

City of Walla Walla Washington

Comprehensive Annual Financial Report For the Fiscal Year Ended December 31, 2015



Gentlemen of the Road Festival
August 13-15, 2015

CITY OF WALLA WALLA
WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2015

Prepared by:
Finance Department

CITY OF WALLA WALLA
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December 31, 2015

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



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June 27, 2016

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Walla for the fiscal year ended December 31, 2015. This report is published as the official annual financial report and complies with State law that requires annual reporting for Washington municipal governments to be certified and filed with the Washington State Auditor’s Office. The CAFR 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 comprehensive annual financial report of the City of Walla Walla for the fiscal year ended December 31, 2015.

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 of 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 sufficient 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 framework of internal controls 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 City of Walla Walla financial statements have been audited by the Washington State Auditor’s Office. 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 ended December 31, 2015 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. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Walla Walla’s financial statements for the fiscal year ended December 31, 2015, 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.

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 MD&A and should be read in conjunction

with it. The City of Walla Walla's MD&A can be found immediately following the report of the independent auditors.

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 10.9 square miles and is the largest city and the county seat of Walla Walla County. The City's 2015 population is 33,390.

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

The City of Walla Walla is empowered to levy a property tax on both real and personal properties located 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.

In 2012 the City Council adopted the City's first mission statement, core values and vision statement as follows:

Mission: Provide municipal services and programs essential to a desirable community in which to live, work and play.

Core Values: Customer Focus/Service – Excellence – Stewardship – Communication – Leadership – Integrity

Vision: The best of the best of the Northwest.

In 2014 the City adopted its first strategic plan with four strategies aimed at infrastructure improvements; financial resiliency; external and internal communications; and public safety. The 2015-16 Biennium Budget was developed and adopted with the guidance of those strategies.

The City of Walla Walla provides a full range of municipal services, including police and fire protection; ambulance services; the construction and maintenance of streets and other infrastructure; development services; recreational and library services; parks; water, wastewater, sanitation, storm water, and landfill utilities; a golf course; and a cemetery.

The 2015-16 Biennial Budget served as the foundation for the City of Walla Walla's financial planning and control for the City. All departments of the City of Walla Walla are required to submit requests for appropriation to the City Manager in early July of the year preceding the 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 is required to hold public hearings on the proposed budget and to 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 by fund. The City Manager may authorize the transfer of appropriations within a department. Transfers of appropriations between funds and amendments to appropriations, however, require the special approval of the governing council. Budget-to-actual comparisons are provided in this report for each major governmental fund for which an appropriated biennial budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds.

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 to diversify from its historical dependence on agriculture to other major employers. The City serves as the marketing, trading, health and educational hub for over 60,000 people in southeastern Washington and northeastern Oregon.

Agriculture The City is located 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 the growing of crops, and about 16 percent of the 587,600 acres of tillable land in the County is irrigated.

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 apple orchards and vineyards. Over 130 wineries and over 2,000 acres of planted vineyards are located in the Walla Walla Valley. Wineries employ over 2,000 employees in wine production and wine tourism and generate over 6,500 jobs in the region including multiplier effects. The economic impact of the wine industry in the area is estimated at more than \$500 million annually through direct, indirect and induced effects.

Food Processing and Manufacturing The primary livestock farming activity in the County is beef cattle production. Tyson Foods, Inc. operates a large beef packing plant in Wallula, 35 miles from the City, and employs over 1,200 workers. Simplot Feeders operates large beef cattle feed lots in the County. Broetje Orchards is among the larger orchards in the County with up to 2,798 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 467 full-time employees. Nelson Irrigation Corporation manufactures agricultural and turf irrigation equipment and currently employs approximately 170 people. Boise Inc. has a labor force of over 600 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, Providence St. Mary Medical Center and Walla Walla General Hospital. Complete diagnostic and treatment services, as well as emergency and trauma care, are provided at these facilities. At the VA Campus design and construction are underway for new clinic facilities; a residential rehabilitation center; and a specialty care services

facilities. The Walla Walla Veterans Home, approved for construction in 2015 will add 100 health care jobs to the community.

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 The City in partnership with the business community 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 serves to further enhance and improve 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 continuing development of downtown envisions more premium wine shops, fine dining and lodging, and an artists' quarter, all in an active retail core which is supported by a solid employment base and downtown residences.

Blue Mountain Mall, a regional retail center opened in 1989 to serve southeast Washington, northeast Oregon and southwest Idaho. After several years of an interrupted major renovation, the new Walla Walla Town Center owners are actively engaged in the recruitment of retail businesses to fill twenty or so spots, some built and others to be built. National and regional retailers have been identified and contracted or in negotiations for contract to fill the planned spaces.

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. In 2014 Marriott built a Courtyard Inn that opened at the first of 2015. Additionally, in 2014 La Quinta announced plans to build a new hotel that will open in 2016.

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 sometimes unpredictable and dynamic demands and limitations that present themselves to public agencies. In general, government evidences itself in the utilization of 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, twenty or more years ahead to anticipate growth trends; infrastructure renewal and expansion; and unfunded mandates. Additionally, the Water and Wastewater enterprises began a program of major infrastructure repair and replacement (IRRP) in 2010 that successfully continued through 2015. The IRRP has become a major component of the infrastructure improvement plan for water, wastewater and stormwater. In 2015, the Water Division had started construction on a full scale refurbishing of its treatment plant including the addition of long-term treatment of its surface water source.

The landfill operation continues to grow and diversify with the addition of its methane gas flaring facility and plans for gaining the enterprise revenue from related carbon credits. The composting facility opened in 2008 is doing well, accepting green waste and producing and selling its compost products. Remediation of Area 5 continued in 2015 and will be an ongoing project for several years. As part of the remediation effort, the City applied for and was awarded a Model Toxics Control Act grant through the State of Washington Department of Ecology.

The City is also 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. In 2015, the City reestablished its Development Services Department that it is fully functioning and providing development and permitting services to residents and businesses in the City.

The City continues to fund minor street overlay and repair projects, scheduling such work on an annual basis. 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. In 2012 the City partnered with various agencies including Walla Walla County; the City of College Place; Umatilla County and the City of Milton-Freewater; and other agencies to form the Walla Walla Valley Metropolitan Planning Organization (MPO). The City's major IRRP continued, replacing and repairing aging water and sewer pipes; stormwater features; and street paving, all funded by utility rate payers.

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. In 2008 the City along with its partners initiated the Innovative Partnership Zone (IPZ) program funded in large part with a \$750,000 state grant from the State's Center for Trade and Economic Development. This zone includes public and private partners such as Walla Walla Community College, Port of Walla Walla, City of Walla Walla, Nelson Irrigation, Unibest and others who are working together using public and private money to develop new marketable technologies and other products, enhancing the local economy through innovation.

The State Department of Commerce redesignated the Walla Walla IPZ in 2011 expanding the Zone to include all of Walla Walla County, from the western most edge adjacent to Benton County, all of Columbia County, and the Walla Walla Valley American Viticulture Area in Washington State. The redesignation also added alternative energy to the Zone's previously established programs in water conservation and management and the wine and hospitality cluster. The IPZ also completed the extension of high-speed internet access to zone partners in the vicinity of the Port's Walla Walla Regional Airport Business Park.

In February, 2015, the citizens of Walla Walla voted to rebuild the Veteran's Memorial Swimming Pool and build related aquatic facilities. Bonds were issued to fund the project in October, 2015 and construction on the project began in May, 2016. The pool and related facilities are scheduled to open in May, 2017.

In June 2016, the City Council approved the issuance of bonds to replace approximately 11,000 water meters with smart water meters, install two radio towers, and purchase and install software to

accurately measure the water usage. This project will help the City more accurately record water usage and will provide better customer service by allowing the City to identify potential leaks in the system.

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 State Investment Pool. 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 350 cities, counties, and special taxing districts. In managing the LGIP, the State Treasurer is required to adhere, at all times, 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 which provides its participants the opportunity 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 to them. 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.

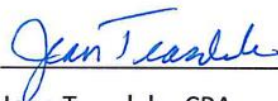
Acknowledgements

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 would like 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 the management of the City of Walla Walla finances.

Respectfully submitted,



Nabil Shawa
City Manager



Jean Teasdale, CPA
Finance Director



Government Finance Officers Association

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

Presented to

**City of Walla Walla
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

2015 Walla Walla City Council



Seated (l-r):	<u>Length of Service</u>	<u>Term Expires</u>
Mary Lou Jenkins <i>Council Member</i>	4 years	12/31/15
Jerry Cummins <i>Mayor</i>	24 years	12/31/15
Chris Plucker <i>Mayor Pro-Tem</i>	4 years	12/31/15
Richard "Dick" Morgan <i>Council Member</i>	2 year	12/31/17
Jim Barrow <i>Council Member</i>	8 years	12/31/17
Barbara Clark <i>Council Member</i>	18 years	12/31/15
Allen Pomraning <i>Council Member</i>	2 year	12/31/17

WALLA WALLA SENIOR MANAGEMENT

Appointed Officials

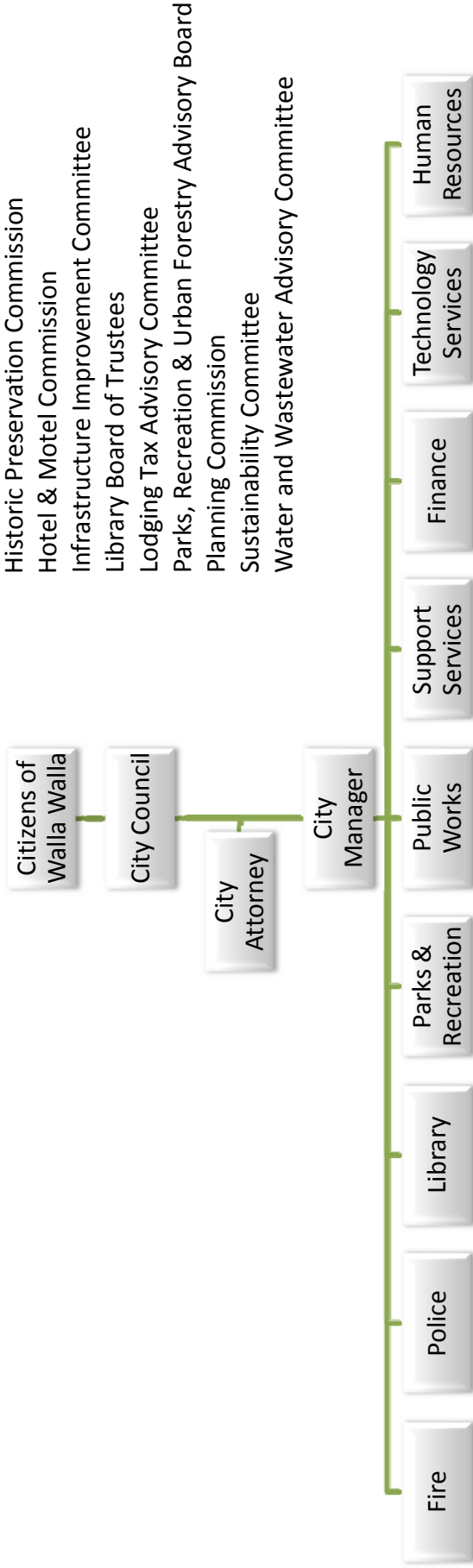


City Manager
Nabiel Shawa
 Appointed October, 2009

	<u>Length in Position</u>	<u>Length of Employment</u>
CITY ATTORNEY <i>Tim Donaldson</i>	19 years	19 years
CITY CLERK <i>Kammy Hill</i>	21 years	21 years
DEPUTY CITY MANAGER <i>Tim McCarty</i>	14 years	14 years
DEVELOPMENT SERVICES DIRECTOR <i>Elizabeth Chamberlain</i>	1 year	1 year
FINANCE DIRECTOR <i>Jean Teasdale</i>	6 years	6 years
FIRE CHIEF <i>Bob Yancey</i>	4 years	29 years
HUMAN RESOURCES DIRECTOR <i>Pam Taylor</i>	1 year	1 year
LIBRARY DIRECTOR <i>Beth Hudson</i>	5 years	24 years
PARKS & RECREATION DIRECTOR <i>Jim Dumont</i>	14 years	14 years
POLICE CHIEF <i>Scott Bieber</i>	3 years	3 years
PUBLIC WORKS DIRECTOR <i>Ki Bealey</i>	5 years	5 years
TECHNOLOGY SERVICES DIRECTOR <i>Vikki Peterson-Rea</i>	14 years	14 years

City of Walla Walla

Organizational Chart





Washington State Auditor's Office

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

June 27, 2016

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the City of Walla Walla, Walla Walla County, Washington, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the City of Walla Walla, Walla Walla County, Washington, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As described in Note 19, during the year ended December 31, 2015, the City has implemented the Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* and Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 through 27, pension plan information on pages 89 through 98 and information on postemployment benefits other than pensions on page 99 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining and individual fund financial statements on pages 102 through 144 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including

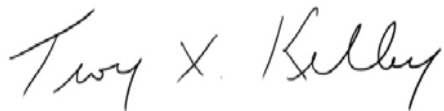
comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Introductory Section and Statistical Section are presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 27, 2016, 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,



TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

“It takes as much energy to wish as it does to plan.”

Eleanor Roosevelt

CITY OF WALLA WALLA

Management's Discussion and Analysis December 31, 2015

The management discussion and analysis section of the City of Walla Walla's Comprehensive Annual Financial Report provides an overview of the City's financial activities for the year ending December 31, 2015, and resulting changes in the financial position as of December 31, 2015. For a better understanding of Walla Walla's finances for the previous year, readers should consider this information in conjunction with the preceding letter of transmittal, the financial statements and notes to the financial statements that follow. **All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

Financial Highlights

- The assets and deferred outflows of resources of the City of Walla Walla exceeded liabilities and deferred inflows at the close of the most recent fiscal year by \$165,106 (net position). Of this amount, \$13,686 represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors. Restricted net position totals \$4,363 and includes donations for capital projects and reporting requirements for GASB 68.
- The City's total net position increased by \$11,850. Business-type activities contributed an increase of \$7,330 while governmental-type activities contributed an increase of \$4,520. The overall financial position of the City improved during 2015, which continues a conservative growth trend over the past several years.
- At fiscal year close, the City of Walla Walla's governmental funds reported combined ending fund balances of \$14,354, an increase of \$5,448 in comparison with the prior year. The main contributing factors for the increase were an increase in property taxes due to annexations and voted debt, an increase in the utility excise fee, a change in state pension reporting and an increase in cash from the sale of bonds. At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$4,838, which represents 17.6% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the City of Walla Walla's basic financial statements. The financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Other supplementary information is provided in addition to the basic financial statements.

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 finances for the total organization, in a manner similar to a private-sector business.

The statement of net position presents the City of Walla Walla's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Increases or decreases in net position over time serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The statement of activities presents revenue, expenses, and the change in the government's net position during the fiscal year. 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 government-wide financial statements distinguish functions of the City of Walla Walla that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Walla Walla include general government, public safety, utilities and environment, transportation, economic environment, and culture and recreation. The business-type activities of the City of Walla Walla include water/wastewater, stormwater, sanitation, landfill, golf course, ambulance, and equipment maintenance and replacement services.

Fund Financial Statements: The annual financial report includes fund financial statements in addition to the government-wide financial statements. While the government-wide statements present the City's finances based on the type of activity, general government versus business-type, the fund financial statements are presented by fund type such as the general fund, special revenue funds, and proprietary funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities or meet certain objectives. Funds are often set up in accordance with special regulations, restrictions or limitations. The City of Walla Walla, like other state and local governments, uses fund accounting to ensure and show compliance with finance-related legal requirements. The City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds: Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information 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 statements 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 twenty-four 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, which is a major fund as defined by the Governmental Accounting Standards Board. In 2015, the street construction fund was also a major governmental fund. Other construction funds that are currently not in use are not reported. Data from the remaining funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

Proprietary Funds: The City of Walla Walla maintains two types of proprietary funds. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. The City of Walla Walla uses enterprise funds to account for water/wastewater, stormwater, sanitation, landfill, golf course, and ambulance services. Internal service funds are used for operations serving other funds or departments within the City to accumulate and allocate costs internally to various functions. Internal service funds account for equipment maintenance and replacement, health and industrial insurance, emergency communication, and service center functions. Of those, insurance, emergency communication, and service center services predominantly benefit government activities (rather than business-type functions) and have been included with governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Enterprise fund financial statements provide separate information for the sanitation, water/wastewater, landfill, and ambulance operations, which are presented as major funds. Data from the other two enterprise funds, stormwater and golf course, and the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds and the internal service funds are provided in the form of combining statements.

Fiduciary Funds: Fiduciary funds are held by the City as a trustee or agent for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the fund resources are not available to support the City of Walla Walla's own programs. The accounting used for fiduciary funds is much like that used for enterprise funds except for agency funds, which only show assets and liabilities.

Notes to the Financial Statements: The notes provide additional information essential to a full understanding of data provided in the government-wide and fund financial statements.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Walla Walla's progress in funding its obligation to provide pension benefits to certain firefighting employees and their beneficiaries.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. The City of Walla Walla assets exceed liabilities and deferred inflows by \$165,106 at the close of 2015. The City's overall net position increased \$11,850 (7.7%) from the prior fiscal year.

The largest portion of the City of Walla Walla's net position \$147,057 (89.1%) reflects an investment in capital assets (e.g. buildings, machinery, equipment, infrastructure, and construction in progress) less related outstanding debt used to acquire those assets. The City of Walla Walla uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Walla Walla's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City of Walla Walla's net position (2.6%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net position totaling \$13,686 (8.3%) will be used to meet the government's ongoing obligations. The change in unrestricted net position is due in large part to the implementation of GASB 68.

At the end of 2015, the City of Walla Walla reports positive balances in all three categories of net position for governmental, business-type activities, and the government as a whole. The City's current and other assets for governmental activities increased by \$10,404, primarily due to an increase in property taxes from an annexation, an increase in cash and investments from bond proceeds, and because of new GASB 68 pension reporting requirements. Current and other assets for business-type activities decreased by \$4,473, primarily due to funding of construction and remediation efforts. Capital assets utilized in governmental activities increased by \$4,534, primarily due to an increase in construction-in-progress. Non-current liabilities increased by \$8,519, for governmental and business activities primarily due to issuance of new long-term debt and implementation of GASB 68.

The following table is a condensed version of the government-wide Statement of Net Position for 2015 compared to 2014.

City of Walla Walla's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Current & other assets	\$19,365	\$29,769	\$33,122	\$28,649	\$52,487	\$58,417
Capital assets	63,900	68,434	105,412	108,380	169,312	176,814
Total assets	83,266	98,203	138,533	137,029	221,799	235,231
Deferred outflows pension	-	1,325	-	434	-	1,759
Total deferred outflows of resources	-	1,325	-	434	-	1,759
Other liabilities	1,795	2,275	765	1,521	2,560	3,796
Noncurrent liabilities	19,212	35,612	37,670	29,790	56,883	65,402
Total liabilities	21,008	37,887	38,436	31,311	59,443	69,198
Deferred inflows pension	-	1,911	-	586	-	2,497
Special assessments	240	189	-	-	240	189
Total deferred inflows of resources	240	2,101	-	586	240	2,686
Net position:						
Invested in capital, net of related debt	50,450	54,727	77,617	92,330	128,068	147,057
Restricted	929	3,543	-	820	929	4,363
Unrestricted	10,638	1,269	22,480	12,417	33,118	13,686
Total Net Position	62,018	59,540	100,098	105,567	162,115	165,106
Adjustment GASB 68 Implementation	(6,998)	-	(1,861)	-	(8,859)	-
Total adjusted net position	\$55,019	\$59,540	\$98,237	\$105,567	\$153,256	\$165,106

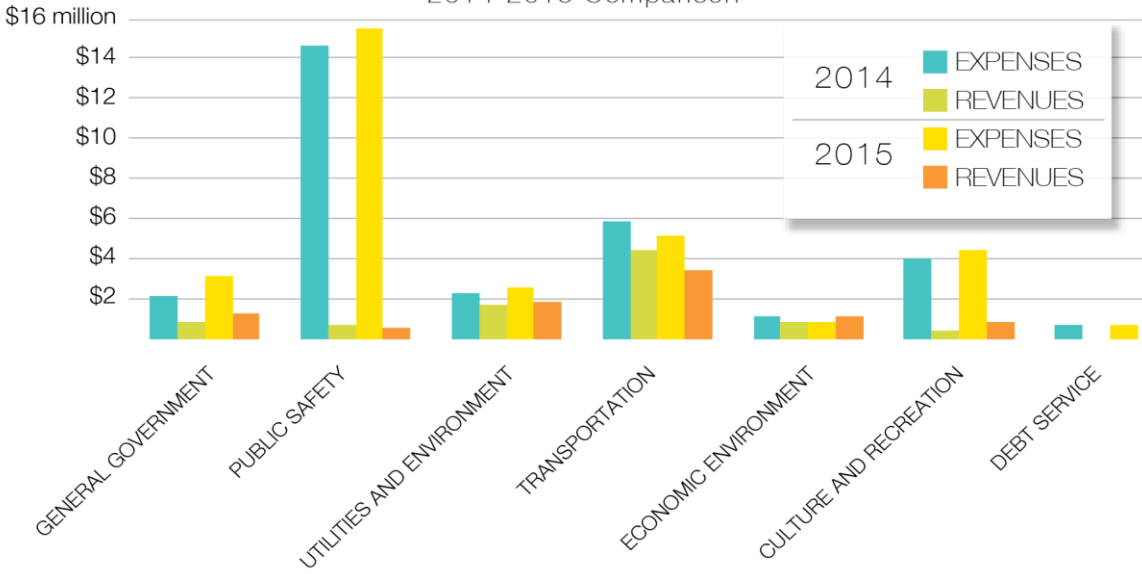
*The City of Walla Walla had a change in accounting principal due to the implementation of GASB 68, please see note 19B for details

Governmental Activities: Governmental activities increased the City of Walla Walla's net position by \$4,520, partly due to an increase in all taxes of \$2,514, charges for services increase of \$579 and other revenues over the previous fiscal year. Property tax revenue increased due to a statutory allowable tax levy increase, property annexation, and property tax levies associated with voted debt. Sales-related taxes increased slightly due to a modest improvement in the economy. Business and occupation (B&O) taxes increased for electricity, gas, and cable due to utility rate increases and an annexation. Telephone B&O decreased as it has in other cities in the state due to an increased usage of cell phones, which are exempt from the B&O tax. Taxes related to the tourism industry, such as lodging taxes, continue to increase in part because of increased efforts associated with the Tourism Promotion Area (TPA). The tax on natural gas continued to increase slightly due to a rise in the cost of natural gas. Utility Excise Taxes were higher in 2015 due to rate increases in water, wastewater, and stormwater as well as an increase in the Utility Excise Tax rate.

The following graphs compare program revenues to program expenses from the Statement of Activities and illustrate the impact of various city functions on the net position from operations before taxes, for governmental activities in 2015.

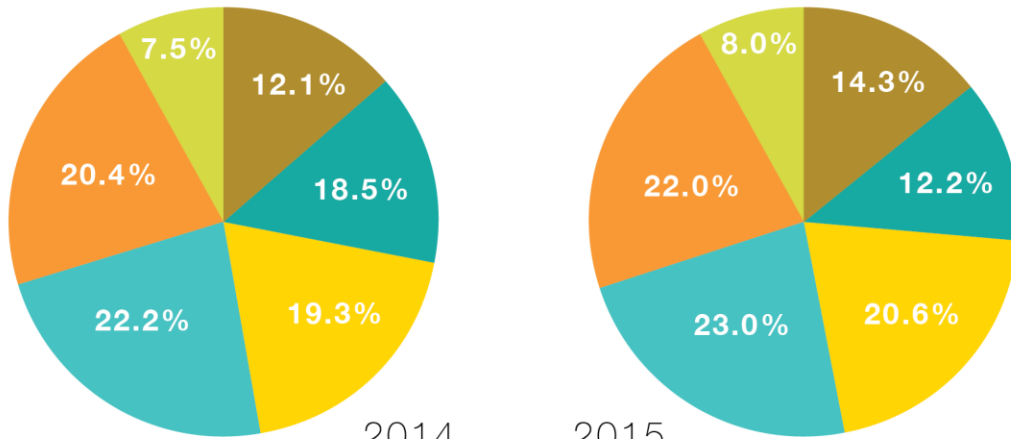
EXPENSES AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES

2014-2015 Comparison



REVENUES BY SOURCE – GOVERNMENT ACTIVITIES

2014-2015 Comparison



	2014	2015
Charges for service	\$4,476	\$5,055
Grants	\$4,700	\$4,321
Property tax	\$6,240	\$7,277
Sales tax	\$7,470	\$8,132
Other taxes	\$6,986	\$7,800
Other revenues	\$2,615	\$2,815
Total	\$32,488	\$35,400

Changes in net position

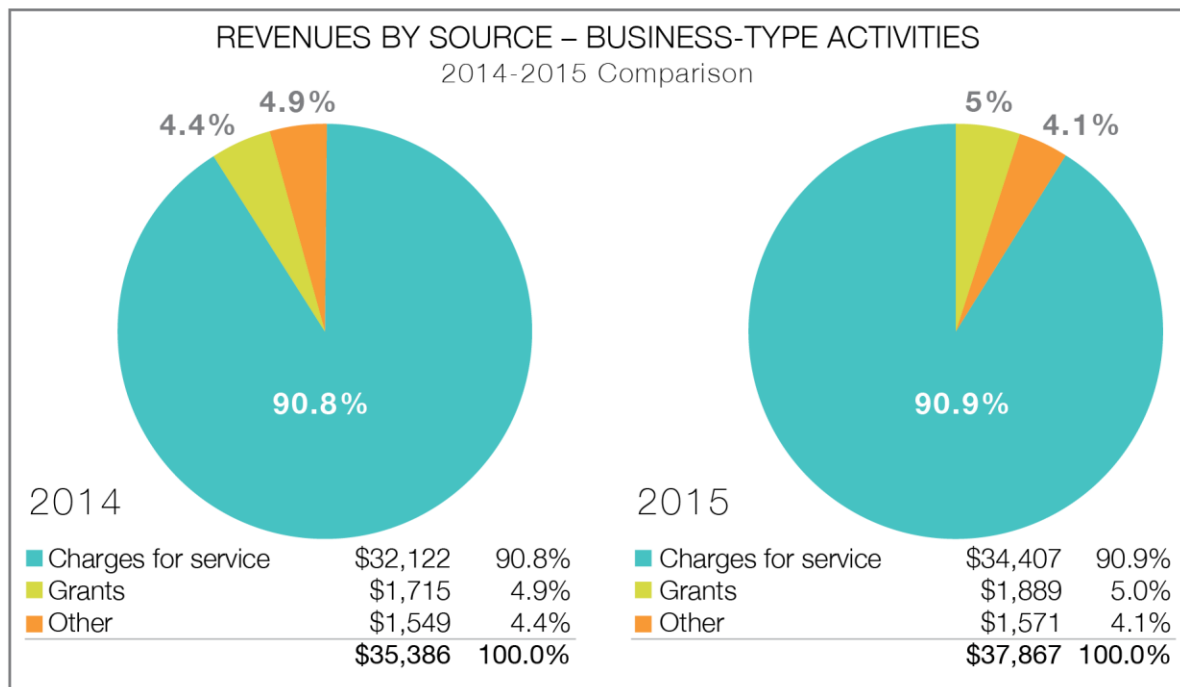
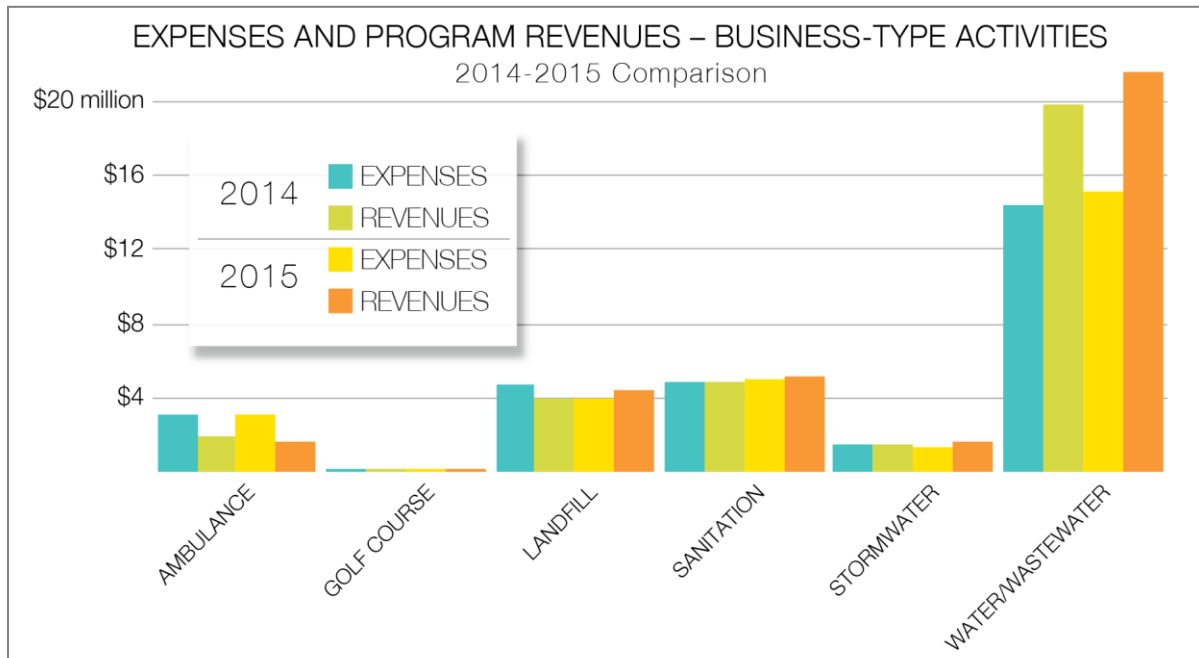
The changes in net position table illustrates the increases or decreases in net position of the City resulting from its operating activities. Following is a condensed version of the City's changes in net position which shows the revenues, expenses, and related changes in net position in tabular form for the governmental activities separate from the business-type activities for 2015 and 2014.

