprise funds and net position of business-type activities as reported in the government-wide statement of net position. The description of the sole element of that reconciliation is “adjustment to report business type internal service fund revenues and expenditures.” The \$795,682 difference is as follows:

Net business-type internal service fund revenue and expense	\$415,687
Adjustment for the net effect of the current year’s activity between the internal service funds and enterprise funds.	<u>379,995</u>
Net adjustment to increase net position – total enterprise funds to arrive at net position – business-type activities	\$795,682

NOTE 3 – DEPOSITS AND INVESTMENTS

A. Deposits

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the City would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The City deposits are covered entirely by federal depository insurance (FDIC) or collateral held in a multiple financial institution collateral pool administered by the

Washington State Public Deposit Protection Commission (WPDPC). The FDIC insures the first \$250,000 of the City’s deposits. The WPDPC insures deposit balances over \$250,000.

B. Investments

Investments in the Local Government Investment Pool (LGIP)

The City is a voluntary participant in the LGIP, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with RCW 43.250. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

Investments Report as Cash Equivalents as of December 31, 2023

	Amortized Cost	Less than 90 Days
Washington State Local Government Investment Pool (LGIP)	\$52,239,545	\$52,239,545

Investments are subject to the following risks.

Interest Rate Risk: Interest rate risk is the risk the City may face should interest rate variances affect the fair value of investments.

Maturities Investment Type	Fair Value	Maturity (in years)	
		Less than 1 year	1-5 year
US Treasury	\$15,190,876	\$10,532,625	\$4,658,252
Government Sponsored Enterprise (GSE's)	\$9,679,982	\$2,444,326	\$7,235,656
Municipal Bonds	\$1,948,500	-	\$1,948,500
Total	\$26,819,358	\$12,976,950	\$13,842,408

In addition to the interest rate risk disclosed above, the City includes investments with fair value highly sensitive to interest rate changes.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City’s investment policy includes clauses that address credit risk.

On December 31, 2023, the City's investments had the following credit quality distribution for securities with credit exposure:

Credit Risk	Ratings		
	Moody's	S&P	Fair Value
U.S Treasury Notes	Aaa	AA+	\$15,190,876
Government Sponsored Enterprises			
Federal National Mortgage Association	Aaa	AA+	
Federal Home Loan Bank	Aaa	AA+	\$5,328,787
Federal Farm Credit Bank	Aaa	AA+	\$2,950,911
Federal Home Loan Mortgage Corporation	Aaa	AA+	\$1,400,284
Municipal Bonds	Aa1	AA+	\$1,948,500
Total			\$26,819,358

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the counterparty's failure, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy addresses the collateralization for custodial credit risk.

Custodial Credit Risk	Held by Counterparty's Trust Dept or Agent
U.S Treasury Notes	\$15,190,876
Government Sponsored Enterprises	
Federal Home Loan Bank	\$5,328,787
Federal Farm Credit Bank	\$2,950,911
Federal Home Loan Mortgage Corporation	\$1,400,284
Municipal Bonds	\$1,948,500
Total Investments	\$26,819,358

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributable to the magnitude of an investment in a single issuer. The City investment policy limits the amount invested by issue type.

Investments Measured at Fair Value

The City measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles (GAAP), as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable;
- Level 3: Unobservable inputs for an asset or liability.

The City's custodial bank uses matrix pricing for the valuation of Level 2 investments. The fair values and levels noted in the following table have been provided by the City's investment advisor, Government Portfolio Advisors (GPA). On December 31, 2023, the city had the following investments measured at fair value:

Investments by Fair Value	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Type				-
US Treasury	\$15,190,876	\$15,190,876	-	-
Government Sponsored Enterprise (GSE's)	\$9,679,982	-	\$9,679,982	-
Municipal Bonds	\$1,948,500	-	\$1,948,500	-
Total	26,819,358	\$15,190,876	\$11,628,482	

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect deposits or investments. The City's policy limits deposits subject to foreign currency risk to five percent of total deposits. There is no exposure to foreign currency risk for deposits as of December 31, 2023.

NOTE 4 – PROPERTY TAX

The county treasurer acts as an agent to collect property taxes levied for all taxing authorities. Collections are distributed by the 15th day of the following month.

January 1	Tax is levied and becomes an enforceable lien against properties
February 14	Tax bills are mailed
April 30	The first of two equal installment payments is due
May 31	The assessed value of the property established for next year's levy at 100 percent of market value
October 31	The second Installment is due

Property taxes are recorded as receivable when levied in governmental funds, offset by deferred revenue. During the year, property tax revenues are recognized when cash is collected. At year-end, property tax revenues are recognized for collections to be distributed by the county treasurer in January, and collections are expected to occur within 30 days. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. Delinquent taxes are evaluated annually. The City may levy up to \$3.60 per \$1,000 assessed value for general governmental services.

The City's regular levy for 2023 was \$1.708 per \$1,000 on a 2022 assessed valuation of \$4,033,943,260 for a total regular levy of \$6,893,508 Washington State Constitution and Washington State law, RCW 84.55.010, limit the rate.

Special levies approved by the voters are not subject to the above-mentioned limitations. The city voted to pass a debt service levy to build a fire station in 2004, a police station in 2009, and a pool in February 2015. The City's 2023 voted levy was \$0.360 per \$1,000 on a 2022 assessed valuation of \$3,988,252,090 for a total debt service levy of \$1,436,685.

NOTE 5 – CAPITAL ASSETS

A. Capital Assets – Governmental Activities

Capital asset activity for the year ending December 31, 2023, was as follows:

Governmental Activities	Beginning Balance 1/1/2023	Increase	Decrease	Ending Balance 12/31/2023
Capital assets not being depreciated:				
Land	\$ 4,727,956	\$ -	\$ -	\$ 4,727,956
Construction in progress	7,079,730	2,398,294	6,545,063	2,932,961
Total capital assets not being depreciated	11,807,686	2,398,294	6,545,063	7,660,917
Capital assets being depreciated:				
Buildings	28,758,712	112,308	-	28,871,021
Improvements other than buildings	10,471,304	1,061,791	-	11,533,095
Machinery and equipment	4,004,975	306,443	97,668	4,213,750
Leases	329,872	33,262	22,944	340,191
SBITAs	-	1,215,691	-	1,215,691
Intangibles	784,305	-	-	784,305
Infrastructure	114,771,122	13,965,805	190,859	128,546,068
Total depreciated capital assets	159,120,290	16,695,301	311,471	175,504,120
Less accumulated depreciation for:				
Buildings	11,373,215	613,733	-	11,986,949
Improvements other than buildings	2,972,776	210,962	-	3,183,739
Machinery and equipment	2,040,446	223,544	95,064	2,168,926
Leases	31,486	68,919	22,944	77,461
SBITAs	-	352,345	-	352,345
Intangibles	719,217	9,189	-	728,406
Infrastructure	50,972,019	3,686,225	171,773	54,486,472
Total accumulated depreciation	68,109,159	5,164,917	289,780	72,984,296
Capital assets being depreciated, net	91,011,133	11,530,384	21,690	102,519,826
Governmental activities capital, net	\$ 102,818,819	\$ 13,928,678	\$ 6,566,753	\$ 110,180,743

B. Capital Assets – Business-Type Activities

Business-type Activities	Beginning	Increase	Decrease	Ending
	Balance 1/1/2023			Balance 12/31/2023
Capital assets not being depreciated:				
Land	\$ 3,375,182	-	\$ 20,000	\$ 3,355,182
Construction in progress	5,238,304	5,834,153	3,591,633	7,480,824
Intangibles – water rights	225,307	-	-	225,307
Total capital assets not being depreciated	8,838,793	5,834,153	3,611,633	11,061,313
Business-type assets being depreciated/amortized:				
Buildings	42,159,945	-	-	42,159,945
Improvements other than buildings	10,439,062	-	-	10,439,062
Machinery and equipment	37,428,710	2,638,793	330,096	39,737,407
Leases	1,073,341	856,406	18,049	1,911,698
SBITAs	-	468,497	-	468,497
Intangibles	325,327	-	-	325,327
Infrastructure	147,931,298	10,874,009	259,289	158,546,018
Total depreciated/amortized capital assets	239,357,683	14,837,704	607,434	253,587,954
Less accumulated depreciation/amortization for:				
Buildings	20,114,051	784,241	-	20,898,293
Improvements other than buildings	5,502,644	312,622	-	5,815,266
Machinery and equipment	17,864,215	1,859,701	330,096	19,393,820
Leases	90,161	293,138	18,049	365,249
SBITAs	-	82,363	-	82,363
Intangibles	171,054	54,695	-	225,749
Infrastructure	46,124,234	2,780,863	108,000	48,797,097
Total accumulated depreciation/amortization	89,866,359	6,167,623	456,145	95,577,836
Capital assets being depreciated/amortized, net	149,791,323	8,670,081	151,289	158,010,117
Business-type activities capital, net	\$ 158,330,116	\$ 14,504,234	\$ 3,762,922	\$ 169,071,430

Depreciation/amortization expense was charged to function/programs of the primary government as follows:

Governmental Activities:		Business-Type Activities:	
General government	\$224,418	Golf course	\$57,979
Public safety	728,958	Sanitation	1,662
Utilities & environment	1,857	Water/Wastewater	4,033,185
Transportation	3,689,975	Stormwater	213,738
Social services	19,720	Landfill	464,944
Culture & recreational environment	499,989	Ambulance	9,203
Total depreciation	<u>\$5,164,917</u>	Fleet services	17,830
		Vehicle replacement	1,369,082
		Total depreciation	<u>\$6,167,623</u>

C. Collections not Capitalized

The City is not required to capitalize historical treasures and similar items according to GASB Statement No. 34, paragraph 27. Governments are encouraged, but not required, to capitalize collections that are a) held for public exhibition, education, or research (rather than financial gain); b) adequately maintained and kept unencumbered; c) subject to a policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

The City owns the following donated historical treasures not capitalized as of December 31, 2023:

Number	Asset Description	Reason for Not Capitalizing
1	French G.P.F. 155 mm cannon from World War I	Meets exemption under GASB 34, p. 27
2	French G.P.F. 155 mm cannon from World War I	Meets exemption under GASB 34, p. 27

NOTE 6 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

A. Construction Commitments

As of December 31, 2023, the city had active construction projects. These projects include improvements to the Wastewater Treatment Plant, the Infrastructure Repair and Replacement Program (IRRP), landfill site improvements, and arterial roadways. The city’s projects below are funded with federal or state grants, Public Works Trust Fund Loans, city cash, and transportation benefit district revenue.

At year-end, the City’s commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
2nd Ave Preservation	\$369,307	\$33,255
Citywide Pavement Preservation	63,144	171,013
Bridge Maintenance	55,876	145,383
5th Ave Bridge over Millcreek	31,666	354,267
Heritage Square Park	2,590,781	1,150,696
Hydro Power Plant Upgrade	545,578	554,898
Pine Street (2nd Ave to 9th Ave)	84,939	675,170
Poplar (5th to 14th)	294,761	1,178,961
Howard (Juniper to Bryant)	53,668	268,998
Landfill Compost Pad and Road Improvements	1,628,817	192,259
Mill Creek Road Utilities	21,669	6,639
Myra Road Extension	42,487	8,796
Poplar (Colville to 5th)	6,941,443	260,863
Plaza Way (Village Way to Taumarson Road)	109,651	17,022
Veterans Golf Course Range Improvements	219,651	63,120
Wastewater Treatment Plant Improvements	900,582	65,518
Division and Whitman Pedestrian Enhancements	133,970	196,878
	\$14,087,990	\$5,343,735

NOTE 7 – PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the year 2023:

Aggregate Pension Amounts	State Sponsored Plans	Fireman's Pension	Total
Pension liabilities	\$ (2,037,955)	\$ (1,822,036)	\$(3,859,991)
Pension assets	\$13,254,916	\$-	\$13,254,916
Deferred outflows of resources	\$8,721,380	\$-	\$8,721,380
Deferred inflows of resources	\$ (4,590,337)	\$-	\$(4,590,337)
Pension expense/expenditures	\$643,084	\$61,489	\$704,573

State-Sponsored Pension Plans

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

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of local governments; and higher education employees not participating in higher education retirement programs.

PERS is composed of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although employees can be members of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries.

PERS Plan 1 provides retirement, disability, and death benefits. Retirement benefits are determined as 2% of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living

adjustment (COLA). PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions- The **PERS Plan 1** member contribution rate is established by State statute at 6%. The employer contribution rate is developed by the Office of the State Actuary, adopted by the Pension Funding Council, and is subject to change by the legislature. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

PERS Plan 1		
Actual Contribution Rates	Employer	Employee*
January – June 2023		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Total	10.39%	6.00%
July- August 2023		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.85%	
Administrative Fee	0.18%	
Total	9.39%	6.00%
September – December 2023		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%	
Total	9.53%	6.00%

* For employees participating in JBM, the contribution rate was 12.26%.

PERS Plan 2/3 provides retirement, disability, and death benefits. Retirement benefits are determined as 2% of the member’s AFC times the member’s years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member’s 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including the purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions- The PERS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The rates are adopted by the Pension Funding Council and are subject to change by the Legislature. The employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL).

As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%. PERS Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers. Employers do not contribute to the defined contribution benefits.

The PERS Plan 2/3 defined benefit required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

PERS Plan 2/3			
Actual Contribution Rates	Employer 2/3	Employee 2*	Employee 3**
January – June 2023			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	3.85%		
Administrative Fee	0.18%		
Employee PERS Plan 3			
Total	10.39%	6.36%	
July-August 2023			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	2.85%		
Administrative Fee	0.18%		
Employee PERS Plan 3			
Total	9.39%	6.36%	Varies
September-December 2023			
PERS Plan 2/3	6.36%	6.36%	
PERS Plan 1 UAAL	2.97%		
Administrative Fee	0.20%		
Employee PERS Plan 3			
Total	9.53%	6.36%	

* For employees participating in JBM, the contribution rate was 15.90%.

** For employees participating in JBM, the minimum contribution rate was 7.50%.

The City’s actual PERS plan contributions were \$552,296 to PERS Plan 1 and \$1,021,354 to PERS Plan 2/3 for the year ended December 31, 2023.

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

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

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

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest-paid consecutive 24 months within the last ten years of service.

Members are eligible for retirement with five years of service at the age of 50. Other benefits include a COLA. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions- Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute 0%, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2023. Employers paid only the administrative expense of 0.20% of covered payroll.

LEOFF Plan 2 provides retirement, disability, and death benefits. Retirement benefits are determined as 2% of the FAS per year of service (the FAS is based on the highest-paid consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50 – 52, the reduction is 3% for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include a COLA (based on the CPI), capped at 3% annually. LEOFF 2 members are vested after the completion of five years of eligible service.

Contributions- The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The rates are adopted by the LEOFF Plan 2 Retirement Board and are subject to change by the Legislature.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41% in 2023.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	Employer	Employee
January – August 2023		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
Total	5.30%	8.53%
Ports and Universities	8.53%	8.53%
Administrative Fee	0.18%	
Total	8.71%	8.53%
September – December 2023		
State and local governments	5.12%	8.53%
Administrative Fee	0.20%	
Total	5.32%	8.53%
Ports and Universities	8.53%	8.53%
Administrative Fee	0.20%	
Total	8.73%	8.53%

The City’s actual contributions to the plan were \$556,767 for the year ended December 31, 2023.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Office of the State Actuary and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2023, the state contributed \$87,966,142 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$5,858,863.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2023 with a valuation date of June 30, 2022. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Demographic Experience Study* and the *2021 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2022 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2023. Plan liabilities were rolled forward from June 30, 2022, to June 30, 2023, reflecting each plan's normal cost (using the entry-age cost method), assumed interest, and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increases.
- **Investment rate of return:** 7.00%

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

Methods did not change from the prior contribution rate setting June 30, 2021, Actuarial Valuation Report (AVR). OSA did make an assumption change to adjust TRS Plan 1 asset, LEOFF Plan 1/2 assets and LEOFF participant data to reflect certain material changes occurring after the June 30, 2022, measurement date.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.0%.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan’s fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA’s assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.0% was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.0% was determined using a building-block-method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA’s and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2023. The inflation component used to create the table is 2.2% and represents the WSIB’s most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.5%
Tangible Assets	7%	4.7%
Real Estate	18%	5.4%
Global Equity	32%	5.9%
Private Equity	23%	8.9%
	100%	

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6%) or 1-percentage point higher (8%) than the current rate.

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
PERS 1	\$ 2,847,177	\$ 2,037,955	\$ 1,331,694
PERS 2/3	\$ 5,005,629	\$ (4,602,370)	\$ (12,495,949)
LEOFF 1	\$ (2,477,173)	\$ (2,793,682)	\$ (3,068,144)
LEOFF 2	\$ 970,069	\$ (5,858,863)	\$ (11,447,759)

Pension Plan Fiduciary Net Position

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

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

On June 30, 2023, the City reported its proportionate share of the net pension liabilities as follows:

	Liability
PERS 1	\$ 2,037,955

On June 30, 2023, the City reported its proportionate share of the net pension assets as follows:

	Asset
PERS 2/3	\$ 4,602,370
LEOFF 1	\$ 2,793,682
LEOFF 2	\$ 5,858,863

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the City were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer’s proportionate share	\$ (2,793,682)	\$ (5,858,863)
State’s proportionate share of the net pension asset associated with the employer	\$ (18,896,397)	\$ (3,741,410)
TOTAL	\$ (21,690,080)	\$ (9,600,273)

On June 30, 2023, the City’s proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/22	Proportionate Share 6/30/23	Change in Proportion
PERS 1	0.090794%	0.089277%	(0.001517%)
PERS 2/3	0.115309%	0.112289%	(0.003020%)
LEOFF 1	0.099446%	0.094126%	(0.005320%)
LEOFF 2	0.260195%	0.244262%	(0.015933%)

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2023, are used as the basis for determining each employer’s proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2023. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the

plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2023, the state of Washington contributed 39% of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 61% of employer contributions.

Pension Expense

For the year ended December 31, 2023, the City recognized pension expense as follows:

	Pension Expense
PERS 1	\$ (66,906)
PERS 2/3	\$ (499,621)
LEOFF 1	\$ (111,916)
LEOFF 2	\$ 35,359
TOTAL	\$ (643,084)

Deferred Outflows of Resources and Deferred Inflows of Resources

On December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PERS 1		PERS 2/3		LEOFF 1		LEOFF 2		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$937,498	\$(51,423)	\$ -	\$ -	\$2,393,180	\$(48,202)	\$3,330,677	\$(99,625)
The net difference between projected and actual investment earnings on pension plan investments	-	(229,890)	-	(1,734,451)	-	(185,247)	-	(1,239,723)	-	(3,389,311)
Changes of assumptions	-	-	1,932,234	(421,151)	-	-	1,496,625	(481,259)	3,428,859	(902,410)
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	170,547	(44,566)	-	-	755,530	(154,425)	926,077	(198,991)
Contributions subsequent to the measurement date	238,092	-	516,904	-	-	-	280,772	-	1,035,768	-
TOTAL	\$238,092	\$(229,890)	\$3,557,182	\$(2,251,591)	\$ -	\$(185,247)	\$ 4,926,107	\$(1,923,609)	\$8,721,381	\$(4,590,337)

Deferred outflows of resources related to pensions resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ended December 31	PERS 1	PERS 2/3	LEOFF 1	LEOFF 2
2024	(156,408)	(789,568)	(127,012)	(411,262)
2025	(196,701)	(977,895)	(159,383)	(611,461)
2026	121,283	1,447,188	98,871	1,152,650
2027	1,936	541,330	2,277	477,358
2028	-	533,914	-	510,851
2029 and thereafter	-	33,719	-	1,603,589
Total	(229,890)	788,688	(185,247)	2,721,726

A. Firemen’s Pension Plan

The following table represents the aggregate pension amounts for the Firefighter’s pension plan for the year 2023.

Aggregate Pension Amounts	Fireman’s Pension
Pension liabilities	(\$1,822,036)
Pension expense/expenditures	\$61,489

The City administers a closed, small, single-employer defined-benefit post-employment pension plan for firefighters hired before 1970, the Firefighter’s Pension Plan (FPP). The FPP is not administered through a trust and was reclassified from a fiduciary fund to the General Fund, as prescribed by GASB Statement 73. The Pension Board consists of five members: the mayor, the board’s chairman, the City Clerk, a council member, and two firefighters selected by covered pension members, each serving two-year terms.

The City of Walla Walla’s obligations under the FPP are limited to pension benefits provided to firefighters employed before March 1, 1970. As of December 31, 2023, the fund covered 13 retirees and 5 survivors, all drawing pension or disability benefits.

Each retiree receives the greater benefit payable under the Washington Law Enforcement Officers’ and Firefighters’ Retirement System and the benefits available under the provisions of prior law. Where benefits under the old law exceed those under the new for any firefighter, the excess benefits are paid from the Firefighter’s Pension Fund of the city employing them on March 1, 1970.

Contributions: To meet these obligations, the City may contribute annually to the Fund the amount raised by levying all or part of the tax up to \$.045 per \$1,000 of true and fair market value, the maximum provided by law for maintaining the funds. Contributions also include contributions from the Washington State Fire Insurance premium collection.

Actuarial Assumptions: All actuarial calculations are based on RCW 41.16 and 418.18, the statutes establishing the Firefighter’s Pension Fund, and RCW 41.26, the statute establishing the Washington Law Enforcement Officers’ and Firefighters’ Retirement System. Only the State Legislature can amend benefit provisions established in state statutes. The total pension liability was determined by an actuarial

valuation as of January 1, 2023, projected forward to the measurement date of December 31, 2023. The liability was calculated based on the discount rate and other actuarial assumptions below.

- Investment rate of return: 3.25%, municipal bond rate
- Actuarial cost method: Entry age normal
- Inflation: 2.50% total economic inflation; 3.50% salary inflation
- Mortality: Pub-2010 Safety Mortality Table (headcount-weighted) with ages set back one year for males is used for health annuitants. Pub-2010 Safety Disabled Mortality Table is used for disabled annuitants. A blend of rates from Pub-2010 Mortality Tables for contingent annuitants and retirees is used for surviving spouses. Mortality rates are projected forward generationally using the ultimate rate in Projection Scale MP-2017.

Sensitivity of the Total Pension Liability

The following table presents the total pension liability calculated using the discount rate for the City, calculated using the current discount rate of 3.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.25%) or one percentage point higher (4.25%) than the current rate:

	1% Decrease 2.25%	Current Discount Rate 3.25%	1% Increase 4.25%
Total pension liability	\$1,965,998	\$1,822,036	\$1,694,981

Changes in the Total Pension Liability

Pension Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

Changes in Total Pension Liability	
Balance as of December 31, 2022	\$1,839,223
Changes for the year:	
Service cost (entry age normal)	-
Interest on total pension liability	66,205
Effect of plan changes	-
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	65,476
Benefit payments	(148,868)
Balance as of December 31, 2023	\$1,822,036

The City recognized a pension expense of \$61,489 in 2023 for the FPP. As of December 31, 2023, there are no deferred outflows or inflows of resources related to this pension fund. The effects of changes in assumptions/inputs and economic/demographic gains or losses are recognized over the average remaining service life for all active and inactive members, with immediate recognition when the average remaining service life is less than one. Therefore, the amounts shown above for the effect of economic/demographic gains or losses and changes in assumptions were recognized in the current year.

NOTE 8 – RISK MANAGEMENT

Washington Cities Insurance Authority

The City of Walla Walla is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 169 members.