	City of Walla Walla's Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Revenues:						
Program revenues:						
Charges for service	\$4,476	\$5,055	\$32,122	\$34,407	\$36,599	\$39,462
Operating grants/contributions	373	1,076	286	378	658	1,453
Capital grants/contributions	4,327	3,245	1,429	1,511	5,756	4,756
General revenues:						
Property tax	6,240	7,277	-	-	6,240	7,277
Sales tax	7,470	8,132	-	-	7,470	8,132
Other taxes	6,986	7,800	-	-	6,986	7,800
Other revenues	2,615	2,815	1,549	1,571	4,164	4,386
Total revenues	32,488	35,400	35,386	37,867	67,874	73,267
Expenses:						
General government	2,250	3,253	-	-	2,250	3,253
Public safety	14,682	15,277	-	-	14,682	15,277
Utilities and environment	2,361	2,593	-	-	2,361	2,593
Transportation	5,852	5,248	-	-	5,852	5,248
Economic environment	1,125	904	-	-	1,125	904
Culture and recreation	4,080	4,528	-	-	4,080	4,528
Interest on long term debt	730	764	-	-	730	764
Ambulance	-	-	3,139	3,118	3,139	3,118
Golf course	-	-	147	132	147	132
Landfill	-	-	4,678	4,022	4,678	4,022
Sanitation	-	-	4,800	5,040	4,800	5,040
Storm water	-	-	1,429	1,387	1,429	1,387
Water/Wastewater	-	-	14,342	15,151	14,342	15,151
Total expenses	31,080	32,567	28,535	28,850	59,614	61,417
Increase in net position before transfers	1,408	2,833	6,852	9,016	8,260	11,850
Transfers	543	1,687	(543)	(1,687)	-	-
Increase in net position	1,951	4,520	6,308	7,330	8,260	11,850
Net position - beginning	60,066	55,019	93,789	98,237	153,856	153,256
Net position - ending	62,018	59,540	100,098	105,567	162,115	165,106
Adjustment GASB 68 Implementation	(6,998)	-	(1,861)	-	(8,859)	-
Adjusted net position - ending	\$55,019	\$59,540	\$98,237	\$105,567	\$153,256	\$165,106

Business-type Activities

Business-type activities account for 63.9% of the City's net position. The City's business-type activities increased the City of Walla Walla's net position by \$7,330 (7.5%). This is due to utility rate increases for water, wastewater, stormwater and landfill and the receipt of a grant for the costs associated with remediation and closure at the landfill. Expenses increased by \$315, largely due to an updated projection for remediation expenses and for a large construction project for the Water Treatment Plant.

The following graphs compare program revenues to program expenses from the Statement of Activities and illustrate the revenues by source separately for the business-type activities for 2015.



Landfill expenses decreased from 2014 to 2015 by \$656 due to pollution remediation and landfill closure and post-closure. The revenue increase in water/wastewater is due to rate adjustments for replacing aging infrastructure in the City as well as regular utility rate increases. The City Council approved the issuance of bonds to be paid back over five years to initially fund the City's Infrastructure Renewal and Replacement Program (IRRP). The rate increases were used for final bond principal and interest payments. The City will maintain the rate increases to fund the IRRP in ensuing years.

Financial Analysis of the Government's Funds

The City of Walla Walla uses fund accounting to promote accountability and stewardship, as well as to demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the City of Walla Walla's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Walla Walla's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2015, the City of Walla Walla's governmental funds reported combined ending fund balances of \$14,354, an increase of \$5,448 in comparison with the prior year. Taxes for the City increased by \$1,146 due to increases for the utility excise taxes by \$990, sales tax \$423 and property taxes by \$143. Approximately \$4,155 constitutes unassigned fund balance, which is available for spending at the government's discretion.

General Fund: The General Fund is the chief operating fund of the City of Walla Walla. At the end of 2015, unassigned and committed fund balances of the General Fund were \$4,838 and \$521 respectively. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total expenditures. Accordingly, the unassigned fund balance represents 17.6% of the total expenditures.

The City of Walla Walla's General Fund balance increased by \$133 during the 2015 fiscal year, a key factor was an increase in revenue of \$3,194 as compared to 2014. The increase in revenue in the General Fund is due to an increase in property taxes as a result of annexations, an increase in sales tax due to the improved economy, and an increase in the Utility Excise Taxes. Overall revenues increased by 12.1% while total expenditures increased by 9.8%.

Street Construction Fund: The Street Construction Fund has a committed fund balance of \$321, committed by City Council for specific street projects and an assigned fund balance of \$11, intended for future street construction. The main source of revenue in 2015 for this fund was intergovernmental revenues and grants of \$1,935. Expenditures are capital outlay related to several construction projects. The two largest projects were the Alder Street Signal project and the 2015 Rose Street TBD project with expenses in 2015 of \$2,202 and \$896 respectively.

Other Non-major Governmental Funds: Other non-major governmental funds include \$6,981 in restricted balance from lodging taxes, forfeitures and fines, debt payment reserves, and construction projects. These funds also have a deficit unassigned balance of \$683 due to the Transportation Benefit District Construction Fund and LID Bond Funds debt liability. The committed fund balance for other non-major governmental funds is \$2,082, which is due to City established Cemetery Reserve Fund and committed cash in the Street Fund for maintenance. The assigned fund balance for other governmental funds is \$13.

Proprietary Funds: The City of Walla Walla’s enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the major enterprise funds are as follows:

Sanitation	\$972	Ambulance	\$610
Water/Wastewater	\$4,845	Landfill	(\$1,371)

Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Walla Walla’s business-type activities.

General Fund Budgetary Highlights

Due to economic uncertainties, the City continued to encourage departments and divisions to spend conservatively in 2015. As required by state and municipal code, the City performed a mid-biennium budget review and budget modification for the 2015-2016 biennium. As a result, of the review, the City revised the expenditure and revenue budgets for 2015 to more accurately reflect expectations.

For 2015, the City provided cost of living and cost of labor increases to comply with employment contracts. Actual revenues for 2015 were higher than the original budget because of increases in sales tax, B&O taxes and Utility Excise taxes. Changes in work schedules on various construction projects as well as changes in funding sources for these projects also caused modifications to the original budget.

The City made the following adjustments to the 2015 original budget as a result, of the mid-biennium budget review, changes in the economy, and additional public contributions towards City programs (amounts not in thousands):

- An increase of \$225,800 for city general sales tax;
- An increase of \$81,500 for city financial assistance tax;
- A decrease of \$141,000 for fire inspection plan review;
- An increase of \$170,000 for building permits/plan review;
- An increase of \$52,000 for water utility excise fees;
- An increase of \$50,000 for landfill utility excise fees;
- A decrease of \$76,000 for electric B&O tax;

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, 2015 amounts to \$147,057, net of related debt. Capital asset investments include land, buildings, improvements, machinery, equipment, park facilities, roads, and bridges. Capital assets increased by \$4,534 for governmental activities mostly due to street projects. Business activities increased by \$2,968 mostly due to water and wastewater IRRP projects. As a result, the City's capital asset investment increased for the year by \$7,502.

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

- The largest water and wastewater IRRP construction project was Frankland IRRP, which was 89% complete in 2015, spending \$1,063 out of a \$1,252 project budget, with IRRP funding supported by water and wastewater rate revenue bonds. Spending on the City's IRRP program included in the CIP during 2015 totaled \$1,600.

The table below displays assets net of accumulated depreciation. Additional capital asset information is in Note 6.

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
	Land	\$3,557	\$3,557	\$1,222	\$1,222	\$4,778
Construction in progress	2,708	6,834	4,098	5,441	6,806	12,275
Buildings	17,231	16,726	16,184	15,595	33,415	32,321
Improvements	3,816	4,262	5,378	5,002	9,194	9,264
Equipment	1,492	1,326	5,499	6,246	6,991	7,572
Infrastructure	35,097	35,730	73,031	74,875	108,128	110,605
Total capital assets	<u>\$63,900</u>	<u>\$68,434</u>	<u>\$105,412</u>	<u>\$108,380</u>	<u>\$169,312</u>	<u>\$176,814</u>

Long-term Debt: At the end of 2015, the City of Walla Walla had total bonded debt outstanding of \$22,260, including debt issued in 2015 of \$5,560 for construction of a swimming pool. The City's bonded debt is backed by the full faith and credit of the government. General obligation bonded debt includes \$3,550 of landfill and golf course debt to be repaid by user fee revenue. Additionally, the water/wastewater utility has outstanding loans used for capital construction of \$12,483. The special assessment bond is being repaid by property owner levies and has been funded and accounted for as an interfund loan. Additional long-term liability information is in Note 9.

	Government-type Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
	General obligation bonds	\$13,337	\$18,710	\$6,047	\$3,550	\$19,384
Revenue bonds	-	-	7,175	-	7,175	-
Construction loans	-	-	14,421	12,483	14,421	12,483
Special assessment IF loan	289	241	-	-	289	241
Total outstanding debt	<u>\$13,626</u>	<u>\$18,951</u>	<u>\$27,643</u>	<u>\$16,033</u>	<u>\$41,269</u>	<u>\$34,984</u>

Economic Factors and Next Year's Budgets and Rates (amounts not in thousands)

In 2014, the City adopted a biennial budget for 2015-16. After a mid-biennial review in 2015, the City adjusted the 2015 and 2016 budgets to more accurately reflect the projected revenues and to adjust salaries, benefits, and other expenses in 2016 to include increases in medical expenses and cost-of-labor/cost-of-living increases. Sales tax and revenue derived from areas such as utility taxes and real estate excise taxes are projected to continue in 2016 at levels experienced in the last six months of 2015.

The local economy continued to experience an upturn that is expected to continue through 2016. When the City of Walla adopted its 2015-2016 biennial budget in 2014, City administrators and City Council used a conservative approach for estimating revenue and expenses based on the economic outlook for 2015 and 2016. The City continually reviews its practices and streamlines processes as necessary.

Based on current information from the County Assessor's Office, the 2015 property tax levy of \$5,739,598 includes an increase of \$22,066 from new construction and an increase of \$4,870 from state assessed property improvements in 2015.

The 2016 budget assumes a number of changes in fees for services. Water rates will increase 6.6%. Wastewater rates will not increase. Stormwater rates will rise 48.0%. Operations and management rate increases are due to the cost of inflation and costs of meeting federal and state requirements. Landfill rates will increase by 8.0% and sanitation rates are budgeted to increase by 7.0%. Ambulance base rates did not increase in 2016, for the fifth year in a row.

The Council approved six years of utility rates for water, wastewater and stormwater dedicated to funding the IRRP and other infrastructure needs. The IRRP is a long-term plan to replace the aging infrastructure in water, wastewater, and stormwater. Council has committed funding generated by a special rate increase for support of the IRRP projects. In 2015 the bonds were paid in full and the future IRRP rate revenue will continue to be used to fund IRRP projects.

In 2011, the City Council established a Transportation Benefit District (TBD). Citizens of the City voted for a ten-year sales tax increase of 2/10th of a percent to support transportation projects in the City. The additional sales tax became effective in July 2013. The Transportation Benefit District is treated as a blended component in 2015.

In 2015 the citizens of Walla Walla voted to approve bonds in the amount of \$5,830,000 to rebuild the Veterans' Memorial Pool. The 2016 budget includes the costs associated with construction of the pool, which is expected to open in May of 2017.

Requests for Information

This financial report is designed to provide a general overview of the City of Walla Walla's finances for all those with an interest in the government's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 15 N. 3rd Avenue, Walla Walla, WA 99362.

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Confucius

BASIC FINANCIAL STATEMENTS

City of Walla Walla
Statement of Net Position
December 31, 2015

	Governmental Activities	Business Activities	Total	Component Unit WWJUDA
ASSETS				
Cash and equivalents	\$ 17,816,038	\$ 19,729,560	\$ 37,545,598	\$ -
Other receivables (net of allowance)	910,252	2,921,141	3,831,393	-
Prepaids	60,288	794	61,082	-
Taxes receivables	7,449,007	-	7,449,007	-
Special assessment receivable	185,312	-	185,312	-
Notes receivable	-	24,892	24,892	-
Inventories	-	664,896	664,896	-
Restricted cash:				
Temporarily restricted	896,905	3,615,460	4,512,365	-
Permanently restricted	16,545	-	16,545	-
Restricted net pension asset	3,306,387	819,979	4,126,366	-
Interfund loans receivable (payable)	(1,252,043)	1,252,043	-	-
Internal balances receivable (payable)	379,869	(379,869)	-	-
Capital assets not depreciated:				
Land	3,556,599	1,221,574	4,778,173	-
Construction in progress	6,833,937	5,440,955	12,274,892	-
Capital assets net of accumulated depreciation:				
Buildings and structures	16,725,610	15,595,260	32,320,870	-
Other improvements	4,262,195	5,001,523	9,263,718	-
Machinery and equipment	1,325,859	6,245,916	7,571,775	-
Infrastructure	35,729,811	74,874,740	110,604,551	-
Total assets	<u>\$ 98,202,571</u>	<u>\$ 137,028,864</u>	<u>\$ 235,231,435</u>	<u>\$ -</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on pensions	\$ 1,324,956	\$ 433,801	\$ 1,758,757	-
Total deferred outflows of resources	<u>\$ 1,324,956</u>	<u>\$ 433,801</u>	<u>\$ 1,758,757</u>	<u>\$ -</u>
Total assets and deferred outflows of resources	<u>\$ 99,527,527</u>	<u>\$ 137,462,665</u>	<u>\$ 236,990,192</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 655,436	\$ 1,038,823	\$ 1,694,259	\$ -
Other accrued liabilities	1,339,206	481,770	1,820,976	-
Unearned revenue	280,853	-	280,853	-
Noncurrent liabilities:				
Due within one year	2,455,564	5,690,197	8,145,761	-
Due in more than one year	33,155,966	24,099,775	57,255,741	-
Total liabilities	<u>\$ 37,887,025</u>	<u>\$ 31,310,565</u>	<u>\$ 69,197,590</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on pensions	\$ 1,911,249	\$ 585,600	\$ 2,496,849	-
Special assessments	189,312	-	189,312	-
Total deferred inflows of resources	<u>\$ 2,100,561</u>	<u>\$ 585,600</u>	<u>\$ 2,686,161</u>	<u>\$ -</u>
NET POSITION				
Net investment in capital assets	\$ 54,727,275	\$ 92,329,699	\$ 147,056,974	-
Net position restricted for:				
Permanent funds:				
Expendable	10,992	-	10,992	-
Nonexpendable	16,545	-	16,545	-
Library donations	11,608	-	11,608	-
Parks donations	197,927	-	197,927	-
Pensions	3,306,387	819,979	4,126,366	-
Net position unrestricted	1,269,207	12,416,822	13,686,029	-
Total net position	<u>\$ 59,539,941</u>	<u>\$ 105,566,500</u>	<u>\$ 165,106,441</u>	<u>\$ -</u>

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

**City of Walla Walla
Statement of Activities
For the Year Ended December 31, 2015**

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit WWJCDA
Primary government:							
Governmental activities:							
General government	\$ 3,253,287	\$ 781,841	\$ 557,660	\$ (1,913,786)	\$ (1,510,064)	\$ (1,913,786)	
Public safety	15,276,870	479,993	145,632	(14,651,245)	(27,772)	(14,651,245)	
Utilities and environment	2,592,685	1,895,266	-	(633,231)	730,717	(633,231)	
Transportation	5,247,657	290,863	3,181,175	(1,775,619)	77,674	(1,775,619)	
Economic environment	903,984	1,144,181	10,000	250,197	389,725	250,197	
Culture and recreation	4,527,730	462,868	362,369	(3,702,493)	7,784,793	(3,702,493)	
Interest expense	764,303	-	-	(764,303)	7,445,073	(764,303)	
Total governmental activities	32,566,516	5,055,012	1,075,661	(23,190,480)	7,445,073	(23,190,480)	
Business-type activities:							
Ambulance	3,118,200	1,606,795	1,341		(1,510,064)	(1,510,064)	
Golf course	132,078	104,306	-		(27,772)	(27,772)	
Landfill	4,021,581	4,380,629	371,669	730,717	730,717	730,717	
Sanitation	5,040,390	5,118,064	-		77,674	77,674	
Stormwater	1,386,959	1,593,500	-		389,725	389,725	
Water/Wastewater	15,151,247	21,603,657	4,671		7,784,793	7,784,793	
Total business-type activities	28,850,455	34,406,951	377,681	-	7,445,073	7,445,073	
Total primary government	\$ 61,416,971	\$ 39,461,963	\$ 1,453,342	(23,190,480)	7,445,073	(15,745,407)	
Component Unit:							
WWJCDA	\$ 77,739	\$ -	\$ -				\$ (77,739)
Total component units	\$ 77,739	\$ -	\$ -				\$ (77,739)
General revenues:							
Taxes:							
Property taxes		7,277,314		7,277,314		7,277,314	
Sales taxes		8,132,270		8,132,270		8,132,270	
Business and occupation taxes		3,155,966		3,155,966		3,155,966	
Utility excise tax		4,164,429		4,164,429		4,164,429	
Gambling taxes		(187,170)		(187,170)		(187,170)	
Real estate excise taxes		346,043		346,043		346,043	
Leasehold taxes		42,545		42,545		42,545	
Tourism promotional tax		278,329		278,329		278,329	
Intergovernmental		2,742,463		2,742,463	1,389,746	4,132,209	
Miscellaneous general revenues		72,146		72,146	118,034	190,180	
Gain (loss) on sale of capital assets		-		-	63,620	63,620	
Transfers		1,686,605		1,686,605		1,686,605	
Total general revenues and transfers		27,710,940		27,710,940	(115,205)	27,595,735	
Change in net position		4,520,460		4,520,460	7,329,868	11,850,328	(77,739)
Net position - beginning		62,017,726		62,017,726	100,097,651	162,115,377	77,739
Adjustment to implement GASB 68		(6,998,245)		(6,998,245)	(1,861,019)	(8,859,264)	
Adjusted net position - beginning		55,019,481		55,019,481	98,236,632	153,256,113	77,739
Net position - ending		\$ 59,539,941		\$ 59,539,941	\$ 105,566,500	\$ 165,106,441	\$ -

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

City of Walla Walla
Balance Sheet
Governmental Funds
December 31, 2015

	General Fund	Street CIP	Other Governmental	Total Governmental
ASSETS				
Cash and equivalents	\$ 6,757,311	\$ 451,787	\$ 8,744,538	\$ 15,953,636
Restricted cash and equivalents	-	-	913,450	913,450
Taxes receivables (net)	5,906,446	-	1,542,561	7,449,007
Other receivables (net)	625,477	1,641	226,164	853,282
Prepays	43,623	-	-	43,623
Special assessments receivable	-	-	185,312	185,312
Total assets	<u>\$ 13,332,857</u>	<u>\$ 453,428</u>	<u>\$ 11,612,025</u>	<u>\$ 25,398,310</u>
LIABILITIES				
Accounts payable	\$ 399,312	\$ 105,454	\$ 123,859	\$ 628,625
Other accrued liabilities	1,134,153	15,922	93,998	1,244,073
Interfund loans payable	-	-	1,252,043	1,252,043
Unearned revenues	280,853	-	-	280,853
Total liabilities	<u>\$ 1,814,318</u>	<u>\$ 121,376</u>	<u>\$ 1,469,900</u>	<u>\$ 3,405,594</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	\$ 5,906,446	\$ -	\$ 1,542,561	\$ 7,449,007
Special assessments	-	-	189,312	189,312
Total deferred inflows of resources	<u>\$ 5,906,446</u>	<u>\$ -</u>	<u>\$ 1,731,873</u>	<u>\$ 7,638,319</u>
FUND BALANCE				
Nonspendable	\$ 43,623	\$ -	\$ 16,545	\$ 60,168
Restricted	209,535	-	6,981,127	7,190,662
Committed	521,183	321,235	2,082,382	2,924,800
Assigned	-	10,817	12,913	23,730
Unassigned	4,837,752	-	(682,715)	4,155,037
Total fund balances	<u>\$ 5,612,093</u>	<u>\$ 332,052</u>	<u>\$ 8,410,252</u>	<u>\$ 14,354,397</u>
Total liabilities, deferred inflows of resources, fund balances	<u>\$ 13,332,857</u>	<u>\$ 453,428</u>	<u>\$ 11,612,025</u>	

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

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

Total fund balances - governmental funds \$ 14,354,397

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital outlays are expenditures for fund reporting but are asset additions for government wide reporting.

68,434,011

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Proceeds received from new and repayments of existing debts are recorded as resources and expenditures for fund reporting but are additions and reductions of liabilities for government wide reporting.

(35,611,530)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

10,177,129

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.

2,185,934

Net position of governmental activities

\$ 59,539,941

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, 2015

	<u>General Fund</u>	<u>Street CIP</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
REVENUES				
Taxes	\$ 18,677,043	\$ -	\$ 3,329,748	\$ 22,006,791
Licenses and permits	972,975	-	328,840	1,301,815
Intergovernmental revenues	1,887,000	1,934,893	1,159,460	4,981,353
Charges for goods and services	7,195,936	-	277,951	7,473,887
Fines and forfeitures	206,900	-	1,084	207,984
Miscellaneous revenues	565,515	-	115,529	681,044
Total revenues	<u>\$ 29,505,369</u>	<u>\$ 1,934,893</u>	<u>\$ 5,212,612</u>	<u>\$ 36,652,874</u>
EXPENDITURES				
Current:				
General government	\$ 7,429,590	\$ -	-	\$ 7,429,590
Public safety	12,575,521	-	49,284	12,624,805
Utilities and environment	2,620,860	-	-	2,620,860
Transportation	-	296,731	2,609,109	2,905,840
Economic environment	880,385	-	4,155	884,540
Culture and recreation	3,239,161	-	1,132,034	4,371,195
Debt service:				
Principal retirement	-	-	1,053,481	1,053,481
Interest	-	-	515,940	515,940
Administrative charges	6,202	-	93,871	100,073
Capital outlay:				
General government	20,940	-	-	20,940
Public safety	96,359	-	9,999	106,358
Transportation	-	3,746,706	1,584,140	5,330,846
Culture and recreation	563,396	-	1,119,420	1,682,816
Total expenditures	<u>\$ 27,432,414</u>	<u>\$ 4,043,437</u>	<u>\$ 8,171,433</u>	<u>\$ 39,647,284</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 2,072,955</u>	<u>\$ (2,108,544)</u>	<u>\$ (2,958,821)</u>	<u>\$ (2,994,410)</u>

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

	<u>General Fund</u>	<u>Street CIP</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 200,978	\$ 2,035,001	\$ 3,977,700	\$ 6,213,679
Transfers out	(2,336,369)	(225,717)	(2,080,063)	(4,642,149)
Proceeds of refunding long term debt	194,991	-	-	194,991
Bonds issued	-	-	6,310,000	6,310,000
Premium on Bonds Issued	-	-	366,297	366,297
Total other financing sources and uses	<u>\$ (1,940,400)</u>	<u>\$ 1,809,284</u>	<u>\$ 8,573,934</u>	<u>\$ 8,442,818</u>
Net change in fund balance	132,555	(299,260)	5,615,113	5,448,408
Fund balances -- beginning	5,479,538	631,312	2,795,139	8,905,989
Fund balances -- ending	<u>\$ 5,612,093</u>	<u>\$ 332,052</u>	<u>\$ 8,410,252</u>	<u>\$ 14,354,397</u>

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

Net change in fund balances - total governmental funds (above) \$ 5,448,408

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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 4,533,737

The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. (5,706,081)

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,202,936

Expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (3,323,508)

Internal service funds are used by management to charge the costs of emergency communications, vehicle maintenance and replacement to individual funds. The net revenue (loss) of certain activities of internal service funds is reported in the governmental activities. 501,017

Payments of certain obligations related to prior periods are recognized in governmental funds but are eliminated in the statement of activities. 1,863,951

Change in net position of governmental activities. \$ 4,520,460

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

**City of Walla Walla
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015**

	2015-16 Biennial		Actuals 2015-16	Variance with Final Budget Over (Under)
	Budgeted Amounts Original	Final		
REVENUES				
Taxes	\$ 37,498,950	\$ 38,517,900	\$ 18,677,040	\$ (19,840,860)
Licenses and permits	1,353,480	1,652,780	972,980	(679,800)
Intergovernmental revenues	2,770,020	3,393,330	1,887,000	(1,506,330)
Charges for goods and services	14,551,270	14,494,990	7,195,940	(7,299,050)
Fines and forfeits	564,200	408,650	206,900	(201,750)
Miscellaneous revenues	485,370	828,090	565,510	(262,580)
Total revenues	<u>57,223,290</u>	<u>59,295,740</u>	<u>29,505,370</u>	<u>(29,790,370)</u>
EXPENDITURES				
Current:				
General government	15,261,660	15,935,180	7,435,790	(8,499,390)
Public safety	26,148,970	26,701,840	12,575,520	(14,126,320)
Utilities and environment	5,212,230	5,474,670	2,620,860	(2,853,810)
Economic environment	1,149,180	1,122,100	880,390	(241,710)
Culture and recreation	6,121,700	6,573,890	3,239,160	(3,334,730)
Capital outlay:				
General government	128,560	90,000	20,940	(69,060)
Public safety	39,100	106,980	96,360	(10,620)
Culture and recreation	578,170	601,940	563,400	(38,540)
Total expenditures	<u>54,639,570</u>	<u>56,606,600</u>	<u>27,432,420</u>	<u>(29,174,180)</u>
Excess (deficiency) of revenues over (under) expenditures	2,583,720	2,689,140	2,072,950	(616,190)
OTHER FINANCING SOURCES (USES)				
Insurance recoveries				
Transfers in	316,880	338,540	200,980	(137,560)
Transfers out	(3,395,010)	(4,628,660)	(2,336,370)	2,292,290
Proceeds of refunding long term debt	-	196,050	194,990	(1,060)
Debt Service		8,820		
Total other financing sources, uses and special items	<u>(3,078,130)</u>	<u>(4,085,250)</u>	<u>(1,940,400)</u>	<u>2,153,670</u>
Net change in fund balances	(494,410)	(1,396,110)	132,550	1,537,480
Fund balances -- beginning	5,479,540	5,479,540	5,479,540	-
Fund balances -- ending	<u>\$ 4,985,130</u>	<u>\$ 4,083,430</u>	<u>\$ 5,612,090</u>	<u>\$ 1,537,480</u>

Figures are rounded to the nearest ten dollars.
The notes to the financial statements are an integral part of this statement.

City of Walla Walla
Statement of Net Position
Proprietary Funds
December 31, 2015

	Business-type Activities - Major Enterprise Funds				Total Internal Service
	Sanitation	Water/Wastewater	Landfill	Ambulance	
ASSETS					
Current assets:					
Cash and equivalents	\$ 1,454,972	\$ 9,578,258	\$ 3,935,077	\$ 5,952	\$ 15,619,970
Other receivables (net)	286,537	1,369,694	598,987	408,110	2,761,832
Interfund loans receivable	-	-	-	-	-
Inventories	-	597,300	-	-	597,300
Restricted cash and cash equivalents	-	-	1,221,306	-	1,221,306
Prepays	-	794	-	-	794
Total current assets	<u>1,741,509</u>	<u>11,546,046</u>	<u>5,755,370</u>	<u>414,062</u>	<u>20,201,202</u>
Noncurrent assets:					
Restricted cash and equivalents	-	-	2,394,154	-	2,394,154
Restricted net pension asset	-	-	-	819,979	819,979
Long term receivable	-	-	24,892	-	24,892
Interfund loans receivable	-	-	-	-	-
Land	-	572,495	593,664	-	1,221,574
Buildings and structures (net)	-	15,075,253	520,008	-	15,595,261
Improvements other than buildings (net)	-	1,350,726	2,704,587	-	5,001,522
Machinery and equipment (net)	8,488	556,065	58,590	18,243	673,383
Infrastructure (net)	-	70,630,039	550,663	-	74,874,740
Construction in progress	-	4,867,143	73,198	-	5,440,956
Total noncurrent assets	<u>8,488</u>	<u>93,051,721</u>	<u>6,919,756</u>	<u>838,222</u>	<u>106,046,461</u>
Total assets	<u>\$ 1,749,997</u>	<u>\$ 104,597,767</u>	<u>\$ 12,675,126</u>	<u>\$ 1,252,284</u>	<u>\$ 126,247,663</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows on pensions	\$ 67,946	\$ 134,100	\$ 73,713	\$ 103,806	\$ 400,179
Total deferred outflows of resources	<u>\$ 67,946</u>	<u>\$ 134,100</u>	<u>\$ 73,713</u>	<u>\$ 103,806</u>	<u>\$ 400,179</u>
Total assets and deferred outflows of resources	<u>\$ 1,817,943</u>	<u>\$ 104,731,867</u>	<u>\$ 12,748,839</u>	<u>\$ 1,356,090</u>	<u>\$ 126,647,842</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 169,832	\$ 552,502	\$ 148,161	\$ 7,967	\$ 886,462
Other accrued liabilities	63,657	167,679	58,245	148,545	457,502
Industrial insurance claims	-	-	-	-	-
Compensated absences	40,531	98,486	48,686	178,613	381,592
Pollution remediation payable from restricted assets	-	-	2,902,010	-	2,902,010
Current portion long term debt	-	1,972,612	381,396	-	2,379,581
Interfund loans payable	274,020	2,220,000	156,022	-	2,414,301
Total current liabilities	<u>274,020</u>	<u>5,011,279</u>	<u>3,694,520</u>	<u>335,125</u>	<u>9,421,448</u>
Noncurrent liabilities:					
Industrial insurance claims	-	-	-	-	-
Compensated absences	16,365	8,407	8,152	90,135	132,266
Net pension liability	474,114	935,731	514,361	69,668	2,137,718
Landfill closure payable from restricted assets	-	-	4,244,625	-	4,244,625
Pollution remediation payable from restricted assets	-	-	970,680	-	970,680
Federal DWSRF LTZ	-	2,708,666	-	-	2,708,666
Long term debt	-	10,510,600	2,979,055	-	13,670,687
Interfund loans payable	490,479	14,163,404	489,447	-	17,152,329
Total noncurrent liabilities	<u>764,499</u>	<u>19,174,683</u>	<u>12,900,840</u>	<u>494,928</u>	<u>34,159,106</u>
Total liabilities	<u>\$ 764,499</u>	<u>\$ 19,174,683</u>	<u>\$ 12,900,840</u>	<u>\$ 494,928</u>	<u>\$ 34,159,106</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows on pensions	\$ 72,558	\$ 143,203	\$ 78,717	\$ 233,204	\$ 549,696
Total deferred inflows of resources	<u>\$ 72,558</u>	<u>\$ 143,203</u>	<u>\$ 78,717</u>	<u>\$ 233,204</u>	<u>\$ 549,696</u>
NET POSITION					
Net investment in capital assets	\$ 8,488	\$ 80,568,508	\$ 1,140,259	\$ 18,243	\$ 86,757,167
Restricted for pensions	-	-	-	819,979	819,979
Unrestricted	972,398	4,845,473	(1,370,977)	(210,264)	4,361,894
Total net position	<u>\$ 980,886</u>	<u>\$ 85,413,981</u>	<u>\$ (230,718)</u>	<u>\$ 6,727,958</u>	<u>\$ 17,739,278</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Net position of business-type activities
\$ 105,566,500

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

City of Walla Walla
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2015

	Business-type Activities - Major Enterprise Funds				Other Enterprise	Total Enterprise	Total Internal Service
	Sanitation	Water/Wastewater	Landfill	Ambulance			
Operating revenues:							
Licenses and permits	\$ 1,364	\$ -	\$ -	\$ -	\$ -	\$ 1,364	\$ -
Intergovernmental revenues	-	-	-	1,389,746	-	1,389,746	2,123,575
Charges for goods and services	5,116,001	21,574,066	4,364,211	1,603,304	1,620,144	34,277,726	1,882
Miscellaneous revenues	699	-	-	-	77,490	78,189	-
Interfund charges	-	-	-	-	-	-	8,743,786
Total operating revenues	\$ 5,118,064	\$ 21,574,066	\$ 4,364,211	\$ 2,993,050	\$ 1,697,634	\$ 35,747,025	\$ 10,869,243
Operating expenses:							
Depreciation	\$ 2,368	\$ 2,594,401	\$ 352,201	\$ 9,045	\$ 119,293	\$ 3,077,308	\$ 998,300
Salaries and wages	587,310	1,172,054	635,158	1,743,388	185,876	4,323,786	1,322,436
Personnel benefits	297,406	579,569	284,376	500,463	82,914	1,744,728	5,468,863
Supplies	73,894	651,756	50,820	130,577	37,222	944,269	829,316
Services and charges	2,084,203	2,993,484	732,887	92,989	147,952	6,051,515	824,577
Intergovernmental services	760,985	3,739,029	615,921	21,710	236,561	5,374,206	-
Interfund service payments	1,448,025	3,156,837	1,003,239	672,547	755,863	7,036,511	667,352
Total operating expenses	\$ 5,254,191	\$ 14,887,130	\$ 3,674,602	\$ 3,170,719	\$ 1,565,681	\$ 28,552,323	\$ 10,110,844
Operating income (loss)	\$ (136,127)	\$ 6,686,936	\$ 689,609	\$ (177,669)	\$ 131,953	\$ 7,194,702	\$ 758,399
Nonoperating revenues (expenses):							
Intergovernmental revenues	\$ -	\$ 63,634	\$ 371,669	\$ 1,341	\$ -	\$ 436,644	\$ -
Miscellaneous revenues	-	81,808	16,418	3,491	451	102,168	71,553
Gain (loss) on sale of capital assets	-	(137,280)	-	-	-	(137,280)	63,620
Insurance recoveries	-	-	-	-	-	-	4,401
Adjustment to landfill closure liability	-	-	(287,398)	-	-	(287,398)	-
Adjustment to pollution remediation liability	-	-	(29,550)	-	-	(29,550)	-
Debt service - interest	-	(272,251)	(150,890)	-	(29,315)	(452,456)	(181,646)
Total non-operating revenue (expenses)	\$ -	\$ (264,089)	\$ (79,751)	\$ 4,832	\$ (28,864)	\$ (367,872)	\$ (42,072)
Income (loss) before contributions and transfers	\$ (136,127)	\$ 6,422,847	\$ 609,858	\$ (172,837)	\$ 103,089	\$ 6,826,830	\$ 716,327
Capital contributions	-	1,268,748	-	-	183,184	1,451,932	183,817
Transfers in	-	120,998	-	-	46,000	166,998	69,652
Transfers out	(18,980)	(1,548,736)	-	-	(145,100)	(1,712,816)	(140,787)
Change in net position	(155,107)	6,263,857	609,858	(172,837)	187,173	6,732,944	829,009
Total net position -- beginning	1,615,064	80,095,639	(320,837)	335,079	5,105,109	86,830,054	17,981,185
Adjustment to implement GASB 68	(479,071)	(945,515)	(519,739)	465,716	(145,349)	(1,623,958)	(1,070,916)
Adjusted net position -- beginning	1,135,993	79,150,124	(840,576)	800,795	4,959,760	85,206,096	16,910,269
Total net position -- ending	\$ 980,886	\$ 85,413,981	\$ (230,718)	\$ 627,958	\$ 5,146,933	\$ 91,939,040	\$ 17,739,278

Net change in net position - total proprietary funds
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
Change in net position of business-type activities

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

City of Walla Walla
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	Business-type Activities - Major Enterprise Funds							Total Internal Service
	Sanitation	Water/ Wastewater	Landfill	Ambulance	Other Enterprise	Total Enterprise		
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash from customers	\$ 5,090,560	\$ 22,621,875	\$ 4,247,779	\$ 3,056,464	\$ 1,613,492	\$ 36,630,170	\$ 1,982,413	\$ 1,982,413
Cash from interfund services	-	-	-	-	-	-	8,743,786	8,743,786
Payments to suppliers	(2,754,553)	(6,972,100)	(1,265,606)	(240,827)	(420,920)	(11,654,006)	(1,490,077)	(1,490,077)
Payments to employees	(876,872)	(1,776,769)	(921,018)	(2,419,796)	(271,016)	(6,265,471)	(6,792,821)	(6,792,821)
Interfund service payments	(1,448,025)	(3,156,837)	(1,003,239)	(672,547)	(755,863)	(7,036,511)	(667,352)	(667,352)
Miscellaneous revenues	699	28,819	16,407	-	77,662	123,587	10,432	10,432
Payments for landfill closure	-	-	316,947	-	-	316,947	-	-
Net cash provided by operating activities	\$ 11,809	\$ 10,744,988	\$ 1,391,270	\$ (276,706)	\$ 243,355	\$ 12,114,716	\$ 1,786,381	\$ 1,786,381
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Operating grants received	\$ -	\$ -	\$ 170,186	\$ 1,341	\$ -	\$ 171,527	\$ -	\$ -
Proceeds from insurance recovery	-	-	-	-	-	-	4,401	4,401
Proceeds (repayments) from interfund loan	-	2,220,000	(168,542)	-	(56,718)	1,994,740	(1,869,770)	(1,869,770)
Miscellaneous revenues	-	4,671	-	-	-	4,671	-	-
Transfers in	-	120,998	-	-	46,000	166,998	69,652	69,652
Transfers out	(18,980)	(1,548,736)	-	-	(145,100)	(1,712,816)	(140,787)	(140,787)
Total cash flows from noncapital financing	\$ (18,980)	\$ 796,933	\$ 1,644	\$ 1,341	\$ (155,818)	\$ 625,120	\$ (1,936,504)	\$ (1,936,504)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Purchase of capital assets	\$ -	\$ (4,691,192)	\$ (73,198)	\$ -	\$ (729,041)	\$ (5,493,431)	\$ (1,549,507)	\$ (1,549,507)
Capital contributions and purchases	-	1,327,711	-	-	183,184	1,510,895	183,817	183,817
Principal and interest payments	-	(11,774,437)	(483,805)	-	(27,220)	(12,285,462)	(260,016)	(260,016)
Proceeds from sale of capital assets	-	-	-	-	-	-	63,620	63,620
Proceeds from DWSRF loan	-	1,196,044	-	-	-	1,196,044	-	-
Landfill closure and post-closure care	-	-	(287,398)	-	-	(287,398)	-	-
Pollution remediation	-	-	(29,550)	-	-	(29,550)	-	-
Total cash flows from capital and related financing	\$ -	\$ (13,941,874)	\$ (873,951)	\$ -	\$ (573,077)	\$ (15,388,902)	\$ (1,562,086)	\$ (1,562,086)
CASH FLOWS FROM INVESTING ACTIVITIES								
Proceeds from sales and maturities of investments	\$ -	\$ 2,667,001	\$ -	\$ -	\$ -	\$ 2,667,001	\$ -	\$ -
Interest received	-	52,990	(7,121)	3,491	279	49,639	2,389	2,389
Total cash flows from investing	\$ -	\$ 2,719,991	\$ (7,121)	\$ 3,491	\$ 279	\$ 2,716,640	\$ 2,389	\$ 2,389
Net increase (decrease) in cash and equivalents	\$ (7,171)	\$ 320,038	\$ 511,842	\$ (271,874)	\$ (485,261)	\$ 67,574	\$ (1,709,820)	\$ (1,709,820)
Beginning cash and cash equivalents	\$ 1,462,143	\$ 9,258,220	\$ 7,038,695	\$ 277,826	\$ 1,130,972	\$ 19,167,856	\$ 7,681,813	\$ 7,681,813
Ending cash and cash equivalents	\$ 1,454,972	\$ 9,578,258	\$ 7,550,537	\$ 5,952	\$ 645,711	\$ 19,235,430	\$ 5,971,993	\$ 5,971,993
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ (136,127)	\$ 6,686,936	\$ 689,609	\$ (177,669)	\$ 131,953	\$ 7,194,702	\$ 758,399	\$ 758,399
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation expense	2,368	2,594,401	352,201	9,045	119,293	3,077,308	998,300	998,300
Landfill closure and post-closure care	(26,805)	1,047,809	(116,432)	63,414	(6,652)	961,334	(143,044)	(143,044)
(Increase) decrease in accounts receivable	-	(31,849)	-	-	-	(31,849)	5,398	5,398
(Increase) decrease in inventories	-	-	-	-	-	-	(632)	(632)
(Increase) decrease in prepaid expenses	164,529	444,018	134,022	4,449	815	747,833	159,050	159,050
Increase (decrease) in accounts payable	-	28,819	16,407	-	172	45,398	10,432	10,432
Increase (decrease) in miscellaneous revenue	8,189	(24,465)	(1,110)	(20,748)	(2,121)	(40,255)	(751)	(751)
Increase (decrease) in salaries and benefits	(345)	(681)	(374)	(155,197)	(105)	(156,702)	(771)	(771)
Increase (decrease) in pension liability	-	-	-	-	-	-	-	-
Net cash provided by operating activities	\$ 11,809	\$ 10,744,988	\$ 1,391,270	\$ (276,706)	\$ 243,355	\$ 12,114,716	\$ 1,786,381	\$ 1,786,381
No noncash investing, capital, and financing activities								

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

City of Walla Walla
Statement of Net Position
Fiduciary Funds
December 31, 2015

		Pension and Other Employee Benefits
ASSETS		
Cash and equivalents	\$ 359,294	
Total assets	<u>\$ 359,294</u>	
LIABILITIES		
Accounts payable	\$ 2,358	
Other accrued liabilities	13,663	
Total liabilities	<u>\$ 16,021</u>	
NET POSITION		
Held in trust for pension benefits and other purposes	<u>\$ 343,273</u>	

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

City of Walla Walla
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2015

	Pension and Other Employee Benefits
ADDITIONS	
Contributions:	
Fire insurance premium tax transfer from general fund	\$ 45,421
Employer contributions	462,530
Total contributions	507,951
DEDUCTIONS	
Personnel benefits	\$ 597,131
Total deductions	597,131
Change in net position	(89,180)
Net Position -- beginning of the year	432,453
Net Position -- end of the year	\$ 343,273

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

“Rule No. 1: never lose money; rule No. 2: don’t forget rule No. 1.”

Warren Buffett

CITY OF WALLA WALLA
Notes to the Financial Statements
December 31, 2015

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

The City of Walla Walla was incorporated in 1862 and operates under Washington state law applicable to non-charter code cities with a Council-Manager form of government. As required by generally accepted accounting principles, the financial statements present the activities of the City of Walla Walla, the primary government.

The City is a general purpose government and provides police, fire, ambulance, water/wastewater and sanitation services, a landfill, street maintenance, planning and zoning, a library, parks, and a cemetery. The City has one blended component unit, the Walla Walla Transportation Benefit District, a legally separate entity which is part of the City's operations. The City contracts for operation and maintenance of the municipal golf course and operation of the wastewater treatment plant. The City's basic financial statements include the financial position and results of operations of all funds controlled by the City.

The basic financial statements do not include the financial position or results of operations of:

The Walla Walla School District, even though the operations are conducted within the City's borders. It is a separate municipal corporation, and no financial interdependence exists between the two entities.

The Walla Walla Valley Transit, even though three of the seven board members are appointed by the City Council for a two-year term.

The Walla Walla Housing Authority, though the City Council appoints their five board members. The members cannot be elected officials and are appointed for five-year terms. The City's relationship with the Housing Authority of Walla Walla qualifies as a related organization under GASB 14. RCW 35.82.030 establishes rules governing the Housing Authority. The City is under no financial obligation and receives no financial benefit from the relationship.

Blended component unit:

The Walla Walla Transportation Benefit District (TBD) is governed by a board composed of the seven members of the City Council of Walla Walla, who serve in an ex-officio and independent capacity. Although legally separated from the City of Walla Walla, the TBD is reported as if it were part of the primary government, because the TBD's sole purpose is to finance, preserve, maintain, construct, or reconstruct the City's transportation infrastructure. The TBD was created by Walla Walla City Council Ordinance No. 2011-19. The City and TBD signed an interlocal agreement on December 9, 2011, to coordinate efforts in maintaining and preserving the transportation infrastructure within the boundaries of the City and to exercise the powers available under RCW 36.73. Send requests for copies of the TBD financial statements to: Finance Director, City Hall, 15 N. 3rd Avenue, Walla Walla, WA 99362.

Discretely presented component unit:

Prior to 2015, the Walla Walla Joint Community Development Agency (WWJCDA) was an independent entity which resulted from a merger of the City of Walla Walla Development Services Department and the Walla Walla County Community Development Department through an interlocal agreement. The WWJCDA provided land use planning, construction inspection, and code compliance services. In 2014, the City notified the WWJCDA and Walla Walla County that it was withdrawing from the WWJCDA. The WWJCDA discontinued operation on December 31, 2014. As a result, there were no revenues associated with the WWJCDA in 2015. The only expenditures were the transfers to the City and the County to distribute the ending cash balance from 2014.

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 non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City's policy is to not allocate indirect costs to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions which are restricted to meeting the operational or capital

requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fiduciary funds account for resources legally held in trust or agency capacity for others and therefore cannot be used to support the government's own programs. Trust funds employ the same economic resource measurement focus and accrual basis of accounting as proprietary funds. Agency funds report only assets and liabilities and use the accrual basis of accounting to recognize receivables and payables. Agency funds have no measurement focus as the purpose of this type of fund is to simply receive and disburse funds belonging to another organization.

Governmental fund financial statements are reported using the flow of 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 shortly after 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 the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

The street construction fund accounts for financial resources related to the construction of streets and related assets.

The City reports the following major proprietary 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 the water-treatment plant activities, wastewater treatment and disposal, as well as the distribution of water and the collection of wastewater throughout the City including some areas outside the City limits.

The landfill fund accounts for activities related to waste stored at the landfill, composting operations, and the household hazardous waste disposal program.

The ambulance fund accounts for the activities related to in-town service, most of the county emergency ambulance services, and long-distance ambulance transport services.

Additionally, the City reports the following fund types:

Special revenue funds are used to account for revenues raised for a specific 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 resources that are legally restricted 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 which provides goods or services to other funds, departments, or agencies of the primary government and its component units.

Trust funds account for pension and medical costs for active and retired Fire Department employees qualified under State statutes.

As a general rule, the effect of the interfund activity has been eliminated for the city-wide financial statements. An exception to this general rule is administrative overhead charges where the amounts are reasonably equivalent in value to the interfund services provided. Interfund charges for governmental services, including utilities and certain internal services, have not been eliminated. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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 operation. 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. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgetary Information

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

1. Scope of Budget

Biennial appropriated budgets are adopted for the general, special revenue, proprietary and pension trust funds on an accrual basis consistent with generally accepted accounting principles. 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. 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 to ensure effective budgetary control and accountability. While encumbrances lapse at year-end, valid outstanding encumbrances for which performance is expected in the next year are reinstated and honored during the subsequent year.

2. Procedures for Adopting the Original Budget

The City of Walla Walla's budget procedures are mandated by RCW 35.34. The City of Walla Walla used the following steps to establish the biennial budget reflected in the financial statements:

- Prior to October 1 in even-numbered years, the City Manager submits to the City Clerk the proposed operating budget for the biennial period commencing the following January 1. The operating budget includes proposed expenditures and revenues for the biennium.
- In November, public hearings are held at regular Council meetings to obtain citizen comments.
- In December, the biennial budget is legally adopted by Council ordinance.

3. Amending the Budget

The City Manager is authorized to transfer from fund balance and to transfer budgeted amounts between departments within any fund. However, revisions which alter the total revenues 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 best interest of the City 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.

The financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the biennium.

4. Excess of Expenditures over Appropriations

For the year ended December 31, 2015, the General Fund as a whole did not exceed the appropriated amount.

5. Deficit Fund Net Position

The Local Improvement District (LID) Bond Fund showed a deficit fund balance of (\$178,829) at December 31, 2015. This is expected and normal since the debt related to this debt service is from an interfund loan rather than an outside funding source. With internal financing the debt is carried within the fund and therefore results in a negative fund balance. Interfund loans payable in the LID Bond Fund total \$241,311 and will be redeemed with annual assessment proceeds.

The Transportation Benefit District (TBD) Street Construction Fund showed a deficit fund balance of (\$503,886) at December 31, 2015. This is expected and normal since the debt related to this construction fund is from an interfund loan rather than an outside funding source. With internal financing the debt is carried within the fund and therefore results in a negative fund balance. Interfund loans payable in the TBD Street Construction fund total \$832,000 and will be repaid with sales tax proceeds within the four-year loan term.

E. Assets, Liabilities, Fund Balance, Net Position

1. Cash and Equivalents

The City reports both restricted and unrestricted cash, cash equivalents, and investments. Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from acquisition date. Restricted cash, cash equivalents, and investments are resources limited to capital improvements, debt service, or other uses per contractual or legal requirements.

State statutes and the City's investment policies authorize the City to invest in obligations of the U.S. Treasury, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP). The City's deposits are covered by federal depository insurance (FDIC and FSLIC) or by collateral held in the multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (WPDPC).

The City reports long-term investments at cost which approximates fair value for the items held. The reported value of the pool is the same as the fair value of the pool shares. The LGIP operates in accordance with appropriate state law and regulations.

2. Investments See deposit investment information in Note 4.

3. Receivables

Taxes receivable consist of property taxes and related interest and penalties (see Note 5).

Special assessments are recorded when levied. Special assessments receivable consists of current and delinquent assessments and related interest and penalties. Deferred assessments consist of unbilled special assessments which are liens against the property benefited.

Accounts receivable are amounts owed from private individuals or organizations for goods and services, including amounts owed for which billings have not been prepared. The Ambulance Fund allowance for uncollectible accounts is 44% of the outstanding receivables at December 31, 2015. Notes and contracts receivable consist of amounts owed on an open account from private individuals or organizations for goods and services rendered. Since the City is unable by law to grant credit to any entity, loans receivable are related to grant monies received from other agencies which have authorized the loan as part of the grant process. Loan repayments establish revolving loan funds for future loans which match the original grant purpose.

4. Amounts Due To and From Other Funds and Governments, Interfund Loans, Advances Receivable

Lending or borrowing arrangements between funds outstanding at the end of the fiscal year are referred to as "interfund loans payable/receivable." 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.

Loans between funds, as reported in the fund financial statements, are included as a liability in applicable governmental funds so that the indicated fund balance represents amounts available for appropriation and expendable available financial resources.

5. Inventories and Prepaid Items

Inventories are valued by the FIFO (first-in-first-out) method. Inventories in governmental funds consist of expendable supplies held for consumption and are recorded as expenditures at the time individual inventory items are purchased. The inventories associated with internal service funds and enterprise funds report inventories as expenditures when they are consumed rather than when they are purchased. The reserve for inventory is equal to the ending amount of inventory to indicate a portion of the fund balance is not available for future expenditures.

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 consumed rather than when purchased.

6. Restricted Assets and Liabilities

Corporuses of permanent funds are included in restricted assets. Cash in the Cemetery Reserve Fund is restricted for the care and maintenance of the cemetery. The “landfill closure” account is used by the Landfill Fund and contains resources set aside to fund future landfill closure and post-closure costs. The pollution remediation account contains resources for current activity on the remediation of the landfill. Restricted assets are composed of:

Restricted Assets	Temporary Restrictions	Permanent Restrictions
Esther Eyruad Trust	\$ -	\$ 3,000
Sherwood Library Trust	-	13,545
Code Enforcement Fund	77,000	-
Cemetery Reserve	819,905	-
Landfill Closure	2,394,154	-
Pollution Remediation	1,221,306	-
Restricted Net Pension Asset	-	4,126,366

7. Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the government as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation, except for donated historical treasures not capitalized because they meet the exemption from capitalization according to GASB Statement 34, paragraph 27. Costs for additions or improvements to capital assets are capitalized when the effectiveness or efficiency of the asset is increased. Costs for normal maintenance and repairs are not capitalized.

The government reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements. In the case of the initial capitalization of

general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back-trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriated price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values donated capital assets at the estimated fair value of the item at the date of its donation. Interest incurred during the construction of the capital assets of business-type activities is included as part of the capitalized value of the assets 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 assets	30,000	Varies
Machinery and equipment	5,000	2 to 20

For capital asset details, see Note 6.

8. Deferred Outflows and Inflows of Resources

Deferred inflows of resources: A deferred inflow of resources is an acquisition of net position by the government, which is applicable to a future reporting period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

Property taxes (General Fund)	\$5,906,446
Property taxes (Debt Service Fund)	1,542,561
Special assessments (Debt Service Fund)	<u>189,312</u>
Total governmental deferred inflow of resources	<u>\$7,638,319</u>

At December 31, 2015, the city has reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows on pensions Governmental	\$1,324,956
Deferred outflow on pensions Business-Type	<u>433,801</u>
Total deferred outflow on pensions	<u>\$1,758,757</u>
Deferred inflows on pensions Governmental	\$1,911,249
Deferred outflow on pensions Business-Type	<u>585,600</u>
Total deferred outflow on pensions	<u>\$2,496,849</u>

9. Compensated Absences

Compensated absences are paid time off work, such as vacation and sick leave benefits. Vacation and sick pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. In proprietary funds, compensated absences are recorded as an expense and liability when earned. Compensated absence expenditures are recognized in government funds when the liability becomes due and payable, specifically leave due to employees who have left active service by the end of the fiscal period.

Contracts with employees call for the accumulation of vacation leave and sick pay benefits. Vacation pay may be accumulated up to 240 hours, and is payable upon resignation, retirement, or death. At employment termination, employees with at least 10 years of continuous service may receive cash payment for 25% of accumulated sick leave up to a maximum of 240 hours.

10. Pensions

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Firemens' Pension Plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

11. Other Accrued Liabilities

Other accrued liabilities include accrued wages and employee benefits, deposits, sales and use tax payable, and retainage payable.

12. Long-term Debt

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures when incurred. Long-term debt details are available in Note 9.

13. Unearned Revenue

Governmental funds defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, unearned revenue reported in the governmental funds consists of \$280,853 in prepaid cemetery services.

14. Fund Balance Classification

Fund balance for governmental funds is reported in the following classifications depicting the relative strength of the constraints which control how specific amounts can be spent. The City considers expenditures to be made from the most restrictive resource when more than one fund balance classification is appropriate. After restricted funds are depleted, the flow assumption for unrestricted funds is to first use committed fund balance, then assigned fund balance and finally unassigned fund balance.

- Nonspendable fund balances are either not in spendable form or are legally or contractually required to remain intact.
- Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.
- Committed fund balances can only be used for specific purposes ordained by the City Council, the City's highest level of decision-making authority. Commitments may be changed, modified, or rescinded only by ordinance approved by the vote of one more than the majority of all members of the City Council.
- Assigned fund balances are constraints imposed for specific purposes by the City Manager who is authorized to assign unexpended funds per Walla Walla Municipal Code 3.03.050.
- Unassigned fund balance is the residual amount of the general fund not included in the four categories above. Also, deficit fund balances within other governmental fund types are reported as unassigned.

15. Fund Balance Details

Fund balances by classification for the year ended December 31, 2015 were as follows:

Fund Balances	General Fund	Street CIP	Other Governmental	Total Governmental
Nonspendable:				
Prepays	\$ 43,623	\$ -	\$ -	\$ 43,623
Library Trusts	-	-	16,545	16,545
Restricted for:				
Community Services	209,535	-	844,112	1,053,647
Debt Service	-	-	334,237	334,237
Capital Projects	-	-	5,802,778	5,802,778
Committed to:				
Community Enforcement & Development	521,183	-	447,451	968,634
Cemetery	-	-	821,167	821,167
Debt Service	-	-	61,248	61,248
Streets	-	-	612,464	612,464
Capital Projects	-	321,235	140,052	461,287
Assigned to:				
Cemetery and Library	-	-	12,913	12,913
Capital Projects	-	10,817	-	10,817
Unassigned:	4,837,752	-	(682,715)	4,155,037
Total Fund Balances:	\$5,612,093	\$ 332,052	\$ 8,410,252	\$ 14,354,397

16. Minimum Fund Balance

In 2010, the City Council passed a 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 minimum reserve level at 5%. In addition, the policy sets a higher target of 15% for the General Fund reserve level. If at any time, the level of the reserves is projected to drop below the 5% minimum, the City Council will institute budgetary actions to bring the reserve up to the minimum level.