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

Liability coverage is written on an occurrence basis, without deductibles. The City's claims deductible for the author and property is \$25,000. Coverage includes general, automobile, police, errors or omissions, stop-gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to \$1 million and subject to member deductibles, sub-limits, and a \$5 million pool aggregate. Premises pollution liability provides Members with a \$2 million incident limit and \$10 million pool aggregate subject to a \$100,000 per incident Member deductible.

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$1,000,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and submits. In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, and actuarial, and lobbyist services.

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

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

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

AWC Employee Benefit Trust

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

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

As of December 31, 2023, 264 cities/towns/non-city entities participate and have enrollment in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members.

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, Willamette Dental Group, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-city entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2023, the AWC Trust HCP purchased medical stop loss insurance for Regence/Asuris and Kaiser plans at an Individual Stop Loss (ISL) of \$2 million through United States Fire Insurance Company. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC Trust HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of the termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's

termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interests to the AWC Trust HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefits Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program-related matters and make operational decisions regarding premium contributions, reserves, plan options, and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW, and Chapter 200-110-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor’s office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board (“GASB”). In 2018, the retiree medical plan subsidy was eliminated and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor’s office.

TriStar

TriStar manages the workers’ compensation claims. Self-insurance is in effect for losses up to \$500,000 per occurrence and \$750,000 for Police and Fire. The retention is \$1,000,000 with a Statutory Maximum Liability of Excess Insurer. Claims are processed by TriStar and reviewed by the city administration for verification. Based on the claim’s manager’s estimates, the City’s estimated liability for probable losses on December 31, 2023, is \$402,622 for the workers’ compensation program. The state requires \$100,000 be set aside in cash reserves to protect the worker’s compensation fund. The city met this requirement. The fund’s average monthly cash balance for 2023 was \$374,120.

Workers compensation claim settlement and loss expenses are accrued in the Industrial Insurance Fund for the estimated settlement value of both reported and unreported claims up to the aggregate stop loss. This fund is responsible for collecting interfund premiums from insured funds and departments, paying claim settlements, and for purchasing certain excess insurance policies. Interfund workers' compensation premiums are assessed on the number of employees and the average claims over the last three years and are reported as revenues and expenses.

Year	Claims Liability January 1	Annual Claims Incurred	Change in Estimate of Incurred but not Reported Claims	Payments on Claims	Claims Liability December 31
2023	\$ 577,861	\$ 95,254	\$ 7,853	\$ 278,346	\$ 402,622
2022	\$ 628,658	\$ 216,951	\$ 221,406	\$ 489,154	\$ 577,861
2021	\$ 574,518	\$ 151,477	\$ 275,134	\$ 372,470	\$ 628,659

NOTE 9 – LONG-TERM DEBT

Governmental Debt: The City issued general obligation and revenue bonds to finance the acquisition and construction of major capital facilities. Bonded indebtedness has also been entered (in prior years) to advance refund of several general obligation bonds. General obligation bonds have been issued for general government and business-type activities and are repaid from the appropriate resources.

General obligation bonds currently outstanding are as follows:

	Issue Date	Maturity Date	Interest Rate	Original	Outstanding
2015 LTGO Bond Street Construction	5/7/2015	12/1/2024	2.06%	188,789	19,472
2015 LTGO Library	5/7/2015	12/1/2024	2.06%	756,202	90,997
2015 LTGO Bond Landfill Liner	5/7/2015	12/1/2024	2.06%	1,366,359	16,746
2015 LTGO Bond Golf Course	5/7/2015	12/1/2024	2.06%	230,951	23,821
2015 UTGO Bond Pool	10/15/2015	12/1/2034	2.50% - 4.00%	5,560,000	3,825,000
2016 LTGO Water AMI	8/31/2016	12/1/2031	2.00% - 3.00%	5,960,000	3,455,000
2016 UTGO Refunding Police Station	9/15/2016	12/1/2029	3.00%	7,745,000	4,695,000
2017 LTGO Bond Landfill	10/18/2017	12/1/2027	2.18%	2,660,000	1,140,000
2020 Refunding Bond	11/23/2020	12/1/2035	0.85%	4,160,790	2,688,305
				\$28,628,091	\$15,954,340

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

Year Ending	Governmental Activities		Business-Type Activities			
	Direct Borrowings and Direct Placements		Direct Borrowings and Direct Placements		Publicly Sold	
12/31/2023	Principal	Interest	Principal	Interest	Principal	Interest
2024	421,744	16,500	504,346	34,314	395,000	80,588
2025	218,236	11,578	412,354	25,879	410,000	68,738
2026	219,232	9,724	422,958	18,650	420,000	56,438
2027	179,994	7,860	404,161	11,198	430,000	48,038
2028	180,028	6,330	109,182	3,839	435,000	39,438
2029-2033	432,560	14,788	262,335	8,968	1,365,000	63,063
2034-2038	132,097	1,687	80,113	1,023	-	-
Total	1,783,891	68,467	2,195,450	103,871	3,455,000	356,302

The annual debt service requirements to maturity unlimited tax obligation bonds are as follows:

Year Ending	Governmental Activities	
	Publicly Sold	
12/31/2023	Principal	Interest
2024	990,000	263,190
2025	1,035,000	230,590
2026	1,080,000	196,490
2027	1,125,000	160,940
2028	1,170,000	123,940
2029-2033	2,720,000	249,430
2034 and beyond	400,000	12,000
Total	8,520,000	1,236,580

Revenue Bonds: The City has pledged future wastewater revenue, net of (e.g., specified operating expenses, etc.), to repay \$6,390,000 in revenue bonds issued in 2018. Proceeds from the bonds provided financing for improvements for capital construction on the wastewater treatment plant and other capital projects. The bonds are payable solely from wastewater revenue and are payable through 2038. Annual bond

principal and interest payments are expected to require less than a percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$7,484,750. Principal and interest paid for the current year and total (identify pledged revenue) were \$245,000 and \$252,150, respectively.

Revenue bonds currently outstanding are as follows:

Purpose	Issue Date	Maturity Date	Interest Rate	Original	Outstanding
2018 Water/Wastewater Series	8/28/2018	8/1/2038	4.00%-5.00%	\$6,390,000	\$5,470,000

Revenue bond debt service requirements to maturity are as follows:

Year Ending 12/31/2023	Principal	Interest
2024	260,000	239,900
2025	275,000	226,900
2026	285,000	213,150
2027	300,000	198,900
2028	315,000	183,900
2029-2033	1,815,000	678,600
2034-2038	2,220,000	273,400
Total	\$5,470,000	\$2,014,750

In proprietary funds, bonds are displayed net of premium or discount; annual interest expense is decreased by the amortization of debt premium and increased by the amortization of debt issue costs and discount. On December 31, 2023, the City had \$961,398 in debt service funds to service the general bonded debt.

Public Works Trust Fund Loans: The City’s business-type activities have seven State of Washington Public Works Trust Fund Loans with a principal outstanding of \$24,614,044. In 2002, 2006, 2007, 2013, 2015, 2019, 2021, and 2023, the City Council authorized all seven loans to improve the City’s Water and Wastewater Treatment Plants and the Landfill. The loan amounts will be repaid from the Water, Wastewater, and Landfill funds in equal installments over a 20-year term. No debt service requirement is included for the PC 23 Water loan because the city only had one drawdown in December 2023.

Public works loans currently outstanding are as follows:

Title	Purpose	Interest Rate	Original	Outstanding
DM13-952-183 Loan Water	Capital Construction	1.00%	12,120,000	8,787,976
DM15-952-027 Loan Water	Capital Construction	1.00%	10,402,479	7,459,939
PC18-96103-010 Loan Landfill	Capital Construction	1.16%	2,233,388	1,763,201
PW-06-962-PRE-103 Loan Wastewater	Capital Construction	1.00%	531,399	83,905
PW-07-962-018 Loan Wastewater	Capital Construction	1.00%	6,823,104	1,440,058
PC22-96103-048 Loan Wastewater	Capital Construction	0.94%	5,000,000	4,912,694
PC23-96103-128 Loan Water	Capital Construction	1.39%	1,500,000	166,271
Total PWTFL:			\$38,610,370	\$24,614,044

Public Works Trust Fund debt service requirements to maturity are as follows:

Year Ending 12/31/2023	Business-Type Activities	
	Principal	Interest
2024	2,027,831	222,246
2025	2,027,831	207,096
2026	2,027,831	188,863
2027	1,999,863	170,630
2028	1,639,848	152,397
2029-2033	8,199,242	528,690
2034-2038	5,706,545	176,018
2039 and beyond	818,782	6,322
Total	\$24,447,773	\$1,652,262

Legal Debt Margin: The City of Walla Walla is subject to a legal limit of indebtedness of 7.5% of the assessed property value, \$4,033,943,260 of which 1.5% may be for General Purpose Debt without a vote of the people, with a vote is 1% or less. The utility purpose limit voted is 2.5% with a vote and 2.5% with open space parks and capital facilities with a vote. The Legal Debt Margin chart in the statistical section of this comprehensive financial annual report provides the details of the City of Walla Walla’s remaining debt capacity.

Rebatable Arbitrage: Arbitrage occurs when the City invests funds borrowed at tax-exempt interest rates in higher-yielding taxable securities. The City must remit interest earnings over interest expense to the federal government. The City recognizes this liability only when due and payable at the fund level. The City had no arbitrage excess earnings liability to report in 2023.

NOTE 10 – LEASES

For the year ended December 31, 2023, the financial statements include the implementation of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee must recognize a lease liability and an intangible right-to-use lease asset, and a lessor must recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

A. Leases Receivable

As of December 31, 2023, the City of Walla Walla, WA, had seven active leases. The leases have receipts ranging from \$1,926 to \$20,429 and interest rates ranging from 0.8327% to 1.4083%. The total combined value of the lease receivable is \$982,782, and the combined value of the deferred inflow of resources is \$942,454. The leases had no Variable Receipts or Other Receipts not included in the Lease Receivable within the Fiscal Year.

As of December 31, 2023, future lease receivable principal and interest payments for business and governmental-type activities are as follows:

Principal and Interest Expected to Maturity						
Governmental Activities				Business-Type Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments	Principal Payments	Interest Payments	Total Payments
2024	\$61,345	\$9,983	\$71,328	\$29,024	\$2,018	\$31,042
2025	63,930	9,178	73,108	29,965	1,708	31,673
2026	66,602	8,340	74,942	30,936	1,387	32,323
2027	69,363	7,467	76,830	31,938	1,056	32,994
2028	72,216	6,558	78,774	22,971	712	23,683
2029 - 2033	325,986	19,172	345,158	48,921	598	49,519
2034 - 2037	129,586	2,479	132,065	-	-	-
Totals	\$789,028	\$63,177	\$852,205	\$193,755	\$7,479	\$201,234

B. Leases Payable

As of December 31, 2023, the City of Walla Walla had 16 active leases. The leases have payments that range from \$600 to \$103,581 and interest rates that range from 0.3300% to 5.9500%. The total combined value of the lease liability is \$1,842,565. The combined value of the right-to-use assets is \$2,251,889 with accumulated amortization of \$442,710, which is included in the Lease Class activities table below. The leases had no variable or other payments, and they were not included in the lease liability within the fiscal year.

Amount of lease assets by major classes of the underlying asset as of December 31, 2023:

Asset Class	Lease Asset Value	Accumulated Amortization
Equipment	1,996,262	392,792
Infrastructure	255,627	49,918
Total Leases	2,251,889	442,710

As of December 31, 2023, the principal and interest requirements to maturity are as follows:

Principal and Interest Requirements to Maturity						
Governmental Activities				Business-Type Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments	Principal Payments	Interest Payments	Total Payments
2024	\$36,099	\$5,083	\$41,182	\$185,967	\$68,260	\$254,227
2025	35,133	4,287	39,420	193,728	60,499	254,227
2026	34,385	3,463	37,848	201,233	52,356	253,589
2027	16,328	2,980	19,308	195,106	43,960	239,066
2028	8,860	2,793	11,653	527,826	35,314	563,140
2029 - 2033	49,958	11,728	61,686	255,404	12,985	268,389
2034 - 2038	54,985	7,409	62,394	-	-	-
2039 - 2043	38,445	3,076	41,521	-	-	-
2044 - 2048	9,108	485	9,593	-	-	-
Totals	\$283,301	\$41,304	\$324,605	\$1,559,264	\$273,374	\$1,832,638

NOTE 11 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

For the year ended December 31, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

General information on the City’s current SBITAs is included in the following table.

SBITA	Term Length (months)	SBITA Liability on 1/1/2023	SBITA Liability on 12/31/2023	Payment Amount	Interest Rate	Asset Useful Life (months)	Right-to-use Asset Value	Accumulated Amortization	Termination Period (months)	Extension Options
Debt Book	23	\$7,311	\$-	\$8,168	2.70%	23	\$7,311	\$3,739	-	n/a
ESRI	36	115,181	76,281	42,398	2.36%	36	115,181	19,837	-	n/a
Utility Cloud	60	118,638	93,638	25,000	2.68%	60	138,638	35,912	1	n/a
Cartegraph System	20	42,398	-	43,163	2.71%	20	42,398	25,439	-	n/a
CVE Solutions	24	28,444	14,059	15,725	2.71%	24	28,444	13,726	-	n/a
Ferguson Enterprises	115	204,653	174,358	36,982	2.85%	115	204,653	21,256	-	n/a
Axon Enterprise	60	404,694	321,083	91,010	2.68%	60	404,694	80,939	-	n/a
HSI	24	26,887	13,264	13,623	2.71%	24	26,887	13,443	-	n/a
LexisNexis Web Tool	18	16,920	5,715	960	2.71%	18	16,920	10,762	-	n/a
Paradigm	80	75,578	63,248	14,921	2.72%	80	75,578	11,337	1	n/a
New World	36	588,302	392,302	196,000	2.66%	36	619,677	206,559	-	n/a
Civic Plus	21	3,808	-	4,231	2.71%	21	3,808	2,176	-	n/a

As of December 31, 2023, The City of Walla Walla amounts of SBITA assets by major classes of the underlying assets include the following.

Type	Asset Class	Subscription Asset Value	Accumulated Amortization
Governmental	Software	\$1,215,352	\$352,323
Business	Software	468,836	82,801
Total		\$1,684,188	\$435,124

The principal and interest requirements to maturity for the City’s Business and Government type activity SBITAs are summarized in the following table:

Principal and Interest Expected to Maturity						
Governmental Activities			Business-Type Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments	Principal Payments	Interest Payments	Total Payments
2024	\$342,188	\$21,411	\$363,599	\$65,807	\$9,416	\$75,223
2025	317,640	12,490	330,130	65,623	7,614	73,236
2026	77,676	5,935	83,611	60,741	5,819	66,560
2027	76,405	(193)	76,212	60,222	4,143	64,365
2028	-	-	-	34,620	2483	37,104
2029 - 2032	-	-	-	53,033	2917	55,950
Totals	\$813,909	\$39,643	\$853,552	\$340,046	\$32,392	\$372,438

NOTE 12 – CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2023, the following changes occurred in long-term liabilities:

	Beginning Balance 1/1/2023	Additions	Reductions	Ending Balance 12/31/2023	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	\$12,003,892	-	\$1,700,002	\$10,303,890	\$1,411,744
Bond premiums	671,954	-	82,911	589,043	-
Total bonds payable	12,675,847	-	1,782,914	10,892,933	1,411,744
Compensated absences	1,949,077	2,135,582	2,059,065	2,025,595	1,963,939
Worker’s compensation claims	577,862	103,107	278,346	402,623	278,346
Leases	297,902	33,262	47,863	283,301	36,100
SBITA	-	1,183,977	370,073	813,903	342,188
Total pension liability	1,655,301	-	35,713	1,619,588	-
Total OPEB liability	14,945,384	906,115	674,178	15,177,321	983,768
Net pension liability	1,840,721	-	347,460	1,493,260	-
Governmental activity long-term liabilities	\$33,942,094	\$4,362,043	\$5,595,612	\$32,708,524	\$5,016,085

Business-Type Activities

Bonds payable:					
General obligation bonds	6,530,238	-	879,789	5,650,450	899,346
Revenue Bonds	5,715,000	-	245,000	5,470,000	260,000
Premiums	689,846	-	52,205	637,641	-
Total bonds payable	12,935,084	-	1,176,994	11,758,091	1,159,346
PW loans wastewater	2,914,068	3,997,877	475,288	6,436,657	660,910
Landfill closure	3,478,998	368,669	43,883	3,803,784	-
Leases	935,429	856,406	232,571	1,559,264	185,966
SBITA	-	448,836	108,789	340,046	78,137
DM loans water	17,497,290	166,271	1,249,374	16,414,187	1,249,374
PW loan landfill	1,880,747	-	117,547	1,763,200	117,547
Pollution remediation	1,613,534	538,575	-	2,152,109	149,673
Compensated absences	522,057	735,057	713,638	543,476	527,868
Net pension liability	687,317	-	142,622	544,695	-
Total pension liability	183,922	18,526	-	202,448	-
Total OPEB liability	1,882,011	198,511	110,946	1,969,576	127,664
Business-type activity long-term liabilities	\$44,530,457	\$7,328,728	\$4,371,652	\$47,487,535	\$4,256,485

Internal service funds predominantly serve the governmental funds. Accordingly, their long-term liabilities for governmental activities are included in the above totals. At year-end, \$87,446 of internal service funds, net pension liability, and compensated absences are included in the above amounts. The General Fund, Street Fund, Emergency Services Fund, and Service Center Fund normally liquidate 91.29%, 2.63%, 5.96%, and 0.12% of compensated absences, respectively. The fund for which the liability is incurred is responsible for liquidating compensated absence liabilities. In the coming years, the General Fund, the Ambulance Fund, and the Fire Medical and Pension Funds, which incurred the pension and OPEB liabilities, are responsible for liquidating the liability.

NOTE 13 – INTERFUND BALANCES AND TRANSFERS

Interfund loans provide upfront, one-time funding for physical improvements from idle equipment replacement funds. Each loan will be repaid over time from the fund receiving the physical improvement benefit and tends to be shorter-term in nature. The total interfund loan balance includes \$227,028, due within one year, and \$874,676, due in more than one year, from the date of the financial statements.

A. Interfund Balances

Interfund loan balances on December 31, 2023, are as follows:

Receivable Fund	Amount	Payable Fund	Amount
Equipment Replacement	\$1,101,704	General	\$311,994
		Non-Major Government	283,657
		Major Enterprise	427,875
		Non-Major Enterprise	78,178
Total	\$1,101,704	Total	\$1,101,704

B. Interfund Transfers

Interfund transfers on December 31, 2023, are as follows:

Transfers From:	Transfers To:						Totals From:
	General Fund	Non-Major Gov't	Ambulance Fund	Water/Wastewater Fund	Other Enterprise	Internal Service	
General Fund	\$ -	\$3,419,462	\$363,500	\$-	\$68,000	\$108,030	\$3,958,992
Non-Major Gov't	136,761	1,179,831	-	415,670	152,181	100,000	1,984,443
Water/Wastewater	-	4,613,650	-	-	-	491,540	5,105,190
Ambulance	6,870	-	-	-	-	-	6,870
Other Enterprise	-	90,770	-	-	-	-	90,770
Internal Services	393,443	-	-	-	-	-	393,443
Total Transfers:	\$537,074	\$9,303,713	\$363,500	\$415,670	\$220,181	\$699,570	\$11,539,709

Transfers between funds in 2023 were used to 1) move revenues from the fund with the collection authorization to the Debt Service Fund as debt service principal and interest payments become due, 2) move unrestricted General Fund revenues to finance various programs that the government must account for in other funds following budgetary authorizations, including amounts provided as matching funds for various grant programs and funding street construction projects, 3) move amounts between funds to finance construction projects per the City's construction budget, and 4) transfer excess proceeds from finished construction projects back to the contributing funds.

During the year that ended December 31, 2023, the General Fund transferred \$931,490 to the General Construction Fund to fulfill its commitment to fund the Heritage Square improvements, Mill Creek Sportsplex pickleball court construction, and the Sleep Center expansion.

NOTE 14 – RECEIVABLE AND PAYABLE BALANCES

A. Receivables

Receivables on December 31, 2023, were as follows:

	Governmental Activities	Business-type Activities	Total
Taxes Receivable			
Property taxes	\$209,013	\$ -	\$209,013
Sales and B&O taxes	2,744,106	-	2,744,106
Total Taxes Receivable	\$2,953,119	\$ -	\$2,953,119
Other Receivables			
Accounts receivable	\$421,537	\$3,452,349	\$3,873,886
Other receivables	628,909	-	628,909
Interest receivable	91,319	27,299	118,618
Total Other Receivables	\$1,141,765	\$3,479,648	\$4,621,413

Receivables for the Ambulance Fund are reported as net of allowance for uncollectible accounts. The city uses historical collection rates and estimates that 48.28% of the receivables, or \$195,912 on December 31, 2023, will ultimately prove uncollectible for the Ambulance Fund.

B. Payables

Payables on December 31, 2023, were as follows:

	Governmental Activities	Business-type Activities	Total
Other Accrued Liabilities			
Accounts payable	\$1,960,164	\$1,079,706	\$3,039,870
Employee Wages and Benefits	3,143,447	820,429	3,963,876
Other Liabilities	9,955	418	10,373
Total	\$5,113,566	\$1,900,553	\$7,014,119

NOTE 15 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year 2023.

Aggregate OPEB Amounts – LEOFF 1 Medical	
OPEB liabilities	\$17,146,897
Deferred outflows of resources	\$221,142
Deferred inflows of resources	\$761,667
OPEB expenses/expenditures	\$1,443,790

The City used the Alternative Measurement Method (AMM) to calculate the 2023 total OPEB liability.

As required by the Revised Code of Washington (RCW) Chapter 41.26, the City provides lifetime medical care for members of the Law Enforcement Officers and Firefighters (LEOFF) retirement system hired before October 1, 1977, under a single-employer defined benefit healthcare plan administered by the City. The members' necessary hospital, medical, and nursing care expenses not payable by worker's compensation, social security, insurance provided by another employer, other pension plans, or any other similar source are covered. One of the City's employee medical insurance programs provides most medical coverage for eligible retirees. Under the authorization of the LEOFF Disability Board, direct payment is made for other retiree medical expenses not covered by standard medical plan benefit provisions. The board comprises the following five members: two City of Walla Walla council members, a "citizen at large" appointed by the City, one retired firefighter, and one retired police officer.

The City reimburses 100% of the validated claims for retirees' medical, dental, and hospitalization costs. The plan requires members to sign up for Medicare; when they reach age 65, the City pays the premiums. In addition, the City purchases commercial health insurance for retirees. The Board must approve any medical reimbursements not covered by Medicare or the City's insurance. The plan is considered closed to new entrants.

On December 31, 2023, the City had 37 plan participants, all of whom were inactive employees or beneficiaries currently receiving benefits.

The City of Walla Walla’s prior measurement date of June 30, 2023, has decreased the number of members who are eligible for benefits by four. The plan is funded on a pay-as-you-go basis, and no assets are accumulated in a qualifying trust. The employer’s contributions to the plan are not irrevocable. The LEOFF 1 Medical plan assets are not legally protected from the City’s creditors.

As required by State statute, the City provides contributions on a pay-as-you-go basis. The City pays a monthly insurance premium to cover each retiree and any remaining eligible out-of-pocket expenses. Retirees are not required to contribute to the plan. As of December 31, 2023, the City paid \$382,549 out of the General Fund and \$45,971 out of the Ambulance Fund for medical insurance and other qualifying expenses. The amounts paid subsequent to the measurement date were \$199,945 from the General Fund and \$21,197 from the Ambulance Fund.