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 funds balance sheet includes reconciliation between fund balance – total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.”

The following table shows the detail of these capital asset changes net of accumulated depreciation:

Beginning balance of capital assets excluded from fund level:	
Land	\$ 3,556,599
Construction in progress	2,707,708
Buildings	17,230,699
Other improvements	3,815,929
Equipment	1,492,010
Infrastructure	35,097,329
Current year spending in construction work in progress	6,205,990
Current year capital purchases	1,558,642
Current year depreciation	(3,230,895)
Net adjustment to add to government-wide fund balance to arrive at <i>Net position-governmental activities</i>	\$ 68,434,011

Another element of that reconciliation explains that “long-term liabilities...are not due and payable in the current period and are not reported in the funds.” The following shows the detail of these liability changes:

Beginning balance of long-term liabilities excluded from fund level:	
Bonds payable	\$ (13,336,613)
Bond premiums	(113,325)
Compensated absences	(1,834,641)
Workers compensation claims	(75,637)
OPEB obligation	(3,759,276)
Net firemens’ pension	(2,578,141)
State pension liability	(4,884,308)
Current year bonds issued	(6,504,991)
Premium on bonds issued (to be amortized)	(366,297)
Current year principal payments reducing debt	1,131,851
Current year amortization of bond premium	33,356
Current year compensated absences earned	(1,645,783)
Current year compensated absences used	1,476,356
Current year workers compensation claim additions	(40,495)
Current year workers compensation claim reductions	35,552
Current year OPEB obligation additions	(2,492,360)
Current year OPEB obligation reductions	989,180
Current year firemens’ pension additions	(89,494)
Current year firemens’ pension reductions	164,732
Current year state pension obligation additions	(1,721,196)
Net adjustment to add to government-wide fund balance to arrive at <i>Net position-governmental activities</i>	\$ (35,611,530)

B. Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that 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 and reported as depreciation expense. The details of this difference are as follows:

Current year spending in CWIP	\$ 6,205,990
Current year capital purchases	1,558,642
Depreciation expense	(3,230,895)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in <i>net position</i> of governmental activities	\$ 4,533,737

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this difference are as follows:

Debt proceeds on bonds issued	\$ (6,504,991)
Premium on bonds issued	(366,297)
Amortization of bond premiums	33,356
Debt principal retirement	1,131,851
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in <i>net position</i> of governmental activities	\$ (5,706,081)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The details of this difference are as follows:

Current year compensated absences earned	\$ (1,645,783)
Current year compensated absences used	1,476,356
Current year OPEB obligation additions	(2,492,360)
Current year OPEB obligation reductions	989,180
Current year net firemens' pension additions	(89,494)
Current year net firemens' pension reductions	164,732
Current year workers compensation claim additions	(40,495)
Current year workers compensation claim reductions	35,552
Current year state pension obligation additions	(1,721,196)
<i>Net adjustment to decrease net changes in fund balances</i> – total governmental funds to arrive at changes in <i>net position</i> of governmental funds	\$ (3,323,508)

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions.

NOTE 4 – DEPOSITS AND INVESTMENTS

A. Deposits

The City's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (WPDPC). The State of WPDPC Act, implemented on August 11, 1969, was amended during the 2009 legislative session to fully protect public deposits in the result of bank failure. At fiscal year end, the City of Walla Walla had \$2,890,817 on deposit with Baker Boyer National Bank. The FDIC insures those deposits up to \$250,000. The remaining amount on deposit is fully protected by the WPDPC, eliminating custodial credit risk for the \$2,640,817 deposit amount over the FDIC \$250,000 limit.

B. Investments

As of December 31, 2015, the government had the following investments, stated at cost which approximates fair value:

	<u>Fair Value</u>	<u>Weighted Average Maturities (Years)</u>
LGIP cash equivalents	\$40,231,192	.12

The Local Government Investment Pool (LGIP) is a voluntary investment vehicle operated by the State Treasurer pursuant to RCW 43.250. The LGIP is managed in a manner consistent with SEC's rule 2a-7 of the Investment Act of 1940 and is unrated.

Interest rate risk: Interest rate risk is the risk that if interest rates change over time it will adversely affect the fair value of an investment. The City's investment policy is to diversify the investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity. LGIP balances are not subject to interest rate risk, as the LGIP weighted average maturity will not exceed 90 days.

Credit risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The City policy allows the following types of investments in accordance with state law: demand or investment deposits in qualified public depositories located within the state; United States government bonds, notes, bills, certificates of indebtedness, or interim financing warrants of a local improvement district of the City of Walla Walla which is within the protection of the local improvement guaranty fund law; mutual funds and money market funds; bonds and other obligations of a metropolitan municipal corporation; notes or bonds secured by mortgages insured by the federal agencies or corporations; notes, bonds and debentures; the Local Government Investment Pool in the State Treasury; and such other investments authorized by law and approved by ordinance or resolution of the Walla Walla City Council.

Custodial credit risk – investments: Custodial credit risk is the risk that in the event of a bank failure, the City would not be able to recover the value of the investment or collateral securities. The City

limits custodial credit risk by holding investments which are insured and are registered or held by the City's agent in the City's name. Certificates of deposit are entirely covered by federal depository insurance (FDIC and FSLIC) or by collateral held in a multiple financial institution collateral pool administered by the WPDPC. With regard to bankers' acceptances, no more than ten percent of the portfolio shall be with any one institution. With regard to certificates of deposit, no more than thirty-three percent of the portfolio shall be with any one financial institution.

Concentration risk: It is the policy of the City to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific class of securities. With the exception of U.S. Treasury securities and the state investment pool, no more than twenty percent will be in bankers' acceptances and no more than ten percent in certificates of deposits with savings and loans.

NOTE 5 – PROPERTY TAX

Taxes Receivable: The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed by the 20th day of the following month.

	<u>Property Tax Calendar</u>
January 1	Tax is levied and becomes an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
October 31	Second installment is due.
December 31	Assessed property value is established for next year's levy at market value.

Property tax is recorded as a receivable and deferred inflow of resources when levied. Upon receipt, property tax revenue is recognized and deferred inflow of property tax revenue is reduced. Delinquent taxes total \$194,770. Subsequent collections of delinquent amounts will be recorded as revenue in the period actually received. No allowance for uncollectible tax is established, because delinquent taxes are considered fully collectible.

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

- a. State law provides that the City's operating levy may not exceed 101% of the largest single levy of the past 3 years, plus an additional dollar amount calculated by multiplying the increase in assessed value resulting from new construction, property improvements, annexed property, and an increase in the assessed value for the preceding year.
- b. Washington State Constitution and Washington State law, RCW 84.55.010, limit the property tax rate to one percent of assessed value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the one percent limit.

The City's 2015 levy was \$2.595161 per \$1,000 on a 2014 assessed valuation of \$2,097,912,830 for a total operating levy of \$5,444,421. The City's 2016 levy is \$2.629742 per \$1,000 on a 2015 assessed valuation of \$2,182,570,791 for a total regular levy of \$5,739,598.

Special levies approved by the voters are not subject to the limitations listed above. The City voted a debt service levy for the purposes of building a fire station in 2004, police station in 2009 and for of pool in February of 2015. The City's 2015 voted levy was \$0.344710 per \$1,000 on a 2014 assessed valuation of \$2,069,862,390 for a total voted levy of \$713,502. The City's 2016 voted levy is \$0.702519 per \$1,000 on a 2015 assessed valuation of \$2,156,012,952 for a total voted levy of \$1,514,639.

NOTE 6 – CAPITAL ASSETS

A. Capital Assets

Capital asset activity for the year ending December 31, 2015 was as follows:

Primary Government Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not being depreciated:				
Land	\$3,556,599	\$ -	\$ -	\$3,556,599
Construction in progress	2,707,708	6,366,529	2,240,300	6,833,937
Total capital assets not being depreciated	6,264,307	6,366,529	2,240,300	10,390,537
Capital assets being depreciated:				
Buildings	23,935,602	51,279	-	23,986,881
Improvements other than buildings	5,381,579	557,957	-	5,939,536
Machinery and equipment	3,687,618	155,787	8,234	3,835,171
Infrastructure	65,917,740	2,873,380	-	68,791,120
Total depreciated capital assets	98,922,539	3,638,402	8,234	102,552,707
Less accumulated depreciation for:				
Buildings	6,704,903	556,368	-	7,261,271
Improvements other than buildings	1,565,650	111,691	-	1,677,341
Machinery and equipment	2,195,608	321,938	8,234	2,509,312
Infrastructure	30,820,411	2,240,898	-	33,061,309
Total accumulated depreciation	41,286,572	3,230,894	8,234	44,509,232
Capital assets being depreciated, net	57,635,967	407,508	-	58,043,475
Governmental activities capital, net	\$63,900,274	\$6,774,037	\$2,240,300	\$68,434,011
Business-type Activities				
Capital assets not being depreciated:				
Land	\$1,221,574	\$ -	\$ -	\$1,221,574
Construction in progress	4,097,957	3,797,909	2,454,911	5,440,955
Total capital assets not being depreciated	5,319,531	3,797,909	2,454,911	6,662,530
Business-type assets being depreciated:				
Buildings	31,093,756	-	-	31,093,756
Improvements other than buildings	7,835,622	-	-	7,835,622
Machinery and equipment	17,055,510	1,678,535	183,395	18,550,650
Infrastructure	101,627,606	4,018,867	235,741	105,410,731
Total depreciated capital assets	157,612,494	5,697,402	419,136	162,890,759
Less accumulated depreciation for:				
Buildings and system	14,909,527	588,969	-	15,498,496
Improvements other than buildings	2,457,588	376,511	-	2,834,099
Machinery and equipment	11,556,393	928,701	180,360	12,304,734
Infrastructure	28,596,875	2,037,577	98,461	30,535,991
Total accumulated depreciation	57,520,383	3,931,758	278,821	61,173,320
Capital assets being depreciated, net	100,092,111	1,765,644	140,315	101,717,439
Business-type activities capital, net	\$105,411,642	\$5,563,553	\$2,595,226	\$108,379,969

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

Governmental Activities:	
General government	\$299,755
Public safety	449,737
Utilities & environment	3,205
Transportation	2,248,339
Culture & recreational environment	229,859
Total depreciation - governmental activities	<u>\$3,230,894</u>
Business-type Activities:	
Golf course	\$55,184
Sanitation	2,367
Water	1,034,755
Stormwater	64,110
Wastewater	1,559,646
Landfill	352,201
Ambulance	9,045
Fleet Services	3,765
Vehicle Replacement	850,686
Total depreciation - business-type activities	<u>\$3,931,758</u>

The City of Walla Walla has active construction projects as of December 31, 2015. At year-end the government's commitments with contractors are as follows:

	Project Commitment	Spent to Date	PO Amount Remaining
Library Construction	\$ 725,137	\$ 348,594	\$ 376,543
Park Construction	953,422	648,937	304,485
Street Construction	2,770,384	2,623,801	146,583
TBD Street Construction	1,485,347	1,343,953	141,394
Water Construction	2,902,981	1,490,468	1,412,513
Stormwater Construction	294,703	269,213	25,490
Wastewater Construction	816,624	565,833	250,791
Landfill Construction	826,412	396,835	429,577
Total Commitments	<u>\$ 10,775,010</u>	<u>\$ 7,687,634</u>	<u>\$ 3,087,376</u>

B. Collections not Capitalized

The City of Walla Walla has the option to not 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; and 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 the December 31, 2015:

<u>Number</u>	<u>Asset description</u>	<u>Reason for not capitalizing</u>
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 7 – PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2015:

Aggregate Pension Amounts – All Plans	
Pension liabilities	\$11,480,732
Pension assets	(\$4,126,366)
Deferred outflows of resources	(\$1,758,757)
Deferred inflows of resources	\$2,496,849
Pension expense/expenditures	\$3,519,047

A. State Sponsored Pension Plans

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

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

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

Public Employees' Retirement System (PERS)

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

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement

benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2015 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee*
January through June 2015	9.21%	6.00%
July through December 2015	11.18%	6.00%

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

The city’s actual contributions to the plan were \$10,603 for the year ended December 31, 2015.

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

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

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

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

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2015 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2*
January through June 2015	9.21%	4.92%
July through December 2015	11.18%	6.12%
Employee PERS Plan 3		varies

* For employees participating in JBM, the contribution rate was 15.30%

The city’s actual contributions to the plan were \$1,113,191 for the year ended December 31, 2015.

Law Enforcement Officers’ and Fire Fighters’ Retirement System

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

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

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

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

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employer and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2015. Employers paid only the administrative expense of 0.18 percent of covered payroll.

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

Contributions

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2015 were as follows:

LEOFF Plan 2		
Actual Contribution Rates:	Employer	Employee
State and local governments	5.23%	8.41%
Ports and Universities	8.59%	8.41%

The city's actual contributions to the plan were \$428,462 for the year ended December 31, 2015.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2015, the state contributed \$58,339,032 to LEOFF Plan 2.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2015 with a valuation date of June 30, 2014. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2014 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2015. Plan liabilities were rolled forward from June 30, 2014, to June 30, 2015, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 3% total economic inflation; 3.75% salary inflation
- **Salary increases:** In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5%

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

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

- The OSA updated demographic assumptions, consistent with the changes from the *2007-2012 Experience Study Report*, used when valuing the PERS 1 and TERS 1 Basic Minimum COLA.
- The OSA corrected how valuation software calculates a member's entry age under the entry age normal actuarial cost method. Previously, the funding age was rounded, resulting in an entry age one year higher in some cases.
- For purposes of calculating the Plan 2/3 Entry Age Normal Cost contribution rates, the OSA now uses the current blend of Plan 2 and Plan 3 salaries rather than using a long-term membership assumption of two-thirds Plan 2 members and one-third Plan 3 members.
- The OSA changed the way it applies salary limits, as described in the *2007-2012 Experience Study Report*.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.5 percent. To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.7 percent except LEOFF 2, which has assumed 7.5 percent). Consistent with the long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.5 percent was used to determine the total liability.

Long-Term Expected Rate of Return

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

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2015, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB’s most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	5%	4.40%
Real Estate	15%	5.80%
Global Equity	37%	6.60%
Private Equity	23%	9.60%
	100%	

Sensitivity of NPL

The table below presents the city’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, 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 (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	\$5,866,629	\$4,818,576	\$3,917,346
PERS 2/3	\$12,161,871	\$4,159,253	(\$1,968,052)
LEOFF 1	(\$814,654)	(\$1,273,388)	(\$1,664,374)
LEOFF 2	\$2,857,072	(\$2,852,978)	(\$7,150,006)

Pension Plan Fiduciary Net Position

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

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

At June 30, 2015, the city reported a total pension liability of \$8,977,829 for its proportionate share of the net pension liabilities, and its total pension asset of \$4,126,366 for its proportionate share of the net pension assets as follows:

	Liability (or Asset)
PERS 1	\$4,818,576
PERS 2/3	\$4,159,253
LEOFF 1	(\$1,273,388)
LEOFF 2	(\$2,852,978)

The amount of the asset reported above for LEOFF Plan 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 were associated with the city were as follows:

Liability (or Asset)	
LEOFF 2 – employer’s proportionate share	(\$269,011)
LEOFF 2 – State’s proportionate share of the net pension asset associated with the employer	(\$137,842)
TOTAL	(\$406,853)

At June 30, the city’s proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/14	Proportionate Share 6/30/15	Change in Proportion
PERS 1	.087822%	.092117%	.004295%
PERS 2/3	.109550%	.116406%	.006856%
LEOFF 1	.104804%	.105656%	.000852%
LEOFF 2	.269857%	.277581%	.007724%

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

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2015. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2015, 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 2015, the state of Washington contributed 39.80 percent of LEOFF 2 employer contributions pursuant to RCW 41.27.726 and all other employers contributed the remaining 60.20 percent of employer contributions. The collective net pension liability (asset) was measured as of June 30, 2015, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2014, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2015, the city recognized pension expense as follows:

	Pension Expense
PERS 1	\$289,577
PERS 2/3	\$1,685,793
LEOFF 1	\$255,987
LEOFF 2	\$1,287,690
TOTAL	\$3,519,047

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2015, the city has reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	\$263,629
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	\$268,970	-
TOTAL	\$268,970	\$263,629

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$442,130	-
Net difference between projected and actual investment earnings on pension plan investments	-	\$1,110,323
Changes of assumptions	\$6,701	-
Changes in proportion and differences between contributions and proportionate share of contributions	\$220,602	-
Contributions subsequent to the measurement date	\$348,215	-
TOTAL	\$1,017,648	\$1,110,323

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	\$214,973
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
TOTAL	-	\$214,973

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$249,825	-
Net difference between projected and actual investment earnings on pension plan investments	-	\$864,437
Changes of assumptions	\$7,525	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	\$40,483
Contributions subsequent to the measurement date	\$214,789	-
TOTAL	\$472,139	\$904,920

Deferred outflows of resources related to pensions resulting from the city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31, 2015	PERS 1	PERS 2/3
2016	(\$102,173)	(\$236,574.75)
2017	(\$102,173)	(\$236,574.75)
2018	(\$102,173)	(\$236,574.91)
2019	\$42,893	\$268,835.63
Total	(\$263,629)	(\$440,889.78)

Year ended December 31, 2015	LEOFF 1	LEOFF 2
2016	(\$83,418)	(\$296,216.71)
2017	(\$83,418)	(\$296,216.71)
2018	(\$83,418)	(\$296,216.71)
2019	\$35,280	\$191,035.10
2020		\$41,707.62
2021		\$8,341.54
Total	(\$214,973)	(\$647,565.87)

B. Single Employer Plan

Firemens' Pension Plan

Plan Description

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

March 1, 1970.

Management of the FPP is overseen by a Fire Pension Board, which consists of five members: The Mayor, who is the chairman of the board, the City Clerk, a councilmember, and two firefighters selected by covered pension members, each of whom serve two-year terms.

Plan Membership. Membership is limited to firefighters employed prior to March 1, 1970, when the LEOFF retirement system was established. At December 31, 2015, pension membership consisted of the following:

Firefighters retired from service after March 1, 1970	11
Firefighters disabled in line of duty since March 1, 1970	11
Firefighters Disabled not in line of duty since March 1, 1970	5
Survivors of Firefighters retired after March 1, 1970	<u>4</u>
Total	31

The plan is closed to new entrants.

Benefits. RCW 41.16.080 through 41.16.180 establish the benefits of the plan. Plan members shall be paid upon retirement a pension based upon the average monthly salary drawn for the five year calendar before retirement, the number of years in service, and a percentage factor based on age upon entering service. In addition, the state requires benefits to include payment on death of a retired firefighter, payment on death of eligible pensioner before retirement, payment on death in line of duty, payment upon disablement in line of duty, payment upon disablement not in line of duty, payment on separation from service, and funeral expenses.

Contributions. RCW 41.16.050 through 41.16.070 established the contribution rates. The state is required to contribute 25 percent of all monies received from taxes on fire insurance premiums and active firefighters are required to contribute based on age. The city is required to contribute a tax of 22.5 cents per \$1,000 of assessed value against all taxable property, unless a qualified actuary establishes that the whole or any part of said dollar rate is not necessary to maintain the actuarial soundness of the Fund. For the year ended December 31, 2015, the state contributed \$45,421 and the City contributed \$26,610, no members made contributions to the Plan. As of the last actuarial study dated January 1, 2016, the actuary determined that current Plan assets and future contributions from state fire insurance taxes and employer contributions will be sufficient to pay all future Plan benefits.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increase	3.25%
Investment Rate of Return	3.50%
Cost Method	Entry Age Normal

Mortality. The mortality assumptions used in this valuation are based on the 2007-2012 Experience Study for the LEOFF Retirement System prepared by the Office of the State Actuary. Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate.

Discount rate. The discount rate used to measure the total pension liability was 3.50 percent. The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s Fiduciary Net Position is projected to cover benefit payments and administrative expenses. The Bond Buyer General Obligation 20-year municipal bond index as of December 31, 2015 is 3.57 percent. Rounding this to the nearest 1/4 percent results in the discount rate.

Projected cash flows. The following table illustrates the projected excess annual pension payments for retired member eligible for retirement benefits under FPP. The table is based on actuarial assumptions listed below.

City of Walla Walla January 1, 2016	
Projection of Future Excess Pension Benefits	
Year Ending	Total Estimated
December 31	Payouts
2016	\$169,000
2017	174,000
2018	177,000
2019	179,000
2020	179,000
2021	178,000
2022	176,000
2023	173,000
2024	170,000
2025	166,000
2026	162,000
2027	158,000
2028	153,000
2029	147,000
2030	141,000
2031	135,000
2032	127,000
2033	119,000
2034	111,000
2035	102,000
2036	93,000
2037	83,000
2038	74,000
2039	65,000
2040	56,000
2041	47,000
2042	40,000
2043	33,000
2044	26,000
2045	21,000

Long-term rate of return. GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the Plan’s Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses.

Since the Plan is largely unfunded and the benefits are being funded on a pay-as-you-go basis, we

have used a municipal bond rate to discount liabilities. The Bond Buyer General Obligation 20-bond municipal bond index for bonds that mature in 20 years is 3.57% as of December 31, 2015. Rounding this to the nearest 1/4% results in a discount rate of 3.50%. This will need to be re-evaluated as of later valuation dates.

Investment policy. Plan investments are invested with the city's funds, and therefore, follow city investment policy. All investment activities will be in compliance with state law. See Note 4 for information regarding the city's investment activities.

Rate of return. For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments was 0.0 percent. The money-weighted rate of return expresses investment performance adjusted for the changing amounts actually invested.

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

	1% Decrease	Current Discount Rate	1% Increase
	2.50%	3.50%	4.50%
Total pension liability	\$2,822,714	\$2,562,170	\$2,338,965
Fiduciary net position	59,267	59,267	59,267
Net pension liability	<u>\$2,763,447</u>	<u>\$2,502,903</u>	<u>\$2,279,698</u>

Changes in the Net Position Liability

The changes in net position liability for the period ending December 31, 2015, is as follows:

**City of Walla Walla
Firefighters' Pension Fund
Changes in Net Pension Liability**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of December 31, 2014	\$ 2,639,822	\$ 154,382	\$ 2,485,440
Service Cost (Entry Age Normal)	-	-	-
Interest on total pension liability	89,494	-	89,494
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Benefit Payments	(167,146)	(167,146)	-
Medical payments from fund	-	-	-
Employer contributions	-	26,610	(26,610)
Contributions from state fire insurance premium tax	-	45,421	(45,421)
Net investment income	-	-	-
Administrative Expenses	-	-	-

Balance as of December 31, 2015

\$ 2,562,170

\$ 59,267

\$ 2,502,903

Measurement Date. The Valuation Date is January 1, 2016. This is the date as of which the actuarial valuation is performed. The Measurement Date is December 31, 2015. This is the date as of which the net pension liability is determined. The Reporting Date is December 31, 2015. This is the Plan's and/or employer's fiscal year ending date.

Changes in assumptions. The changes in assumptions for future mortality led to the largest increase in liability. The mortality tables used were changed to match the most recent experience study by the State Actuary. This resulted in increased life expectancies and therefore, higher liabilities. Demographic experience resulted in an additional liability increase.

Offsetting these increases was the fact that excess benefits increased less than anticipated over the past two years. Changes in the economic assumptions had an insignificant impact on liabilities.

The plan remains sensitive to demographic experience that deviates from expectations due to the small size of the plan membership. The plan also remains highly sensitive to both deviations in the excess benefit amounts from expectations and the assumptions used for wage increases and CPI.

Pension Expense. For the fiscal year ending December 31, 2015 the city fire pension expense was as follows:

GASB Statement No. 68 Pension Expense

Pension Expense	January 1, 2014 to December 31, 2014	January 1, 2015 to December 31, 2015
Service cost	N/A	\$-
Interest on total pension liability	N/A	89,494
Effect of plan changes	N/A	-
Administrative expenses	N/A	-
Medical payments from fund	N/A	-
Contributions from state fire insurance premium tax	N/A	(45,421)
Expected investment return net of investment expenses	N/A	(3,753)
Recognition of Deferred Inflows/Outflows of Resources		
Recognition of economic/demographic gains or losses	N/A	-
Recognition of assumption changes or inputs	N/A	-
Recognition of investment gains or losses	N/A	751
Pension Expense	N/A	\$41,071

At December 31, 2015, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Plan Name	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$-	\$-
Changes of assumptions	-	-
Net difference between projected and actual earnings	-	\$3,002
Contributions made subsequent to measurement date	-	-
Total	-	\$3,002

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2016	\$751
2017	751
2018	751
2019	749
2020	-
Thereafter*	-

* Note that additional future deferred inflows and outflows of resources may impact these numbers.

Fiduciary Net Position

The components of the net pension liability of the City at December 31, 2015 were as follows:

Total Pension Liability	\$2,562,170
Plan Fiduciary Net Position	<u>59,267</u>
City's Net Pension Liability	<u>\$2,502,903</u>

Plan fiduciary net position as a percentage of the total pension liability 2.31%

Pension Plan Investments

Investment policy. Plan investments are invested with the city's funds, and therefore, follow city investment policy. All investment activities will be in compliance with state law. See Note 4 for information regarding the city's investment activities.

Concentrations. The Plan held the following investments in organizations that represent 5 percent or more of the Plan's fiduciary net position and are not issued by the US Government at December 31, 2015:

Investment Type	% of Net Position
Local Government Investment Pool	100%

Rate of return. For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments was 0.0 percent. The money-weighted rate of return expresses investment performance adjusted for the changing amounts actually invested.

Required supplementary information schedule. A trend schedule for current year and the previous nine years is displayed in the Required Supplemental Information. These schedules will show the actuarial value of the net pension asset trend.

NOTE 8 – RISK MANAGEMENT

The City of Walla Walla maintains insurance against most normal hazards except for general liability, health insurance, and workers' compensation, where it has elected to become partially insured. 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 175 Members.

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

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are \$4 million per occurrence self insured layer, and \$16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are \$20 million per occurrence subject to aggregate sub-limits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

In-house services include risk management consultation, loss control field services, claims and litigation administration, and loss analyses. WCIA contracts for the claims investigation consultants for personnel issues and land use problems, insurance brokerage, 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, and administrative expenses. As outlined in the Interlocal Cooperation Act, 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.

Matrix Absence Management, Inc. manages the workers' compensation claims. Self-insurance is in effect for losses up to \$500,000 per occurrence. The retention is \$500,000 with a Statutory Maximum Liability of Excess Insurer. Claims are processed by Matrix Absence Management and reviewed by the City administration for verification. Based on the claims manager estimates, the City's estimated liability for probable losses at December 31, 2015 is \$80,580 for the workers compensation program. The state requires \$100,000 be set aside in cash reserves for protection for the workers compensation fund. The City met this requirement. The fund's average monthly cash balance for 2015 was \$199,086. No reserves were necessary at year-end as claims are estimated to fall below funded levels.

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, for paying claim settlements and for purchasing certain excess insurance policies. Interfund premiums for worker's compensation are assessed on the number of employees and the average claims over the last three years and reported as revenues and expenses.

	Year ended 12/31/2014	Year ended 12/31/2015
Unpaid claims, beginning of fiscal year	\$ 73,548	\$ 75,637
Incurred claims (including IBNRs)	60,665	40,494
Changes in estimate for claims, prior period	38,343	142,749
Payments on claims	(96,919)	(178,301)
Unpaid claims, end of fiscal year	<u>\$75,637</u>	<u>\$80,580</u>

NOTE 9 – LONG-TERM DEBT

Governmental Debt

The City issues general obligation bonds to finance the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and business-type activities and are being repaid and reported from the applicable resources. Standard and Poor's has assigned the following ratings for the City: Limited Tax General Obligation – AA as of September 2015; Unlimited Tax General Obligation Bonds – AA as of September 2015.

Title	Purpose	Interest Rate	Original	Outstanding
2009 UTGO Bond Police Station	Police Station	3.25%-4.375%	\$11,595,000	\$9,285,000
2010 LTGO Bond Fire Truck	Fire Truck	3.00%-5.00%	845,000	590,000
2013 UTGO Refunding Bond	Fire Station 2004	2.72%	2,840,000	2,350,000
2015 LTGO Bond Street Const.	Isaac Street Construction	2.06%	188,789	168,887
2015 LTGO Bond Library	Library 2015	2.06%	756,202	755,866
2015 UTGO Bond Memorial Pool	Memorial Pool 2015	2.75%-4.0%	5,560,000	5,560,000
General Obligation Bonds			\$21,784,991	\$18,709,753
2009-1 Bond LID (Taxable)	Abadie LID	4.40%	551,000	241,311
Special Assessment Bond			\$551,000	\$241,311

The annual debt service requirements to maturity are as follows:

Year Ending 12/31/2015	Governmental Activities		Special Assessment	
	Interest	Principal	Interest	Principal
2016	\$670,004	\$966,570	\$10,618	\$49,463
2017	1,220,229	1,073,539	8,441	51,640
2018	574,285	1,135,806	6,169	53,912
2019	539,636	1,202,401	3,797	56,284
2020	489,924	1,265,423	1,321	30,012
2021-2025	1,897,596	6,431,014	-	-
2026-2030	755,775	5,095,000	-	-
2031-2035	116,075	1,540,000	-	-
Total	\$6,263,524	\$18,709,753	\$30,346	\$241,311

Special Assessment Bond

The City issued a special assessment bond in 2011 for capital construction related to streets in an existing commercial area. The \$551,000 bond will be repaid from amounts levied against the property owners who benefited by the construction. If a deficiency exists because of an unpaid or delinquent special assessment, the City will provide the resources to cover the deficiency until the proceeds are received. As of December 31, 2015, the LID special assessment delinquency equals zero, all special assessments are current. The bond interest rate is 4.4% with a twelve-year repayment schedule. This special assessment bond has been funded and accounted for as an interfund loan from the Equipment Replacement fund, mentioned by reference in Note 11, but accounted for as illustrated in Note 13.

Current Refunding

The City issued \$1,786,098.74 in limited tax general obligation bonds with interest rate of 2.060%. The proceeds were used to refund \$1,735,000 of 2005 limited tax general obligation bonds which had interest rates ranging from 3.125% to 4.375%. The net proceeds of \$1,735,000 (payment of \$51,098.74 in underwriting and other issuance costs) was deposited with an escrow agent to pay the principal and debt service payment of June 1, 2015. As a result, the 2005 limited tax general obligation bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The reacquisition price did not exceed the net carrying amount of the old debt.

Business-type Debt

The City issues revenue bonds to finance acquisition and construction of major capital facilities. The revenue bonds are repaid by proprietary fund revenues. General obligation bond proceeds utilized by golf course and landfill activities are expected to be repaid by the revenues generated from those enterprise activities and have been included as revenue bonds in the business debt.

On April 22, 2015, the Council approved refunding the Water and Wastewater Revenue Refunding Bonds, Series 2005 and used an interfund loan and the money invested with AIG to payoff these bonds.

Title	Purpose	Interest Rate	Original	Outstanding
2010 LTGO Landfill Bond	Capital construction	3.0%-5.0%	\$2,805,000	\$2,235,000
2015 LTGO Landfill Bond	Capital construction	2.06%	1,366,359	1,108,014
2015 LTGO Golf Course Bond	Capital construction	2.06%	230,951	206,605
97-78897-038 Loan Water Treatment	Capital construction	1.00%	1,030,000	162,632
L9900019A Loan Wastewater	Capital construction	4.10%	14,220,127	4,253,942
PW-99-791-038 Loan Wastewater	Capital construction	1.00%	7,000,000	1,491,594
PW-02-691-060 Loan Wastewater	Capital construction	0.50%	5,159,197	1,947,220
PW-06-962-PRE-103 Loan Wastewater	Capital construction	1.00%	531,399	307,652
PW-07-962-018 Loan Wastewater	Capital construction	1.00%	6,823,104	4,320,173
Total Revenue Bonds & Notes			\$39,166,137	\$16,032,832

Annual debt service requirements to maturity are as follows:

Year Ending 12/31/2015	Business-Type Activities	
	Interest	Principal
2016	\$536,048	\$2,379,582
2017	388,532	2,421,846
2018	233,110	2,470,143
2019	512,226	2,459,550
2020	111,200	1,357,569
2021-2025	195,501	3,446,146
2026-2030	17,427	1,497,997
Total	\$1,994,044	\$16,032,832

NOTE 10 – LEASES

Operating Leases

The City leases a building, office equipment and other equipment under non-cancelable operating leases. Total costs for such leases were \$86,538 for the year ended December 31, 2015.

The future minimum lease payments for these leases are as follows:

12/31/2015	Amount
2016	\$ 66,478
2017	62,966
2018	30,694
2019	5,800
2020	5,800
2021-2025	15,967
Total	\$ 187,705

NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity is reported by governmental activities and business-type activities, as applicable. Long-term liability activity for governmental activities for the fiscal year 2015:

Government Activities	Beginning Balance 1/1/2015	Additions	Reductions	Ending Balance 12/31/2015	Due Within One Year
1996 LTGO Bond Deferred Series B	\$78,370	\$ -	\$78,370	\$ -	\$ -
2005 LTGO Bond Street Construction	183,243	-	183,243	-	-
2015 LTGO Bond Street Construction	-	188,789	19,902	168,887	19,270
2015 LTGO Library Construction	-	756,202	336	755,866	77,300
2015 UTGO Memorial Pool	-	5,560,000	-	5,560,000	90,000
2009 UTGO Bond Police Station	9,720,000	-	435,000	9,285,000	460,000
2009 UTGO Bond Premiums	95,092	-	6,339	88,753	6,339
2010 LTGO & Refunding Bond	755,000	-	165,000	590,000	60,000
2013 UTGO Refund Bond Fire Station	2,600,000	-	250,000	2,350,000	260,000
2010 LTGO Bond Premiums	18,233	-	8,702	9,531	1,069
2015 UTGO Bond Premium	-	366,297	18,315	347,982	18,315
General Obligation Bonds	13,449,938	6,871,288	1,165,207	19,156,019	992,293
2009-1 Bond LID (Taxable), Interfund loan	288,689	-	47,379	241,310	49,463
Special Assessment Bonds	288,689	-	47,379	241,310	49,463
Compensated Absences	1,834,641	1,645,783	1,476,356	2,004,068	1,452,761
Workers' Compensation Claims	75,637	40,495	35,552	80,580	10,510
Net Pension Obligation	92,701	-	92,701	-	-
Firemens' Pension	2,485,440	89,494	72,031	2,502,903	-
Net OPEB Obligation	3,759,276	2,492,360	989,180	5,262,456	-
State Pension	4,884,308	1,721,196	-	6,605,504	-
Other Liabilities	13,132,003	5,989,328	2,665,820	16,455,511	1,463,271
Governmental Activities	\$26,870,630	\$12,860,616	\$3,878,406	\$35,852,840	\$2,505,027

The General Fund, the Street Funds, the Emergency Services Fund, and the Service Center Fund normally liquidate 88.57%, 2.33%, 8.78% and 0.32% 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.

Long-term liability activity for business-type activities for the fiscal year 2015:

Business Activities	Beginning Balance 1/1/2015	Additions	Reductions	Ending Balance 12/31/2015	Due Within One Year
Revenue Bonds					
2005 Water Bond	\$6,685,000	\$ -	\$6,685,000	\$ -	\$ -
2005 Wastewater Bond	490,000	-	490,000	-	-
2005 LTGO Landfill Bond	1,327,590	-	1,327,590	-	-
2005 LTGO Golf Course Bond	224,168	-	224,168	-	-
2010 LTGO Water Bond	1,024,800	-	1,024,800	-	-
2010 LTGO Wastewater Bond	1,110,200	-	1,110,200	-	-
2010 LTGO Landfill Bond	2,360,000	-	125,000	2,235,000	130,000
2010 Bond Premiums	151,648	-	134,211	17,437	1,253
2015 Landfill Ref Bond	-	1,366,359	258,345	1,108,014	250,144
2015 Golf Course Ref Bond	-	230,951	24,346	206,605	25,573
Revenue Bonds	13,373,406	1,597,310	11,403,660	3,567,056	406,970

External Loans

	Beginning Balance <u>1/1/2015</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>12/31/2015</u>	Due Within <u>One Year</u>
Water 97-78897-038	216,842	-	54,211	162,632	54,211
Wastewater L9900019A	5,098,314	-	844,372	4,253,942	879,346
Wastewater PW-99-791-038	1,864,492	-	372,898	1,491,594	372,898
Wastewater PW-02-691-060	2,225,394	-	278,174	1,947,220	278,174
Wastewater PW-06-962-PRE-103	335,621	-	27,968	307,652	27,968
Wastewater PW-07-962-018	4,680,188	-	360,014	4,320,173	360,014
Revenue Loans	14,420,851	-	1,937,637	12,483,213	1,972,611
Revenue Debt	27,794,257	1,597,310	13,341,297	16,050,269	2,379,581
Landfill Closure	3,957,227	287,398	-	4,244,625	-
Federal DWSRF LT2	1,512,622	1,196,044	-	2,708,666	-
Pollution Remediation	3,843,140	29,550	-	3,872,690	307,658
Compensated Absences	563,244	408,664	430,511	541,397	408,606
State Pension	1,754,168	618,157	-	2,372,325	-
Other Liabilities	11,630,401	2,539,813	430,511	13,739,703	716,264
Business Activities	\$39,424,658	\$4,137,123	\$13,771,808	\$29,789,972	\$3,095,845

The City was approved by the Environmental Protection Agency and the Public Works Board to receive two loans totaling \$24,240,000 to improve its drinking water system. The authorized Drinking Water State Revolving Fund Loan (DWSRF) is a low interest loan, and at December 31, 2015, the draws totaled \$2,468,666 along with loan origination fees of \$240,000. The loan terms will be defined upon project completion.

Rebatable Arbitrage. Arbitrage occurs when the City invests funds borrowed at tax-exempt interest rates in higher yielding taxable securities. These interest earnings in excess of interest expense must be remitted to the federal government under IRS section 148(f) of the Internal Revenue Code. At the fund level, the City recognizes this liability only when due and payable. The City had arbitrage excess earnings liability of \$110,767 to report in 2015.

NOTE 12 – CONTINGENCIES AND LITIGATIONS

The City’s financial statements include all material liabilities. There are no material contingent liabilities to record. A lawsuit was filed against the City of Walla Walla on February 17, 2015 by a person who alleged wrongful withholding of records under Washington’s Public Records Act. The City disputes the action and is defending against it. The Superior Court of the State of Washington for Walla Walla County ruled in favor of the City and dismissed the lawsuit on September 17, 2015. The claimant appealed and the case is currently pending in Division 3 of the Washington State Court of Appeals. Liability is unlikely. The City could, however, be held responsible for undetermined costs, attorney’s fees, and costs if its defense is unsuccessful. The estimated maximum exposure on the present action is \$25,000. The likelihood of a favorable or unfavorable outcome in this matter cannot be evaluated at the present time.

Miscellaneous minor claims have been made against the City of Walla Walla, which have been tendered to its insurance pool WCIA. Defense and indemnification for any such claims is and will be

provided by WCIA. The City reasonably anticipates that it will suffer no liability adverse to its financial condition as a result of any such claims. The estimated aggregate maximum exposure to the City on any claims defended by WCIA is no more than \$1,000.

The City participates in a number of federal- and state-assisted programs. 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.

NOTE 13 – INTERFUND BALANCES AND TRANSFERS

Interfund loans provide upfront, one-time funding for physical improvements from otherwise idle equipment replacement funds. The loans will be fully repaid over time from the fund receiving the physical improvement benefit and tend to be shorter-term in nature. The total interfund loan balance includes \$3,082,095 which is due within one year and \$1,457,265 which is due in more than one year from the date of the financial statements.

Purpose	Interfund Loans Due From :			Due To:	
	Non-Major Government	Landfill	Water/Wastewater	Non-Major Enterprise	Equipment Replacement
Driving Range	\$ -	\$ -	\$ -	\$89,195	\$89,195
LED Stoplights	41,776	-	-	-	41,776
Irrigation System	-	-	-	332,653	332,653
Landfill Area 7	-	645,469	-	-	645,469
Street Light Retrofit	136,956	-	-	-	136,956
LID Abadie Street	241,311	-	-	-	241,311
Transportation Benefit	832,000	-	-	-	832,000
Water	-	-	2,066,600	-	2,066,600
Wastewater	-	-	153,400	-	153,400
Interfund Loans	\$1,252,043	\$645,469	\$2,220,000	\$421,848	\$4,539,360

Transfers between funds during the year ended December 31, 2015 are as follows:

Transfers	General Fund	Street CIP	Other Gov't	Water/Wastewater	Other Enterprise	Internal Service	Fiduciary Fund	Transfers From:
General Fund	\$ -	\$ -	\$2,244,948	\$ -	\$46,000	\$ -	\$45,421	\$2,336,369
Street CIP	63,641	-	41,078	120,998	-	-	-	225,717
Other Gov't	60,000	356,167	1,609,244	-	-	54,652	-	2,080,063
Water/Wastewater	-	1,533,735	-	-	-	15,000	-	1,548,735
Sanitation	18,980	-	-	-	-	-	-	18,980
Other Enterprise	-	145,100	-	-	-	-	-	145,100
Internal Service	58,357	-	82,430	-	-	-	-	140,787
Transfers	\$200,978	\$2,035,002	\$3,977,700	\$120,998	\$46,000	\$69,652	\$45,421	\$6,495,751

Transfers between funds are 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 restricted amounts from borrowings to the Debt Service Fund to establish mandatory reserve accounts, 3) move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including

amounts provided as subsidies or matching funds for various grant programs and funding street construction projects, 4) move amounts between funds to finance construction projects in accordance with the City’s construction budget and 5) transfer excess proceeds from finished construction projects back to the contributing funds.

NOTE 14 – RECEIVABLE AND PAYABLE BALANCES

Other receivables include customer accounts receivable, interest receivable, and grants receivable. Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year. Accrued grants receivable relate to qualified expenditures made prior to the end of the year.

As of December 31, 2015 the City’s individual major funds and non-major enterprise funds receivable balances include the applicable allowances for uncollectible accounts as follows:

	Other Receivables									Total
	General	Street CIP	Other Gov't	Sanitation	Water/Wastewater	Landfill	Ambulance	Other Enterprise	Internal Service	
Accts recvbl	\$625,477	\$1,641	\$226,164	\$286,537	\$1,369,694	\$598,987	\$408,110	\$98,504	\$216,277	\$3,831,391

Receivables for the Ambulance Fund are reported net of allowance for uncollectible accounts. Using historical collection rates, it is estimated that 44% of the receivables or \$321,233 at December 31, 2015 will ultimately prove uncollectible for the Ambulance Fund.

NOTE 15 – OTHER PERSONNEL BENEFITS

A. Post-Employment Benefits

Plan Description

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 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 plan, or any other similar source are covered. Most medical coverage for eligible retirees is provided by one of the City’s employee medical insurance programs. 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. Financial reporting for the LEOFF retiree healthcare plan is included in the City’s Comprehensive Annual Financial Report.

Membership

A total of 58 retirees are eligible for benefits under this act. This is considered a closed group with no new eligible members

Funding Policy

Funding for LEOFF retiree healthcare costs is provided entirely by the City as required by RCW. The City’s funding policy is based upon pay-as-you-go financing requirements.

Post-employment health care benefits are paid on a pay as you go basis. Expenses related to the participating retirees who are covered under the Firemens’ Pension Fund totaled \$429,985 in 2015. The benefits paid to the remaining participants (Police Officers and Firemen not covered under the Firemens’ Pension Fund) were remitted out of the General Fund and totaled \$221,082.

Annual OPEB Cost and Net OPEB Obligation

The City’s annual Other Postemployment Benefit (OPEB) cost is calculated based upon the Annual Required Contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years. The City’s annual OPEB cost and net OPEB obligation for the current year and the related information for each plan are as follows:

Schedule of OPEB Cost and Net OPEB Obligation

	Fiscal Year Ending <u>12/31/2015</u>
ANNUAL REQUIRED CONTRIBUTIONS (ARC)	
Annual Normal Cost (BOY)	\$ -
Amortization of UAAL (BOY)	2,341,989
ARC at EOY	<u>2,341,989</u>
Interest on net OPEB obligation	150,371
Adjustment to ARC	<u>(338,114)</u>
Annual OPEB cost (expense)	2,154,246
Employer contributions	<u>(651,066)</u>
Change in net OPEB obligation	1,503,180
Net OPEB obligation, beginning of year	<u>3,759,276</u>
Net OPEB obligation, end of year	<u><u>\$5,262,456</u></u>

Actuarial methods and assumptions

The City used the alternative measurement method permitted under GASB Statement No. 45. A single retirement age of 55.3 was assumed for all active members for the purpose of determining the AAL and normal cost. Retirement, disablement, termination, and mortality rates were assumed to follow the LEOFF 1 rates used in the June 30, 2014 actuarial valuation report issued by the Office of the State Actuary (OSA).

Healthcare costs and trends were determined by Milliman and used by OSA in the state-wide LEOFF 1 medical study performed in 2013. The results were based on grouped data with four active groupings and four inactive groupings. The actuarial cost method used to determine the AAL was the Projected Unit Credit. The AAL and open basis as a level dollar over 15 years. These

assumptions are individual and collectively reasonable for the purpose of this valuation.
Funding Status and Funding Progress

The City's actuarial update on the funding status for each plan is as follows:

Actuarial accrued liability (AAL)	\$	26,039,136
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	\$	26,039,136
Funded ratio (actuarial value of plan assets ÷ AAL)		0.0%
Covered payroll		-
UAAL as a percentage of covered payroll		-

The Annual Development of OPEB costs the years ending December 31st, were as follows:

Schedule of Annual Development of OPEB Cost

Fiscal Year	ARC	Interest on	ARC	Annual	Employer	Change in Net	Net OPEB	Net OPEB
Ending	at EOY	Net OPEB	Adjustment	OPEB Cost	Contributions	OPEB	Obligation	Obligation
		Obligation				Obligation	BOY	EOY
12/31/13	\$ 1,321,468	\$ 93,537	\$ 193,547	\$ 1,221,458	\$ 673,745	\$ 547,713	\$ 2,078,603	\$ 2,626,316
12/31/14	1,896,258	105,053	236,214	1,765,097	632,137	1,132,960	2,626,316	3,759,276
12/31/15	2,341,989	150,371	338,114	2,154,246	651,066	1,503,180	3,859,276	5,262,456

Source: State Actuary online OPEB GASB45 tool

Pension and Other Post Employment Benefit Financial Statements
Statement of Changes in Fiduciary Net Position
For the Year Ending December 31, 2015

	<u>Fire Medical</u>	<u>Fire Pension</u>	<u>Other Employee</u>
	<u>Benefits</u>	<u>Benefits</u>	<u>Benefits</u>
ASSETS			
Cash and equivalents	\$ 286,364	\$ 72,930	\$ 359,294
Total assets	<u>\$ 286,364</u>	<u>\$ 72,930</u>	<u>\$ 359,294</u>
LIABILITIES			
Accounts payable	\$ 2,358	\$ -	\$ 2,358
Other accrued liabilities	-	13,663	13,663
Total liabilities	<u>\$ 2,358</u>	<u>\$ 13,663</u>	<u>\$ 16,021</u>
NET POSITION			
Held in trust for pension benefits and other purposes	<u>\$ 284,006</u>	<u>\$ 59,267</u>	<u>\$ 343,273</u>

B. Deferred Compensation Plan

The City offers its employees three deferred compensation plans created in accordance with Internal Revenue Code Section 457. One plan is administered by the International City Managers Association's Retirement Corporation, and the second is administered by the Baker Boyer Bank Trust Department and the third is Deferred Compensation Program which is administered by the Washington State Deferred Compensation Program. The funds are held in trust for the participants

and their beneficiaries. The plans, available to all employees, permit them to defer a portion of their salary until future years. Employees may participate with a corresponding City match of up to 3%. The deferred compensation is available to employees upon termination, retirement, death, or an unforeseeable emergency.

Amounts withheld from the employee's earnings and the related matching contribution from the City are remitted to the third party administrators after each payroll and the City incurs no further liability once the funds have been remitted to the trust. According to the trust, in no event shall the City's liability to pay benefits to a participant under the plan exceed the value of the amounts credited to the participant's account; neither the City nor Administrator shall be liable for losses arising from depreciation or shrinkage in the value of any of the investments acquired under the plans.

NOTE 16 – CLOSURE AND POST-CLOSURE CARE COSTS

Background: The City of Walla Walla owns the regional municipal landfills, consisting of the currently operating Sudbury Road Landfill (SRL), the closed Tausick Way Landfill, and the currently operating Isaacs Avenue Inert Waste Landfill. The SRL covers approximately 125 acres and is located within the western portion of an 828.86-acre City-owned parcel of land that is zoned and used for various waste management purposes. MSW has been placed in five separate areas on the SRL, commonly referred to as Areas 1, 2, 5, 6, and 7. Areas 1, 2, 5 and 6 are closed, unlined cells, and contain municipal solid waste (MSW). Area 7 is a lined cell that is actively receiving MSW. Area 7 has a projected capacity until 2024, when the disposal cell will be closed according to regulation. Area 6 capacity was reached in 2008 and the City was required by State and Federal regulations to cover that area and perform post-closure care as well as monitoring functions at the site in accordance with WAC 173-304.

The City of Walla Walla owns a second 97 acre landfill, designated as the Tausick Way Landfill that has been closed and no longer accepts waste. The adjacent Burdine site has been permitted as an inert waste disposal site for materials. The Tausick Way Landfill is maintained through the Landfill's operations and management budget which includes mowing, pesticide spraying, methane monitoring, and fence repair. The Tausick Way Landfill was closed in 1975 and was not subject to current closure and post-closure requirements that are mandated by the Department of Ecology.

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 in a designated area, the City must record a portion of these closure and post-closure costs each year as an expense. That expense calculation is based upon the landfill capacity used in the reported period. The City must also recognize a liability that is directly related to the cumulative capacity consumed at the landfill. The latest designs for area 7 cells 1 and 2 indicate approximately 58% of the existing lined area has been filled as of December 31, 2015 based on a survey performed by HDJ Design Group in October 2015 and landfill tipping records for 2015.

The City's closure and post-closure operations plan for Area 6 was approved by the Department of Ecology in 2004. This plan was prepared by a consultant and includes cost estimates for closing the

landfill areas and providing for post-closure care. Area 6 was closed in 2011 with five feet of soil cover, a gas collection system, and a landfill flare. The total long-term closure and post-closure costs for Area 7 are estimated in current dollars at \$4,292,082. However, when adjusted for capacity used, the amount of the liability for closure and post-closure is \$2,490,875. As of December 31, 2015, cash of \$2,394,154 has 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 and the potential for grant funding.

On March 11, 2013, a consultant for the City of Walla Walla presented an estimate for the cost of closure and post-closure for the Burdine Property. Closure costs are estimated at \$1,000,000 and post-closure monitoring costs are estimated at \$67,000 per year. Based on the consultant's estimated probabilities for the duration of the long-term monitoring, the City has recorded a liability in the amount of \$753,750 for post-closure costs associated with Burdine.

As part of its budget process, the City reviews the closure and post-closure 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 closure and post-closure cost is an estimate and subject to change resulting from inflation, deflation, technology or changes in applicable laws or regulations.

NOTE 17 – TERMINATION BENEFITS

Termination benefits are determined on a case by case basis. The City of Walla Walla did not enter into any termination commitments or arrangements during fiscal year 2015.

NOTE 18 – POLLUTION REMEDIATION OBLIGATIONS

GASB Statement 49, Accounting and Financial Reporting for Pollution Remediation Obligations, became effective for fiscal periods beginning after December 15, 2007. GASB 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 Washington State Department of Ecology determined required remediation in 2008 pursuant to MTCA. The City of Walla Walla entered into Agreed Order No. 8456 with the Washington State Department of Ecology in 2011 and completed a remedial investigation/feasibility study. In 2015, the Department of Ecology prepared a Cleanup Action Plan (CAP) that describes the activities that will be 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 remediation liability is calculated based on a planning-level cost estimate to complete the CAP and design and implementation the remedy. Other costs included in the calculation include anticipated internal engineering costs, legal fees, and payments to the Department of Ecology. The City is funding the remediation costs with rate revenues, grant funding under a MTCA remedial action grant and insurance proceeds.

Pursuant to GASB Statement 49, the City is reporting a \$3,027,690 liability in its Landfill Fund for its estimated liability due to its standing as a potentially liable person for groundwater contamination

at the Sudbury Road Landfill site. The obligation is an estimate subject to changes resulting from price increases or reductions, technology, Ecology requirements, or laws and regulations.

The ultimate cost of remediation activities of the Landfill Fund reported in the preceding paragraph may be reduced by receipt of grant funding and insurance coverage reimbursement payments. Toxic Cleanup Remedial Action Grant Agreement No. TCPRA-2014-WalWal-00009 dated January 1, 2014 (the "Agreement") between the City and Ecology, provides a 75% state-funded grant share with a 25% recipient contribution to cover remediation costs through the scheduled completion of the Remedial Investigation/Feasibility Study in December 31, 2015. The agreement was extended through June, 2015. Ecology has indicated that additional grant funding will likely be available to extend the current remedial action grant to 2015-2017 to assist in funding remedy design and implementation activities that will be required under the Decree.

The Tausick Way Landfill is a closed, formerly permitted municipal waste landfill which was operated by the City between the 1940s and 1970s. On May 30, 2013, the City of Walla Walla received an Early Notice from Ecology for its Tausick Way Landfill property. Ecology subsequently decided the Tausick Way Landfill 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 Burdine/Isaacs 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-closed Tausick Way Landfill, 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 of Walla Walla received an Early Notice letter from Ecology for the Burdine property stating that contaminated soil was reportedly found on the Burdine property. Remedial studies were performed and the City was granted an inert landfill permit for the Burdine property in 2006 which requires the City to perform groundwater monitoring.

In 2012 the City received a \$200,000 Integrated Planning Grant from Ecology to study whether the 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 Burdine property. Planning level estimates for each scenario were developed by the consultant. If Ecology requires remedial action at the Burdine property the City's remediation liability is estimated to be \$845,000.

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 and subject to change resulting from inflation, deflation, technology or changes in applicable laws or regulations.

NOTE 19 – ACCOUNTING AND REPORTING CHANGES

A. Adoption of the new GASB Statement 67 – Financial Reporting for Pension Plans

Issued in 2012, the objective of this Statement is to improve financial reporting by state and local government pension plans that are administered through trusts or equivalent arrangements. This Statement establishes standards of financial reporting for separately issued financial reports, specifies the required approach for measuring the pension liability for employers, and details note disclosure requirements for such plans. The City of Walla Walla's Firemens' Pension Plan notes were impacted by this standard, which can be seen in Note 7B. There is no material impact to the 2015 financial statements of the City for implementing the standard.

B. Adoption of the new GASB Statement 68 – Financial Reporting for Pension Plans

Issued in 2012, the objective of this Statement is to improve accounting and financial reporting for pensions. This Statement establishes standards for measuring and recognizing pension related assets, liabilities, deferred outflows/inflows of resources, and expenses/expenditures of employers. This Statement was implemented in the 2015 reporting year. There was a material impact to the City upon implementation of this standard. The details for implementation for GASB 68 are reported in Notes 7A and 7B. As a result, the (\$8,859,264) cumulative effect of the change in accounting principle was a decrease in the 2014 ending net position for both governmental and business-type activities of \$6,998,245 and \$1,861,019 respectively. This change in the 2014 ending net position is reflected in the 2015 beginning net position in the government wide financial statements.

City of Walla Walla
 Schedule of Proportionate Share of the Net Pension Liability
 PERS 1
 As of June 30, 2015
 Last 10 Fiscal Years*

	2015
Employer's proportion of the net pension liability (asset)	0.092117%
Employer's proportionate share of the net pension liability (asset)	\$ 4,818,576
TOTAL	\$ 4,818,576
Employer's covered employee payroll	\$ 104,077
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	4629.82%
Plan fiduciary net position as a percentage of the total pension liability	59.10%

Notes to Schedule:

Valuation Date: June 30, 2014

Cost method: Entry Age Normal

Inflation: 3.0%

Salary Increase: 3.75%

Investment Rate of Return: 7.50 %

Mortality rates were based on the RP-2000 report's

Combined Healthy Table.