The City of Walla Walla’s OPEB financial reports are included in the 2023 annual comprehensive financial report. The City of Walla Walla’s total OPEB liability was calculated by the Alternative Measurement Method (AMM) actuarial valuation as of June 30, 2023. The City used this method in place of an actuarial evaluation. Unless otherwise specified, the following actuarial methods and assumptions were applied to all periods included in the measurement.

Methodology:

Actuarial Valuation Date	6/30/2023
Actuarial Measurement Date	6/30/2023
Actuarial Cost Method	Entry Age
Amortization Method	Recognized Immediately
Asset Valuation Method	N/A (No Assets)

Assumptions:

Assumptions	
Discount Rate	
Beginning of Measurement Year	3.54%
End of Measurement Year	3.65%
Healthcare Trend Rates	
Medical Costs	Approximately 4.5%, varies by year
Long-Term Care	4.75%
Medicare Part B Premiums	Approximately 5.0%, varies by year
Mortality Rates (assume 100% male population)	
Base Mortality Table	PubS.H-2010 (Public Safety) Blended 50%/50% Healthy/Disabled
Age Setback	-1 year Healthy/ 0 years Disabled
Mortality Improvements	MP-2017 Long-Term Rates
Projection Period	Generational
Medicare Participation Rate	100%

The following table presents the total OPEB liability of the City calculated using the current healthcare cost trend rate of 4.5%, as well as what the OPEB liability would be if it were calculated using a discount rate that is a one-percentage point lower (3.5%) or one-percentage-point

higher (5.5%) than the current rate, and the OPEB liability calculated using the discount rate of 3.65%, as well as what the OPEB Liability would be if it were calculated using a discount rate that is one-percentage point lower (2.65%) or one-percentage point higher (4.65%).

Changes in the Total OPEB Liability:

LEOFF 1 Medical	
OPEB Liability at 01/01/2023	\$16,827,395
Service cost	-
Interest cost	577,794
Changes of benefit terms	-
Changes in experience data and assumptions	761,667
Estimated benefit payments	(1,019,959)
Other changes	-
OPEB Liability at 12/31/2023	\$17,146,897

On December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$761,667	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings	-	-
Contributions made subsequent to the measurement date	-	221,142
Total	\$761,667	\$221,142

Deferred outflows of resources of \$221,142 resulting from payments after the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2024	\$152,333
2025	\$152,333
2026	\$152,333
2027	\$152,333
2028	\$152,333
Thereafter	\$ -

NOTE 16 – CLOSURE AND POST-CLOSURE

Background: The City of Walla Walla (City) owns three landfills: 1) Sudbury Road Landfill (SRL); 2) the closed Tausick Way Landfill (TWL); and 3) the closed Isaacs Inert Waste Landfill (IIWL/Burdine property). The SRL covers approximately 125 acres and is located within the western portion of an 829-acre City-owned section of land zoned as Public Reserve. Municipal Solid Waste (MSW) has been placed in five separate areas at the SRL – Areas 1, 2, 5, 6, and 7. Areas 1, 2, 5, and 6 are closed, unlined cells containing MSW. Area 7 is a lined cell that has been in operation since 2006 and is actively receiving MSW. Area 7 has a projected capacity until 2030 when the area will either be closed or a revised permit will be submitted for vertical expansion to 2038. Area 6 reached its capacity in 2008 and was closed in accordance with WAC 173-351. The City is currently monitoring Area 6.

Operations at the 78-acre Tausick Way Landfill (TWL) ceased in 1979 and were closed under regulations then. The TWL is maintained through the Landfill's operations and management budget, which includes mowing, pesticide spraying, methane monitoring, and fence repair.

The Isaacs Inert Waste Landfill (also known as the IIWL/Burdine property) is permitted as an inert waste disposal site and is used and monitored by the City. The IIWL is at capacity, so in 2019, a project was completed that graded the site and placed a final cover over the inert landfill. The site was closed in 2021 with the Washington State Department of Ecology (DOE) and the Department of Health.

Closure and Post-Closure Costs: Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the City must record a portion of these closure and post-closure costs each year as an expense. That expense calculation is based on the landfill capacity used in the reported period. The City must also recognize a liability directly related to the cumulative capacity consumed at the landfill. A permit modification for Area 7 was submitted to the Department of Health and the DOE in December 2016 for Cell 3. The expansion permit was formally approved by the DOE on February 22, 2017. With this expansion (constructed in the spring/summer of 2017), Area 7 has a total permitted capacity of 1,813,000 cubic yards. As of November 03, 2023, Area 7 is approximately 79.1% filled.

The permit revision for Area 7, Cell 3, included a revision to the closure and post-closure plan. The total long-term closure and post-closure costs for Area 7 (Cells 1-3) are estimated at \$4,803,406 (in 2023 dollars). However, when adjusted for the estimated capacity used between the survey date and December 31, 2023, the estimated capacity filled is 73.6%, the amount of the liability for closure is \$1,181,012, and post-closure is \$2,617,772. As of December 31, 2023, cash, and investments of \$6,415,318 have been accumulated and set aside for estimated closure and post-closure costs. The financial assurance plan for the City has been updated. Closure and post-closure costs will be met through rate revenues.

In December 2023, a consultant for the City and the Public Works Department estimated the cost of closing the IIWL/Burdine property. Closure costs were estimated at \$5,000 for 2023. The City has recorded a liability of \$5,000 associated with the IIWL/Burdine property.

As part of its budget process, the City reviews the closure and post-closure cost estimate from the landfill consultant. It adjusts the liability to account based on inflation, changes in technology, and/or changes in regulations. The total closure and post-closure cost is an estimate subject to change from ongoing operations and cap construction, inflation, deflation, technology, or changes in applicable laws or regulations.

NOTE 17 – POLLUTION REMEDIATION OBLIGATIONS

Governmental Accounting Standards Board (GASB) Statement 49, Accounting and Financial Reporting for Pollution Remediation Obligations, became effective for fiscal periods beginning after December 15, 2007. GASB Statement 49 identifies the circumstances under which a governmental entity would be required to report a liability related to pollution remediation and provides guidance on how to calculate and report the costs of obligations associated with pollution cleanup efforts.

The Sudbury Road Landfill is a City-owned and operated landfill which the DOE determined required remediation in 2008 pursuant to the Model Toxics Control Act (MTCA). The City entered into Agreed Order No. 8456 with the DOE in 2011 and completed a remedial investigation/feasibility study. In 2015, the DOE prepared a Cleanup Action Plan (CAP) that describes the activities required to implement the selected remedy. The requirements of the CAP were incorporated into Consent Decree 15-2-00536-8 (Decree) in August 2015. The remedy was constructed in 2016. Operation of the remediation systems, long-term monitoring, and reporting will be conducted until specific cleanup levels in groundwater are achieved. At a minimum, the remediation will extend through 2023.

Two Toxic Cleanup Remedial Action Grants have been received from the DOE. The grants provided a 75% state-funded grant share with a 25% recipient contribution to cover remediation costs. Agreement No. TCPRA-2014-WalWal-00009 dated January 1, 2014, provided grant funding for the Remedial Investigation and Feasibility Study. Agreement No. TCPRA-2015-WalWal-00050 provided additional funds for the remedy design, construction, monitoring, and reporting activities that are required under the Decree. The second grant bridged the funding through June 30, 2019. The City's financial liability has been further reduced by insurance coverage reimbursement payments.

The post-remediation liability was calculated for financial assurance purposes in accordance with the MTCA grant. This liability is based on a planning-level cost estimate to complete the cleanup action on a ten-year post-remediation scenario. Costs in the calculation include anticipated post-remediation monitoring, annual inspections, and payments to the DOE.

Pursuant to GASB Statement 49, the City is reporting \$149,673 in current liability and \$2,002,437 in long-term liability in its landfill fund for its estimated post-remediation liability. The obligation is an estimate subject to changes resulting from price increases or reductions, technology, DOE requirements, or laws and regulations. In 2023, the DOE required that the City reserve \$552,763 in a financial assurance account to cover monitoring expenditures if the City cannot complete the cleanup using City funds.

The TWL is a closed, formerly permitted municipal waste landfill that was operated by the City between the 1940s and 1970s. On May 30, 2013, the City received an Early Notice from DOE for its TWL property. The DOE subsequently decided the TWL property will be added to the Confirmed and Suspected Contaminated Sites database and that a Site Hazard Assessment will be conducted. At this time, the associated pollution remediation liability, if any, cannot be reasonably estimated. The City continues to monitor the potential for off-site migration of landfill gas. No significant landfill gas has been detected off-property to date.

The IIWL/Burdine property was formerly privately held property that, according to available records, appears to have had a history of sand and gravel mining and subsequent solid and inert waste disposal. It is adjacent to the City's closed TWL, and is located at 2740 East Isaacs Avenue, Walla Walla, Washington. The City purchased the property in 1999 to resolve a garbage trespass claim and maintains ownership today. On February 4, 2004, the City received an Early Notice letter from DOE for the IIWL/Burdine property stating that contaminated soil was reportedly

found on the IIWL/Burdine property. Remedial studies were performed, and the City was granted an inert landfill permit for the IIWL/Burdine property in 2006, requiring the City to perform groundwater monitoring in 2006 through 2007.

In 2012 the City received a \$200,000 Integrated Planning Grant from DOE to study whether the IIWL/Burdine property could be redeveloped as a brownfield development. The study looked at three options, two development scenarios and one scenario to cap and close the IIWL/Burdine property. In 2021, the City closed the site with the DOE and the Department of Health. At this time, it is not anticipated that there will be a requirement for remediation of the site.

As part of its budget process, the City reviews the remediation cost estimate from the landfill consultant and adjusts the liability to account for any needed adjustments based upon inflation, changes in technology, and/or changes in regulations. The total remediation cost is an estimate subject to change resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

NOTE 18 – CONTINGENCIES AND LITIGATIONS

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

A. Litigation

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

B. Contingent Liability

As discussed in Long-Term Debt Note number nine, the city is contingently liable for repayment of refunded debt.

The City has received several Federal and State grants for specific purposes. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. City of Walla Walla management believes that such disallowances, if any, will be immaterial.

C. Pollution Remediation

Please see Note 17, regarding pollution remediation obligations for the City.

NOTE 19- Tax Abatement

Under the provisions of the Preservation Tax Exemption program (RCW 84.14), the City has taken advantage of the option to provide targeted property tax exemption to existing property owners who agree to restrict rents and provide income eligibility for a portion of the units within their properties. This program aims to incentivize the creation of affordable and improved housing quality and prevent displacement for citizens in the most need. The City has a comprehensive program with specific project eligibility and exemption duration parameters.

The City Council passed Ordinance 2005-11 on June 8, 2005, establishing eligibility criteria which include, at a minimum, the property must be in the downtown area according to Municipal Code 20.06.030 and must include affordable housing to low-income households for 10% of the multi-units available for rent. The maximum length of the property tax exemption is 10 years. If the property meets the eligibility criteria and the owner continues to fulfill affordable housing requirements, the property will receive a property tax exemption on the appraised value of improvements, regardless of assessed valuation. This exemption is not extended to the appraised value of land or non-eligible improvements on the same parcel. The tax abatement did not result in a reduction or loss of revenue to the City because, according to Washington State law, these taxes were reallocated to other property taxpayers.

As of December 31, 2023, the City’s projects that are currently subject to property and use tax abatement and the total are as follows:

Tax Abatement Program	Property Tax Abated 12/31/2023
Property Tax Exemption for Affordable Multi-Family Housing	\$40,087

NOTE 20- SUBSEQUENT EVENTS

The police guild contract expired on December 31, 2021. At the fiscal year-end of December 31, 2023, the new contract was still being negotiated. The City has a no-strike clause in the contract, and police guild employees were paid the last negotiated amount. The City included an estimate of salary and benefit expenses in the 2023 financial statements based on the terms provided during the ongoing negotiations. The contract was settled on April 1, 2024, and the City paid the current and former PD Guild members their retro payments in April 2024.

The 2023 Financial Statement includes an estimate for the 4.5% salary increase on the 2023 actual salaries and benefits paid.

In January of 2024, a fire engineer passed away while on shift at Fire Station 1. The City may be liable for future benefit and pension payment to his family.

Required Supplemental Information



REQUIRED SUPPLEMENTAL INFORMATION

This part of the City of Walla Walla's comprehensive annual financial report presents other information as required.

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City of Walla Walla
Schedule of Proportionate Share of the Net Pension Liability
PERS 1
As of June 30, 2023
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.089277%	0.090794%	0.095589%	0.094548%	0.097637%	0.096921%	0.095323%	0.094658%	0.092117%
Employer's proportionate share of the net pension liability (asset)	\$ 2,037,955	\$ 2,528,038	\$ 1,167,365	\$ 3,338,055	\$ 3,754,489	\$ 4,328,525	\$ 4,523,151	\$ 5,083,581	\$ 4,818,576
TOTAL	\$ 2,037,955	\$ 2,528,038	\$ 1,167,365	\$ 3,338,055	\$ 3,754,489	\$ 4,328,525	\$ 4,523,151	\$ 5,083,581	\$ 4,818,576
Covered payroll	\$ 15,753,548	\$ 14,861,825	\$ 14,227,862	\$ 14,092,049	\$ 13,529,785	\$ 12,755,063	\$ 11,870,367	\$ 11,277,102	\$ 10,430,823
Employer's proportionate share of the net pension liability as a percentage of covered payroll	12.94%	17.01%	8.20%	23.69%	27.75%	33.94%	38.10%	45.08%	46.20%
Plan fiduciary net position as a percentage of the total pension liability	80.16%	76.56%	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%

PERS 2/3
As of June 30, 2023
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.112289%	0.115309%	0.120159%	0.119545%	0.123261%	0.120879%	0.119835%	0.118477%	0.116406%
Employer's proportionate share of the net pension liability (asset)	\$ (4,602,370)	\$ (4,276,558)	\$ (11,969,770)	\$ 1,528,912	\$ 1,197,283	\$ 2,063,901	\$ 4,163,693	\$ 5,965,223	\$ 4,159,253
TOTAL	\$ (4,602,370)	\$ (4,276,558)	\$ (11,969,770)	\$ 1,528,912	\$ 1,197,283	\$ 2,063,901	\$ 4,163,693	\$ 5,965,223	\$ 4,159,253
Covered payroll	\$ 15,604,463	\$ 14,730,822	\$ 14,099,700	\$ 13,963,413	\$ 13,403,446	\$ 12,632,163	\$ 11,752,101	\$ 11,168,410	\$ 10,329,845
Employer's proportionate share of the net pension liability as a percentage of covered payroll	-29.49%	-29.03%	-84.89%	10.95%	8.93%	16.34%	35.43%	53.41%	40.26%
Plan fiduciary net position as a percentage of the total pension liability	107.02%	106.73%	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%

City of Walla Walla
Schedule of Proportionate Share of the Net Pension Liability
LEOFF 1
As of June 30, 2023
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.094126%	0.099446%	0.099969%	0.101817%	0.102666%	0.102813%	0.101943%	0.104522%	0.105656%
Employer's proportionate share of the net pension liability (asset)	\$ (2,793,682)	\$ (2,852,721)	\$ (3,424,507)	\$ (1,922,823)	\$ (2,029,307)	\$ (1,866,572)	\$ (1,546,700)	\$ (1,076,875)	\$ (1,273,388)
State's proportionate share of the net pension liability (asset) associated with the employer	\$ (18,896,397)	\$ (19,295,733)	\$ (23,163,280)	\$ (13,005,928)	\$ (13,726,185)	\$ (12,625,447)	\$ (10,461,838)	\$ (7,283,959)	\$ (8,613,165)
TOTAL	\$ (21,690,079)	\$ (22,148,454)	\$ (26,587,787)	\$ (14,928,751)	\$ (15,755,492)	\$ (14,492,019)	\$ (12,008,538)	\$ (8,360,834)	\$ (9,886,553)
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's proportionate share of the net pension liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	175.99%	169.62%	187.45%	146.88%	148.78%	144.42%	135.96%	123.74%	127.36%

LEOFF 2
As of June 30, 2023
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.244262%	0.260195%	0.261191%	0.256457%	0.269990%	0.276442%	0.303723%	0.273693%	0.277581%
Employer's proportionate share of the net pension liability (asset)	\$ (5,858,863)	\$ (7,071,314)	\$ (15,171,055)	\$ (5,231,348)	\$ (6,254,839)	\$ (5,612,375)	\$ (4,214,691)	\$ (1,591,881)	\$ (2,852,978)
State's proportionate share of the net pension liability (asset) associated with the employer	\$ (3,741,410)	\$ (4,580,643)	\$ (9,786,986)	\$ (3,345,051)	\$ (4,096,082)	\$ (3,633,907)	\$ (2,733,991)	\$ (1,037,790)	\$ (137,841)
TOTAL	\$ (9,600,273)	\$ (11,651,958)	\$ (24,958,041)	\$ (8,576,399)	\$ (10,350,921)	\$ (9,246,282)	\$ (6,948,682)	\$ (2,629,671)	\$ (2,990,819)
Covered payroll	\$ 10,782,514	\$ 10,621,970	\$ 10,067,025	\$ 9,714,997	\$ 9,426,922	\$ 9,139,727	\$ 9,503,747	\$ 8,291,300	\$ 8,056,482
Employer's proportionate share of the net pension liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	113.17%	116.09%	142.00%	115.83%	119.43%	118.50%	113.36%	106.04%	111.67%

City of Walla Walla
Schedule of Employer Contributions
PERS 1
As of December 31, 2023
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	\$ 552,296	\$ 581,491	\$ 631,853	\$ 682,828	\$ 700,787	\$ 675,228	\$ 611,015	\$ 555,681	\$ 480,611	\$ 404,980
Contributions in relation to the statutorily or contractually required contributions	\$ (552,296)	\$ (581,491)	\$ (631,853)	\$ (682,828)	\$ (700,787)	\$ (675,228)	\$ (611,015)	\$ (555,681)	\$ (480,611)	\$ (404,980)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 16,146,007	\$ 15,266,377	\$ 14,521,020	\$ 14,068,187	\$ 13,895,819	\$ 13,174,059	\$ 12,350,656	\$ 11,501,607	\$ 11,021,440	\$ 9,894,290
Contributions as a percentage of covered payroll	3.42%	3.81%	4.35%	4.85%	5.04%	5.13%	4.95%	4.83%	4.36%	4.09%

PERS 2/3
As of December 31, 2023
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	\$ 1,021,354	\$ 962,849	\$ 1,025,843	\$ 1,104,588	\$ 1,058,819	\$ 978,142	\$ 827,402	\$ 709,084	\$ 602,117	\$ 488,418
Contributions in relation to the statutorily or contractually required contributions	\$ (1,021,354)	\$ (962,849)	\$ (1,025,843)	\$ (1,104,588)	\$ (1,058,819)	\$ (978,142)	\$ (827,402)	\$ (709,084)	\$ (602,117)	\$ (488,418)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 16,059,455	\$ 15,140,372	\$ 14,384,575	\$ 13,949,127	\$ 13,766,786	\$ 13,049,726	\$ 12,229,108	\$ 11,385,254	\$ 10,917,363	\$ 9,779,302
Contributions as a percentage of covered payroll	6.36%	6.36%	7.13%	7.92%	7.69%	7.50%	6.77%	6.23%	5.52%	4.99%

City of Walla Walla
Schedule of Employer Contributions
LEOFF 2
As of December 31, 2023
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required contributions	\$ 556,767	\$ 550,751	\$ 522,499	\$ 531,482	\$ 477,230	\$ 496,212	\$ 476,302	\$ 454,340	\$ 413,118	\$ 397,591
Contributions in relation to the statutorily or contractually required contributions	\$ (556,767)	\$ (550,751)	\$ (522,499)	\$ (531,482)	\$ (477,230)	\$ (496,212)	\$ (476,302)	\$ (454,340)	\$ (413,118)	\$ (397,591)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 10,866,837	\$ 10,748,062	\$ 10,158,238	\$ 10,289,935	\$ 9,154,391	\$ 9,394,473	\$ 9,266,556	\$ 8,995,544	\$ 8,192,390	\$ 7,873,077
Contributions as a percentage of covered payroll	5.12%	5.12%	5.14%	5.17%	5.21%	5.28%	5.14%	5.05%	5.04%	5.05%

City of Walla Walla
Notes to the Required Supplementary Information
State Sponsored Pensions

1. Until a full 10-year trend is completed, information is presented only for the years information is available.
2. For 2023, the inflation rate assumption, overall salary increase assumption, and the long term rate of return, had no changes from the previous year.
3. The total pension liability for June 30, 2023 actuarial valuation was determined using the following assumptions.

Actuarial Valuation Date: June 30, 2022
Measurement Date: June 30, 2023
Actuarial Cost Method: Entry-age normal
Asset Valuation Method: 8-year graded smoothed fair value

Assumptions

Inflation: 2.75%
Investment rate of return: 7.0%
Discount rate: 7.0%
Cost of living adjustments: CPI increase, maximum 3.0%

Salary increases were based on a 3.25% COLA rounded to the nearest penny. Mortality rates for active members, retirees, survivors, and disabled annuitants were based on Pub.H-2010 mortality rates.

City of Walla Walla
Schedule of Changes in Total Pension Liability and Related Ratios
Firemens' Pension
For the year ended December 31, 2023
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability - beginning	\$ 1,839,223	\$ 2,551,192	\$ 2,646,771	\$ 2,493,341	\$ 2,300,950	\$ 2,493,691	\$ 2,421,095	\$ 2,562,170	\$ 2,639,822
Service cost	-	-	-	-	-	-	-	-	-
Interest	66,205	49,557	51,473	65,482	89,419	84,158	87,360	86,680	89,494
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual exper	0	(426,011)	-	116,687	-	-	116,552	-	-
Changes of assumptions	65,476	(188,066)	-	165,074	235,220	(97,018)	53,390	(55,042)	-
Benefit payments, including refunds of contribu	(148,868)	(147,449)	(147,052)	(193,813)	(132,248)	(179,881)	(184,706)	(172,713)	(167,146)
Other changes	-	-	-	-	-	-	-	-	-
Net change in total pension liability	<u>(17,187)</u>	<u>(711,969)</u>	<u>(95,579)</u>	<u>153,430</u>	<u>192,391</u>	<u>(192,741)</u>	<u>72,596</u>	<u>(141,075)</u>	<u>(77,652)</u>
Total pension liability - ending	<u>\$ 1,822,036</u>	<u>\$ 1,839,223</u>	<u>\$ 2,551,192</u>	<u>\$ 2,646,771</u>	<u>\$ 2,493,341</u>	<u>\$ 2,300,950</u>	<u>\$ 2,493,691</u>	<u>\$ 2,421,095</u>	<u>\$ 2,562,170</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total pension liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

* Until a full 10-year trend is compiled, only information for those years available is presented.

* No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 68.

City of Walla Walla
Schedule of Changes in Total OPEB Liability and Related Ratios
LEOFF 1 Medical
For the Year Ended December 31, 2023
Last 10 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability - beginning	\$ 16,827,395	\$ 19,874,312	\$ 20,745,315	\$ 20,389,815	\$ 20,797,992	\$ 21,676,292
Service cost	-	-	-	-	-	-
Interest	577,794	418,334	446,525	693,927	784,605	757,571
Changes in benefit terms	-	-	-	-	-	-
Differences between experience data and	761,667	(2,445,820)	(230,415)	798,003	(134,815)	(596,534)
Benefit payments	(1,019,959)	(1,019,431)	(1,087,003)	(1,136,430)	(1,057,967)	(1,039,337)
Other changes	-	-	-	-	-	-
Total OPEB liability - ending	<u>\$ 17,146,897</u>	<u>\$ 16,827,395</u>	<u>\$ 19,874,422</u>	<u>\$ 20,745,315</u>	<u>\$ 20,389,815</u>	<u>\$ 20,797,992</u>
Covered employee payroll	-	-	-	-	-	-
Total OPEB liability as a % of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

- * Until a full 10-year trend is compiled, only information for those years available is presented.
- * No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.
- * There are not active employees participating in the City-sponsored plans, therefore, there is no covered payroll.