** The City of Walla Walla presented only years in which information is available.*

City of Walla Walla
 Schedule of Proportionate Share of the Net Pension Liability
 PERS 2/3
 As of June 30, 2015
 Last 10 Fiscal Years*

	2015
Employer's proportion of the net pension liability (asset)	0.116406%
Employer's proportionate share of the net pension liability (asset)	\$ 4,159,253
TOTAL	\$ 4,159,253
Employer's covered employee payroll	\$ 10,917,362

Employer's proportionate share of the net pension liability as a percentage of covered employee payroll 38.10%

Plan fiduciary net position as a percentage of the total pension liability 89.20%

Notes to Schedule:

Valuation Date: June 30, 2014

Cost method: Entry Age Normal

Inflation: 3.0%

Salary Increase: 3.75%

Investment Rate of Return: 7.50 %

Mortality rates were based on the RP-2000 report's

Combined Healthy Table.

** The City of Walla Walla presented only years in which information is available.*

City of Walla Walla
 Schedule of Proportionate Share of the Net Pension Liability
 LEOFF 1
 As of June 30, 2015
 Last 10 Fiscal Years*

	2015
Employer's proportion of the net pension liability (asset)	0.105656%
Employer's proportionate share of the net pension liability (asset)	\$ (1,273,388)
TOTAL	\$ (1,273,388)
Employer's covered employee payroll	\$ -
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	127.36%

Notes to Schedule:

Valuation Date: June 30, 2014

Cost method: Entry Age Normal

Inflation: 3.0%

Salary Increase: 3.75%

Investment Rate of Return: 7.50 %

Mortality rates were based on the RP-2000 report's

Combined Healthy Table.

** The City of Walla Walla presented only years in which information is available.*

City of Walla Walla
 Schedule of Proportionate Share of the Net Pension Liability
 LEOFF 2
 As of June 30, 2015
 Last 10 Fiscal Years*

	2015
Employer's proportion of the net pension liability (asset)	0.277581%
Employer's proportionate share of the net pension liability (asset)	\$ (2,852,978)
LEOFF 2 employers only - State's proportionate share of the net pension liability (asset) associated with the employer	\$ (137,841)
TOTAL	\$ (2,990,819)
Employer's covered employee payroll	\$ 8,192,390
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	111.67%

Notes to Schedule:

Valuation Date: June 30, 2014

Cost method: Entry Age Normal

Inflation: 3.0%

Salary Increase: 3.75%

Investment Rate of Return: 7.50 %

Mortality rates were based on the RP-2000 report's Combined Healthy Table.

** The City of Walla Walla presented only years in which information is available.*

City of Walla Walla
 Schedule of Employer Contributions
 PERS 1

As of December 31, 2015
 Last 10 Fiscal Years*

	2015
Statutorily or contractually required contributions	\$ 10,603
Contributions in relation to the statutorily or contractually required contributions	\$ (10,603)
Contribution deficiency (excess)	\$ -
Covered employer payroll	\$ 104,077
Contributions as a percentage of covered employee payroll	10.19%

Notes to Schedule:

Valuation Date: June 30, 2014

Cost method: Entry Age Normal

Inflation: 3.0%

Salary Increase: 3.75%

Investment Rate of Return: 7.50 %

Mortality rates were based on the RP-2000 report's

Combined Healthy Table.

** The City of Walla Walla presented only years in which information is available.*

City of Walla Walla
 Schedule of Employer Contributions
 PERS 2/3
 As of December 31, 2015
 Last 10 Fiscal Years*

	2015
Statutorily or contractually required contributions	\$ 1,113,191
Contributions in relation to the statutorily or contractually required contributions	\$ (1,113,191)
Contribution deficiency (excess)	\$ -
Covered employer payroll	\$10,917,363
Contributions as a percentage of covered employee payroll	10.20%

Notes to Schedule:

Valuation Date: June 30, 2014

Cost method: Entry Age Normal

Inflation: 3.0%

Salary Increase: 3.75%

Investment Rate of Return: 7.50 %

Mortality rates were based on the RP-2000 report's

Combined Healthy Table.

** The City of Walla Walla presented only years in which information is available.*

City of Walla Walla
 Schedule of Employer Contributions
 LEOFF 2

As of December 31, 2015
 Last 10 Fiscal Years*

	2015
Statutorily or contractually required contributions	\$ 428,462
Contributions in relation to the statutorily or contractually required contributions	\$ (428,462)
Contribution deficiency (excess)	\$ -
Covered employer payroll	\$ 8,192,390
Contributions as a percentage of covered employee payroll	5.23%

Notes to Schedule:

Valuation Date: June 30, 2014

Cost method: Entry Age Normal

Inflation: 3.0%

Salary Increase: 3.75%

Investment Rate of Return: 7.50 %

Mortality rates were based on the RP-2000 report's

Combined Healthy Table.

** The City of Walla Walla presented only years in which information is available.*

City of Walla Walla
 Schedule of Changes in Net Pension Liability and Related Ratios
 Firemens' Pension Plan
 Last 10 Fiscal Years* Expressed in hundreds

	<u>2015</u>
Total pension liability	
Service cost	\$ -
Interest	89
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of contributions	(167)
Net change in total pension liability	(78)
Total pension liability - beginning	2,640
Total pension liability - ending (a)	<u>\$ 2,562</u>
Plan fiduciary net position	
Contributions - employer	\$ 27
Contributions - state fire insurance premium tax	45
Benefit payments, including refunds of contributions	(167)
Administrative expense	-
Other	-
Net change in plan fiduciary net position	(95)
Plan fiduciary net position - beginning	154
Plan fiduciary net position - ending (b)	<u>59</u>
Net pension liability ending (a) - (b)	<u>\$ 2,503</u>
Plan fiduciary net position as a % of total pension liability (b)/(a)	2.31%
Covered-employee payroll	-
Net pension liability as a % of covered employee payroll	N/A

Notes to Schedule:

Valuation date: January 1, 2016

Measurement date: December 31, 2015

Actuarial cost method: Entry Age Normal

Inflation: 2.25%

Salary increases: 3.25%

Investment rate of return: 3.5%

Mortality: RP Mortality Table

* The City of Walla Walla presented only years in which information is available.

City of Walla Walla
 Schedule of Employer Contributions
 Firemens' Pension Plan
 Last 10 Fiscal Years*

	2015
Actuarially/statutorily/contractually determined contribution	\$ 167,146
Actual contribution in relation to the above	\$ (167,146)
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ -
Contributions as a % of covered-employee payroll	0.00%

Notes to Schedule:

Valuation date: January 1, 2016

Measurement date: December 31, 2015

Actuarial cost method: Entry Age Normal

Inflation: 2.25%

Salary increases: 3.25%

Investment rate of return: 3.5%

Mortality : RP Mortality Table

** The City of Walla Walla presented only years in which information is available.*

City of Walla Walla
 Schedule of Investment Returns
 Firemens' Pension Plan
 Last 10 Fiscal Years*

	2015	2014
Annual money-weighted rate of return, net of investment expense	0.00%	0.00%

Notes to Schedule:

Valuation date: January 1, 2016

Measurement date: December 31, 2015

Actuarial cost method: Entry Age Normal

Inflation: 2.25%

Salary increases: 3.25%

Investment rate of return: 3.5%

Mortality : RP Mortality Table

** The City of Walla Walla presented only years in which information is available.*

REQUIRED SUPPLEMENTARY INFORMATION
 Other Post Employment Benefits
 Schedule of Funding Progress

For the Fiscal Year Ended December 31, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a÷b)	Covered Payroll (c)	UAAL %
						Covered Payroll ((b-a)÷c)
12/31/08	\$ -	\$ 16,347,958	\$ 16,347,958	0.0%	\$ 539,280	3031%
12/31/09	\$ -	\$ 15,575,359	\$ 15,575,359	0.0%	\$ 481,332	3236%
12/31/10	\$ -	\$ 15,403,960	\$ 15,403,960	0.0%	\$ 411,735	3741%
12/31/11	\$ -	\$ 14,426,092	\$ 14,426,092	0.0%	\$ 280,572	5142%
12/31/12	\$ -	\$ 15,147,809	\$ 15,147,809	0.0%	\$ 62,945	24065%
12/31/13	\$ -	\$ 14,191,964	\$ 14,191,964	0.0%	\$ -	0.0%
12/31/14	\$ -	\$ 21,083,331	\$ 21,083,331	0.0%	\$ -	0.0%
12/31/15	\$ -	\$ 26,039,136	\$ 26,039,136	0.0%	\$ -	0.0%

"People rarely succeed unless they have fun in what they are doing."

--Dale Carnegie

NONMAJOR GOVERNMENTAL FUNDS

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

<u>Contents</u>	<u>Page</u>
Special Revenue Funds <i>Special revenue funds account for the proceeds of specific revenue sources which are legally restricted to expenditures for specified purposes.</i>	104
Debt Service Funds <i>Debt service funds account for the accumulation of resources for, and the payment of, long-term debt principal and interest.</i>	106
Capital Project Funds <i>Capital project funds account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.</i>	108
Permanent Funds <i>Permanent funds report resources legally restricted to the extent that only earnings, not principal, may be used for the benefit of the City or its citizenry.</i>	110

City of Walla Walla
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Special Revenue	Debt Service	Capital Project	Permanent	Other Governmental
ASSETS					
Cash and equivalents	\$ 2,116,915	\$ 453,308	\$ 6,163,323	\$ 10,992	\$ 8,744,538
Restricted cash and equivalents	896,905	-	-	16,545	913,450
Taxes receivables (net)	-	1,542,561	-	-	1,542,561
Other receivables (net)	51,183	9,018	165,963	-	226,164
Special assessments receivable	-	185,312	-	-	185,312
Total assets	<u>\$ 3,065,003</u>	<u>\$ 2,190,199</u>	<u>\$ 6,329,286</u>	<u>\$ 27,537</u>	<u>\$ 11,612,025</u>
LIABILITIES					
Accounts payable	\$ 112,863	\$ 359	\$ 10,637	\$ -	\$ 123,859
Other accrued liabilities	46,293	-	47,705	-	93,998
Interfund loans payable	178,732	241,311	832,000	-	1,252,043
Total liabilities	<u>\$ 337,888</u>	<u>\$ 241,670</u>	<u>\$ 890,342</u>	<u>\$ -</u>	<u>\$ 1,469,900</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes	\$ -	\$ 1,542,561	\$ -	\$ -	\$ 1,542,561
Special assessments	-	189,312	-	-	189,312
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ 1,731,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,731,873</u>
FUND BALANCES					
Nonspendable	\$ -	\$ -	\$ -	\$ 16,545	\$ 16,545
Restricted	844,112	334,237	5,802,778	-	6,981,127
Committed	1,881,082	61,248	140,052	-	2,082,382
Assigned	1,921	-	-	10,992	12,913
Unassigned	-	(178,829)	(503,886)	-	(682,715)
Total fund balances	<u>\$ 2,727,115</u>	<u>\$ 216,656</u>	<u>\$ 5,438,944</u>	<u>\$ 27,537</u>	<u>\$ 8,410,252</u>
Total liabilities, deferred inflows of resources, fund balances	<u>\$ 3,065,003</u>	<u>\$ 2,190,199</u>	<u>\$ 6,329,286</u>	<u>\$ 27,537</u>	<u>\$ 11,612,025</u>

City of Walla Walla
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Special Revenue	Debt Service	Capital Project	Permanent	Other Governmental
REVENUES					
Taxes	\$ 2,606,986	\$ 722,762	\$ -	\$ -	\$ 3,329,748
Licenses and permits	328,840	-	-	-	328,840
Intergovernmental revenues	691,816	-	467,644	-	1,159,460
Charges for goods and services	277,951	-	-	-	277,951
Fines and forfeitures	1,084	-	-	-	1,084
Miscellaneous revenues	44,139	68,157	3,192	41	115,529
Total revenues	<u>\$ 3,950,816</u>	<u>\$ 790,919</u>	<u>\$ 470,836</u>	<u>\$ 41</u>	<u>\$ 5,212,612</u>
EXPENDITURES					
Current:					
Public safety	\$ 49,284	\$ -	\$ -	\$ -	\$ 49,284
Transportation	2,431,380	-	177,729	-	2,609,109
Economic environment	4,155	-	-	-	4,155
Culture and recreation	1,132,034	-	-	-	1,132,034
Debt service:					
Principal retirement	1,881	1,051,600	-	-	1,053,481
Interest	9,209	505,226	1,505	-	515,940
Administrative charges	-	2,684	91,187	-	93,871
Capital outlay:					
Public safety	9,999	-	-	-	9,999
Transportation	17,476	-	1,566,664	-	1,584,140
Culture and recreation	-	-	1,119,420	-	1,119,420
Total expenditures	<u>\$ 3,655,418</u>	<u>\$ 1,559,510</u>	<u>\$ 2,956,505</u>	<u>\$ -</u>	<u>\$ 8,171,433</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 295,398</u>	<u>\$ (768,591)</u>	<u>\$ (2,485,669)</u>	<u>\$ 41</u>	<u>\$ (2,958,821)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 1,567,835	\$ 406,584	\$ 2,003,281	\$ -	\$ 3,977,700
Transfers out	(2,080,063)	-	-	-	(2,080,063)
Bonds issued	-	-	6,310,000	-	6,310,000
Premiums on bonds issued	-	-	366,297	-	366,297
Total other financing sources and uses	<u>\$ (512,228)</u>	<u>\$ 406,584</u>	<u>\$ 8,679,578</u>	<u>\$ -</u>	<u>\$ 8,573,934</u>
Net change in fund balances	(216,830)	(362,007)	6,193,909	41	5,615,113
Fund balances -- beginning	2,943,945	578,663	(754,965)	27,496	2,795,139
Fund balances -- ending	<u>\$ 2,727,115</u>	<u>\$ 216,656</u>	<u>\$ 5,438,944</u>	<u>\$ 27,537</u>	<u>\$ 8,410,252</u>

City of Walla Walla
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2015

	Streets	Capital Improvement	Housing Development	Hotel/Motel Tax	Tourism Promotion	UDAG	Drug Fund	Community Development	Code Enforcement	Cemetery Reserve	Transportation Benefit District	Total Special Revenue
ASSETS												
Cash and equivalents	\$ 839,083	\$ 164,240	\$ 197,331	\$ 133,379	\$ 32,991	\$ -	\$ 312,921	\$ 7,558	\$ 147,187	\$ 3,021	\$ 279,204	\$ 2,116,915
Restricted cash and equivalents	-	-	-	-	-	-	-	-	77,000	819,905	-	896,905
Other receivables (net)	33,567	-	-	-	-	-	-	-	17,454	162	-	51,183
Total assets	\$ 872,650	\$ 164,240	\$ 197,331	\$ 133,379	\$ 32,991	\$ -	\$ 312,921	\$ 7,558	\$ 241,641	\$ 823,088	\$ 279,204	\$ 3,065,003
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts payable	\$ 35,161	\$ -	\$ -	\$ 59,835	\$ 17,500	\$ -	\$ 367	\$ -	\$ -	\$ -	\$ -	\$ 112,863
Other accrued liabilities	46,293	-	-	-	-	-	-	-	-	-	-	46,293
Interfund loans payable	178,732	-	-	-	-	-	-	-	-	-	-	178,732
Total liabilities	\$ 260,186	\$ -	\$ -	\$ 59,835	\$ 17,500	\$ -	\$ 367	\$ -	\$ -	\$ -	\$ -	\$ 337,888
Fund balances:												
Restricted	\$ -	\$ 163,319	\$ -	\$ 73,544	\$ 15,491	\$ -	\$ 312,554	\$ -	\$ -	\$ -	\$ 279,204	\$ 844,112
Committed	612,464	921	197,331	-	-	-	-	7,558	241,641	821,167	-	1,881,082
Assigned	-	-	-	-	-	-	-	-	-	1,921	-	1,921
Total fund balances	612,464	164,240	197,331	73,544	15,491	-	312,554	7,558	241,641	823,088	279,204	2,727,115
Total liabilities and fund balances	\$ 872,650	\$ 164,240	\$ 197,331	\$ 133,379	\$ 32,991	\$ -	\$ 312,921	\$ 7,558	\$ 241,641	\$ 823,088	\$ 279,204	\$ 3,065,003

City of Walla Walla
 Combining Statement of Revenues, Expenses and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2015

	Streets	Capital Improvement	Housing Development	Hotel/Motel Tax	Tourism Promotion	UDAG	Drug Fund	Community Development	Code Enforcement	Cemetery Reserve	Transportation Benefit District	Total Special Revenue
REVENUES												
Taxes	\$ 869	\$ 346,043	\$ -	\$ 845,946	\$ 278,329	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,135,799	\$ 2,606,986
Licenses and permits	328,840	-	-	-	-	-	-	-	-	-	-	328,840
Intergovernmental revenues	691,816	-	-	-	-	-	-	-	-	-	-	691,816
Charges for goods and services	277,951	-	-	-	-	-	-	-	-	-	-	277,951
Fines and forfeitures	-	-	-	-	-	-	1,084	-	-	-	-	1,084
Miscellaneous revenues	2,442	291	295	133	179	-	37,995	-	217	1,262	1,325	44,139
Total revenues	\$ 1,301,918	\$ 346,334	\$ 295	\$ 846,079	\$ 278,508	\$ -	\$ 39,079	\$ -	\$ 217	\$ 1,262	\$ 1,137,124	\$ 3,950,816
EXPENDITURES												
Current:												
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,581	\$ -	\$ 2,703	\$ -	\$ -	\$ 49,284
Transportation	2,428,880	-	-	-	-	-	-	-	-	-	2,500	2,431,380
Economic environment	-	-	4,155	-	-	-	-	-	-	-	-	4,155
Culture and recreation	-	-	-	853,705	278,329	-	-	-	-	-	-	1,132,034
Debt service:												
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	1,881
Interest	9,209	-	-	-	-	1,881	-	-	-	-	-	9,209
Capital Outlay:												
Public safety	-	-	-	-	-	-	9,999	-	-	-	-	9,999
Transportation	17,476	-	-	-	-	-	-	-	-	-	-	17,476
Total expenditures	\$ 2,455,565	\$ -	\$ 4,155	\$ 853,705	\$ 278,329	\$ 1,881	\$ 56,580	\$ -	\$ 2,703	\$ -	\$ 2,500	\$ 3,655,418
Excess (deficiency) of revenues over expenditures	\$ (1,153,647)	\$ 346,334	\$ (3,860)	\$ (7,626)	\$ 179	\$ (1,881)	\$ (17,501)	\$ -	\$ (2,486)	\$ 1,262	\$ 1,134,624	\$ 295,398
OTHER FINANCING SOURCES (USES)												
Transfers in	\$ 1,567,835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,567,835
Transfers out	(431,167)	(317,045)	-	-	-	(3,107)	-	-	-	(60,000)	(1,268,744)	(2,080,063)
Total other financing sources and uses	\$ 1,136,668	\$ (317,045)	\$ -	\$ -	\$ -	\$ (3,107)	\$ -	\$ -	\$ -	\$ (60,000)	\$ (1,268,744)	\$ (512,228)
Net change in fund balance	(16,979)	29,289	(3,860)	(7,626)	179	(4,988)	(17,501)	-	(2,486)	(58,738)	(134,120)	(216,830)
Fund balance - beginning	629,443	134,951	201,191	81,170	15,312	4,988	330,055	7,558	244,127	881,826	413,324	2,943,945
Fund balance - ending	\$ 612,464	\$ 164,240	\$ 197,331	\$ 73,544	\$ 15,491	\$ -	\$ 312,554	\$ 7,558	\$ 241,641	\$ 823,088	\$ 279,204	\$ 2,727,115

City of Walla Walla
 Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2015

	<u>L.T.G.O. Bond</u>	<u>Fire Station U.T.G.O. Bond</u>	<u>Police Station U.T.G.O. Bond</u>	<u>Pool U.T.G.O. Bond</u>	<u>LID Bond Fund</u>	<u>LID Guarantee</u>	<u>Total Nonmajor Debt Service</u>
ASSETS							
Cash and equivalents	\$ 4,050	\$ 118,306	\$ 226,639	\$ 2,518	\$ 66,482	\$ 35,313	\$ 453,308
Taxes receivables	-	350,457	891,090	301,014	-	-	1,542,561
Other receivables (net)	-	3,865	5,153	-	-	-	9,018
Special assessments receivable	-	-	-	-	185,312	-	185,312
Total assets	<u>\$ 4,050</u>	<u>\$ 472,628</u>	<u>\$ 1,122,882</u>	<u>\$ 303,532</u>	<u>\$ 251,794</u>	<u>\$ 35,313</u>	<u>\$ 2,190,199</u>
LIABILITIES							
Accounts payable	\$ 359	-	-	-	-	-	\$ 359
Interfund loans payable	-	-	-	-	241,311	-	241,311
Total liabilities	<u>\$ 359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,311</u>	<u>\$ -</u>	<u>\$ 241,670</u>
DEFERRED INFLOWS OF RESOURCES							
Property taxes	\$ -	\$ 350,457	\$ 891,090	\$ 301,014	\$ -	-	\$ 1,542,561
Special assessments	-	-	-	-	189,312	-	189,312
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ 350,457</u>	<u>\$ 891,090</u>	<u>\$ 301,014</u>	<u>\$ 189,312</u>	<u>\$ -</u>	<u>\$ 1,731,873</u>
FUND BALANCES							
Restricted	\$ -	\$ 106,466	\$ 227,771	\$ -	\$ -	-	\$ 334,237
Committed	3,691	15,705	4,021	2,518	-	35,313	61,248
Unassigned	-	-	-	-	(178,829)	-	(178,829)
Total fund balances	<u>\$ 3,691</u>	<u>\$ 122,171</u>	<u>\$ 231,792</u>	<u>\$ 2,518</u>	<u>\$ (178,829)</u>	<u>\$ 35,313</u>	<u>\$ 216,656</u>
Total liabilities, deferred inflows of resources, fund balances	<u>\$ 4,050</u>	<u>\$ 472,628</u>	<u>\$ 1,122,882</u>	<u>\$ 303,532</u>	<u>\$ 251,794</u>	<u>\$ 35,313</u>	<u>\$ 2,190,199</u>

City of Walla Walla
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2015

	<u>L.T.G.O. Bond</u>	<u>Fire Station U.T.G.O. Bond</u>	<u>Police Station U.T.G.O. Bond</u>	<u>Pool U.T.G.O. Bond</u>	<u>LID Bond Fund</u>	<u>LID Guarantee</u>	<u>Total Nonmajor Debt Service</u>
REVENUES							
Taxes	\$ -	\$ 336,587	\$ 386,175	\$ -	\$ -	\$ -	\$ 722,762
Miscellaneous revenues	-	312	1,457	2,518	63,870	-	68,157
Total revenues	<u>\$ -</u>	<u>\$ 336,899</u>	<u>\$ 387,632</u>	<u>\$ 2,518</u>	<u>\$ 63,870</u>	<u>\$ -</u>	<u>\$ 790,919</u>
EXPENDITURES							
Debt service:							
Principal Retirement	\$ 366,600	\$ 250,000	\$ 435,000	\$ -	\$ -	\$ -	\$ 1,051,600
Interest	34,302	70,720	388,225	-	11,979	-	505,226
Administrative charges	1,991	241	452	-	-	-	2,684
Total expenditures	<u>\$ 402,893</u>	<u>\$ 320,961</u>	<u>\$ 823,677</u>	<u>\$ -</u>	<u>\$ 11,979</u>	<u>\$ -</u>	<u>\$ 1,559,510</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (402,893)</u>	<u>\$ 15,938</u>	<u>\$ (436,045)</u>	<u>\$ 2,518</u>	<u>\$ 51,891</u>	<u>\$ -</u>	<u>\$ (768,591)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	\$ 406,584	-	-	-	-	-	\$ 406,584
Total other financing sources and uses	<u>\$ 406,584</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 406,584</u>
Net change in fund balances	3,691	15,938	(436,045)	2,518	51,891	-	(362,007)
Fund balances -- beginning	-	106,233	667,837	-	(230,720)	35,313	578,663
Fund balances -- ending	<u>\$ 3,691</u>	<u>\$ 122,171</u>	<u>\$ 231,792</u>	<u>\$ 2,518</u>	<u>\$ (178,829)</u>	<u>\$ 35,313</u>	<u>\$ 216,656</u>

City of Walla Walla
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2015

	<u>Library CIP</u>	<u>Parks CIP</u>	<u>TBD Street CIP</u>	<u>Total Nonmajor Capital Project</u>
ASSETS				
Cash and equivalents	395,170	\$ 5,580,970	\$ 187,183	\$ 6,163,323
Other receivables (net)	-	-	165,963	165,963
Total assets	<u>\$ 395,170</u>	<u>\$ 5,580,970</u>	<u>\$ 353,146</u>	<u>\$ 6,329,286</u>
LIABILITIES AND FUND BALANCES				
Accounts Payable	\$ -	\$ 9,216	\$ 1,421	\$ 10,637
Other accrued liabilities	11,829	12,265	23,611	47,705
Interfund Loans Payable	-	-	832,000	832,000
Total liabilities	<u>11,829</u>	<u>21,481</u>	<u>857,032</u>	<u>890,342</u>
Fund balances:				
Restricted	\$ 383,341	\$ 5,419,437	\$ -	\$ 5,802,778
Committed	-	140,052	-	140,052
Unassigned	-	-	(503,886)	(503,886)
Total fund balances	<u>383,341</u>	<u>5,559,489</u>	<u>(503,886)</u>	<u>5,438,944</u>
Total liabilities and fund balances	<u>\$ 395,170</u>	<u>\$ 5,580,970</u>	<u>\$ 353,146</u>	<u>\$ 6,329,286</u>

City of Walla Walla
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year Ended December 31, 2015

	<u>Library CIP</u>	<u>Parks CIP</u>	<u>TBD Street CIP</u>	<u>Total Nonmajor Capital Project</u>
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 467,644	\$ 467,644
Miscellaneous revenues	2,911	-	281	3,192
Total revenues	<u>\$ 2,911</u>	<u>\$ -</u>	<u>\$ 467,925</u>	<u>\$ 470,836</u>
EXPENDITURES				
Current:				
Transportation	\$ -	\$ -	\$ 177,729	\$ 177,729
Debt service:				
Interest	-	375	1,130	1,505
Administrative charges	-	91,187	-	91,187
Capital outlay:				
Transportation	-	-	1,566,664	1,566,664
Culture and recreation	369,570	749,850	-	1,119,420
Total expenditures	<u>\$ 369,570</u>	<u>\$ 841,412</u>	<u>\$ 1,745,523</u>	<u>\$ 2,956,505</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (366,659)</u>	<u>\$ (841,412)</u>	<u>\$ (1,277,598)</u>	<u>\$ (2,485,669)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 474,604	\$ 1,528,677	\$ 2,003,281
Bonds issued	750,000	5,560,000	-	6,310,000
Premiums on bonds issued	-	366,297	-	366,297
Total other financing sources and uses	<u>\$ 750,000</u>	<u>\$ 6,400,901</u>	<u>\$ 1,528,677</u>	<u>\$ 8,679,578</u>
Net change in fund balances	383,341	5,559,489	251,079	6,193,909
Fund balances -- beginning	-	-	(754,965)	(754,965)
Fund balances -- ending	<u>\$ 383,341</u>	<u>\$ 5,559,489</u>	<u>\$ (503,886)</u>	<u>\$ 5,438,944</u>

City of Walla Walla
 Combining Balance Sheet
 Nonmajor Permanent Funds
 December 31, 2015

	<u>Esther Eyrud</u>	<u>Sherwood Library</u>	<u>Total Nonmajor Permanent</u>
ASSETS			
Cash and equivalents	\$ 10,117	\$ 875	\$ 10,992
Restricted cash and equivalents	3,000	13,545	16,545
Total assets	\$ 13,117	\$ 14,420	\$ 27,537
LIABILITIES AND FUND BALANCES			
Liabilities:	-	-	-
Fund balances:			
Nonspendable	\$ 3,000	\$ 13,545	\$ 16,545
Assigned	10,117	875	10,992
Total fund balances	13,117	14,420	27,537
Total liabilities and fund balances	\$ 13,117	\$ 14,420	\$ 27,537

City of Walla Walla
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
For the Year Ended December 31, 2015

	<u>Esther Eyrud</u>	<u>Sherwood Library</u>	<u>Total Nonmajor Permanent</u>
REVENUES			
Miscellaneous revenues	\$ 19	\$ 22	\$ 41
Total revenues	\$ 19	\$ 22	\$ 41
EXPENDITURES			
Current:			
Total expenditures	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures	\$ 19	\$ 22	\$ 41
OTHER FINANCING SOURCES (USES)			
Total other financing sources and uses	\$ -	\$ -	\$ -
Net change in fund balances	19	22	41
Fund balances -- beginning	13,098	14,398	27,496
Fund balances -- ending	\$ 13,117	\$ 14,420	\$ 27,537

City of Walla Walla
Street Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Taxes	\$ -	\$ 870	\$ 870
Licenses and permits	672,540	328,850	(343,690)
Intergovernmental revenues	1,406,260	691,810	(714,450)
Charges for goods and services	497,600	277,940	(219,660)
Miscellaneous revenues	4,260	2,450	(1,810)
Total revenues	<u>2,580,660</u>	<u>1,301,920</u>	<u>(1,278,740)</u>
EXPENDITURES			
Current:			
Transportation	5,806,800	2,446,350	(3,360,450)
Debt service:			
Principal retirement	122,240	59,900	(62,340)
Interest	15,990	9,210	(6,780)
Total expenditures	<u>5,945,030</u>	<u>2,515,460</u>	<u>(3,429,570)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,364,370)</u>	<u>(1,213,540)</u>	<u>2,150,830</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,084,570	1,567,840	(1,516,730)
Transfers out	(431,170)	(431,170)	-
Total other financing sources and uses and special items	<u>2,653,400</u>	<u>1,136,670</u>	<u>(1,516,730)</u>
Net change in fund balances	(710,970)	(76,870)	634,100
Fund balances -- beginning	629,440	629,440	-
Fund balances -- ending	<u>\$ (81,530)</u>	<u>\$ 552,570</u>	<u>\$ 634,100</u>
Interfund loan adjustment		59,900	
Ending fund balance		<u>\$ 612,470</u>	

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Taxes	\$ 650,000	\$ 346,040	\$ (303,960)
Miscellaneous revenues	200	290	90
Total revenues	<u>650,200</u>	<u>346,330</u>	<u>(303,870)</u>
EXPENDITURES			
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>650,200</u>	<u>346,330</u>	<u>(303,870)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(496,070)</u>	<u>(317,040)</u>	<u>179,030</u>
Total other financing sources and uses and special items	<u>(496,070)</u>	<u>(317,040)</u>	<u>179,030</u>
Net change in fund balances	154,130	29,290	(124,840)
Fund balances -- beginning	<u>134,950</u>	<u>134,950</u>	-
Fund balances -- ending	<u>\$ 289,080</u>	<u>\$ 164,240</u>	<u>\$ (124,840)</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, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Miscellaneous revenues	\$ 560	\$ 290	\$ (270)
Total revenues	<u>560</u>	<u>290</u>	<u>(270)</u>
EXPENDITURES			
Current:			
Economic environment	4,150	4,150	-
Total expenditures	<u>4,150</u>	<u>4,150</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,590)</u>	<u>(3,860)</u>	<u>(270)</u>
Net change in fund balances	(3,590)	(3,860)	(270)
Fund balances -- beginning	<u>201,190</u>	<u>201,190</u>	<u>-</u>
Fund balances -- ending	<u>\$ 197,600</u>	<u>\$ 197,330</u>	<u>\$ (270)</u>

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, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Taxes	\$ 1,760,000	\$ 845,940	\$ (914,060)
Miscellaneous revenues	300	130	(170)
Total revenues	<u>1,760,300</u>	<u>846,070</u>	<u>(914,230)</u>
EXPENDITURES			
Current:			
Culture and recreation	1,678,000	853,700	(824,300)
Total expenditures	<u>1,678,000</u>	<u>853,700</u>	<u>(824,300)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>82,300</u>	<u>(7,630)</u>	<u>(89,930)</u>
Net change in fund balances	82,300	(7,630)	(89,930)
Fund balances -- beginning	81,170	81,170	-
Fund balances -- ending	<u>\$ 163,470</u>	<u>\$ 73,540</u>	<u>\$ (89,930)</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, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Taxes	\$ 600,000	\$ 278,330	\$ (321,670)
Miscellaneous revenues	300	180	(120)
Total revenues	<u>600,300</u>	<u>278,510</u>	<u>(321,790)</u>
EXPENDITURES			
Current:			
Culture and recreation	493,890	278,330	(215,560)
Total expenditures	<u>493,890</u>	<u>278,330</u>	<u>(215,560)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>106,410</u>	<u>180</u>	<u>(106,230)</u>
Net change in fund balances	106,410	180	(106,230)
Fund balances -- beginning	<u>15,310</u>	<u>15,310</u>	<u>-</u>
Fund balances -- ending	<u>\$ 121,720</u>	<u>\$ 15,490</u>	<u>\$ (106,230)</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
UDAG Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Miscellaneous revenues	\$ -	\$ -	-
Total revenues	-	-	-
EXPENDITURES			
Debt service:			
Principal Retirement	1,890	1,880	(10)
Total expenditures	1,890	1,880	(10)
Excess (deficiency) of revenues over (under) expenditures	(1,890)	(1,880)	(10)
OTHER FINANCING SOURCES (USES)			
Transfers out	3,110	3,110	6,220
Total other financing sources and uses and special items	(3,110)	(3,110)	6,220
Net change in fund balances	(5,000)	(4,990)	10
Fund balances -- beginning	4,990	4,990	-
Fund balances -- ending	\$ (10)	\$ -	\$ 10

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, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Fines and forfeits	\$ 9,000	\$ 1,080	\$ (7,920)
Miscellaneous revenues	<u>66,640</u>	<u>38,000</u>	<u>(28,640)</u>
Total revenues	<u>75,640</u>	<u>39,080</u>	<u>(36,560)</u>
EXPENDITURES			
Current:			
Public safety	63,770	46,580	(17,190)
Capital Outlay:			
Public safety	<u>20,000</u>	<u>10,000</u>	<u>(10,000)</u>
Total expenditures	<u>83,770</u>	<u>56,580</u>	<u>(27,190)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,130)</u>	<u>(17,500)</u>	<u>(9,370)</u>
Net change in fund balances	<u>(8,130)</u>	<u>(17,500)</u>	<u>(9,370)</u>
Fund balances -- beginning	<u>330,060</u>	<u>330,060</u>	<u>-</u>
Fund balances -- ending	<u>\$ 321,930</u>	<u>\$ 312,560</u>	<u>\$ (9,370)</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Community Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Miscellaneous revenues	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Net change in fund balances	-	-	-
Fund balances -- beginning	7,560	7,560	-
Fund balances -- ending	\$ 7,560	\$ 7,560	\$ -

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, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Fines and forfeits	\$ 10,040	\$ -	\$ (10,040)
Miscellaneous revenues	100	220	120
Total revenues	<u>10,140</u>	<u>220</u>	<u>(9,920)</u>
EXPENDITURES			
Current:			
Public safety	27,860	2,700	(25,160)
Capital Outlay:			
Public safety	77,000	-	(77,000)
Total expenditures	<u>104,860</u>	<u>2,700</u>	<u>(102,160)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(94,720)</u>	<u>(2,480)</u>	<u>92,240</u>
Net change in fund balances	(94,720)	(2,480)	92,240
Fund balances -- beginning	244,130	244,130	-
Fund balances -- ending	<u>\$ 149,410</u>	<u>\$ 241,650</u>	<u>\$ 92,240</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Esther Eyrud Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Miscellaneous revenues	\$ 40	20	\$ (20)
Total revenues	<u>40</u>	<u>20</u>	<u>(20)</u>
EXPENDITURES			
Current:			
Culture and recreation	40	-	(40)
Total expenditures	<u>40</u>	<u>-</u>	<u>(40)</u>
Excess (deficiency) of revenues over (under) expenditures	-	20	20
Net change in fund balances	-	20	20
Fund balances -- beginning	13,100	13,100	-
Fund balances -- ending	<u>\$ 13,100</u>	<u>\$ 13,120</u>	<u>\$ 20</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Sherwood Library Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Miscellaneous revenues	\$ 40	\$ 20	\$ (20)
Total revenues	40	20	(20)
EXPENDITURES			
Current:			
Culture and recreation	40	-	(40)
Total expenditures	40	-	(40)
Excess (deficiency) of revenues over (under) expenditures	-	20	20
Net change in fund balances	-	20	20
Fund balances -- beginning	14,400	14,400	-
Fund balances -- ending	\$ 14,400	\$ 14,420	\$ 20

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Cemetery Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Charges for goods and services	\$ -	\$ -	\$ -
Miscellaneous revenues	2,600	1,260	(1,340)
Total revenues	<u>2,600</u>	<u>1,260</u>	<u>(1,340)</u>
EXPENDITURES			
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>2,600</u>	<u>1,260</u>	<u>(1,340)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(120,000)	(60,000)	60,000
Total other financing sources and uses and special items	<u>(120,000)</u>	<u>(60,000)</u>	<u>60,000</u>
Net change in fund balances	(117,400)	(58,740)	58,660
Fund balances -- beginning	881,830	881,830	-
Fund balances -- ending	<u>\$ 764,430</u>	<u>\$ 823,090</u>	<u>\$ 58,660</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Transportation Benefit District
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Taxes	\$ 2,150,000	\$ 1,135,800	\$ (1,014,200)
Miscellaneous revenues	1,900	1,320	(580)
Total revenues	<u>2,151,900</u>	<u>1,137,120</u>	<u>(1,014,780)</u>
EXPENDITURES			
Current:			
Transportation	5,000	2,500	(2,500)
Total expenditures	<u>5,000</u>	<u>2,500</u>	<u>(2,500)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,146,900</u>	<u>1,134,620</u>	<u>(1,017,280)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(2,471,450)	(1,268,740)	1,202,710
Total other financing sources and uses and special items	<u>(2,471,450)</u>	<u>(1,268,740)</u>	<u>1,202,710</u>
Net change in fund balances	(324,550)	(134,120)	185,430
Fund balances -- beginning	413,320	413,320	-
Fund balances -- ending	<u>\$ 88,770</u>	<u>\$ 279,200</u>	<u>\$ 185,430</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
L.T.G.O. Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Miscellaneous revenues	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Debt service:			
Principal retirement	525,070	366,600	(158,470)
Interest	74,200	34,300	(39,900)
Administrative charges	1,990	1,990	-
Total expenditures	601,260	402,890	(198,370)
Excess (deficiency) of revenues over (under) expenditures	(601,260)	(402,890)	198,370
OTHER FINANCING SOURCES (USES)			
Transfers in	600,980	406,580	(194,400)
Total other financing sources and uses and special items	600,980	406,580	(194,400)
Net change in fund balances	(280)	3,690	3,970
Fund balances -- beginning	-	-	-
Fund balances -- ending	\$ (280)	\$ 3,690	\$ 3,970

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Fire Station U.T.G.O. Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	<u>2015-16 Biennial Budget</u>	<u>Actuals 2015-16</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES			
Taxes	\$ 686,960	\$ 336,590	\$ (350,370)
Miscellaneous revenues	220	310	90
Total revenues	<u>687,180</u>	<u>336,900</u>	<u>(350,280)</u>
EXPENDITURES			
Debt service:			
Principal retirement	510,000	250,000	(260,000)
Interest	134,640	70,720	(63,920)
Administrative charges	870	240	(630)
Total expenditures	<u>645,510</u>	<u>320,960</u>	<u>(324,550)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>41,670</u>	<u>15,940</u>	<u>(25,730)</u>
Net change in fund balances	41,670	15,940	(25,730)
Fund balances -- beginning	<u>106,230</u>	<u>106,230</u>	<u>-</u>
Fund balances -- ending	<u>\$ 147,900</u>	<u>\$ 122,170</u>	<u>\$ (25,730)</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Police Station U.T.G.O. Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Taxes	\$ 1,229,640	\$ 386,170	\$ (843,470)
Miscellaneous revenues	1,780	1,460	(320)
Total revenues	<u>1,231,420</u>	<u>387,630</u>	<u>(843,790)</u>
EXPENDITURES			
Debt service:			
Principal retirement	895,000	435,000	(460,000)
Interest	760,150	388,230	(371,920)
Administrative charges	770	450	(320)
Total expenditures	<u>1,655,920</u>	<u>823,680</u>	<u>(832,240)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(424,500)</u>	<u>(436,050)</u>	<u>(11,550)</u>
Net change in fund balances	<u>(424,500)</u>	<u>(436,050)</u>	<u>(11,550)</u>
Fund balances -- beginning	667,840	667,840	-
Fund balances -- ending	<u>\$ 243,340</u>	<u>\$ 231,790</u>	<u>\$ (11,550)</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Memorial Pool U.T.G.O. Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	<u>2015-16 Biennial Budget</u>	<u>Actuals 2015-16</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES			
Taxes	\$ 286,680	-	\$ (286,680)
Miscellaneous revenues	-	2,520	2,520
Total revenues	<u>286,680</u>	<u>2,520</u>	<u>(284,160)</u>
EXPENDITURES			
Debt service:			
Principal retirement	90,000	-	(90,000)
Interest	196,680	-	(196,680)
Total expenditures	286,680	-	(286,680)
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>2,520</u>	<u>(286,680)</u>
Net change in fund balances	-	2,520	(286,680)
Fund balances -- beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ 2,520</u>	<u>\$ (286,680)</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
LID Bond Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Miscellaneous revenues	\$ 131,440	\$ 63,870	\$ (67,570)
Total revenues	<u>131,440</u>	<u>63,870</u>	<u>(67,570)</u>
EXPENDITURES			
Debt service:			
Principal retirement	89,960	47,380	(42,580)
Interest	36,520	11,980	(24,540)
Total expenditures	<u>126,480</u>	<u>59,360</u>	<u>(67,120)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,960</u>	<u>4,510</u>	<u>(134,690)</u>
Net change in fund balances	4,960	4,510	(134,690)
Fund balances -- beginning	<u>(230,720)</u>	<u>(230,720)</u>	<u>-</u>
Fund balances -- ending	<u>\$ (225,760)</u>	<u>(226,210)</u>	<u>\$ (134,690)</u>
Interfund loan adjustment		47,380	
Ending fund balance		<u>\$ (178,830)</u>	

Figures are rounded to the nearest ten dollars.

City of Walla Walla
LID Guarantee Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Miscellaneous revenues	-	-	-
Total revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Total other financing sources and uses and special items	-	-	-
Net change in fund balances	-	-	-
Fund balances -- beginning	35,310	35,310	-
Fund balances -- ending	\$ 35,310	\$ 35,310	\$ -

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Library CIP Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Miscellaneous revenues	-	\$ 2,910	\$ 2,910
Total revenues	-	<u>2,910</u>	<u>2,910</u>
EXPENDITURES			
Capital Outlay:			
Culture and recreation	750,000	369,570	(380,430)
Total expenditures	<u>750,000</u>	<u>369,570</u>	<u>(380,430)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(750,000)</u>	<u>(366,660)</u>	<u>(377,520)</u>
OTHER FINANCING SOURCES (USES)			
Bonds Issued	750,000	750,000	-
Total other financing sources and uses and special items	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Net change in fund balances	-	383,340	(377,520)
Fund balances -- beginning	-	-	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ 383,340</u>	<u>\$ (377,520)</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Parks CIP Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
EXPENDITURES			
Debt service:			
Principal Retirement	\$ 600,000	\$ 600,000	\$ -
Interest	380	380	-
Debt Issuance Costs	183,300	91,180	(92,120)
	<u>783,680</u>	<u>691,560</u>	<u>(92,120)</u>
Capital outlay:			
Culture and recreation	7,558,810	749,850	(6,808,960)
	<u>7,558,810</u>	<u>749,850</u>	<u>(6,808,960)</u>
Total expenditures	8,342,490	1,441,410	(6,901,080)
	<u>(8,342,490)</u>	<u>(1,441,410)</u>	<u>6,901,080</u>
Excess (deficiency) of revenues over (under) expenditures			
OTHER FINANCING SOURCES (USES)			
Bonds Issued	6,022,600	5,926,300	96,300
Interfund Loan Issued	1,850,000	600,000	1,250,000
Transfers in	474,600	474,610	(10)
Total other financing sources and uses and special items	<u>8,347,200</u>	<u>7,000,910</u>	<u>1,346,290</u>
Net change in fund balances	4,710	5,559,500	8,247,370
Fund balances -- beginning	-	-	-
Fund balances -- ending	<u>\$ 4,710</u>	<u>\$ 5,559,500</u>	<u>\$ 8,247,370</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Street CIP Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	2015-16 Biennial Budget	Actuals 2015-16	Variance with Final Budget Over (Under)
REVENUES			
Intergovernmental revenues	\$ 2,086,590	\$ 1,934,900	\$ (151,690)
Total revenues	<u>2,086,590</u>	<u>1,934,900</u>	<u>(151,690)</u>
EXPENDITURES			
Current:			
Transportation	536,850	296,730	(240,120)
Capital outlay:			
Transportation	4,240,340	3,746,710	(493,630)
Total expenditures	<u>4,777,190</u>	<u>4,043,440</u>	<u>(733,750)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,690,600)</u>	<u>(2,108,540)</u>	<u>582,060</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,285,010	2,035,000	(250,010)
Transfers out	<u>(225,720)</u>	<u>(225,720)</u>	<u>-</u>
Total other financing sources and uses and special items	<u>2,059,290</u>	<u>1,809,280</u>	<u>(250,010)</u>
Net change in fund balances	(631,310)	(299,260)	332,050
Fund balances -- beginning	<u>631,310</u>	<u>631,310</u>	<u>-</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ 332,050</u>	<u>\$ 332,050</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla
Transportation Benefit District Street CIP Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	<u>2015-16 Biennial Budget</u>	<u>Actuals 2015-16</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES			
Intergovernmental revenues	\$ 429,200	\$ 467,640	\$ 38,440
Miscellaneous revenues	-	280	280
Total revenues	<u>429,200</u>	<u>467,920</u>	<u>38,720</u>
EXPENDITURES			
Current:			
Transportation	546,640	177,730	(368,910)
Debt service:			
Principal Retirement	831,000	275,000	(556,000)
Interest	1,920	1,130	(790)
Capital Outlay:			
Transportation	1,637,280	1,566,660	(70,620)
Total expenditures	<u>3,016,840</u>	<u>2,020,520</u>	<u>(996,320)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,587,640)</u>	<u>(1,552,600)</u>	<u>1,035,040</u>
OTHER FINANCING SOURCES (USES)			
Interfund loan proceeds	280,000	280,000	-
Transfers in	3,062,600	1,528,670	(1,533,930)
Total other financing sources and uses and special items	<u>3,342,600</u>	<u>1,808,670</u>	<u>(1,533,930)</u>
Net change in fund balances	754,960	256,070	(498,890)
Fund balances -- beginning	<u>(754,960)</u>	<u>(754,960)</u>	<u>-</u>
Fund balances -- ending	<u>\$ -</u>	<u>(498,890)</u>	<u>\$ (498,890)</u>
Interfund loan adjustment		<u>(5,000)</u>	
Ending fund balance		<u>\$ (503,890)</u>	

Figures are rounded to the nearest ten dollars.

NONMAJOR ENTERPRISE FUNDS

Nonmajor 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
December 31, 2015

	Golf Course	Stormwater	Total Other Enterprise
ASSETS			
Current assets:			
Cash and equivalents	\$ 30,361	\$ 615,350	\$ 645,711
Other receivables (net)	6,160	92,344	98,504
Total current assets	36,521	707,694	744,215
Noncurrent assets:			
Land	38,508	16,907	55,415
Improvements other than buildings (net)	775,869	170,340	946,209
Machinery and equipment (net)	30,568	1,429	31,997
Infrastructure (net)	301,752	3,392,286	3,694,038
Construction in progress	-	500,615	500,615
Total noncurrent assets	1,146,697	4,081,577	5,228,274
Total assets	\$ 1,183,218	\$ 4,789,271	\$ 5,972,489
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on pensions	-	20,614	20,614
Total deferred outflows of resources	-	20,614	20,614
Total assets and deferred outflows of resources	\$ 1,183,218	\$ 4,809,885	\$ 5,993,103
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,694	\$ 6,306	\$ 8,000
Other accrued liabilities	1,014	18,362	19,376
Compensated absences	-	15,276	15,276
Net pension liability	-	143,844	143,844
Current portion long term debt	25,573	-	25,573
Interfund loans payable	38,279	-	38,279
Total current liabilities	66,560	183,788	250,348
Long-term liabilities:			
Compensated absences	-	9,207	9,207
Long term debt	181,032	-	181,032
Interfund loans payable	383,569	-	383,569
Total noncurrent liabilities	564,601	9,207	573,808
Total liabilities	\$ 631,161	\$ 192,995	\$ 824,156
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on pensions	-	22,014	22,014
Total deferred inflows of resources	-	22,014	22,014
NET POSITION			
Net investment in capital assets	\$ 940,092	\$ 4,081,577	\$ 5,021,669
Unrestricted	(388,035)	513,299	125,264
Total net position	\$ 552,057	\$ 4,594,876	\$ 5,146,933

City of Walla Walla
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2015

	<u>Golf Course</u>	<u>Stormwater</u>	<u>Total Other Enterprise</u>
Operating revenues:			
Charges for goods and services	\$ 26,816	\$ 1,593,328	\$ 1,620,144
Miscellaneous revenues	77,490	-	77,490
Total operating revenues	<u>\$ 104,306</u>	<u>\$ 1,593,328</u>	<u>\$ 1,697,634</u>
Operating expenses:			
Depreciation	\$ 55,184	\$ 64,109	\$ 119,293
Salaries and wages	-	185,876	185,876
Personnel benefits	-	82,914	82,914
Supplies	-	37,222	37,222
Services and charges	5,396	142,556	147,952
Intergovernmental services	2,426	234,135	236,561
Interfund service payments	58,000	697,863	755,863
Total operating expenses	<u>\$ 121,006</u>	<u>\$ 1,444,675</u>	<u>\$ 1,565,681</u>
Operating income (loss)	<u>\$ (16,700)</u>	<u>\$ 148,653</u>	<u>\$ 131,953</u>
Nonoperating revenues (expenses):			
Miscellaneous revenues	\$ -	\$ 451	\$ 451
Debt service-interest	(29,315)	-	(29,315)
Total non operating revenue (expenses)	<u>\$ (29,315)</u>	<u>\$ 451</u>	<u>\$ (28,864)</u>
Income (loss) before contributions and transfers	<u>\$ (46,015)</u>	<u>\$ 149,104</u>	<u>\$ 103,089</u>
Capital contributions	-	183,184	183,184
Transfers in	46,000	-	46,000
Transfers out	-	(145,100)	(145,100)
Change in net position	<u>(15)</u>	<u>187,188</u>	<u>187,173</u>
Total net position -- beginning	552,072	4,553,037	5,105,109
Adjustment to implement GASB 68	-	(145,349)	(145,349)
Adjusted net position -- beginning	<u>552,072</u>	<u>4,407,688</u>	<u>4,959,760</u>
Total net position -- ending	<u>\$ 552,057</u>	<u>\$ 4,594,876</u>	<u>\$ 5,146,933</u>

City of Walla Walla
Combining Statement of Cash Flows
Non-major Enterprise Funds
For the Year Ended December 31, 2015

	Golf Course	Stormwater	Total Other Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from customers	\$ 20,656	\$ 1,592,836	\$ 1,613,492
Payments to suppliers	(5,553)	(415,367)	(420,920)
Payments to employees	-	(271,016)	(271,016)
Miscellaneous revenues	77,490	172	77,662
Interfund service payments	(58,000)	(697,863)	(755,863)
Net cash provided by operating activities	\$ 34,593	\$ 208,762	\$ 243,355
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds (repayments) from interfund loan	\$ (56,718)	-	\$ (56,718)
Transfers in	46,000	-	46,000
Transfers out	-	(145,100)	(145,100)
Total cash flows from financing	\$ (10,718)	\$ (145,100)	\$ (155,818)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	\$ -	\$ (729,041)	\$ (729,041)
Capital contributions and purchases	-	183,184	183,184
Principal and interest payments	(27,220)	-	(27,220)
Total cash flows from capital and related	\$ (27,220)	\$ (545,857)	\$ (573,077)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	\$ -	\$ 279	\$ 279
Total cash flows from investing	\$ -	\$ 279	\$ 279
Net increase (decrease) in cash	\$ (3,345)	\$ (481,916)	\$ (485,261)
Beginning cash and cash equivalents	\$ 33,706	\$ 1,097,266	\$ 1,130,972
Ending cash and cash equivalents	\$ 30,361	\$ 615,350	\$ 645,711
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (16,700)	\$ 148,653	\$ 131,953
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	55,184	64,109	119,293
(Increase) decrease in accounts receivable	(6,160)	(492)	(6,652)
Increase (decrease) in accounts payable	2,269	(1,454)	815
Increase (decrease) in miscellaneous revenue	-	172	172
Increase (decrease) in salaries and benefits	-	(2,121)	(2,121)
Increase (decrease) in pension liability	-	(105)	(105)
Net cash provided by operating activities	\$ 34,593	\$ 208,762	\$ 243,355
No noncash investing, capital, and financing activities			

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

City of Walla Walla
Combining Statement of Net Position - Internal Service Funds
December 31, 2015

	Business-type Activities		Governmental-type Activities				Total Internal Service
	Vehicle Maintenance	Vehicle Replacement	Emergency Communication	Service Center	Health Insurance	Industrial Insurance	
ASSETS							
Current assets:							
Cash and equivalents	\$ 307,081	\$ 3,802,510	\$ 584,246	\$ 481,302	\$ 610,712	\$ 186,142	\$ 5,971,993
Other receivables (net)	492	158,817	56,968	-	-	-	216,277
Interfund loans receivable	-	3,082,095	-	-	-	-	3,082,095
Inventories	67,596	-	-	-	-	-	67,596
Prepays	-	-	74	-	592	16,000	16,666
Total current assets	<u>375,169</u>	<u>7,043,422</u>	<u>641,288</u>	<u>481,302</u>	<u>611,304</u>	<u>202,142</u>	<u>9,354,627</u>
Noncurrent assets:							
Interfund loans receivable	-	1,457,266	-	-	-	-	1,457,266
Land	-	-	-	135,600	-	-	135,600
Buildings and structures (net)	-	-	-	2,635,506	-	-	2,635,506
Improvements other than buildings (net)	-	-	-	12,902	-	-	12,902
Machinery and equipment (net)	36,136	5,536,396	96,746	42,207	-	-	5,711,485
Infrastructure (net)	-	-	-	68,187	-	-	68,187
Total noncurrent assets	<u>36,136</u>	<u>6,993,662</u>	<u>96,746</u>	<u>2,894,402</u>	<u>-</u>	<u>-</u>	<u>10,020,946</u>
Total assets	<u>\$ 411,305</u>	<u>\$ 14,037,084</u>	<u>\$ 738,034</u>	<u>\$ 3,375,704</u>	<u>\$ 611,304</u>	<u>\$ 202,142</u>	<u>\$ 19,375,573</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows on pensions	\$ 27,216	\$ 6,406	\$ 111,683	\$ 6,581	\$ -	\$ -	\$ 151,886
Total deferred outflows of resources	<u>\$ 27,216</u>	<u>\$ 6,406</u>	<u>\$ 111,683</u>	<u>\$ 6,581</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,886</u>
Total assets and deferred outflows of resources	<u>\$ 438,521</u>	<u>\$ 14,043,490</u>	<u>\$ 849,717</u>	<u>\$ 3,382,285</u>	<u>\$ 611,304</u>	<u>\$ 202,142</u>	<u>\$ 19,527,459</u>
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 43,122	\$ 109,240	\$ 11,837	\$ 6,353	\$ 8	\$ 8,611	\$ 179,171
Other accrued liabilities	19,941	4,330	90,932	4,201	-	-	119,404
Industrial insurance claims	-	-	-	-	-	10,510	10,510
Compensated absences	24,938	2,075	127,563	4,595	-	-	159,171
Total current liabilities	<u>88,001</u>	<u>115,645</u>	<u>230,332</u>	<u>15,149</u>	<u>8</u>	<u>19,121</u>	<u>468,256</u>
Long-term liabilities:							
Industrial insurance claims	-	-	-	-	-	70,070	70,070
Compensated absences	525	-	20,458	6,841	-	-	27,824
Net pension liability	189,908	44,700	779,306	45,921	-	-	1,059,835
Total noncurrent liabilities	<u>190,433</u>	<u>44,700</u>	<u>799,764</u>	<u>52,762</u>	<u>-</u>	<u>70,070</u>	<u>1,157,729</u>
Total liabilities	<u>\$ 278,434</u>	<u>\$ 160,345</u>	<u>\$ 1,030,096</u>	<u>\$ 67,911</u>	<u>\$ 8</u>	<u>\$ 89,191</u>	<u>\$ 1,625,985</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows on pensions	\$ 29,063	\$ 6,841	\$ 119,264	\$ 7,028	\$ -	\$ -	\$ 162,196
Total deferred inflows of resources	<u>\$ 29,063</u>	<u>\$ 6,841</u>	<u>\$ 119,264</u>	<u>\$ 7,028</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,196</u>
NET POSITION							
Net investment in capital assets	\$ 36,136	\$ 5,536,396	\$ 96,746	\$ 2,894,402	\$ -	\$ -	\$ 8,563,680
Unrestricted	94,888	8,339,908	(396,389)	412,944	611,296	112,951	9,175,598
Total net position	<u>\$ 131,024</u>	<u>\$ 13,876,304</u>	<u>\$ (299,643)</u>	<u>\$ 3,307,346</u>	<u>\$ 611,296</u>	<u>\$ 112,951</u>	<u>\$ 17,739,278</u>