Combining Financial Statements



NON-MAJOR GOVERNMENTAL FUNDS

Non-major governmental funds generally account for tax-supported activities and fall into the four categories described below.

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City of Walla Walla
Combining Governmental Balance Sheet
Nonmajor Governmental Funds
Summary by Fund Type
December 31, 2023

	Capital Projects Funds	Debt Service Funds	Permanent Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS					
Cash and equivalents	\$ 6,475,530	\$ 542,512	\$ 30,835	\$ 4,036,740	\$ 11,085,617
Restricted cash and equivalents	-	-	-	151,419	151,419
Investments	1,175,000	-	-	-	1,175,000
Taxes receivables	317,730	36,466	-	160,942	515,137
Other receivables	4,747	4,618	-	194,391	203,756
Due from other governments	521,953	-	-	177,427	699,380
Prepays	-	-	-	5,418	5,418
Opioid receivable	-	-	-	599,163	599,163
Total assets	<u>8,494,960</u>	<u>583,596</u>	<u>30,835</u>	<u>5,325,500</u>	<u>14,434,891</u>
LIABILITIES					
Accounts payable	\$ 950,655	\$ -	\$ -	\$ 282,711	\$ 1,233,366
Retainage payable	279,115	-	-	-	279,115
Other accrued liabilities	-	-	-	70,487	70,487
Interfund loans payable	-	-	-	283,657	283,657
Unearned revenue	844,896	-	-	27,965	872,861
Total liabilities	<u>2,074,666</u>	<u>-</u>	<u>-</u>	<u>664,820</u>	<u>2,739,486</u>
DEFERRED INFLOWS OF RESOURCES					
Opioid settlement	\$ -	\$ -	\$ -	\$ 599,163	\$ 599,163
Property taxes	-	36,466	-	-	36,466
Total deferred inflows of resources	<u>-</u>	<u>36,466</u>	<u>-</u>	<u>599,163</u>	<u>635,629</u>
Total liabilities and deferred inflows of resources	<u>2,074,666</u>	<u>36,466</u>	<u>-</u>	<u>1,263,983</u>	<u>3,375,115</u>
FUND BALANCES (DEFICITS)					
Nonspendable	\$ -	\$ -	\$ 16,545	\$ -	\$ 16,545
Restricted	4,452,999	544,896	14,290	2,026,648	7,038,833
Committed	1,967,295	2,234	-	2,034,869	4,004,399
Total fund balances (deficits)	<u>\$ 6,420,294</u>	<u>\$ 547,130</u>	<u>\$ 30,835</u>	<u>\$ 4,061,517</u>	<u>\$ 11,059,776</u>
Total liabilities and fund balances (deficits)	<u>\$ 8,494,960</u>	<u>\$ 583,596</u>	<u>\$ 30,835</u>	<u>\$ 5,325,500</u>	<u>\$ 14,434,891</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Summary by Fund Type
For the Fiscal Year Ended December 31, 2023

	Capital Projects Funds	Debt Service Funds	Permanent Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES					
Taxes	\$ 1,926,745	\$ 1,431,112	\$ -	\$ 1,983,039	\$ 5,340,895
Licenses and permits	-	-	-	270,087	270,087
Intergovernmental	2,376,593	-	-	1,463,857	3,840,450
Charges for goods and services	-	-	-	659,261	659,261
Fines and forfeitures	-	-	-	59,798	59,798
Investment earnings	137,265	53,389	1,414	107,841	299,910
Miscellaneous	95,800	-	-	6,484	102,284
Capital contributions	125,331	-	-	-	125,331
Total revenues	<u>4,661,734</u>	<u>1,484,501</u>	<u>1,414</u>	<u>4,550,366</u>	<u>10,698,015</u>
EXPENDITURES					
Current:					
Public safety	-	-	-	243,534	243,534
Transportation	856,314	-	-	3,358,572	4,214,886
Economic development	-	-	-	1,928,679	1,928,679
Social services	-	-	-	6,325	6,325
Culture and rec	14,573	-	-	-	14,573
Debt service:					
Principal	-	1,700,002	-	7,289	1,707,292
Interest and service costs	-	323,184	-	3,998	327,182
Capital outlay:					
General government	1,332,209	-	-	-	1,332,209
Public safety	-	-	-	21,458	21,458
Transportation	5,395,992	-	-	31,181	5,427,173
Social services	74,437	-	-	-	74,437
Culture and rec	3,669,419	-	-	-	3,669,419
Total expenditures	<u>11,342,944</u>	<u>2,023,187</u>	<u>-</u>	<u>5,601,036</u>	<u>18,967,166</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,681,210)</u>	<u>(538,685)</u>	<u>1,414</u>	<u>(1,050,670)</u>	<u>(8,269,151)</u>
OTHER FINANCING SOURCES (USES)					
SBITA	-	-	-	11,689	11,689
Proceeds from the sale of capital	-	-	-	10,000	10,000
Transfers in	6,863,690	436,330	-	2,003,693	9,303,713
Transfers out	(1,066,603)	-	-	(917,840)	(1,984,443)
Total other financing sources (uses)	<u>5,797,087</u>	<u>436,330</u>	<u>-</u>	<u>1,107,543</u>	<u>7,340,960</u>
Net change in fund balances	<u>(884,123)</u>	<u>(102,356)</u>	<u>1,414</u>	<u>56,873</u>	<u>(928,191)</u>
Fund balances - beginning	<u>7,304,417</u>	<u>649,486</u>	<u>29,421</u>	<u>4,004,644</u>	<u>11,987,968</u>
Fund balances - ending	<u>\$ 6,420,294</u>	<u>\$ 547,130</u>	<u>\$ 30,835</u>	<u>\$ 4,061,517</u>	<u>\$ 11,059,777</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023

	Opioid Settlement	Streets	REET	Housing	Lodging Tax	Tourism Promotion	Drug & Forfeitures	Code Enforcement	Total Nonmajor Special Revenue Funds
ASSETS									
Cash and equivalents	\$ -	\$ 1,901,513	\$ 876,574	\$ 17,541	\$ 694,554	\$ 28,401	\$ 287,595	\$ 230,563	\$ 4,036,740
Restricted cash and equivalents	69,778	-	-	-	-	-	81,642	-	151,419
Taxes receivables	-	-	30,478	-	130,464	-	-	-	160,942
Other receivables	-	149,898	-	-	-	40,077	-	4,417	194,391
Due from other governments	-	123,464	-	-	-	-	53,963	-	177,427
Prepays	-	-	-	-	-	-	5,418	-	5,418
Opioid receivable	599,163	-	-	-	-	-	-	-	599,163
Total assets	<u>668,941</u>	<u>2,174,874</u>	<u>907,051</u>	<u>17,541</u>	<u>825,018</u>	<u>68,478</u>	<u>428,618</u>	<u>234,979</u>	<u>5,325,500</u>
LIABILITIES									
Accounts payable	\$ -	\$ 37,561	\$ -	\$ -	\$ 160,492	\$ 68,478	\$ 15,360	\$ 820	\$ 282,711
Other accrued liabilities	-	70,487	-	-	-	-	-	-	70,487
Interfund loans payable	-	283,657	-	-	-	-	-	-	283,657
Unearned revenue	-	-	-	-	-	-	27,965	-	27,965
Total liabilities	<u>-</u>	<u>391,705</u>	<u>-</u>	<u>-</u>	<u>160,492</u>	<u>68,478</u>	<u>43,325</u>	<u>820</u>	<u>664,820</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	\$ 599,163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 599,163
Total deferred inflows of resources	<u>599,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>599,163</u>
Total liabilities and deferred inflows of resources	<u>599,163</u>	<u>391,705</u>	<u>-</u>	<u>-</u>	<u>160,492</u>	<u>68,478</u>	<u>43,325</u>	<u>820</u>	<u>1,263,983</u>
FUND BALANCES (DEFICITS)									
Restricted	\$ 69,778	\$ -	\$ 907,051	\$ -	\$ 664,526	\$ -	\$ 385,293	\$ -	\$ 2,026,648
Committed	-	1,783,169	-	17,541	-	-	-	234,159	2,034,869
Total fund balances (deficits)	<u>\$ 69,778</u>	<u>\$ 1,783,169</u>	<u>\$ 907,051</u>	<u>\$ 17,541</u>	<u>\$ 664,526</u>	<u>\$ -</u>	<u>\$ 385,293</u>	<u>\$ 234,159</u>	<u>\$ 4,061,517</u>
Total liabilities and fund balances (deficits)	<u>\$ 668,941</u>	<u>\$ 2,174,874</u>	<u>\$ 907,051</u>	<u>\$ 17,541</u>	<u>\$ 825,018</u>	<u>\$ 68,478</u>	<u>\$ 428,618</u>	<u>\$ 234,979</u>	<u>\$ 5,325,500</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2023

	Opioid Settlement	Streets	REET	Housing	Lodging Tax	Tourism Promotion	Drug & Forfeitures	Code Enforcement	Total Nonmajor Special Revenue Funds
REVENUES									
Taxes	\$ -	\$ -	\$ 694,522	\$ -	\$ 1,288,517	\$ -	\$ -	\$ -	\$ 1,983,039
Licenses and permits	-	270,087	-	-	-	-	-	-	270,087
Intergovernmental	-	1,235,901	-	-	-	-	227,956	-	1,463,857
Charges for goods and services	-	314,603	-	-	-	344,658	-	-	659,261
Fines and forfeitures	51,568	-	-	-	-	-	3,730	4,500	59,798
Investment earnings (loss)	-	(242)	49,325	815	33,114	-	14,190	10,639	107,841
Miscellaneous	-	4,437	-	-	-	1,028	1,018	-	6,484
Total revenues	<u>51,568</u>	<u>1,824,785</u>	<u>743,847</u>	<u>815</u>	<u>1,321,632</u>	<u>345,687</u>	<u>246,894</u>	<u>15,139</u>	<u>4,550,366</u>
EXPENDITURES									
Current:									
Public safety	-	-	-	-	-	-	240,367	3,168	243,534
Transportation	-	3,358,572	-	-	-	-	-	-	3,358,572
Economic development	-	-	-	850	1,582,142	345,687	-	-	1,928,679
Social services	6,325	-	-	-	-	-	-	-	6,325
Debt service:									
Principal	-	7,289	-	-	-	-	-	-	7,289
Interest and service costs	-	3,998	-	-	-	-	-	-	3,998
Capital outlay:									
Public safety	-	-	-	-	-	-	21,458	-	21,458
Transportation	-	31,181	-	-	-	-	-	-	31,181
Total expenditures	<u>6,325</u>	<u>3,401,040</u>	<u>-</u>	<u>850</u>	<u>1,582,142</u>	<u>345,687</u>	<u>261,825</u>	<u>3,168</u>	<u>5,601,036</u>
Excess (deficiency) of revenues over (under) expenditure	<u>45,244</u>	<u>(1,576,256)</u>	<u>743,847</u>	<u>(35)</u>	<u>(260,510)</u>	<u>-</u>	<u>(14,930)</u>	<u>11,971</u>	<u>(1,050,670)</u>
OTHER FINANCING SOURCES (USES)									
SBITA	-	11,689	-	-	-	-	-	-	11,689
Proceeds from the sale of capital	-	10,000	-	-	-	-	-	-	10,000
Transfers in	24,534	1,979,159	-	-	-	-	-	-	2,003,693
Transfers out	-	(29,200)	(888,640)	-	-	-	-	-	(917,840)
Total other financing sources (uses)	<u>24,534</u>	<u>1,971,649</u>	<u>(888,640)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,107,543</u>
Net change in fund balances	69,778	395,393	(144,793)	(35)	(260,510)	-	(14,930)	11,971	56,873
Fund balances - beginning	-	1,387,776	1,051,845	17,576	925,036	-	400,223	222,188	4,004,644
Fund balances - ending	<u>\$ 69,778</u>	<u>\$ 1,783,169</u>	<u>\$ 907,051</u>	<u>\$ 17,541</u>	<u>\$ 664,526</u>	<u>\$ -</u>	<u>\$ 385,293</u>	<u>\$ 234,159</u>	<u>\$ 4,061,517</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2023

	LTGO General Bond	UTGO Fire Station Bond	UTGO Police Station Bond	UGTO Memorial Pool Bond	Total Nonmajor Debt Service Funds
ASSETS					
Cash and equivalents	\$ 2,234	\$ 36,878	\$ 352,109	\$ 151,291	\$ 542,512
Taxes receivables	-	5,909	19,772	10,784	36,466
Other receivables	-	606	2,600	1,412	4,618
Total assets	<u>2,234</u>	<u>43,393</u>	<u>374,481</u>	<u>163,487</u>	<u>583,596</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes	\$ -	\$ 5,909	\$ 19,772	\$ 10,784	\$ 36,466
Total deferred inflows of resources	<u>-</u>	<u>5,909</u>	<u>19,772</u>	<u>10,784</u>	<u>36,466</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>5,909</u>	<u>19,772</u>	<u>10,784</u>	<u>36,466</u>
FUND BALANCES (DEFICITS)					
Restricted	\$ -	\$ 37,484	\$ 354,709	\$ 152,703	\$ 544,896
Committed	2,234	-	-	-	2,234
Total fund balances (deficits)	<u>\$ 2,234</u>	<u>\$ 37,484</u>	<u>\$ 354,709</u>	<u>\$ 152,703</u>	<u>\$ 547,130</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,234</u>	<u>\$ 43,393</u>	<u>\$ 374,481</u>	<u>\$ 163,487</u>	<u>\$ 583,596</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Fiscal Year Ended December 31, 2023

	LTGO General Bond	UTGO Fire Station Bond	UTGO Police Station Bond	UGTO Memorial Pool Bond	Total Nonmajor Debt Service Funds
REVENUES					
Taxes	\$ -	\$ 200,724	\$ 796,010	\$ 434,379	\$ 1,431,112
Investment earnings	-	10,951	30,006	12,433	53,389
Total revenues	<u>-</u>	<u>211,674</u>	<u>826,016</u>	<u>446,811</u>	<u>1,484,501</u>
EXPENDITURES					
Debt service:					
Principal	415,002	330,000	670,000	285,000	1,700,002
Interest and service costs	21,584	9,060	161,300	131,240	323,184
Total expenditures	<u>436,586</u>	<u>339,060</u>	<u>831,300</u>	<u>416,240</u>	<u>2,023,187</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(436,586)</u>	<u>(127,386)</u>	<u>(5,284)</u>	<u>30,571</u>	<u>(538,685)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	436,330	-	-	-	436,330
Total other financing sources (uses)	<u>436,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>436,330</u>
Net change in fund balances	(257)	(127,386)	(5,284)	30,571	(102,356)
Fund balances - beginning	2,491	164,869	359,994	122,132	649,486
Fund balances - ending	<u>\$ 2,234</u>	<u>\$ 37,484</u>	<u>\$ 354,709</u>	<u>\$ 152,703</u>	<u>\$ 547,130</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2023

	<u>General Construction</u>	<u>Street Construction</u>	<u>TBD Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS				
Cash and equivalents	\$ 1,363,062	\$ 2,532,352	\$ 2,580,116	\$ 6,475,530
Investments	-	-	1,175,000	1,175,000
Taxes receivables	-	-	317,730	317,730
Other receivables	-	-	4,747	4,747
Due from other governments	200,000	321,953	-	521,953
Total assets	<u>1,563,062</u>	<u>2,854,305</u>	<u>4,077,593</u>	<u>8,494,960</u>
LIABILITIES				
Accounts payable	\$ 447,326	\$ 419,467	\$ 83,862	\$ 950,655
Retainage payable	107,360	125,177	46,578	279,115
Unearned revenue	544,896	300,000	-	844,896
Total liabilities	<u>1,099,582</u>	<u>844,645</u>	<u>130,440</u>	<u>2,074,666</u>
Total liabilities and deferred inflows of resources	<u>1,099,582</u>	<u>844,645</u>	<u>130,440</u>	<u>2,074,666</u>
FUND BALANCES (DEFICITS)				
Restricted	\$ -	\$ 505,845	\$ 3,947,154	\$ 4,452,999
Committed	463,480	1,503,815	-	1,967,295
Total fund balances (deficits)	<u>\$ 463,480</u>	<u>\$ 2,009,660</u>	<u>\$ 3,947,154</u>	<u>\$ 6,420,294</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,563,062</u>	<u>\$ 2,854,305</u>	<u>\$ 4,077,593</u>	<u>\$ 8,494,960</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended December 31, 2023

	General Construction	Street Construction	TBD Construction	Total Nonmajor Capital Projects Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 1,926,745	\$ 1,926,745
Intergovernmental	1,683,885	692,708	-	2,376,593
Investment earnings	-	-	137,265	137,265
Miscellaneous	95,800	-	-	95,800
Capital contributions	-	125,331	-	125,331
Total revenues	<u>1,779,685</u>	<u>818,039</u>	<u>2,064,010</u>	<u>4,661,734</u>
EXPENDITURES				
Current:				
Transportation	-	288,382	567,933	856,314
Culture and rec	14,573	-	-	14,573
Capital outlay:				
General government	1,332,209	-	-	1,332,209
Transportation	-	4,809,252	586,740	5,395,992
Social services	74,437	-	-	74,437
Culture and rec	3,669,419	-	-	3,669,419
Total expenditures	<u>5,090,638</u>	<u>5,097,634</u>	<u>1,154,672</u>	<u>11,342,944</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,310,953)</u>	<u>(4,279,595)</u>	<u>909,337</u>	<u>(6,681,210)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,381,490	5,482,200	-	6,863,690
Transfers out	-	(429,482)	(637,121)	(1,066,603)
Total other financing sources (uses)	<u>1,381,490</u>	<u>5,052,718</u>	<u>(637,121)</u>	<u>5,797,087</u>
Net change in fund balances	(1,929,463)	773,124	272,216	(884,123)
Fund balances - beginning	2,392,943	1,236,537	3,674,938	7,304,418
Fund balances - ending	<u>\$ 463,480</u>	<u>\$ 2,009,660</u>	<u>\$ 3,947,154</u>	<u>\$ 6,420,294</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Combining Balance Sheet
Nonmajor Permanent Funds
December 31, 2023

	<u>Esther Eyrud Trust</u>	<u>Sherwood Library Trust</u>	<u>Total Nonmajor Permanent Funds</u>
ASSETS			
Cash and equivalents	\$ 14,689	\$ 16,147	\$ 30,836
Total assets	<u>14,689</u>	<u>16,147</u>	<u>30,836</u>
FUND BALANCES (DEFICITS)			
Nonspendable	\$ 3,000	\$ 13,545	\$ 16,545
Restricted	11,689	2,602	14,290
Total fund balances (deficits)	<u>\$ 14,689</u>	<u>\$ 16,147</u>	<u>\$ 30,835</u>
 Total liabilities and fund balances (deficits)	 <u>\$ 14,689</u>	 <u>\$ 16,147</u>	 <u>\$ 30,835</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
For the Fiscal Year Ended December 31, 2023

	Esther Eyrud Trust	Sherwood Library Trust	Total Nonmajor Permanent Funds
REVENUES			
Investment earnings	\$ 674	\$ 741	\$ 1,414
Total revenues	<u>674</u>	<u>741</u>	<u>1,414</u>
Excess (deficiency) of revenues over (under) expenditures	<u>674</u>	<u>741</u>	<u>1,414</u>
Net change in fund balances	674	741	1,414
Fund balances - beginning	14,015	15,406	29,421
Fund balances - ending	<u>\$ 14,689</u>	<u>\$ 16,147</u>	<u>\$ 30,835</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Street Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2023

	Budgeted Amounts		Actuals	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Licenses and permits	\$ 590,600	\$ 573,600	\$ 270,090	\$ (303,510)
Intergovernmental revenues	2,743,900	2,696,900	1,235,900	(1,461,000)
Charges for goods and services	393,000	458,340	314,600	(143,740)
Miscellaneous revenues	2,000	6,410	4,200	(2,210)
Total revenues	<u>3,729,500</u>	<u>3,735,250</u>	<u>1,824,790</u>	<u>(1,910,460)</u>
EXPENDITURES				
Current:				
Transportation	7,685,750	7,420,160	3,358,570	(4,061,590)
Debt service:				
Interest	7,580	7,580	4,000	(3,580)
Principal retirement	77,580	77,580	7,290	(70,290)
Capital Outlay:				
Transportation	17,000	17,000	31,180	14,180
Total expenditures	<u>7,787,910</u>	<u>7,522,320</u>	<u>3,401,040</u>	<u>(4,135,460)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,058,410)</u>	<u>(3,787,070)</u>	<u>(1,576,250)</u>	<u>2,225,000</u>
OTHER FINANCING SOURCES (USES)				
SBITA			11,690	
Transfers in	3,638,120	3,820,050	1,979,160	(1,840,890)
Transfers out	(140,000)	(99,200)	(29,200)	70,000
Gain(loss) on disposal of capital	25,000	25,000	10,000	(15,000)
Total other financing sources and uses	<u>3,523,120</u>	<u>3,745,850</u>	<u>1,971,650</u>	<u>(1,785,890)</u>
Net change in fund balances	(535,290)	(41,220)	395,400	439,110
Fund balances - beginning	<u>1,387,780</u>	<u>1,387,780</u>	<u>1,387,780</u>	<u>-</u>
Fund balances - ending	<u>\$ 852,490</u>	<u>\$ 1,346,560</u>	<u>1,783,180</u>	<u>\$ 439,110</u>
			Interfund loan adjustment	77,580
			Ending fund balance	<u>\$ 1,860,760</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Real Estate Excise Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2023

	Budgeted Amounts		Actuals	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 1,180,980	\$ 1,300,980	\$ 694,520	\$ (606,460)
Miscellaneous revenues	20,000	83,000	49,330	(33,670)
Total revenues	<u>1,200,980</u>	<u>1,383,980</u>	<u>743,850</u>	<u>(640,130)</u>
EXPENDITURES				
Current:				
Transportation	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,200,980</u>	<u>1,383,980</u>	<u>743,850</u>	<u>(640,130)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,820,000)</u>	<u>(1,008,640)</u>	<u>(888,640)</u>	<u>120,000</u>
Total other financing sources and uses	<u>(1,820,000)</u>	<u>(1,008,640)</u>	<u>(888,640)</u>	<u>120,000</u>
Net change in fund balances	(619,020)	375,340	(144,790)	(520,130)
Fund balances - beginning	<u>1,051,840</u>	<u>1,051,840</u>	<u>1,051,840</u>	<u>-</u>
Fund balances - ending	<u>\$ 432,820</u>	<u>\$ 1,427,180</u>	<u>\$ 907,050</u>	<u>\$ (520,130)</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Housing Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2023

	Budgeted Amounts		Actuals	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Miscellaneous revenues	\$ 400	\$ 400	\$ 810	\$ 410
Total revenues	400	400	810	410
EXPENDITURES				
Current:				
Economic development	-	2,500	850	(1,650)
Total expenditures	-	2,500	850	(1,650)
Excess (deficiency) of revenues over (under) expenditures	400	(2,100)	(40)	2,060
OTHER FINANCING SOURCES (USES)				
Total other financing sources and uses	-	-	-	-
Net change in fund balances	400	(2,100)	(40)	2,060
Fund balances - beginning	17,580	17,580	17,580	-
Fund balances - ending	\$ 17,980	\$ 15,480	\$ 17,540	\$ 2,060

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2023

	Budgeted Amounts		Actuals	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 2,700,000	\$ 2,497,500	\$ 1,288,520	\$ (1,208,980)
Miscellaneous revenues	3,000	34,000	33,110	(890)
Total revenues	<u>2,703,000</u>	<u>2,531,500</u>	<u>1,321,630</u>	<u>(1,209,870)</u>
EXPENDITURES				
Current:				
Economic development	<u>2,430,000</u>	<u>3,006,500</u>	<u>1,582,140</u>	<u>(1,424,360)</u>
Total expenditures	<u>2,430,000</u>	<u>3,006,500</u>	<u>1,582,140</u>	<u>(1,424,360)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>273,000</u>	<u>(475,000)</u>	<u>(260,510)</u>	<u>214,490</u>
Net change in fund balances	273,000	(475,000)	(260,510)	214,490
Fund balances - beginning	<u>925,040</u>	<u>925,040</u>	<u>925,040</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,198,040</u>	<u>\$ 450,040</u>	<u>\$ 664,530</u>	<u>\$ 214,490</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Tourism Promotion Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2023

	Budgeted Amounts		Actuals	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Charges for goods and services	\$ 765,000	\$ 765,000	\$ 344,660	\$ (420,340)
Miscellaneous revenues	350	350	1,030	680
Total revenues	<u>765,350</u>	<u>765,350</u>	<u>345,690</u>	<u>(419,660)</u>
EXPENDITURES				
Current:				
Economic development	<u>765,350</u>	<u>765,350</u>	<u>345,690</u>	<u>(419,660)</u>
Total expenditures	<u>765,350</u>	<u>765,350</u>	<u>345,690</u>	<u>(419,660)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Drug Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2023

	Budgeted Amounts		Actuals	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ 200,000	\$ 211,690	\$ 11,690
Miscellaneous revenues	34,160	221,300	253,790	32,490
Total revenues	<u>34,160</u>	<u>421,300</u>	<u>465,480</u>	<u>44,180</u>
EXPENDITURES				
Current:				
Public safety	61,500	374,880	325,350	(49,530)
Capital Outlay:				
Public safety	20,000	48,950	47,080	(1,870)
Total expenditures	<u>81,500</u>	<u>423,830</u>	<u>372,430</u>	<u>(51,400)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(47,340)</u>	<u>(2,530)</u>	<u>93,050</u>	<u>95,580</u>
Net change in fund balances	(47,340)	(2,530)	93,050	95,580
Fund balances - beginning	<u>307,180</u>	<u>307,180</u>	<u>307,180</u>	<u>-</u>
Fund balances - ending	<u>\$ 259,840</u>	<u>\$ 304,650</u>	<u>\$ 400,230</u>	<u>\$ 95,580</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Code Enforcement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2023

	Budgeted Amounts		Actuals	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Fines and penalties	\$ -	\$ -	\$ 4,500	\$ (4,500)
Miscellaneous revenues	2,200	9,200	10,640	1,440
Total revenues	<u>2,200</u>	<u>9,200</u>	<u>15,140</u>	<u>1,440</u>
EXPENDITURES				
Current:				
Public safety	-	5,530	3,170	(2,360)
Total expenditures	<u>-</u>	<u>5,530</u>	<u>3,170</u>	<u>(2,360)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,200</u>	<u>3,670</u>	<u>11,970</u>	<u>3,800</u>
Net change in fund balances	2,200	3,670	11,970	3,800
Fund balances - beginning	<u>222,190</u>	<u>222,190</u>	<u>222,190</u>	<u>-</u>
Fund balances - ending	<u>\$ 224,390</u>	<u>\$ 225,860</u>	<u>\$ 234,160</u>	<u>\$ 3,800</u>

Figures are rounded to the nearest ten dollars.

NON-MAJOR ENTERPRISE FUNDS

Non-major proprietary funds focus on cost recovery and fall into the two categories described below.

CONTENTS

Enterprise Funds

Enterprise funds account for the financing of goods or services for which a fee is charged to external users for use of those goods and services.

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Internal Service Funds

Internal service funds report an activity which provides goods or services to other funds, departments, or agencies of the City and its component units, or to other governments, on a cost-reimbursement basis.

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City of Walla Walla
Combining Statement of Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2023

	Golf Course	Stormwater	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Cash and equivalents	\$ 148,541	\$ 2,036,339	\$ 2,184,880
Restricted assets customer deposits	-	43,560	43,560
Investments	-	309,188	309,188
Due from other governments	-	111,993	111,993
Other receivables	7,115	203,973	211,087
Lease receivable	154,574	-	154,574
Total current assets	<u>310,230</u>	<u>2,705,052</u>	<u>3,015,282</u>
Noncurrent assets:			
Restricted net pension asset	-	104,530	104,530
Capital assets not being depreciated	38,508	171,204	209,712
Capital assets, net of accumulated depreciation/amortization	<u>1,345,063</u>	<u>11,882,909</u>	<u>13,227,972</u>
Total noncurrent assets	<u>1,383,571</u>	<u>12,158,643</u>	<u>13,542,214</u>
Total assets	<u>1,693,802</u>	<u>14,863,695</u>	<u>16,557,496</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	-	86,199	86,199
Total deferred outflows of resources	<u>-</u>	<u>86,199</u>	<u>86,199</u>
Total assets and deferred outflows of resources	<u>\$ 1,693,802</u>	<u>\$ 14,949,894</u>	<u>\$ 16,643,695</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,162	81,316	83,478
Other accrued liabilities	-	54,346	54,346
Compensated absences	-	36,954	36,954
Retainage payable	-	30,221	30,221
Interest payable	41	579	620
Bonds, notes, and loans payable	62,087	-	62,087
Leases payables	-	397	397
SBITA payable	-	5,622	5,622
Customer deposits payable	-	43,560	43,560
Total current liabilities	<u>64,290</u>	<u>252,995</u>	<u>317,284</u>
Noncurrent liabilities:			
Bonds, notes, and loans payable	39,912	-	39,912
Net pension liability	-	46,287	46,287
Leases payable	-	798	798
SBITA payable	-	17,787	17,787
Total noncurrent liabilities	<u>39,912</u>	<u>64,873</u>	<u>104,784</u>
Total liabilities	<u>104,201</u>	<u>317,867</u>	<u>422,069</u>
DEFERRED INFLOWS OF RESOURCES			
Leases	148,549	-	148,549
Pensions	-	56,360	56,360
Total deferred inflows of resources	<u>148,549</u>	<u>56,360</u>	<u>204,909</u>
Total liabilities and deferred inflows of resources	<u>252,750</u>	<u>374,227</u>	<u>626,977</u>
NET POSITION			
Net investment in capital assets	1,369,638	11,958,222	13,327,860
Restricted for:			
Debt service	2,026	-	2,026
Pension	-	104,530	104,530
Unrestricted (deficit)	69,388	2,512,914	2,582,302
Total net position	<u>\$ 1,441,052</u>	<u>\$ 14,575,666</u>	<u>\$ 16,016,718</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2023

	<u>Golf Course</u>	<u>Stormwater</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES			
Charges for goods and services	\$ 32,184	\$ 3,156,769	\$ 3,188,953
Miscellaneous	85,459	-	85,459
Total operating revenues	<u>117,643</u>	<u>3,156,769</u>	<u>3,274,412</u>
OPERATING EXPENSES			
Personnel services	-	522,843	522,843
Materials and supplies	-	61,172	61,172
Services and charges	111,752	2,202,750	2,314,502
Depreciation	57,979	213,738	271,717
Total operating expenses	<u>169,731</u>	<u>3,000,504</u>	<u>3,170,235</u>
Operating income (loss)	<u>(52,088)</u>	<u>156,265</u>	<u>104,177</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	-	15,200	15,200
Miscellaneous	1,888	-	1,888
Interest expense	(5,385)	(695)	(6,081)
Total nonoperating revenues (expenses)	<u>(3,498)</u>	<u>14,505</u>	<u>11,007</u>
Income (loss) before contributions and transfers	<u>(55,585)</u>	<u>170,770</u>	<u>115,184</u>
Capital contributions	-	1,679,389	1,679,389
Transfers in	68,000	152,181	220,181
Transfers out	-	(90,770)	(90,770)
Change in net position	<u>12,415</u>	<u>1,911,570</u>	<u>1,923,985</u>
Net position - beginning	<u>\$ 1,428,637</u>	<u>\$ 12,664,096</u>	<u>\$ 14,092,733</u>
Net position - ending	<u>\$ 1,441,052</u>	<u>\$ 14,575,666</u>	<u>\$ 16,016,718</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2023

	Golf Course	Stormwater	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 136,748	\$ 3,115,113	\$ 3,251,861
Other receipts	(548)	-	(548)
Payments to employees	-	(566,172)	(566,172)
Payments to suppliers	(7,122)	(1,429,246)	(1,436,367)
Payments due to other funds	(104,581)	(902,836)	(1,007,417)
Net cash provided by (used for) operating activities	<u>24,498</u>	<u>216,859</u>	<u>241,356</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Repayment from interfund loan	(36,689)	-	(36,689)
Proceeds from operating grants and contributions	-	41,471	41,471
Transfers to other funds	-	(90,770)	(90,770)
Transfers from other funds	68,000	152,181	220,181
Net cash provided by (used for) noncapital financing activities	<u>31,311</u>	<u>102,882</u>	<u>134,194</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital grants and contributions	-	1,464,849	1,464,849
Acquisition and construction of capital assets	(56,199)	(882,499)	(938,698)
Construction retainage paid	(13,420)	1,618	(11,802)
Principal paid on capital debt	(43,730)	23,025	(20,705)
Interest paid on capital debt	(3,536)	(119)	(3,655)
Net cash provided by (used for) capital and related financing activities	<u>(116,886)</u>	<u>606,874</u>	<u>489,988</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemption (purchase) of investments	-	5,434	5,434
Investment earnings	-	15,200	15,200
Net cash provided by (used for) investing activities	<u>-</u>	<u>20,634</u>	<u>20,634</u>
Net increase (decrease) in cash and cash equivalents	<u>(61,077)</u>	<u>947,249</u>	<u>886,172</u>
Cash and cash equivalents - beginning of year	209,618	1,132,650	1,342,268
Cash and cash equivalents - end of year	<u>\$ 148,541</u>	<u>\$ 2,079,899</u>	<u>\$ 2,228,440</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (52,088)	\$ 156,265	\$ 104,177
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expenses	57,979	213,738	271,717
(Increase) decrease in customer receivables	18,557	(41,657)	(23,100)
Increase (decrease) in accounts payable	50	(69,845)	(69,795)
Increase (decrease) in payroll payable	-	22,997	22,997
Increase (decrease) in compensated absences	-	(15,682)	(15,682)
Increase (decrease) in pension adjustment	-	(48,959)	(48,959)
Net cash provided (used) by operating activities	<u>\$ 24,498</u>	<u>\$ 216,859</u>	<u>\$ 241,356</u>
Schedule of non-cash capital and related financing activities			
Contribution of capital assets from developers	\$ -	\$ 214,540	\$ 214,540
Total noncash investing, capital and financing activities	<u>-</u>	<u>214,540</u>	<u>214,540</u>
CASH RECONCILIATION			
Cash and equivalents	\$ 148,541	\$ 2,036,339	\$ 2,184,880
Restricted assets customer deposits	-	43,560	43,560
Balance - end of year out of balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Combining Statement of Net Position
Internal Service Funds
For the Year Ended December 31, 2023

	Fleet Services	Vehicle Replacement	Emergency Communications	Service Center	Health Insurance	Industrial Insurance	Total Internal Service Funds
ASSETS							
Current assets:							
Cash and equivalents	\$ 168,175	\$ 4,300,168	\$ 1,186,934	\$ 142,196	\$ 196,130	\$ 453,303	\$ 6,446,906
Investments	-	6,394,307	-	-	-	-	6,394,307
Other receivables	-	33,743	15,934	-	612,975	-	662,652
Due from other governments	-	-	49,997	-	-	-	49,997
Interfund loans receivable	-	227,028	-	-	-	-	227,028
Inventories	34,307	-	-	-	-	-	34,307
Total current assets	<u>202,482</u>	<u>10,955,247</u>	<u>1,252,866</u>	<u>142,196</u>	<u>809,105</u>	<u>453,303</u>	<u>13,815,198</u>
Noncurrent assets:							
Interfund loans receivable	-	874,676	-	-	-	-	874,676
Restricted net pension asset	94,860	18,996	496,515	19,352	-	-	629,723
Capital assets not being depreciated	-	-	-	135,600	-	-	135,600
Capital assets, net of accumulated depreciation/amortization	94,648	12,537,865	317,711	2,096,264	-	13,480	15,059,968
Total noncurrent assets	<u>189,508</u>	<u>13,431,537</u>	<u>814,226</u>	<u>2,251,216</u>	<u>-</u>	<u>13,480</u>	<u>16,699,966</u>
Total assets	<u>391,990</u>	<u>24,386,783</u>	<u>2,067,092</u>	<u>2,393,412</u>	<u>809,105</u>	<u>466,783</u>	<u>30,515,165</u>
DEFERRED OUTFLOWS OF RESOURCES							
Pensions	<u>78,225</u>	<u>15,665</u>	<u>409,443</u>	<u>15,958</u>	<u>-</u>	<u>-</u>	<u>519,291</u>
Total deferred outflows of resources	<u>78,225</u>	<u>15,665</u>	<u>409,443</u>	<u>15,958</u>	<u>-</u>	<u>-</u>	<u>519,291</u>
Total assets and deferred outflows of resources	<u>\$ 470,215</u>	<u>\$ 24,402,448</u>	<u>\$ 2,476,535</u>	<u>\$ 2,409,370</u>	<u>\$ 809,105</u>	<u>\$ 466,783</u>	<u>\$ 31,034,456</u>
LIABILITIES							
Current liabilities:							
Accounts payable	20,026	81,517	15,097	6,400	75,430	44,175	242,646
Other accrued liabilities	42,075	7,411	148,039	8,610	-	-	206,135
Compensated absences	30,927	6,102	116,972	2,306	-	-	156,306
Industrial insurance claims	-	-	-	-	-	278,346	278,346
Interest payable	10	48,597	4,704	-	-	358	53,669
Leases payables	2,079	178,896	16,289	-	-	-	197,264
SBITA payable	-	-	50,718	-	-	13,264	63,982
Unearned revenue	-	310,000	-	-	-	-	310,000
Total current liabilities	<u>95,117</u>	<u>632,523</u>	<u>351,819</u>	<u>17,316</u>	<u>75,430</u>	<u>336,143</u>	<u>1,508,348</u>
Noncurrent liabilities:							
Compensated absences	-	416	-	-	-	-	416
Industrial insurance claims	-	-	-	-	-	124,276	124,276
Leases payable	4,180	1,359,083	211,590	-	-	-	1,574,852
SBITA payable	-	-	52,065	-	-	-	52,065
Net pension liability	42,005	8,412	219,860	8,569	-	-	278,846
Total noncurrent liabilities	<u>46,185</u>	<u>1,367,911</u>	<u>483,515</u>	<u>8,569</u>	<u>-</u>	<u>124,276</u>	<u>2,030,456</u>
Total liabilities	<u>141,301</u>	<u>2,000,434</u>	<u>835,334</u>	<u>25,885</u>	<u>75,430</u>	<u>460,419</u>	<u>3,538,803</u>
DEFERRED INFLOWS OF RESOURCES							
Pensions	<u>51,146</u>	<u>10,242</u>	<u>267,708</u>	<u>10,434</u>	<u>-</u>	<u>-</u>	<u>339,530</u>
Total deferred inflows of resources	<u>51,146</u>	<u>10,242</u>	<u>267,708</u>	<u>10,434</u>	<u>-</u>	<u>-</u>	<u>339,530</u>
Total liabilities and deferred inflows of resources	<u>192,447</u>	<u>2,010,676</u>	<u>1,103,042</u>	<u>36,319</u>	<u>75,430</u>	<u>460,419</u>	<u>3,878,333</u>
NET POSITION							
Net investment in capital assets	88,389	10,801,239	797	2,231,864	-	-	13,122,289
Restricted for:							
Pension	94,860	18,996	496,515	19,352	-	-	629,723
Unrestricted	94,518	11,571,537	876,181	121,836	733,675	6,363	13,404,110
Total net position	<u>\$ 277,767</u>	<u>\$ 22,391,772</u>	<u>\$ 1,373,493</u>	<u>\$ 2,373,052</u>	<u>\$ 733,675</u>	<u>\$ 6,363</u>	<u>\$ 27,156,122</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended December 31, 2023

	Fleet Services	Vehicle Replacement	Emergency Communications	Service Center	Health Insurance	Industrial Insurance	Total Internal Service Funds
OPERATING REVENUES							
Intergovernmental	\$ -	\$ -	\$ 1,103,419	\$ -	\$ -	\$ -	\$ 1,103,419
Charges for goods and services	-	-	752,921	-	-	-	752,921
Interfund charges	2,267,499	2,171,900	1,110,322	414,482	7,149,515	798,586	13,912,304
Miscellaneous	-	-	42,696	-	-	-	42,696
Total operating revenues	<u>2,267,499</u>	<u>2,171,900</u>	<u>3,009,359</u>	<u>414,482</u>	<u>7,149,515</u>	<u>798,586</u>	<u>15,811,341</u>
OPERATING EXPENSES							
Personnel services	489,857	89,890	1,613,779	97,238	-	-	2,290,763
Materials and supplies	1,222,952	8,479	25,072	67,145	7,579	21	1,331,248
Services and charges	510,175	228,051	1,402,172	524,542	7,141,981	393,539	10,200,459
Depreciation	17,830	1,369,082	89,815	91,380	-	13,407	1,581,516
Total operating expenses	<u>2,240,814</u>	<u>1,695,502</u>	<u>3,130,838</u>	<u>780,305</u>	<u>7,149,559</u>	<u>406,968</u>	<u>15,403,986</u>
Operating income (loss)	<u>26,686</u>	<u>476,398</u>	<u>(121,479)</u>	<u>(365,823)</u>	<u>(45)</u>	<u>391,618</u>	<u>407,354</u>
NONOPERATING REVENUES (EXPENSES)							
Intergovernmental	-	8,014	-	-	-	-	8,014
Investment earnings	-	221,507	64,023	3,193	-	-	288,723
Miscellaneous	8,753	43,943	-	-	-	-	52,697
Interest expense	(447)	(64,309)	(6,148)	(6)	-	(358)	(71,268)
Insurance recoveries	119	-	-	-	-	-	119
Total nonoperating revenues (expenses)	<u>8,426</u>	<u>209,155</u>	<u>57,875</u>	<u>3,187</u>	<u>-</u>	<u>(358)</u>	<u>278,285</u>
Income (loss) before contributions and transfers	35,112	685,553	(63,604)	(362,636)	(45)	391,260	685,640
Transfers in	\$ 100,000	\$ 491,540	\$ -	\$ 108,030	\$ -	\$ -	\$ 699,570
Transfers out	-	(393,443)	-	-	-	-	(393,443)
Change in net position	135,112	783,650	(63,604)	(254,606)	(45)	391,260	991,766
Net position - beginning	\$ 142,656	\$ 21,608,122	\$ 1,437,097	\$ 2,627,658	\$ 733,720	\$ (384,896)	\$ 26,164,356
Net position - ending	<u>\$ 277,767</u>	<u>\$ 22,391,772</u>	<u>\$ 1,373,493</u>	<u>\$ 2,373,052</u>	<u>\$ 733,675</u>	<u>\$ 6,363</u>	<u>\$ 27,156,122</u>

The notes to financial statements are an integral part of this statement.

City of Walla Walla
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2023

	Fleet Services	Vehicle Replacement	Emergency Communications	Service Center	Health Insurance	Industrial Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ -	\$ -	\$ 1,185,429	\$ -	\$ -	\$ -	\$ 1,185,429
Receipts from interfund services	2,267,499	2,171,900	1,110,322	414,482	7,116,790	798,586	13,879,580
Other receipts	-	-	1,120,737	-	-	-	1,120,737
Payments to employees	(538,985)	(99,745)	(1,926,532)	(106,775)	-	-	(2,672,037)
Payments to suppliers	(1,427,277)	(467,214)	(1,075,600)	(550,791)	(7,113,462)	(431,379)	(11,065,723)
Due to other funds	(264,900)	(213,860)	(339,860)	(57,510)	-	-	(876,130)
Other payments	(174)	(7,400)	-	-	-	(175,239)	(182,813)
Net cash provided by (used for) operating activities	<u>36,164</u>	<u>1,383,681</u>	<u>74,496</u>	<u>(300,593)</u>	<u>3,329</u>	<u>191,968</u>	<u>1,389,044</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Proceeds from repayment of interfund loan	-	612,022	-	-	-	-	612,022
Proceeds from operating grants and contributions	7,902	-	(49,997)	-	-	-	(42,096)
Transfers to other funds	-	(393,443)	-	-	-	-	(393,443)
Transfers from other funds	100,000	491,540	-	108,030	-	-	699,570
Net cash provided by (used for) noncapital financing activities	<u>107,902</u>	<u>710,119</u>	<u>(49,997)</u>	<u>108,030</u>	<u>-</u>	<u>-</u>	<u>876,053</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and construction of capital assets	(13,790)	(2,924,382)	(195,618)	(339)	-	(26,887)	(3,161,016)
Principal paid on capital debt	-	639,709	119,550	-	-	13,264	772,522
Interest paid on capital debt	(453)	(29,868)	(3,266)	(6)	-	-	(33,593)
Proceeds from the sale of capital assets	971	12,500	-	-	-	-	13,471
Proceeds from capital grants and contributions	-	310,000	-	-	-	-	310,000
Net cash provided by (used for) capital and related financing activities	<u>(13,272)</u>	<u>(1,992,042)</u>	<u>(79,334)</u>	<u>(345)</u>	<u>-</u>	<u>(13,623)</u>	<u>(2,098,616)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Redemption (purchase) of investments	-	481,642	568,776	96,807	-	-	1,147,225
Investment earnings	-	227,221	65,399	3,193	-	-	295,812
Net cash provided by (used for) investing activities	<u>-</u>	<u>708,863</u>	<u>65,399</u>	<u>3,193</u>	<u>-</u>	<u>-</u>	<u>1,443,037</u>
Net increase (decrease) in cash and cash equivalents	<u>130,793</u>	<u>810,620</u>	<u>10,563</u>	<u>(189,715)</u>	<u>3,329</u>	<u>178,345</u>	<u>1,609,518</u>
Cash and cash equivalents - beginning of year	<u>37,381</u>	<u>3,489,547</u>	<u>607,595</u>	<u>235,105</u>	<u>192,802</u>	<u>274,958</u>	<u>4,837,388</u>
Cash and cash equivalents - end of year	<u>\$ 168,175</u>	<u>\$ 4,300,168</u>	<u>\$ 618,158</u>	<u>\$ 45,389</u>	<u>\$ 196,130</u>	<u>\$ 453,303</u>	<u>\$ 6,446,906</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:							
Operating Income	\$ 26,686	\$ 476,398	\$ (121,479)	\$ (365,823)	\$ (45)	\$ 391,618	\$ 407,354
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	17,830	1,369,082	89,815	91,380	-	13,407	1,581,516
(Increase) decrease in accounts receivables	-	-	407,130	-	(32,724)	-	374,405
(Increase) decrease in inventory	53,164	-	-	-	-	-	53,164
Increase (decrease) in accounts payables	(12,214)	(445,406)	11,783	(16,613)	36,098	(9,217)	(435,569)
Increase (decrease) in payroll payables	(2,088)	(194)	2,425	(61)	-	(28,601)	(28,519)
Increase (decrease) in other payables	(174)	(7,400)	-	-	-	(175,239)	(182,813)
Increase (decrease) in compensated absences	(7,287)	(664)	(36,906)	(966)	-	-	(45,824)
Increase (decrease) in pension adjustment	(39,753)	(8,136)	(278,272)	(8,509)	-	-	(334,670)
Net cash provided by (used for) operating activities	<u>\$ 36,164</u>	<u>\$ 1,383,681</u>	<u>\$ 74,496</u>	<u>\$ (300,593)</u>	<u>\$ 3,329</u>	<u>\$ 191,968</u>	<u>\$ 1,389,044</u>
CASH RECONCILIATION							
Actual Balance - end of year	\$ 168,175	\$ 4,300,168	\$ 1,186,934	\$ 142,196	\$ 196,130	\$ 453,303	\$ 6,446,906
Balance - end of year out of balance	-	-	-	-	-	-	-

The notes to financial statements are an integral part of this statement.

Statistical Information



STATISTICAL SECTION

This part of the City of Walla Walla’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

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Financial Trends	134
<i>These schedules contain trend information to help the reader understand how the government’s financial performance and well being have changed over time.</i>	
Revenue Capacity	138
<i>These schedules contain information to help the reader assess the government’s most significant local revenue sources: sales tax, property tax, and utility fees.</i>	
Debt Capacity	143
<i>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information	145
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	
Operating Information	146
<i>These schedules offer operating data to help the reader understand how the information in the government’s financial report relates to the services it provides and the activities it performs.</i>	

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

City of Walla Walla
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017 (3)</u>	<u>2016 (2)</u>	<u>2015</u>	<u>2014 (1)</u>
Governmental activities:										
Net investment in capital assets	\$ 97,389,437	\$ 89,377,203	\$ 79,574,604	\$ 73,397,171	\$ 70,312,287	\$ 67,026,138	\$ 64,520,591	\$ 60,448,138	\$ 54,727,275	\$ 50,450,335
Restricted	17,224,432	19,015,134	31,795,015	7,174,805	5,405,550	4,108,715	2,913,694	2,439,934	3,543,459	4,817,377
Unrestricted	3,859,611	(1,782,560)	(17,104,595)	(6,237,566)	(9,509,581)	(10,586,468)	(14,599,555)	(3,832,806)	1,269,207	(248,231)
Total governmental activities net position	<u>\$ 118,473,480</u>	<u>\$ 106,609,776</u>	<u>\$ 94,265,024</u>	<u>\$ 74,334,410</u>	<u>\$ 66,208,256</u>	<u>\$ 60,548,385</u>	<u>\$ 52,834,730</u>	<u>\$ 59,055,266</u>	<u>\$ 59,539,941</u>	<u>\$ 55,019,481</u>
Business-type activities:										
Net investment in capital assets	\$ 129,597,695	\$ 120,679,590	\$ 112,069,236	\$ 105,019,760	\$ 98,896,348	\$ 97,877,415	\$ 98,684,992	\$ 97,729,792	\$ 92,329,699	\$ 77,617,386
Restricted	10,381,546	10,519,328	6,991,022	6,173,829	621,356	599,311	-	487,285	819,979	964,209
Unrestricted	38,611,819	37,614,348	36,509,970	32,046,705	36,034,938	31,290,468	19,649,752	17,622,292	12,416,822	19,655,037
Total business-type activities net position	<u>\$ 178,591,059</u>	<u>\$ 168,813,266</u>	<u>\$ 155,570,227</u>	<u>\$ 143,240,294</u>	<u>\$ 135,552,642</u>	<u>\$ 129,767,194</u>	<u>\$ 118,334,744</u>	<u>\$ 115,839,369</u>	<u>\$ 105,566,500</u>	<u>\$ 98,236,632</u>
Primary government:										
Net investment in capital assets	\$ 226,987,132	\$ 210,056,793	\$ 191,643,840	\$ 178,416,931	\$ 169,208,635	\$ 164,903,553	\$ 163,205,583	\$ 158,177,930	\$ 147,056,974	\$ 128,067,721
Restricted	27,605,977	29,534,462	38,786,037	13,348,634	6,026,906	4,708,026	2,913,694	2,927,219	4,363,438	5,781,586
Unrestricted	42,471,430	35,831,788	19,405,375	25,809,139	26,525,357	20,704,000	5,050,197	13,789,486	13,686,029	19,406,806
Total primary government net position	<u>\$ 297,064,539</u>	<u>\$ 275,423,042</u>	<u>\$ 249,835,251</u>	<u>\$ 217,574,704</u>	<u>\$ 201,760,898</u>	<u>\$ 190,315,579</u>	<u>\$ 171,169,474</u>	<u>\$ 174,894,635</u>	<u>\$ 165,106,441</u>	<u>\$ 153,256,113</u>

(1) 2014 was restated to include the prior period adjustment for the adoption of GASB 68 Pensions.

(2) 2016 was restated for the prior period adjust related to property taxes receivable and the DOR Utility Excise Tax refund.

(3) 2017 was restated to include the prior period adjustment for the adoption of GASB 75 OPEB, and state and derived revenues.

City of Walla Walla
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses										
Governmental activities:										
General government	\$ 6,991,620	\$ 6,255,626	\$ 5,416,139	\$ 6,635,318	\$ 4,718,161	\$ 3,593,748	\$ 3,380,224	\$ 3,308,121	\$ 3,253,287	\$ 2,249,975
Public safety	18,152,621	18,900,812	13,400,024	17,220,039	16,320,524	14,815,944	16,209,517	15,990,790	15,276,870	14,681,954
Utilities and environment	655,274	679,162	558,593	373,425	2,594,633	3,038,880	2,851,589	2,709,236	2,592,685	2,360,895
Transportation	7,782,724	7,013,387	6,142,879	7,248,252	6,411,069	6,026,744	6,685,530	6,555,679	5,247,657	5,851,751
Economic environment	3,857,340	3,031,495	2,737,653	3,454,018	2,084,013	2,145,950	2,085,639	956,150	903,984	1,124,963
Social services	328,863	265,664	235,472	343,200	228,767	149,626	155,435	4,438	-	-
Culture and recreation	6,212,231	5,980,295	5,071,509	4,286,255	4,885,497	4,609,347	4,618,624	4,775,959	4,527,730	4,079,993
Interest on long term debt	344,448	369,316	406,945	522,798	538,006	533,032	553,079	1,395,231	764,303	730,005
Total governmental activities:	<u>\$ 44,325,121</u>	<u>\$ 42,495,758</u>	<u>\$ 33,969,215</u>	<u>\$ 40,083,305</u>	<u>\$ 37,780,669</u>	<u>\$ 34,913,271</u>	<u>\$ 36,539,637</u>	<u>\$ 35,695,604</u>	<u>\$ 32,566,516</u>	<u>\$ 31,079,536</u>
Business-type activities:										
Ambulance	4,629,578	4,021,809	3,122,172	4,323,094	\$ 3,393,215	\$ 2,959,794	\$ 3,057,477	\$ 3,185,784	\$ 3,118,200	\$ 3,139,012
Golf course	156,811	216,521	167,052	135,116	149,187	132,487	154,029	139,180	132,078	147,287
Landfill	6,120,706	5,863,875	4,484,498	4,345,332	5,554,617	2,966,771	3,968,744	2,472,899	4,021,581	4,677,636
Sanitation	7,591,772	6,991,727	6,461,721	6,111,332	5,985,390	5,843,735	5,439,937	5,374,024	5,040,390	4,799,808
Stormwater	2,987,438	2,622,866	2,581,600	2,256,666	2,257,118	1,974,405	2,052,031	1,660,551	1,386,959	1,429,072
Water/Wastewater	21,773,811	20,966,610	20,127,998	19,526,978	21,605,442	16,763,198	19,979,217	17,594,045	15,151,247	14,341,718
Total business-type activities	<u>\$ 43,260,117</u>	<u>\$ 40,683,409</u>	<u>\$ 36,945,042</u>	<u>\$ 36,698,518</u>	<u>\$ 38,944,969</u>	<u>\$ 30,640,390</u>	<u>\$ 34,651,435</u>	<u>\$ 30,426,483</u>	<u>\$ 28,850,455</u>	<u>\$ 28,534,533</u>
Total primary government expenses	<u>\$ 87,585,238</u>	<u>\$ 83,179,167</u>	<u>\$ 70,914,256</u>	<u>\$ 76,781,823</u>	<u>\$ 76,725,638</u>	<u>\$ 65,553,661</u>	<u>\$ 71,191,072</u>	<u>\$ 66,122,087</u>	<u>\$ 61,416,971</u>	<u>\$ 59,614,069</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 3,175,737	\$ 2,877,262	\$ 2,730,765	\$ 2,504,960	\$ 788,167	\$ 773,343	\$ 870,356	\$ 808,410	\$ 781,841	\$ 806,195
Public safety	1,242,733	1,189,509	1,241,029	1,469,781	919,738	606,831	566,867	440,910	479,993	505,368
Utilities and environment	431,515	415,275	564,595	359,234	2,358,620	2,378,726	2,133,538	1,914,108	1,895,266	1,672,521
Transportation	586,592	504,954	477,004	586,618	376,306	308,820	244,820	222,892	290,863	301,418
Economic environment	1,247,018	951,029	1,060,616	756,830	1,075,363	1,371,647	1,174,266	1,017,476	1,144,181	845,115
Culture and recreation	1,120,940	1,095,967	1,154,010	329,337	1,004,994	858,236	720,504	317,856	462,868	345,820
Operating grants and contributions	4,269,078	6,678,837	7,190,533	5,397,431	3,730,982	4,212,541	3,334,437	987,587	1,075,661	372,574
Capital grants and contributions	3,364,611	8,059,527	4,989,289	5,710,813	3,056,168	2,245,528	3,375,093	6,157,573	3,245,363	4,327,416
Total governmental activities program revenue	<u>\$ 15,438,225</u>	<u>\$ 21,772,360</u>	<u>\$ 19,407,840</u>	<u>\$ 17,115,004</u>	<u>\$ 13,310,338</u>	<u>\$ 12,755,672</u>	<u>\$ 12,419,881</u>	<u>\$ 11,866,812</u>	<u>\$ 9,376,036</u>	<u>\$ 9,176,427</u>
Business-type activities:										
Charges for services:										
Ambulance	\$ 2,667,618	\$ 1,715,036	\$ 1,558,929	\$ 1,259,428	\$ 1,360,833	\$ 1,259,289	\$ 1,538,762	\$ 1,627,741	\$ 1,606,795	\$ 1,920,251
Golf course	119,531	117,078	114,079	102,863	98,437	78,690	73,948	75,304	104,306	90,736
Landfill	6,682,697	6,604,616	6,231,480	6,106,828	5,598,691	5,398,131	4,951,864	4,690,036	4,380,629	4,030,508
Sanitation	7,477,914	7,246,610	7,067,376	6,686,020	6,551,554	6,117,352	5,684,986	5,515,937	5,118,064	4,783,827
Stormwater	3,156,769	3,063,569	3,115,603	2,853,325	2,802,038	2,630,835	2,451,304	2,300,055	1,593,500	1,495,465
Water/Wastewater	28,135,876	26,880,506	27,365,885	25,682,335	24,718,305	24,097,340	22,679,888	21,870,452	21,603,657	19,801,391
Operating grants and contributions	3,980,936	2,983,754	3,234,612	2,332,881	2,621,037	2,197,410	2,235,345	1,840,497	377,681	285,584
Capital grants and contributions	3,670,572	3,502,299	1,016,491	1,101,242	1,289,883	1,626,077	2,035,937	2,168,824	1,510,896	1,429,054

Total business-type activities program revenue	\$ 55,891,914	\$ 52,113,468	\$ 49,704,454	\$ 46,124,922	\$ 45,040,778	\$ 43,405,124	\$ 41,652,034	\$ 40,088,846	\$ 36,295,528	\$ 33,836,816
Total primary government program revenue	\$ 71,330,139	\$ 73,885,828	\$ 69,112,294	\$ 63,239,926	\$ 58,351,116	\$ 56,160,796	\$ 54,071,915	\$ 51,955,658	\$ 45,671,564	\$ 43,013,243
Net (expense)/revenue:										
Governmental activities	\$ (28,886,897)	\$ (20,733,399)	\$ (14,561,375)	\$ (22,968,301)	\$ (24,470,331)	\$ (22,157,599)	\$ (24,119,756)	\$ (23,828,792)	\$ (23,190,480)	\$ (21,903,109)
Business-type activities	12,631,797	11,430,059	12,759,412	9,426,404	6,095,809	12,764,734	7,000,599	9,662,363	7,445,073	5,302,283
Total primary government net expense	\$ (16,255,099)	\$ (9,303,340)	\$ (1,801,963)	\$ (13,541,897)	\$ (18,374,522)	\$ (9,392,865)	\$ (17,119,157)	\$ (14,166,429)	\$ (15,745,406)	\$ (16,600,825)

General Revenues and Other Changes

Governmental activities:

Taxes										
Property tax	\$ 8,327,590	\$ 8,282,566	\$ 8,328,549	\$ 8,147,998	\$ 7,885,195	\$ 7,904,331	\$ 7,095,973	\$ 7,577,730	\$ 7,277,314	\$ 6,239,821
Sales tax	13,770,035	13,782,655	13,019,297	10,159,291	10,423,766	10,095,356	8,831,118	8,815,394	8,132,270	7,470,268
Other taxes	10,983,874	10,935,119	11,106,365	9,034,536	8,784,777	8,826,430	8,547,756	8,204,322	7,800,142	6,985,778
Grants and Contributions - not restricted	716,477	1,552,615	839,539	694,332	664,047	683,242	607,280	3,159,854	2,742,463	2,568,803
Unrestricted investment earnings	2,937,243	725,158	263,923	639,203	1,225,416	794,802	366,756	-	-	-
Miscellaneous general revenue	-	-	-	-	541	6,030	8,410	221,315	72,146	46,430
Gain on sale of assets	10,000	45,984	10,835	227,999	(57,291)	-	-	-	-	-
Transfers	4,005,382	(2,245,947)	923,481	2,191,096	768,649	1,561,063	1,813,555	2,030,510	1,686,605	543,344
Total governmental activities general revenue	\$ 40,750,600	\$ 33,078,151	\$ 34,491,989	\$ 31,094,455	\$ 29,695,100	\$ 29,871,254	\$ 27,270,848	\$ 30,009,125	\$ 27,710,940	\$ 23,854,444

Business-type activities:

Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,206	\$ 1,450,850	\$ 1,389,746	\$ 1,273,873
Unrestricted investment earnings	889,181	(621,896)	9,984	182,452	386,733	168,747	-	-	-	-
Miscellaneous general revenue	65,869	143,965	455,018	187,410	20,925	12,665	236,280	56,033	118,034	218,234
Gain on sale of assets	196,327	44,963	29,000	82,480	50,629	47,367	45,399	301,372	63,620	57,304
Transfers	(4,005,382)	2,245,947	(923,481)	(2,191,096)	(768,649)	(1,561,063)	(1,813,555)	(2,030,510)	(1,686,605)	(543,344)
Total business-type activities general revenue	\$ (2,854,005)	\$ 1,812,979	\$ (429,479)	\$ (1,738,754)	\$ (310,361)	\$ (1,332,284)	\$ (1,492,670)	\$ (222,255)	\$ (115,205)	\$ 1,006,067
Total primary government	\$ 37,896,596	\$ 34,891,129	\$ 34,062,510	\$ 29,355,701	\$ 29,384,739	\$ 28,538,970	\$ 25,778,178	\$ 29,786,870	\$ 27,595,735	\$ 24,860,511

Change in net position

Governmental activities	\$ 11,863,705	\$ 12,344,752	\$ 19,930,614	\$ 8,126,154	\$ 5,224,768	\$ 7,713,655	\$ 3,151,092	\$ 6,180,333	\$ 4,520,460	\$ 1,951,335
Business-type activities	9,777,793	13,243,038	12,329,933	7,687,650	5,785,449	11,432,450	5,507,929	9,440,108	7,329,868	6,308,350
Total primary government	\$ 21,641,496	\$ 25,587,790	\$ 32,260,547	\$ 15,813,804	\$ 11,010,217	\$ 19,146,105	\$ 8,659,021	\$ 15,620,441	\$ 11,850,328	\$ 8,259,685
Prior Period Adjustment - Government						(9,371,628)	(6,665,008)			(6,998,245)
Prior Period Adjustment - Business						(3,012,554)	832,761			(1,861,019)
Total adjusted primary government						\$ (12,384,182)	\$ (5,832,247)			\$ (599,579)

⁽¹⁾ 2014 the prior period was the adjustment for the adoption of GASB 68 Pensions.

⁽²⁾ 2017 prior period adjustment was for property taxes receivable and the DOR Utility Excise Tax refund.

⁽³⁾ 2018 prior period adjustment is for the adoption of GASB 75 OPEB, and state and derived revenues.

City of Walla Walla Fund Balances of Governmental Funds Last Ten Fiscal Years (Modified accrual basis of accounting)										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 59,263	\$ 25,040	\$ 25,040	\$ 53,832	\$ 128,778	\$ 50,719	\$ 107,272	\$ 47,043	\$ 43,623	\$ 55,428
Restricted	152,592	183,509	137,815	198,534	163,486	127,503	207,807	148,145	209,535	901,919
Committed	2,999,154	3,054,210	2,986,761	711,509	340,410	534,017	529,558	524,938	521,183	18,303
Unassigned	8,136,779	7,163,772	7,277,624	6,578,066	3,600,337	4,999,479	3,562,300	4,625,143	4,837,752	4,503,888
Total general fund	\$ 11,347,788	\$ 10,426,531	\$ 10,427,240	\$ 7,541,941	\$ 4,233,011	\$ 5,711,718	\$ 4,406,937	\$ 5,345,269	\$ 5,612,093	\$ 5,479,538
All Other Governmental Funds										
Nonspendable	\$ 16,545	\$ 16,545	\$ 16,545	\$ 16,545	\$ 16,545	\$ 16,545	\$ 16,545	\$ 16,545	\$ 16,545	\$ 16,545
Restricted	7,024,543	7,264,926	8,310,748	6,412,840	5,224,320	3,952,983	2,678,048	1,899,169	6,981,127	1,736,966
Committed	4,004,399	4,693,622	3,981,950	1,460,518	2,908,353	3,228,232	2,568,986	2,577,210	2,403,617	2,629,948
Assigned	14,290	12,876	12,402	12,373	14,136	20,715	29,144	13,370	23,730	28,877
Unassigned (deficit) ⁽¹⁾	-	-	-	(5,228)	(283,232)	(652,027)	(1,084,869)	(510,725)	(682,715)	(985,685)
Total other governmental funds	\$ 11,059,777	\$ 11,987,968	\$ 12,321,645	\$ 7,897,048	\$ 7,880,122	\$ 6,566,448	\$ 4,207,854	\$ 3,995,569	\$ 8,742,304	\$ 3,426,451

(1) Deficit unassigned fund balance is a result of interfund loan balances

City of Walla Walla Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (Modified accrual basis of accounting)										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes	\$ 33,072,886	\$ 32,995,569	\$ 32,036,145	\$ 27,050,917	\$ 27,059,564	\$ 26,832,900	\$ 24,520,123	\$ 24,155,908	\$ 22,006,791	\$ 20,860,501
Licenses and permits	1,223,843	1,025,266	1,060,806	920,489	1,039,106	1,557,543	1,140,558	1,219,756	1,301,815	986,234
Intergovernmental	5,928,929	9,281,982	6,905,184	5,133,940	5,992,149	4,822,948	4,793,611	3,227,625	4,981,353	2,733,232
Charges for goods and services	12,332,057	11,166,008	11,229,201	9,847,825	9,926,817	8,851,628	8,245,254	7,483,827	7,473,887	7,018,159
Fines and forfeits	141,705	109,206	78,071	71,460	136,273	190,933	196,270	205,949	207,984	197,036
Miscellaneous	3,318,651	1,910,380	934,458	1,265,742	2,211,426	1,460,376	1,819,477	894,276	681,044	517,559
Capital Contributions	125,331	3,065,236	4,590,133	4,161,556	-	-	-	-	-	-
Total revenues	\$ 56,143,402	\$ 59,553,646	\$ 56,833,998	\$ 48,451,929	\$ 46,365,335	\$ 43,716,328	\$ 40,715,293	\$ 37,187,341	\$ 36,652,874	\$ 32,312,721
Expenditures										
Current:										
General government	\$ 14,362,788	\$ 12,961,463	\$ 12,473,683	\$ 12,518,069	\$ 9,997,701	\$ 8,776,034	\$ 8,106,587	\$ 7,742,169	\$ 7,429,590	\$ 6,338,741
Public safety	17,753,616	17,815,809	15,808,512	15,612,306	16,246,657	15,203,368	14,568,000	13,765,770	12,624,805	11,834,771
Utilities and environment	672,940	720,659	606,278	655,146	3,274,147	3,204,005	2,895,895	2,690,464	2,620,860	2,387,847
Transportation	4,214,886	3,398,467	3,383,928	4,044,775	3,644,169	3,372,661	3,632,075	2,919,421	2,905,840	1,789,636
Economic environment	3,924,819	3,087,118	2,918,187	3,491,871	2,127,792	2,160,763	2,101,562	950,080	884,540	1,138,245
Social services	315,088	266,856	250,166	335,130	225,287	149,626	155,435	4,438	-	4,438
Culture and recreation	5,944,416	5,780,605	5,166,231	3,962,443	4,597,005	4,286,982	4,250,683	4,512,065	4,371,195	3,906,501
Debt service:										
Principal	2,005,101	1,677,061	1,585,875	1,560,423	1,222,401	1,135,806	1,073,539	8,801,570	1,053,481	829,594
Interest and service cost	331,343	374,177	410,807	497,366	494,872	528,498	544,262	1,350,861	515,940	566,370
Administrative charges	-	-	-	31,347	1,951	1,137	2,421	134,690	100,073	67
Capital outlay:										
General government	1,463,211	668,506	154,845	109,710	87,038	57,645	265,656	36,265	20,940	87,169
Public safety	920,078	1,028,929	137,695	10,270	30,868	85,487	24,968	43,089	106,358	133,376
Utilities and environment	-	-	-	-	-	-	-	-	-	212,495
Transportation	5,427,173	8,186,940	8,114,985	7,008,548	5,576,959	4,029,456	3,912,289	3,549,000	5,330,846	2,716,616
Economic environment	-	-	-	-	-	-	-	-	-	18,731
Social services	74,437	275,865	-	-	208,327	5,224	-	-	-	-
Culture and recreation	3,673,901	1,547,988	185,502	-	22,953	74,310	1,597,947	6,334,034	1,682,816	15,790
Total expenditures	\$ 61,083,796	\$ 57,790,444	\$ 51,196,694	\$ 49,737,404	\$ 47,758,127	\$ 43,071,002	\$ 43,131,319	\$ 52,833,916	\$ 39,647,284	\$ 31,975,949
Excess revenues over (under) expenditures	\$ (4,940,394)	\$ 1,763,202	\$ 5,637,304	\$ (1,285,475)	\$ (1,392,792)	\$ 645,326	\$ (2,416,026)	\$ (15,646,575)	\$ (2,994,410)	\$ 336,772
Other financing sources (uses)										
Transfers in	\$ 9,906,247	\$ 7,617,142	\$ 7,521,875	\$ 6,069,056	\$ 5,407,602	\$ 5,764,506	\$ 5,391,572	\$ 5,920,359	\$ 6,213,679	\$ 3,503,675
Transfers out	(6,008,895)	(9,863,088)	(6,598,395)	(3,550,854)	(4,638,952)	(4,509,428)	(3,706,652)	(3,945,230)	(4,642,149)	(3,020,513)
Insurance recoveries	-	-	-	13,387	23,462	214	5,059	8,536	-	19,874
Custodial activities	-	-	-	-	541	-	-	-	-	-
Bonds issued	-	-	-	-	-	-	-	-	6,310,000	-
Premium on bonds issued	-	-	-	-	-	-	-	904,351	366,297	-
Proceeds from debt/refunding debt	-	-	-	2,590,018	-	-	-	7,745,000	194,991	-
SBITA	895,107	-	-	-	-	-	-	-	-	-
Lease related	131,002	102,587	-	-	-	-	-	-	-	-
Proceeds from disposal of capital assets	10,000	45,771	10,835	227,999	-	-	-	-	-	-
Total other financing sources (uses)	\$ 4,933,460	\$ (2,097,589)	\$ 934,316	\$ 5,349,606	\$ 792,653	\$ 1,255,292	\$ 1,689,979	\$ 10,633,016	\$ 8,442,818	\$ 503,036
Net change in fund balances	\$ (6,934)	\$ (334,387)	\$ 6,571,620	\$ 4,064,131	\$ (600,137)	\$ 1,900,618	\$ (726,047)	\$ (5,013,559)	\$ 5,448,408	\$ 839,808
Debt service as a percentage of noncapital expenditures	4.72%	4.45%	4.69%	4.83%	4.11%	4.29%	4.33%	23.68%	4.83%	4.85%

City of Walla Walla
Governmental Activities Tax Revenue by Source
Last Ten Fiscal Years
(Accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Property tax	\$ 8,327,589	\$ 8,282,566	\$ 8,328,549	\$ 8,147,998	\$ 7,885,195	\$ 7,904,331	\$ 7,095,973	\$ 7,577,730	\$ 7,277,314	\$ 6,239,821
Sales tax	13,770,035	13,782,655	13,019,297	10,159,291	10,423,766	10,095,356	8,831,118	8,815,394	8,132,270	7,470,268
Business and occupation tax	3,413,224	3,176,889	2,890,436	2,877,233	2,841,042	2,969,226	3,105,232	2,946,561	3,155,966	3,211,772
Utility excise tax	6,754,471	6,950,889	6,924,945	5,225,316	5,029,264	4,855,631	4,544,087	4,372,166	4,164,429	3,164,614
Gambling tax	21,453	28,458	26,444	14,911	(3,580)	53,634	71,829	102,573	(187,170)	52,726
Real estate excise tax	694,522	660,168	824,012	620,954	512,552	548,502	452,590	396,849	346,043	290,807
Leasehold tax	94,735	73,855	65,879	46,748	47,364	43,731	37,702	41,976	42,545	35,498
Tourism promotion area tax	-	-	374,649	249,374	358,136	355,706	336,316	344,197	278,329	230,361
Ticket tax	5,470	44,860	-	-	-	-	-	-	-	-
Total taxes	\$ 33,081,498	\$ 33,000,340	\$ 32,454,211	\$ 27,341,825	\$ 27,093,739	\$ 26,826,117	\$ 24,474,847	\$ 24,597,446	\$ 23,209,726	\$ 20,695,867

City of Walla Walla
Property Tax Rates
Direct and Overlapping Governments ⁽¹⁾
Last Ten Fiscal Years (and Next Year)

Fiscal Year	City of Walla Walla			Walla Walla County			Walla Walla School District			Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total District Millage	
2024	1.610	0.276	1.886	1.058	-	1.058	2.065	0.834	2.899	5.843
2023	1.709	0.360	2.069	1.117	-	1.117	2.209	0.915	3.124	6.310
2022	1.958	0.456	2.414	1.247	-	1.247	2.500	1.028	3.528	7.189
2021	2.318	0.545	2.863	1.396	-	1.396	2.500	1.160	3.660	7.919
2020	2.302	0.552	2.854	1.390	-	1.39	2.500	1.161	3.661	7.905
2019	2.427	0.581	3.008	1.446	-	1.446	1.500	1.218	2.718	7.172
2018	2.620	0.631	3.251	1.474	-	1.474	3.479	1.227	4.706	9.431
2017	2.534	0.644	3.178	1.457	-	1.457	3.513	1.218	4.731	9.366
2016	2.630	0.703	3.333	1.493	-	1.493	3.656	1.262	4.918	9.744
2015	2.595	0.345	2.940	1.485	-	1.485	3.712	1.282	4.994	9.419
2014	2.558	0.607	3.165	1.474	-	1.474	3.687	1.231	4.918	9.557

Source: Walla Walla County Assessment Guide by the Assessor's Office

Note: ⁽¹⁾Overlapping rates are those of local and county governments that apply to property owners within the City of Walla Walla. Not all overlapping rates apply to all City of Walla Walla property owners (e.g. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district.)

**City of Walla Walla
Assessed Value of Taxable Property ⁽¹⁾
Last Ten Fiscal Years (and Next Year)**

Fiscal Year	Real Property Value	Personal Property Value	State Assessed Value	Less: Open Space Loss	Less: Senior Loss	Less: Exempt Loss ⁽²⁾	Less: Head of Household Loss	Less: Minimum Value Loss	Total Taxable Assessed Value	Direct Tax Rate
2024	\$ 4,855,265,276	\$ 142,169,160	\$ 54,330,840	\$ 7,013,742	\$ 52,744,099	\$ 551,521,860	\$ 534,440	\$ 22,698	4,439,928,437	1.8861
2023	\$ 4,424,791,885	\$ 131,498,370	\$ 54,330,538	\$ 6,439,820	\$ 47,389,668	\$ 522,586,310	\$ 241,400	\$ 20,335	4,033,943,260	2.0691
2022	3,797,169,983	137,725,250	53,834,609	5,491,191	45,002,625	498,847,060	646,520	17,948	3,438,724,498	2.4139
2021	3,311,250,399	92,187,680	52,531,523	5,863,890	45,624,637	588,136,060	484,600	16,080	2,815,844,335	2.8540
2020	3,238,041,751	92,559,830	49,559,275	5,665,550	46,214,032	469,071,930	485,400	14,024	2,858,709,920	3.0092
2019	2,500,803,244	84,693,230	49,310,578	5,685,510	47,402,927	460,853,870	572,930	13,400	2,634,807,052	3.0092
2018	2,739,106,872	81,967,040	48,038,171	5,653,480	46,122,638	353,588,590	582,950	19,720	2,463,144,705	3.2509
2017	2,579,778,378	87,068,060	44,297,980	5,881,331	46,284,448	321,027,980	552,000	7,140	2,337,391,519	3.1783
2016	2,412,557,034	120,067,212	45,833,173	1,999,939	47,192,431	345,801,828	884,870	7,560	2,182,570,791	3.3323
2015	2,314,569,479	76,540,480	45,110,156	31,044,750	38,616,960	267,668,220	962,090	15,265	2,097,912,830	2.9399
2014	1,949,365,400	76,206,477	42,487,527	2,063,700	57,391,000	-	1,007,627	13,269	2,007,583,808	3.1649

Source: Walla Walla County Assessor's Office

Notes: ⁽¹⁾ The County assesses property at 100% of actual value.

⁽²⁾ Exempt Loss column added in 2015 by County Assessor's Office.

**City of Walla Walla
Top Ten Principal Property Taxpayers
Current Year and Nine Years Prior**

City Taxpayers	2023		2014	
	Assessed Value	Rank	Assessed Value	Rank
Nelson Irrigation Corp	\$ 24,290,410	1	\$ 276,710	10
Refresco Beverages US Inc	\$ 22,617,210	2		
Providence Health & Services	\$ 22,503,900	3		
Adventist Health System	\$ 15,812,500	4		
Columbia Rural Electric Assn	\$ 15,719,078	5		
Pacificcorp	\$ 13,841,772	6	\$ 685,229	4
Whitman College Board of Trustees	\$ 13,624,950	7		
DPM Properties WA2 LLC	\$ 13,480,020	8		
Zelman Walla Walla LLC	\$ 12,465,800	9		
IMRON LLC KMART Corp Facility IQ	\$ 11,850,000	10		
Boise Cascade			\$ 2,314,554	1
Ralph & Cheryl Broetje (Broetje Orchards)			\$ 986,588	2
Gas Transmission Northwest			\$ 841,649	3
Union Pacific Railroad C.O.			\$ 624,453	5
FPL Energy Vansycle LLC			\$ 544,757	6
Raillex			\$ 452,863	7
I.B.P. Inc (Tyson Fresh Meats)			\$ 434,053	8
J.R. Simplot Company			\$ 314,994	9

Source: 2023 data provided by the Walla Walla County Assessor Office.

*2014 data is only available for Walla Walla County as a whole

**City of Walla Walla
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2023	\$ 8,330,194	\$ 8,182,989	98.2%	\$ -	\$ 8,182,989	98.23%
2022	8,282,566	8,140,542	98.3%	101,363	8,140,542	98.29%
2021	8,328,520	8,158,038	98.0%	151,549	8,309,587	99.77%
2020	8,136,558	8,001,368	98.3%	127,923	8,129,291	99.91%
2019	7,907,008	7,807,808	98.7%	98,807	7,906,615	100.00%
2018	7,899,015	7,777,311	98.5%	121,320	7,898,631	100.00%
2017	7,407,689	7,052,747	95.2%	354,410	7,407,157	99.99%
2016	7,253,414	7,110,707	98.0%	142,518	7,253,225	100.00%
2015	6,157,923	6,029,512	97.9%	128,240	6,157,752	100.00%
2014	6,336,964	5,977,960	94.3%	358,863	6,336,823	100.00%

Source: December Walla Walla County Treasurer's monthly report of tax collections.

City of Walla Walla
Water/Wastewater Various Rates and Capital Facility Charges
Last Ten Fiscal Years

Water Utility Monthly Meter Charges

Meter Size (inches)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
3/4	\$ 41.30	\$ 41.30	\$ 41.30	\$ 40.30	\$ 39.40	\$ 37.90	\$ 36.50	\$ 35.10	\$ 32.90	\$ 27.80
1	82.20	82.20	82.20	80.30	78.40	75.40	72.60	69.90	65.50	55.30
1 1/2	164.70	164.70	164.70	160.80	157.00	151.00	145.30	139.90	131.10	110.70
2	263.30	263.30	263.30	257.10	251.10	241.60	232.50	223.80	209.80	177.20
3	492.80	492.80	492.80	481.20	469.90	452.00	435.00	418.80	392.60	331.60
4	822.10	822.10	822.10	802.80	784.00	754.20	725.80	698.80	655.00	553.20
6	1,653.20	1,653.20	1,653.20	1,614.30	1,576.50	1,516.60	1,459.50	1,405.10	1,317.10	1,112.40
8	2,466.60	2,466.60	2,466.60	2,408.40	2,352.00	2,262.60	2,177.50	2,096.40	1,965.10	1,659.70
10	3,288.70	3,288.70	3,288.70	3,211.30	3,136.00	3,016.80	2,903.30	2,795.10	2,620.10	2,212.90

Water Utility Consumption Charges per 1,000 Gallons

Customer Class	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Residential	\$ 3.54	\$ 3.33	\$ 2.30	\$ 2.20	\$ 2.10	\$ 2.00	\$ 1.90	\$ 1.80	\$ 1.70	\$ 1.58
Commercial	2.62	2.46	1.70	1.70	1.70	1.60	1.50	1.40	1.30	1.17
Industrial	2.61	2.44	1.70	1.70	1.70	1.60	1.50	1.40	1.30	1.21
Public	2.52	2.41	1.70	1.70	1.70	1.60	1.50	1.40	1.30	1.17

Water Utility Connection Charges for Permanent Meters

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Meter Installation Fee-3/4"	\$ 500.00	\$ 480.00	\$ 290.00	\$ 280.00	\$ 270.00	\$ 260.00	\$ 250.00	\$ 239.00	\$ 577.00	\$ 577.00
Meter Installation Fee-1"	510.00	490.00	300.00	290.00	280.00	270.00	260.00	249	Actual cost	Actual cost
Service connection charge-1" service line ⁽¹⁾	3,420.00	3,310.00	3,190.00	3,090.00	2,990.00	2,900.00	2,810.00	2772	applicable fees	applicable fees
Service connection charge-2" service line ⁽²⁾	5,380.00	5,200.00	5,020.00	4,900.00	4,790.00	4,610.00	4,440.00	4,278.00	-	-
Service connection charge-larger than 2" service line	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost

⁽¹⁾1-inch service line (service line only; meter separate).

⁽²⁾Service line and meter (separate charges) greater than 2" will be "actual cost to city plus applicable fees" as of 2016.

Water Capital Facilities Charges

Meter Size (inches)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
5/8 & 3/4	\$ 4,725.00	\$ 4,560.00	\$ 4,400.00	\$ 4,260.00	\$ 4,130.00	\$ 4,000.00	\$ 3,870.00	\$ 3,750.00	\$ 1,785.00	\$ 1,785.00
1	7,880.00	7,600.00	7,330.00	7,100.00	6,880.00	6,660.00	6,450.00	6,250.00	2,981.00	2,981.00
1 1/2	15,750.00	15,200.00	14,680.00	14,220.00	13,770.00	13,330.00	12,910.00	12,500.00	5,944.00	5,944.00
2	25,200.00	24,320.00	23,480.00	22,740.00	22,020.00	21,320.00	20,650.00	20,000.00	9,514.00	9,514.00
3	50,400.00	48,640.00	46,960.00	45,480.00	44,040.00	42,650.00	41,300.00	40,000.00	19,046.00	19,046.00
4	78,750.00	76,000.00	73,370.00	71,050.00	68,810.00	66,640.00	64,540.00	62,500.00	29,810.00	29,810.00

Wastewater Capital Facilities Charges

Charge	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Side Sewer Charge	\$ 2,010.00	\$ 1,940.00	\$ 1,872.00	\$ 1,813.00	\$ 1,756.00	\$ 1,701.00	\$ 1,647.00	\$ 1,595.00	\$ 1,104.00	\$ 1,104.00

Wastewater Utility Monthly Rates
(For First 6,000 Gallons or Less)

Customers Connected to the Wastewater Utility ⁽¹⁾	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Residential	\$ 62.20	\$ 59.80	\$ 58.60	\$ 57.20	\$ 55.90	\$ 54.60	\$ 53.30	\$ 52.10	\$ 52.10	\$ 52.10
Multi-Family Residences (per unit)	37.30	35.80	35.10	34.30	33.50	32.70	31.90	31.20	31.20	31.20
Commercial	58.20	58.20	57.30	56.00	54.70	53.40	52.20	51.00	51.00	51.00
Public	58.20	58.20	69.10	67.50	65.90	64.40	62.90	61.50	61.50	61.50
Industrial	58.20	58.20	73.40	71.70	70.00	68.40	66.80	65.30	65.30	65.30
City of Walla Walla	58.20	58.20	17.20	16.80	16.40	16.00	15.60	15.20	15.20	15.20

⁽¹⁾A consumption fee is charged to commercial and industrial customers for each 1 gallon of water used over 6,000 gallon minimum.

**City of Walla Walla
Water and Wastewater Utility Customers by Category
Last Ten Fiscal Years**

	2023		2022		2021		2020		2019		2018		2017		2016		2015		2014		
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
Water																					
Residential	9,765	90.8%	9,644	89.6%	9,613	89.4%	9,566	88.9%	9,455	87.4%	9,455	87.4%	9,433	87.2%	9,304	89.2%	9,373	88.9%	9,299	88.9%	
Multifamily	148	1.4%	147	1.4%	148	1.4%	149	1.4%	153	1.4%	153	1.4%	146	1.3%	146	1.4%	146	1.4%	146	1.4%	
Commercial	876	8.1%	868	8.1%	871	8.1%	856	8.0%	989	9.1%	989	9.1%	908	8.4%	876	8.4%	910	8.6%	898	8.6%	
Industrial	11	0.1%	11	0.1%	12	0.1%	14	0.1%	14	0.1%	14	0.1%	13	0.1%	13	0.1%	14	0.1%	14	0.1%	
Public	87	0.8%	88	0.8%	90	0.8%	105	1.0%	105	1.0%	105	1.0%	101	0.9%	92	0.9%	99	0.9%	98	0.9%	
Total	10,887	102%	10,758	101%	10,824	101%	10,795	100%	10,821	99%	10,821	99%	10,702	99%	10,431	100%	10,542	100%	10,455	100%	
Wastewater																					
Residential	8,995	91.1%	8,852	89.6%	8,818	89.3%	8,800	89.1%	8,598	86.7%	8,598	86.7%	8,914	92.0%	8,432	89.5%	8,365	90.6%	8,271	89.5%	
Multifamily	148	1.5%	147	1.5%	147	1.5%	148	1.5%	146	1.5%	146	1.5%	146	1.5%	142	1.5%	143	1.5%	140	1.5%	
Commercial	799	8.1%	788	7.9%	784	7.9%	775	7.8%	775	7.8%	775	7.8%	858	8.9%	763	8.1%	655	7.1%	749	8.1%	
Industrial	7	0.1%	7	0.1%	7	0.1%	7	0.1%	7	0.1%	7	0.1%	8	0.1%	7	0.1%	6	0.1%	7	0.1%	
Public	79	0.8%	81	0.8%	81	0.8%	93	0.9%	79	0.8%	79	0.8%	92	1.0%	80	0.8%	64	0.7%	78	0.8%	
Total	10,028	102%	9,875	101%	9,918	100%	9,916	100%	9,684	98%	9,684	98%	10,110	104%	9,424	100%	9,233	100%	9,245	100%	
Water/Wastewater																					
Residential	9,765	82.9%	9,644	81.9%	9,613	81.7%	9,566	81.3%	9,455	80.8%	9,455	80.8%	9,433	79.5%	9,304	89.2%	9,373	88.9%	9,299	88.9%	
Commercial/Multifamily	1,024	8.7%	1,015	8.6%	1,019	8.7%	1,005	8.5%	1,142	9.8%	1,142	9.8%	1,054	8.9%	1,022	9.8%	1,056	10.0%	1,044	10.0%	
Industrial	11	0.1%	11	0.1%	12	0.1%	14	0.1%	14	0.1%	14	0.1%	13	0.1%	13	0.1%	14	0.1%	14	0.1%	
Public	87	0.7%	88	0.7%	90	0.8%	105	0.9%	105	0.9%	105	0.9%	101	0.9%	92	0.9%	99	0.9%	98	0.9%	
Total	11,911	101%	11,773	100%	11,753	100%	11,695	99%	11,858	101%	11,858	101%	11,655	98%	10,431	100%	10,542	100%	10,455	100%	

**City of Walla Walla
Top Ten Water / Wastewater Customers
Current and Ten Years Ago**

Customer Name	2023			2013		
	Amount (In Gallons)	Rank	% of Total	Amount (In Gallons)	Rank	% of Total
CITY OF WALLA WALLA	273,768,486	1	11.34%	225,946,862	1	15.82%
DEPARTMENT OF CORRECTIONS	116,235,420	2	4.81%	142,377,485	2	9.97%
SCHOOL DIST #140	82,963,797	3	3.44%	69,954,831	3	4.90%
WHITMAN COLLEGE	58,225,083	4	2.41%	69,200,794	4	4.85%
REFRESCO BEVERAGE US INC	44,813,230	5	1.86%	26,744,355	5	1.87%
WALLA WALLA HOUSING AUTHORITY	27,995,032	6	1.16%	21,350,152	6	1.50%
PROVIDENCE HEALTH & SERVICE WA	24,633,059	7	1.02%	21,105,539	7	1.48%
FIRST COMMERCIAL PROPERTIES NW	24,133,634	8	1.00%			
CITY OF COLLEGE PLACE	16,042,020	9	0.66%			
WASH ODD FELLOWS HOME	11,284,507	10	0.47%			
RANCHO VILLA INC.				20,787,617	8	1.46%
GOLDEN WEST ESTATES MHC, LLC				13,214,339	9	0.93%
T J HART INC				12,535,855	10	0.88%
Wastewater Customers						
DEPARTMENT OF CORRECTIONS	116,235,420	1	24.23%	142,377,485	1	12.28%
REFRESCO BEVERAGE US INC	44,813,230	2	9.34%	26,744,355	4	2.31%
CITY OF WALLA WALLA	24,243,924	3	5.05%	48,065,333	3	4.14%
WHITMAN COLLEGE	24,129,174	4	5.03%	49,816,523	2	4.30%
PROVIDENCE HEALTH SYSTEMS	11,980,237	5	2.50%	12,450,577	9	1.07%
WHEATLAND VILLAGE	10,148,620	6	2.12%			
STATE OF WASHINGTON	8,894,260	7	1.85%			
WASH ODD FELLOWS HOME	7,518,161	8	1.57%			
KEY TECHNOLOGY	7,009,777	9	1.46%			
BUSH LIVING TRUST	6,421,655	10	1.34%			
WALLA WALLA HOUSING AUTHORITY				21,281,331	5	1.84%
RANCHO VILLA INC				20,787,617	6	1.79%
GOLDEN WEST ESTATES MHC, LLC				13,214,339	7	1.14%
TJ HART INC				12,535,855	8	1.08%
VINEYARD CONDOMINIUMS HOA				10,860,219	10	94.00%

City of Walla Walla
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General governmental activities:										
General obligation bonds	\$10,303,890	\$12,003,892	\$14,420,023	\$16,088,810	\$15,147,382	\$16,453,764	\$17,673,550	\$18,913,480	\$19,156,019	\$13,336,613
Special assessment bonds	-	-	5,848	55,000	60,848	81,848	106,848	141,847	241,311	288,689
Leases	283,301	299,724	-	-	-	-	-	-	-	-
Business-type activities										
Water bonds	3,455,000	3,840,000	4,370,390	4,580,000	5,091,468	5,487,007	5,842,545	6,193,085	-	7,709,800
Wastewater bonds	5,470,000	5,715,000	6,536,662	6,175,000	7,049,995	7,086,662	-	-	-	1,600,200
Water/Wastewater bonds	8,925,000	9,555,000	10,907,052	10,755,000	12,141,463	12,573,669	5,842,545	6,193,085	-	9,310,000
Water loans	16,247,915	17,497,290	18,746,664	19,996,037	20,507,984	106,026	166,475	228,421	162,632	216,842
Wastewater loans	6,436,657	2,914,068	2,578,107	3,244,265	4,422,341	6,454,602	8,447,356	10,402,181	12,320,581	14,204,009
Water/Wastewater loans	22,684,572	20,411,358	21,324,771	23,240,302	24,930,323	6,560,626	8,613,830	10,630,602	12,483,213	14,420,851
Landfill bonds	2,154,883	2,643,909	3,104,728	3,558,470	3,959,360	4,608,162	5,247,772	2,979,054	3,360,451	3,687,590
Landfill loans	1,763,201	1,880,747	1,998,294	2,115,841	2,233,388	-	-	-	-	-
Golf course bonds	23,821	46,329	67,640	89,186	109,437	134,179	158,998	183,032	206,605	224,168
Leases	1,559,264	949,602	49,927	84,637	125,163	164,545	202,810	-	-	-
Total primary government	\$47,697,932	\$47,790,561	\$51,878,283	\$55,987,246	\$56,473,976	\$40,576,793	\$37,846,361	\$39,041,100	\$35,447,599	\$41,267,911
Percentage of personal income ⁽¹⁾	1.39%	1.42%	1.63%	1.90%	2.01%	1.56%	1.44%	1.64%	1.54%	1.82%
Per capita	\$ 1,390	\$ 1,405	\$ 1,521	\$ 1,641	\$ 1,649	\$ 1,193	\$ 1,118	\$ 1,162	\$ 1,048	\$ 1,292

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ See the schedule of Demographics and Economic Statistics for personal income and population data.

City of Walla Walla
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General obligation bonds	\$15,937,594	\$18,534,130	\$21,962,781	\$21,962,781	\$24,316,466	\$25,890,380	\$28,922,865	\$28,268,651	\$22,723,075	\$26,558,371
Less: Amounts available in debt service fund	1,062,790	1,168,862	658,855	670,554	692,966	589,614	458,900	425,454	356,481	774,070
Net total	\$14,874,804	\$17,365,268	\$21,303,926	\$23,684,239	\$23,684,239	\$25,300,766	\$28,463,965	\$27,843,197	\$22,366,594	\$25,784,301
Percentage of estimated actual taxable value of property	0.43%	0.50%	0.76%	0.83%	0.90%	1.03%	1.22%	1.03%	1.07%	1.28%
Per capita	\$434	\$510	\$626	\$688	\$692	\$ 744	\$ 841	\$ 648	\$ 656	\$ 799

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See the schedule of Demographics and Economic Statistics for personal income and population data.

City of Walla Walla
Direct and Overlapping Governmental Activities Debt
As of December 31, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
City of Walla Walla direct debt			\$ 10,303,890
School District	48,405,000	100.0%	48,405,000
Subtotal overlapping debt	\$ 48,405,000		\$ 48,405,000
Total direct and overlapping debt			\$ 58,708,890

Sources: Debt outstanding data provided by the Walla Walla School District.

Note: Overlapping governments are those which coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Walla Walla. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

* The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**City of Walla Walla
Legal Debt Margin Information
Last Ten Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt limit	\$302,545,746	\$257,904,336	\$218,686,074	\$217,685,074	\$214,403,244	\$197,610,529	\$182,756,794	\$175,304,364	\$163,692,810	\$157,343,463
Total net debt applicable to limit	13,468,411	10,159,100	13,419,173	14,424,683	12,675,606	14,955,872	17,019,507	14,409,436	12,393,400	17,702,343
Legal debt margin	\$289,077,335	\$247,745,236	\$205,266,901	\$203,260,391	\$201,727,637	\$182,654,656	\$165,737,287	\$160,894,928	\$151,299,410	\$139,641,120
Total net debt applicable to the limit as a percentage of debt margin	4.7%	4.1%	6.5%	7.1%	6.3%	8.2%	10.3%	9.0%	8.2%	12.7%

Legal debt margin calculation for fiscal year 2023:
Total assessed value January 2023 \$4,033,943,260

2.5% general purposes limit is allocated between
Up to 1.5% debt without a vote (councilmanic)
Less: outstanding debt 100,848,582
Less: contracts payable 60,509,149
Less: excess of debt with a vote (6,419,455)
Add: available assets 963,632
Equals remaining debt capacity without a vote 55,053,326

1% general purpose debt with a vote
Less: outstanding debt 40,339,433
Less: contracts payable (8,520,000)
Add: available assets 507,412
Equals remaining debt capacity with a vote 32,326,845

2.5% utility purpose limit, voted
Less: outstanding debt 100,848,582
Less: contracts payable -
Add: available assets -
Equals remaining debt capacity- utility purpose, voted 100,848,582

2.5% utility purpose limit, open space park and capital facilities, voted
Less: outstanding debt 100,848,582
Less: contracts payable -
Add: available assets -
Equals remaining debt capacity- park & facilities, voted 100,848,582
Total legal debt margin \$289,077,335

Note: Under statutory provisions for the State, cities may incur general obligation debt for "general purposes" in an amount not to exceed 2 1/2 percent of the assessed valuation of all taxable property in the city; 2 1/2 percent of assessed valuation for "open space and park facilities" uses; and 2 1/2 percent of assessed valuation for "utility" purposes. Within the "general purpose" limit, cities may incur general obligation indebtedness in an amount up to 1 1/2 percent of the assessed value without a vote of the people. Non-voted general obligation debt is payable from the City's regular tax levy, which may be levied for general purposes, and from other revenue sources that the City receives for general purposes. To incur general obligation indebtedness in excess of 1 1/2 percent of the assessed valuation of the City, the City must receive approval from the voters ("unlimited tax debt"). No combination of limited or unlimited tax debt may exceed 7 1/2 percent of the actual value of taxable property in the City.

**City of Walla Walla
Pledged - Revenue Coverage
Last Ten Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Water Bonds										
Charges for services and other	\$ 15,198,579	\$ 14,230,196	\$ 15,410,865	\$ 13,857,008	\$ 13,980,212	\$ 13,796,846	\$ 12,961,977	\$ 12,590,360	\$ 12,111,309	\$ 10,482,958
Less: Operating expenses	7,542,068	7,177,760	6,262,919	6,754,048	7,615,684	6,085,639	9,505,663	7,715,626	5,213,538	5,025,793
Net available revenue	\$ 7,656,511	\$ 7,052,436	\$ 9,147,946	\$ 6,364,528	\$ 6,364,528	\$ 7,711,207	\$ 3,456,314	\$ 4,874,734	\$ 6,897,771	\$ 5,457,165
Debt service:										
Principal	\$ 1,634,374	\$ 1,624,374	\$ 1,614,374	\$ 1,676,334	\$ 1,772,789	\$ 490,567	\$ 487,067	\$ 54,211	\$ 7,709,800	\$ 2,740,411
Interest	\$ 267,111	\$ 272,512	\$ 314,298	\$ 294,375	\$ 411,176	\$ 197,733	\$ 163,700	\$ 45,117	\$ 159,740	\$ 424,477
Payment	\$ 1,901,485	\$ 1,896,886	\$ 1,928,672	\$ 1,910,760	\$ 2,183,965	\$ 688,300	\$ 650,767	\$ 99,328	\$ 7,869,540	\$ 3,164,888
Coverage	4.03	3.72	4.74	3.33	2.91	11.20	5.31	49.08	0.88	1.72
Wastewater Bonds										
Charges for services and other	\$ 12,836,467	\$ 12,284,275	\$ 12,279,569	\$ 11,437,327	\$ 11,872,855	\$ 11,671,227	\$ 10,957,057	\$ 11,158,948	\$ 10,869,728	\$ 10,376,896
Less: Operating expenses	5,421,167	4,977,567	5,156,522	13,502,761	4,000,869	4,260,587	4,410,718	4,256,090	4,639,903	4,410,146
Net available revenue	\$ 7,415,300	\$ 7,306,708	\$ 7,123,047	\$ 7,871,986	\$ 7,871,986	\$ 7,410,640	\$ 6,546,339	\$ 6,902,858	\$ 6,229,825	\$ 5,966,750
Debt service:										
Principal	\$ 475,289	\$ 666,157	\$ 666,157	\$ 1,178,082	\$ 2,032,258	\$ 1,992,756	\$ 1,954,824	\$ 1,918,402	\$ 1,600,200	\$ 2,683,644
Interest	26,091	24,776	29,381	45,426	76,119	199,356	185,747	236,420	63,461	436,707
Payment	\$ 501,380	\$ 690,933	\$ 695,538	\$ 2,086,935	\$ 2,108,377	\$ 2,192,112	\$ 2,140,571	\$ 2,154,822	\$ 1,663,661	\$ 3,120,351
Coverage	14.79	10.58	10.24	3.77	3.73	3.38	3.06	3.20	3.74	1.91
Water/Wastewater Revenue Bonds										
Charges for services and other	\$ 28,035,046	\$ 26,514,471	\$ 27,690,434	\$ 25,294,335	\$ 25,853,067	\$ 25,468,073	\$ 23,919,034	\$ 23,749,308	\$ 22,981,037	\$ 20,859,854
Less: Operating expenses	12,963,235	12,155,327	11,419,441	20,256,809	11,616,553	10,346,226	13,916,381	11,971,716	9,853,441	9,435,939
Net available revenue	\$ 15,071,811	\$ 14,359,144	\$ 16,270,993	\$ 5,037,526	\$ 14,236,514	\$ 15,121,847	\$ 10,002,653	\$ 11,777,592	\$ 13,127,596	\$ 11,423,915
Debt service:										
Principal	\$ 245,000	\$ 235,000	\$ 235,000	\$ 215,000	\$ -	\$ -	\$ -	\$ -	\$ 9,310,000	\$ 5,424,055
Interest	252,150	222,338	275,150	285,900	264,458	-	-	-	223,201	861,184
Payment	\$ 497,150	\$ 457,338	\$ 510,150	\$ 500,900	\$ 264,457	\$ -	\$ -	\$ -	\$ 9,533,201	\$ 6,285,239
Coverage	30.32	31.40	31.89	28.42	53.83	-	-	-	1.38	1.82
Special Assessment Bonds										
Special assessment collections	\$ -	\$ -	\$ 11,181	\$ 25,531	\$ 26,939	\$ 59,461	\$ 66,057	\$ 63,870	\$ 65,549	\$ 106,096
Debt service:										
Principal	-	-	5,848	21,000	25,000	35,000	99,463	47,379	189,060	37,414
Interest	-	-	593	3,601	4,701	6,425	10,618	19,302	21,021	22,530
Payment	\$ -	\$ -	\$ 6,041	\$ 24,601	\$ 29,701	\$ 41,425	\$ 110,081	\$ 66,681	\$ 210,081	\$ 59,944
Coverage	N/A	N/A	1.85	1.04	0.91	1.44	0.60	0.96	0.31	1.77

⁽¹⁾ This was the first year of issuance, accordingly, no principal payments were scheduled. Further, there was not any debt outstanding in 2017 and 2016 that was secured by pledged revenue. The previous revenue bond's final payment was in 2015. Bond covenants require a 1.25 coverage ratio.

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Charges for service and other includes investment earnings. Operating expenses do not include interest, depreciation, or payments in lieu of taxes to the General Fund.

City of Walla Walla
Demographic and Economic Statistics
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
1 Population - City	34,310	34,020	34,110	34,400	34,240	34,000	33,840	33,340	33,390	32,260
1 Population - County	63,100	62,625	62,350	62,580	62,200	61,800	61,400	60,730	60,650	60,150
City as percent of County	54%	54%	55%	55%	55%	55%	55%	55%	55%	54%
2 County personal income (in 1,000s)	N/A	\$ 3,430,905	\$ 3,375,142	\$ 2,943,477	\$ 2,848,428	\$ 2,705,927	\$ 2,602,735	\$ 2,622,346	\$ 2,528,898	\$ 2,372,702
2 County per capita personal income	N/A	55,436	53,845	48,444	46,648	44,521	42,973	43,459	41,912	39,648
3 County median family income projection	66,635	69,021	60,615	50,550	N/A	N/A	52,630	52,094	49,619	50,835
3 County median age	37.5	37.5	35.7	39.4	N/A	N/A	39.01	37.58	37.58	37.33
3 Percent with high school degree or higher	88.9%	88.4%	87.8%	0.883	N/A	N/A	\$ 1	N/A	N/A	N/A
4 School enrollment	5,464	5,512	5,482	5,689	5,690	5,735	5,854	5,959	6,074	6,214
5 County unemployment rate	6.5%	5.8%	5.3%	4.2%	4.8%	5.3%	6.3%	7.1%	7.1%	6.7%

Sources:

- 1 Port of Walla Walla
- 2 Bureau of Economic Analysis - 2022 is the most current data available
- 3 U.S. Census Bureau - State and County QuickFacts
- 4 School District/Office of the Superintendent of Public Instruction
- 5 Employment Security Department Washington State

N/A Information is not available at this time.

City of Walla Walla
Top Ten Principal Employers
Total Headcount
2019 and Ten Years Prior

Employer within the City	2019*			2009		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Providence St. Mary Medical Center	1,173	1	7.6%	999	2	7.1%
Washington State Penitentiary	1,080	2	7.0%	1,245	1	8.9%
Walla Walla School District #140	833	3	5.4%	784	3	5.6%
Whitman College	609	4	3.9%	529	6	3.8%
U.S. Dept. of Veterans Affairs	558	6	3.6%	399	8	2.8%
Walla Walla Community College	597	5	3.8%	607	5	4.3%
City of Walla Walla	445	7	2.9%			
Key Technology, Inc.	405	8	2.6%	467	7	3.3%
U.S. Army Corps of Engineers	358	9	2.3%	676	4	4.8%
Walla Walla County	312	10	2.0%	376	10	2.7%
Walla Walla General Hospital				391	9	2.8%

Source: Port of Walla Walla

*2019 is the most current data.

City of Walla Walla
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

FUNCTION	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities:										
General government	38.8	37.8	37.8	36.8	42.8	39	38	34	33	34
Public safety										
Police										
Officers	43	45	44	45	42	46	45	44	43	42
Civilians	13.0	13.0	13.8	11.8	12.8	14	14	12	13	8
Fire										
Officers	28.5	30.0	28.0	28	28	31	31	31	30	29
Civilians	0.5	0.5	0.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Emergency dispatch	17	16	17	16	17	17	17	15	17	17
Utilities and environment	25.0	25.0	21.0	23	25	24	25	23	22	23
Transportation	13.7	13.6	13.6	14	14	13	13	13	11	12
Economic environment ⁽¹⁾	10	10	7	8	8	9	9	8	6	1
Culture and recreation	26.5	25.3	23.8	23	25	24	23	21	20	18
Total governmental activities	<u>216</u>	<u>216</u>	<u>206</u>	<u>205.0</u>	<u>214.0</u>	<u>216.5</u>	<u>214.5</u>	<u>201.5</u>	<u>195.5</u>	<u>184.5</u>
Business-type activities:										
Ambulance	26.0	23.5	21.5	20.0	20.5	17.5	17.5	16.5	18.5	17.5
Golf course	-	-	-	-	-	-	-	-	-	-
Landfill	12.4	13.6	11.6	11	11	11	10	11	12	11
Sanitation	12.9	13.9	10.9	12	12	11	11	11	10	11
Stormwater	6.7	6.7	6.7	7	7	7	6	6	4	4
Water/Wastewater	26.7	23.7	23.7	25	24	25	22	24	16	23
Total business-type activities	<u>84.6</u>	<u>81.4</u>	<u>74.4</u>	<u>73.9</u>	<u>73.0</u>	<u>71.5</u>	<u>66.5</u>	<u>68.5</u>	<u>60.5</u>	<u>66.5</u>
Total primary government	<u>300.5</u>	<u>297.4</u>	<u>280.4</u>	<u>279</u>	<u>287</u>	<u>288</u>	<u>281</u>	<u>270</u>	<u>256</u>	<u>251</u>

Source: City of Walla Walla Finance Department, positions filled as of 12/31/23.

⁽¹⁾ Development Services Department provided data from 2013 through 2014 to reflect the City's participation with the Walla Walla Joint Community Development Agency (WWJCDA)

City of Walla Walla
Operating Indicators by Function
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City Attorney										
Requests for legal service	556	513	345	333	353	329	310	330	286	266
Total Walla Walla District Court hearings	8,201	9,349	8,946	7,095	8,538	8,029	7,275	6,144	4,958	4,760
Development Services*										
Permits processed for building and development	1,378	1,697	1,628	1,266	1,359	1,413	1,152	1,235	2,208	1,466
Construction value of permits completed	\$80,256,930	\$71,450,470	\$65,468,690	\$81,598,035	\$58,306,750	\$70,233,607	\$55,492,129	\$51,250,001	\$47,283,870	\$18,434,410
Library										
Questions answered	32,466	30,589	24,038	3,817	43,014	45,874	48,989	38,664	42,728	47,145
Items checked out	251,127	237,606	189,343	235,791	309,694	317,767	307,259	308,891	302,829	321,512
Children's storytime and program attendance	23,820	17,947	22,893	24,292	18,007	14,463	13,034	14,047	14,716	14,663
Adult program attendance	3,690	1,772	1,315	388	1,663	2,599	2,023	1,641	1,420	2,275
Parks and Recreation Department										
Meals served during the summer	-	-	-	-	26,552	22,178	26,543	26,254	25,044	24,911
Special event permits issued	47	54	33	1	48	31	45	59	46	40
Visits to City pools	86,284	83,149	104,631	15,336	79,648	75,324	78,223	3,057	2,979	3,775
Attendance for City recreation programs	192,579	193,741	210,899	35,884	206,521	184,215	181,941	97,229	96,862	99,622
Burial services at Mountain View Cemetery	173	215	200	160	171	166	177	190	197	179
Picnic area reservations	2,191	1418	510	1	326	279	206	252	226	224
Fire Department										
Fire responses	187	121	139	119	745	102	117	107	115	116
Hazardous incident responses	72	103	97	5	81	78	138	85	91	87
Ambulance responses	6,348	7,081	6,371	5,114	5,222	5,609	5,979	5,718	5,670	5,624
Ambulance transported patients	3,915	3,641	3,340	2,931	3,001	3,208	3,591	3,490	3,493	3,516
Property value - fire loss	\$1,512,870	\$1,143,925	\$956,165	\$473,060	\$824,100	\$641,230	\$1,023,800	\$1,094,940	\$1,399,125	\$928,811
Safety Always Matters (SAM) program # students	3,765	2,789	2,461.00	0	3,922	3,868	3,817	3,921	3,785	3,894
Police Department										
Code compliance complaints resolved**	1,372	1,784	2,406	1,570	997	1,576	875	1,207	980	260
Requests for service	22,950	27,228	21,420	16,722	19,844	20,342	19,549	19,128	20,911	18,820
Death investigations and attempted suicides	79	96	89	91	82	73	80	N/A	63	78
Other calls				5,030	6,979	8,270	8,969	N/A	10,676	9,891
Accidents	800	884	883	700	977	897	1,044	N/A	903	889
Animal calls	1,418	1,495	1,299	1,534	1,810	1,678	1,689	N/A	2,109	1,913
Volunteer hours	522	1,195	255	212	706	678	988	N/A	1,142	1,155
Walla Walla Emergency Services Communications										
Total calls	50,325	78,347	77,687	79,063	85,681	84,185	90,228	N/A	94,622	100,537
9-1-1 calls	27,822	24,093	23,468	22,264	22,633	22,527	23,635	N/A	24,664	25,750
Water										
Linear feet of lines replaced	7,250	10,019	8,913	10,672	7,579	11,655	5,345	9,603	6,026	10,166
Linear feet of lines added to system	4,848	7,807	590	2,642	3,400	4,045	3,819	5,905	4,077	-
Million gallons of water to customers	2,793	2,679	3,278	3,028	3,087	3,257	3,105	3,170	3,439	3,474
Meters installed	157	149	102	73	290	375	10989	304	367	302
Leaks repaired to mains and services	27	28	40	64	102	153	85	72	143	152
Wastewater										
Linear feet of lines replaced	6,647	3,707	17,738	9,124	19,287	14,307	5,827	9,852	11,376	8,068
Linear feet of lines added to system	3,284	7,261	1,057	2,126	1,204	4,261	2,884	6,806	4,493	35
Feet of sanitary sewer lines cleaned	564,509	470,399	377,041	346,426	387,835	274,529	370,003	489,124	470,017	847,165
Stormwater										
Feet of storm lines cleaned	21,039	24,403	63,676	25,888	27,858	9,038	10,667	27,584	27,978	39,554
Streets										
Linear feet of new streets added to subdivisions	2,540	7,097	2,749	4,554	1,060	3,623	1,702	2,787	4,420	-
Utility street cuts patched	153	93	78	185	200	231	138	157	326	249
Sanitation										
Pounds of curbside recycling collected	2,019,340	2,134,300	2,603,820	3,000,060	2,915,680	2,983,260	3,081,850	3,058,780	3,011,862	2,996,500
Million pounds of waste collected	44	47	45	45	46	51	44	44	43	42
Landfill										
Tons of solid waste collected	64,807	72,009	63,916	63,616	59,890	60,969	57,802	59,249	55,976	53,051
Pounds of hazardous waste collected	111,445	105,031	98,393	88,176	100,196	104,040	93,982	96,374	86,984	84,294
Landfill courtesy passes used	971	948	1,108	1,691	860	796	745	761	841	806
Pounds of metal recycled at the Landfill	87,920	52,000	102,840	60,160	56,540	90,640	42,480	50,760	47,980	54,780
Tons of leaves collected and recycled	3,137	1,159	1,902	1,813	1,711	2,100	2,104	1,764	1,871	1,359
Equipment Repair										
Fleet service repairs performed	2,327	2,732	2,467	2,894	3,464	2,566	3,329	3,334	3,755	3,448
Number of equipment repair parts used	10,116	11,173	11,047	10,799	11,614	11,419	10,827	10,375	10,565	10,444

Sources:

City of Walla Walla departments

*2015 data reflects the reopened Development Services Department; data from 2013 through 2014 was provided by the Walla Walla Joint Community Development Agency (WWJCDA).

**Code Compliance moved from Development Services to Police Department as of 2015, then in 2022 split between Police and Development Services.

**City of Walla Walla
Capital Asset Statistics by Function
Last Ten Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
City Hall	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Police station	1	1	1	1	1	1	1	1	1	1
Patrol vehicles	21	21	21	21	21	21	18	16	15	15
Vans/SWAT vehicles	6	4	4	3	3	3	3	3	6	5
Animal control vehicle	1	1	1	1	1	1	1	1	1	1
Parking control vehicle	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Pumpers/ladders	4	4	4	4	4	4	2	2	2	3
Other vehicles	11	10	10	10	10	10	9	9	8	8
Backup generator	1	1	1	1	1	1	1	1	1	1
Burn trailer	1	1	1	1	1	1	1	1	1	1
Utilities and Environment										
Service Center building	1	1	1	1	1	1	1	1	1	1
Transportation										
Square yards of streets	1,755,166	1,740,902	1,740,902	1,736,592	1,736,003	1,734,825	1,734,341	1,710,693	1,671,438	1,633,426
Culture and Recreation										
Library building	1	1	1	1	1	1	1	1	1	1
Carnegie Art Center	1	1	1	1	1	1	1	1	1	1
Parks department										
Museum buildings	1	1	1	1	1	1	1	1	1	1
Complex w/concessions	1	1	1	1	1	1	1	1	1	1
Pool buildings	2	2	2	2	2	2	2	2	2	2
Other parks buildings	28	28	28	28	28	28	28	28	28	28
Parks	14	14	14	14	14	14	14	14	14	14
Sportsplex	1	1	1	1	1	1	1	1	1	1
Cemetery	1	1	1	1	1	1	1	1	1	1
Mausoleum	2	2	2	2	2	2	2	2	2	2
Ambulance										
Ambulances	5	5	5	5	5	5	5	6	6	6
Other vehicles	4	1	1	1	1	1	1	1	1	1
Defibrillators	9	9	9	9	9	9	9	9	9	9
IV pumps	6	6	6	6	6	6	6	6	6	6
Sanitation										
Refuse collection vehicles	15	15	14	13	13	13	13	13	15	13
Leaf loaders	0	0	0	0	0	0	0	1	1	1
Other vehicles	3	3	4	4	4	4	2	2	2	2
Water/Wastewater										
Miles of water mains	191	190	188	185	185	185	184	183	182	181
Miles of wastewater mains	152	151	150	148	148	147	147	146	144	143
Landfill⁽¹⁾										
Active landfills (available acres)	829	829	829	829	829	829	829	829	829	924
Closed landfills (acres)	117	117	117	117	117	117	117	117	117	117
Composting facility	1	1	1	1	1	1	1	1	1	1
Other Business-type Assets										
Golf course	1	1	1	1	1	1	1	1	1	1

Sources: City infrastructure project, capital asset recordkeeping system, fleet division, and GIS division.

⁽¹⁾Refer to "Closure and Postclosure" in the Notes to the Financial Statements for more details.