City of Walla Walla
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
 Internal Service Funds
 For the Year Ended December 31, 2015

	Business-type Activities		Government-type Activities				Total Internal Service
	Vehicle Maintenance	Vehicle Replacement	Emergency Communication	Service Center	Health Insurance	Industrial Insurance	
Operating revenues:							
Intergovernmental revenues	\$ -	\$ -	\$ 2,123,575	\$ -	\$ -	\$ -	\$ 2,123,575
Charges for goods and services	1,882	-	-	-	-	-	1,882
Interfund charges	1,479,155	1,567,724	-	541,850	4,886,497	268,560	8,743,786
Total operating revenues	\$ 1,481,037	\$ 1,567,724	\$ 2,123,575	\$ 541,850	\$ 4,886,497	\$ 268,560	\$ 10,869,243
Operating expenses:							
Depreciation	\$ 3,765	\$ 850,686	\$ 31,940	\$ 111,909	\$ -	\$ -	\$ 998,300
Salaries and wages	235,772	55,182	974,029	57,453	-	-	1,322,436
Personnel benefits	116,220	26,459	430,301	29,085	4,866,798	-	5,468,863
Supplies	726,662	19,281	45,922	37,451	-	-	829,316
Services and charges	134,737	-	240,996	124,152	13,965	310,727	824,577
Intergovernmental services	-	-	-	-	-	-	-
Interfund service payments	161,960	122,520	331,382	51,490	-	-	667,352
Total operating expenses	\$ 1,379,116	\$ 1,074,128	\$ 2,054,570	\$ 411,540	\$ 4,880,763	\$ 310,727	\$ 10,110,844
Operating income (loss)	\$ 101,921	\$ 493,596	\$ 69,005	\$ 130,310	\$ 5,734	\$ (42,167)	\$ 758,399
Nonoperating revenues (expenses):							
Miscellaneous revenues	\$ 403	\$ 60,733	\$ 9,264	\$ -	\$ 1,153	\$ -	\$ 71,553
Gain (loss) on sale of capital assets	-	63,620	-	-	-	-	63,620
Insurance recoveries	4,401	-	-	-	-	-	4,401
Debt service-interest	-	-	-	(181,646)	-	-	(181,646)
Total non-operating revenue (expenses)	\$ 4,804	\$ 124,353	\$ 9,264	\$ (181,646)	\$ 1,153	\$ -	\$ (42,072)
Income (loss) before contributions and transfers	\$ 106,725	\$ 617,949	\$ 78,269	\$ (51,336)	\$ 6,887	\$ (42,167)	\$ 716,327
Capital contributions	-	183,817	-	-	-	-	183,817
Transfers in	-	-	-	54,652	-	15,000	69,652
Transfers out	-	(140,787)	-	-	-	-	(140,787)
Change in net position	106,725	660,979	78,269	3,316	6,887	(27,167)	829,009
Total net position -- beginning	216,192	13,260,493	409,542	3,350,431	604,409	140,118	17,981,185
Adjustment to implement GASB 68	(191,893)	(45,168)	(787,454)	(46,401)	-	-	(1,070,916)
Adjusted net position -- beginning	24,299	13,215,325	(377,912)	3,304,030	604,409	140,118	16,910,269
Total net position -- ending	\$ 131,024	\$ 13,876,304	\$ (299,643)	\$ 3,307,346	\$ 611,296	\$ 112,951	\$ 17,739,278

City of Walla Walla
 Combining Statement of Cash Flows
 Internal Service Funds
 For the Year Ended December 31, 2015

	Business-type Activities		Government-type Activities				Total Internal Service
	Vehicle Maintenance	Vehicle Replacement	Emergency Communication	Service Center	Health Insurance	Industrial Insurance	
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash from customers	\$ 2,408	\$ -	\$ 2,134,634	\$ 4,188	\$ -	\$ -	\$ 2,141,230
Cash from grants	-	(158,817)	-	-	-	-	(158,817)
Cash from interfund services	1,479,155	1,567,724	-	541,850	4,886,497	268,560	8,743,786
Payments to suppliers	(814,961)	89,959	(279,591)	(155,257)	(14,549)	(315,678)	(1,490,077)
Payments to employees	(351,901)	(81,041)	(1,412,414)	(85,610)	(4,866,798)	4,943	(6,792,821)
Interfund service payments	(161,960)	(122,520)	(331,382)	(51,490)	-	-	(667,352)
Miscellaneous revenues	-	2,000	8,432	-	-	-	10,432
Net cash provided by operating activities	\$ 152,741	\$ 1,297,305	\$ 119,679	\$ 253,681	\$ 5,150	\$ (42,175)	\$ 1,786,381
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Proceeds from insurance	\$ 4,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,401
Proceeds (repayments) from interfund loan	-	(1,869,770)	-	-	-	-	(1,869,770)
Transfers in	-	-	-	54,652	-	15,000	69,652
Transfers out	-	(140,787)	-	-	-	-	(140,787)
Total cash flows from financing	\$ 4,401	\$ (2,010,557)	\$ -	\$ 54,652	\$ -	\$ 15,000	\$ (1,936,504)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchase of capital assets	\$ -	\$ (1,543,934)	\$ (5,573)	\$ -	\$ -	\$ -	\$ (1,549,507)
Capital contributions and purchases	-	183,817	-	(260,016)	-	-	183,817
Principal and interest payments	-	-	-	-	-	-	(260,016)
Proceeds from sale of capital assets	-	63,620	-	-	-	-	63,620
Total cash flows from capital and financing activities	\$ -	\$ (1,296,497)	\$ (5,573)	\$ (260,016)	\$ -	\$ -	\$ (1,562,086)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	\$ 403	\$ -	\$ 833	\$ -	\$ 1,153	\$ -	\$ 2,389
Total cash flows from investing activities	\$ 403	\$ -	\$ 833	\$ -	\$ 1,153	\$ -	\$ 2,389
Net increase (decrease) in cash and equivalents	\$ 157,545	\$ (2,009,749)	\$ 114,939	\$ 48,317	\$ 6,303	\$ (27,175)	\$ (1,709,820)
Beginning cash and cash equivalents	\$ 149,536	\$ 5,812,259	\$ 469,307	\$ 432,985	\$ 604,409	\$ 213,317	\$ 7,681,813
Ending cash and cash equivalents	\$ 307,081	\$ 3,802,510	\$ 584,246	\$ 481,302	\$ 610,712	\$ 186,142	\$ 5,971,993
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 101,921	\$ 493,596	\$ 69,005	\$ 130,310	\$ 5,734	\$ (42,167)	\$ 758,399
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	3,765	850,686	31,940	111,909	-	-	998,300
(Increase) decrease in accounts receivable	526	(158,817)	11,059	4,188	-	-	(143,044)
(Increase) decrease in inventories	5,398	-	-	-	-	-	5,398
(Increase) decrease in prepaid expenses	-	-	(40)	-	(592)	-	(632)
Increase (decrease) in accounts payable	41,040	109,240	7,367	6,346	8	(4,951)	159,050
Increase (decrease) in miscellaneous revenue	-	2,000	8,432	-	-	-	10,432
Increase (decrease) in salaries and benefits	229	633	(7,517)	961	-	4,943	(751)
Increase (decrease) in pension liability	(138)	(33)	(567)	(33)	-	-	(771)
Net cash provided by operating activities	\$ 152,741	\$ 1,297,305	\$ 119,679	\$ 253,681	\$ 5,150	\$ (42,175)	\$ 1,786,381
No noncash investing, capital, and financing activities							

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

“Don’t cry because it’s over, smile because it happened.”

Dr. Seuss

FIDUCIARY FUNDS

Fiduciary funds report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs.

Contents

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Pension and Other Employee Benefit Trust Funds

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Pension and other employee benefit trust funds report resources required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

City of Walla Walla
Combining Statement of Plan Net Position
Pension and Other Employee Benefit Trust Funds
December 31, 2015

	Fire Medical Benefits	Fire Pension Benefits	Total Pension and Other Employee Benefits
ASSETS			
Cash and equivalents	\$ 286,364	\$ 72,930	\$ 359,294
Total assets	\$ 286,364	\$ 72,930	\$ 359,294
LIABILITIES			
Accounts payable	\$ 2,358	\$ -	\$ 2,358
Other accrued liabilities	-	13,663	13,663
Total liabilities	\$ 2,358	\$ 13,663	\$ 16,021
NET POSITION			
Held in trust for pension benefits and other purposes	\$ 284,006	\$ 59,267	\$ 343,273

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

City of Walla Walla
Combining Statement of Changes in Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended December 31, 2015

	Fire Medical Benefits	Fire Pension Benefits	Total Pension and Other Employee Benefits
ADDITIONS			
Contributions:			
Fire insurance premium tax transfer from general fund	\$ -	\$ 45,421	\$ 45,421
Employer contributions	435,920	26,610	462,530
Total contributions	435,920	72,031	507,951
DEDUCTIONS			
Personnel benefits	\$ 429,985	\$ 167,146	\$ 597,131
Total deductions	429,985	167,146	597,131
Change in net position	5,935	(95,115)	(89,180)
Net Position -- beginning of the year	278,071	154,382	432,453
Net Position -- end of the year	\$ 284,006	\$ 59,267	\$ 343,273

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

Don't let your ego get too close to your position, so that if your position gets shot down, your ego doesn't go with it.

Colin Powell

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.

<u>Contents</u>	<u>Page</u>
Financial Trends <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>	148
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the sales tax and the property tax.</i>	154
Debt Capacity <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>	165
Demographic and Economic Information <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>	170
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	172

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>2015</u>	<u>2014</u> ⁽¹⁾	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u> ⁽¹⁾	<u>2006</u>
Governmental activities:										
Net investment in capital assets	\$ 54,727,275	\$ 50,450,335	\$ 48,599,279	\$ 43,184,306	\$ 42,962,010	\$ 41,988,033	\$ 35,961,027	\$ 35,758,599	\$ 34,617,774	\$ 15,918,784
Restricted	3,543,459	929,415	1,099,874	916,071	185,616	220,680	175,751	133,607	154,713	162,942
Unrestricted	1,269,207	10,637,976	10,367,238	10,560,920	9,513,398	8,408,600	9,341,031	8,969,354	11,151,909	10,849,568
Total governmental activities net position	\$ 59,539,941	\$ 62,017,726	\$ 60,066,391	\$ 54,661,297	\$ 52,661,024	\$ 50,617,313	\$ 45,477,809	\$ 44,861,560	\$ 45,924,396	\$ 26,931,294
Adjustment to implement GASB 68		(6,998,245)								
Adjusted total governmental activities net position	\$ 55,019,481									
Business-type activities:										
Net investment in capital assets	\$ 92,329,699	\$ 77,617,386	\$ 69,213,933	\$ 60,384,997	\$ 58,492,182	\$ 58,806,203	\$ 59,190,765	\$ 55,009,343	\$ 39,451,545	\$ 36,358,876
Restricted	819,979	-	-	-	-	-	-	-	-	-
Unrestricted	12,416,822	22,480,265	24,575,368	27,147,834	25,650,225	16,077,891	12,631,639	15,959,286	19,793,626	20,098,587
Total business-type activities net position	\$ 105,566,500	\$ 100,097,651	\$ 93,789,301	\$ 87,532,831	\$ 84,142,407	\$ 74,884,094	\$ 71,822,404	\$ 70,968,629	\$ 59,245,171	\$ 56,457,463
Adjustment to implement GASB 68		(1,861,019)								
Adjusted total business-type activities net position	\$ 98,236,632									
Primary government:										
Net investment in capital assets	\$ 147,056,974	\$ 128,067,721	\$ 117,813,212	\$ 103,569,303	\$ 101,454,192	\$ 100,794,236	\$ 95,151,792	\$ 90,767,942	\$ 74,069,319	\$ 52,277,660
Restricted	4,363,438	929,415	1,099,874	916,071	185,616	220,680	175,751	133,607	154,713	162,942
Unrestricted	13,686,029	33,118,241	34,942,606	37,708,754	35,163,623	155	21,972,670	24,928,640	30,945,535	30,948,155
Total primary government net position	\$ 165,106,441	\$ 162,115,377	\$ 153,855,692	\$ 142,194,128	\$ 136,803,431	\$ 125,501,407	\$ 117,300,213	\$ 115,830,189	\$ 105,169,567	\$ 83,388,757
Adjustment to implement GASB 68		(8,859,264)								
Adjusted total primary government net position	\$ 153,256,113									

⁽¹⁾ A net prior period adjustment of \$17,028,891 was made to the 2007 beginning balance due to ongoing retrospective valuation of infrastructure assets.

⁽²⁾ An adjustment of (\$8,859,264) was made to the 2014 ending balance for GASB 68 compliance

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
<u>Governmental activities:</u>										
General government	\$ 3,253,287	\$ 2,249,975	\$ 2,155,690	\$ 2,210,774	\$ 1,877,637	\$ 1,272,314	\$ 1,748,331	\$ 2,086,210	\$ 2,330,767	\$ 2,587,061
Public safety	15,276,870	14,681,954	13,677,945	14,869,930	13,722,774	14,548,204	14,041,960	12,957,589	11,930,812	11,993,877
Utilities and environment	2,592,685	2,360,895	2,194,544	1,976,609	1,850,115	2,252,629	2,410,889	2,194,410	1,747,603	1,654,611
Transportation	5,247,657	5,851,751	3,644,460	3,826,048	3,735,290	2,902,711	3,294,843	3,135,176	3,697,036	1,547,611
Economic environment	903,984	1,124,963	1,078,669	42,813	556,503	925,031	1,006,575	977,075	840,494	1,145,254
Culture and recreation	4,527,730	4,079,993	4,044,217	3,328,714	3,746,226	3,529,640	4,056,478	4,036,271	3,430,873	3,312,776
Interest on long term debt	764,303	730,005	803,031	794,914	805,229	832,691	367,901	374,770	379,826	383,325
Total governmental activities:	\$ 32,566,516	\$ 31,079,536	\$ 27,598,556	\$ 27,049,802	\$ 26,293,774	\$ 26,263,219	\$ 26,926,977	\$ 25,761,501	\$ 24,357,411	\$ 22,624,515
<u>Business-type activities:</u>										
Ambulance	\$ 3,118,200	\$ 3,139,012	\$ 3,476,310	\$ 3,599,965	\$ 3,530,191	\$ 3,390,344	\$ 3,285,123	\$ 3,325,981	\$ 3,553,703	\$ 3,168,049
Golf course	132,078	147,287	512,335	110,774	120,667	122,256	134,812	99,102	95,364	51,680
Landfill	4,021,581	4,677,636	3,940,417	6,112,551	893,703	2,868,474	7,488,687	3,228,911	4,341,065	2,834,223
Sanitation	5,040,390	4,799,808	4,433,738	4,282,557	4,239,822	4,297,310	3,863,169	4,047,618	3,644,293	3,756,424
Stormwater	1,386,959	1,429,072	1,289,337	929,937	992,083	714,354	150	743,937	719,012	597,867
Water/Wastewater	15,151,247	14,341,718	13,684,629	14,524,725	13,240,623	13,814,946	12,202,005	12,100,919	11,694,883	11,588,092
Total business-type activities	\$ 28,850,455	\$ 28,534,533	\$ 27,336,766	\$ 29,560,509	\$ 23,017,089	\$ 25,207,684	\$ 26,973,946	\$ 23,546,468	\$ 24,048,320	\$ 21,996,335
Total primary government expenses	\$ 61,416,971	\$ 59,614,069	\$ 54,935,322	\$ 56,610,311	\$ 49,310,863	\$ 51,470,903	\$ 53,900,923	\$ 49,307,969	\$ 48,405,731	\$ 44,620,850
Program Revenues										
<u>Governmental activities:</u>										
Charges for services:										
General government	\$ 781,841	\$ 806,195	\$ 682,342	\$ 343,963	\$ 337,511	\$ 259,343	\$ 242,093	\$ 246,721	\$ 251,868	\$ 252,900
Public safety	479,993	505,368	393,438	555,043	392,982	515,762	509,470	644,868	1,190,975	601,909
Utilities and environment	1,895,266	1,672,521	1,476,872	1,154,959	1,271,038	1,604,956	1,670,017	1,279,582	1,201,515	1,061,429
Transportation	290,863	301,418	333,424	423,855	372,657	355,878	157	161,328	224,285	225,428
Economic environment	1,144,181	845,115	750,045	603,117	706,241	582,598	719,487	1,086,063	858,902	730,845
Culture and recreation	462,868	345,820	324,117	307,561	322,203	317,355	311,456	265,052	256,415	223,404
Operating grants and contributions	1,075,661	372,574	772,500	1,001,284	634,047	799,303	435,075	326,057	348,191	846,731
Capital grants and contributions	3,245,363	4,327,416	5,296,039	2,325,926	2,362,370	5,679,398	1,788,586	932,627	2,102,864	1,683,758
Total governmental activities program revenue	\$ 9,376,036	\$ 9,176,427	\$ 10,028,777	\$ 6,735,708	\$ 6,399,049	\$ 10,114,593	\$ 5,676,341	\$ 4,942,298	\$ 6,435,015	\$ 5,626,404

City of Walla Walla
Changes in Net Position (continued)
(Accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Business-type activities:										
Charges for services:										
Ambulance	\$ 1,606,795	\$ 1,920,251	\$ 2,105,437	\$ 2,087,991	\$ 2,097,681	\$ 2,228,244	\$ 2,005,678	\$ 2,127,791	\$ 1,918,192	\$ 1,041,752
Golf course	104,306	90,736	270,250	76,060	73,510	77,185	82,158	89,419	93,227	85,363
Landfill	4,380,629	4,030,508	3,368,013	3,153,082	3,225,809	3,327,597	3,195,565	3,313,955	3,143,310	2,345,856
Sanitation	5,118,064	4,783,827	4,751,480	4,687,252	4,636,330	4,509,943	4,174,490	3,784,891	3,864,671	3,953,997
Stormwater	1,593,500	1,495,465	1,422,438	1,352,572	1,316,701	1,253,731	882,822	724,404	714,426	667,222
Water/Wastewater	21,603,657	19,801,391	18,574,429	19,044,382	17,607,350	15,760,002	15,191,853	15,075,995	14,823,335	14,109,067
Operating grants and contributions	377,681	285,584	600,771	1,066,141	2,126,404	302,553	244,739	198,512	399,976	1,201,595
Capital grants and contributions	1,510,896	1,429,054	1,781,634	523,411	951,058	736,454	972,152	3,994,360	941,384	555,011
Total business-type activities program revenue	\$ 36,295,528	\$ 33,836,816	\$ 32,874,452	\$ 31,990,891	\$ 32,034,843	\$ 28,195,709	\$ 26,749,457	\$ 29,309,327	\$ 25,898,521	\$ 23,959,863
Total primary government program revenue	\$ 45,671,564	\$ 43,013,243	\$ 42,903,229	\$ 38,726,599	\$ 38,433,892	\$ 38,310,302	\$ 32,425,798	\$ 34,251,625	\$ 32,333,536	\$ 29,586,267
Net (expense)/revenue:										
Governmental activities	\$ (23,190,480)	\$ (21,903,109)	\$ (17,569,779)	\$ (20,314,094)	\$ (19,894,725)	\$ (16,148,626)	\$ (21,250,636)	\$ (20,819,203)	\$ (17,922,396)	\$ (16,998,111)
Business-type activities	7,445,073	5,302,283	5,537,687	2,430,382	9,017,754	2,988,025	(224,489)	5,762,859	1,850,201	1,963,528
Total primary government net expense	\$ (15,745,406)	\$ (16,600,825)	\$ (12,032,092)	\$ (17,883,712)	\$ (10,876,971)	\$ (13,160,601)	\$ (21,475,125)	\$ (15,056,344)	\$ (16,072,195)	\$ (15,034,583)
General Revenues and Other Changes										
Governmental activities:										
Taxes										
Property tax	\$ 7,277,314	\$ 6,239,821	\$ 6,374,356	\$ 6,254,026	\$ 5,964,834	\$ 5,926,165	\$ 5,780,071	\$ 4,575,216	\$ 4,458,320	\$ 4,335,642
Sales tax	8,132,270	7,470,268	7,258,757	6,537,878	5,881,627	5,687,489	6,134,841	6,646,811	6,248,205	6,078,419
Other taxes	7,800,142	6,985,778	6,684,324	6,740,308	6,535,487	6,120,433	6,331,078	6,196,929	6,360,753	5,976,245
Intergovernmental	2,742,463	2,568,803	1,782,724	2,199,495	2,121,393	2,008,115	2,019,358	2,133,248	2,102,588	2,095,669
Miscellaneous general revenue	72,146	46,430	51,087	4,698	26,393	52,701	40,292	268,985	489,058	635,717
Gain on sale of assets	-	-	5,990	-	33,521	-	-	-	-	163,585
Transfers	1,686,605	543,344	817,637	577,962	1,375,181	1,493,227	531,109	(35,766)	1,301,489	308,853
Total governmental activities general revenue	\$ 27,710,940	\$ 23,854,444	\$ 22,974,873	\$ 22,314,367	\$ 21,938,436	\$ 21,288,130	\$ 20,836,749	\$ 19,785,423	\$ 20,960,413	\$ 19,594,130
Business-type activities:										
Intergovernmental	\$ 1,389,746	\$ 1,273,873	\$ 1,258,535	\$ 1,240,450	\$ 1,251,569	\$ 1,217,964	\$ 1,250,410	\$ 903,647	\$ 935,070	\$ 955,669
Miscellaneous general revenue	118,034	218,234	266,356	294,668	353,819	348,921	486,027	744,451	1,121,579	883,726
Gain on sale of assets	63,620	57,304	11,528	3,156	10,352	-	10,857	13,610	-	277,077
Transfers	(1,686,605)	(543,344)	(817,637)	(577,962)	(1,375,181)	(1,493,227)	(531,109)	35,766	(1,301,489)	(208,853)
Total business-type activities general revenue	\$ (115,205)	\$ 1,006,067	\$ 718,783	\$ 960,312	\$ 240,559	\$ 73,658	\$ 1,216,185	\$ 1,697,474	\$ 755,160	\$ 1,907,619
Total primary government	\$ 27,595,735	\$ 24,860,511	\$ 23,693,655	\$ 23,274,679	\$ 22,178,995	\$ 21,361,788	\$ 22,052,934	\$ 21,482,897	\$ 21,715,573	\$ 21,501,749
Change in Net Position										
Governmental activities	\$ 4,520,460	\$ 1,951,335	\$ 5,405,094	\$ 2,000,273	\$ 2,043,711	\$ 5,139,504	\$ (413,887)	\$ (1,033,780)	\$ 3,038,017	\$ 2,596,019
Business-type activities	7,329,868	6,308,350	6,256,470	3,390,694	9,258,313	3,061,683	991,696	7,460,333	2,605,361	3,871,147
Total primary government	\$ 11,850,328	\$ 8,259,685	\$ 11,661,563	\$ 5,390,967	\$ 11,302,024	\$ 8,201,187	\$ 577,809	\$ 6,426,553	\$ 5,643,378	\$ 6,467,166

City of Walla Walla
Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (Modified accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund (Per GASB 54)⁽¹⁾										
Nonspendable	\$ 43,623	\$ 55,428	\$ 56,714	\$ 48,844	\$ 34,638	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	209,535	901,919	1,072,404	888,642	158,239	-	-	-	-	-
Committed	521,183	18,303	15,058	11,052	7,377	-	-	-	-	-
Unassigned	4,837,752	4,503,888	3,917,645	3,298,864	3,039,942	-	-	-	-	-
General fund (Prior GASB 54)⁽¹⁾										
Reserved	-	-	-	-	-	445,580	177,337	106,358	128,070	140,069
Unreserved	-	-	-	-	-	1,868,624	2,315,670	2,771,992	3,724,050	2,920,639
Total general fund	\$ 5,612,093	\$ 5,479,538	\$ 5,061,821	\$ 4,247,402	\$ 3,240,196	\$ 2,314,204	\$ 2,493,007	\$ 2,878,350	\$ 3,852,120	\$ 3,060,708
All Other Governmental Funds (Per GASB 54)⁽¹⁾										
Nonspendable	\$ 16,545	\$ 16,545	\$ 16,545	\$ 17,790	\$ 32,146	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	6,981,127	1,736,966	1,490,212	1,595,196	2,088,025	-	150.00	-	-	-
Committed	2,403,617	2,629,948	2,535,408	2,247,092	2,447,204	-	-	-	-	-
Assigned	23,730	28,677	69,939	104,902	130,434	-	-	-	-	-
Unassigned	(682,715)	(985,685)	(1,107,746)	(358,833)	(488,292)	-	-	-	-	-
Reserved	-	-	-	-	-	850,006	844,823	823,273	795,196	1,045,643
Unreserved, reported in:							155			
Special revenue funds	-	-	-	-	-	1,262,193	1,021,855	1,129,100	1,264,892	1,064,651
Debt service funds	-	-	-	-	-	221,151	186,096	495,144	359,635	267,806
Capital project funds	-	-	-	-	-	10,370,535	11,119,318	757,412	1,619,036	2,059,233
Permanent funds	-	-	-	-	-	19,090	18,564	37,144	45,432	35,643
Total other governmental funds	\$ 8,742,304	\$ 3,426,451	\$ 3,004,358	\$ 3,606,147	\$ 4,209,517	\$ 12,722,975	\$ 13,190,811	\$ 3,242,073	\$ 4,084,191	\$ 4,472,976

⁽¹⁾ Prior to 2011 and the implementation of GASB 54, fund balances were classified as Reserved or Unreserved. Under GASB 54 fund balances are classified as Nonspendable, Reserved, Committed, Assigned, or Unassigned.

City of Walla Walla
Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Taxes	\$ 22,006,791	\$ 20,860,501	\$ 20,168,861	\$ 18,694,349	\$ 17,961,449	\$ 17,181,308	\$ 16,611,739	\$ 16,841,399	\$ 16,787,490	\$ 15,650,755
Licenses and permits	1,301,815	986,234	888,301	759,407	833,201	609,565	700,973	964,093	807,576	765,669
Intergovernmental	4,981,353	2,733,232	5,822,049	3,667,660	3,296,987	4,727,086	3,619,535	2,298,529	3,033,975	3,778,599
Charges for goods and services	7,473,887	7,018,159	6,417,762	6,081,043	6,049,680	6,893,718	6,581,763	5,679,186	5,203,535	4,676,832
Fines and forfeits	207,984	197,036	259,895	278,038	282,355	304,466	301,911	359,050	784,510	317,153
Miscellaneous revenues	681,044	517,559	1,019,057	1,295,681	550,889	394,948	388,841	757,583	1,036,052	751,802
Total revenues	\$ 36,652,874	\$ 32,312,721	\$ 34,575,925	\$ 30,776,178	\$ 28,974,561	\$ 30,111,091	\$ 28,204,762	\$ 26,899,840	\$ 27,653,138	\$ 25,940,810
Expenditures										
Current:										
General government	\$ 7,429,590	\$ 6,338,741	\$ 5,907,939	\$ 5,899,717	\$ 5,606,512	\$ 5,506,634	\$ 5,666,282	\$ 5,448,438	\$ 5,233,073	\$ 5,211,056
Public safety	12,624,805	11,834,771	11,499,592	13,127,711	12,710,585	12,537,110	12,307,401	11,623,729	10,929,395	10,938,288
Utilities and environment	2,620,860	2,387,847	2,221,713	1,992,305	1,868,845	2,327,038	2,466,834	2,155,795	1,792,849	1,696,620
Transportation	2,905,840	1,789,636	1,800,218	1,728,705	1,992,451	1,546,263	1,373,395	150	2,227,380	1,413,103
Economic environment	884,540	1,138,245	1,080,826	42,813	556,503	996,500	1,014,531	972,451	842,221	1,166,016
Culture and recreation	4,371,195	3,906,501	3,853,727	3,710,615	3,549,324	3,406,847	3,898,419	3,819,310	3,269,666	3,202,117
Debt service:										
Principal retirement	1,053,481	829,594	3,594,594	754,595	752,973	1,112,973	337,973	321,352	316,352	541,351
Interest	515,940	566,370	616,826	644,259	650,653	686,624	213,335	223,310	238,522	240,763
Administrative charges	100,073	67	28,652	1,382	1,381	13,823	1,260	155	1,266	1,266
Capital outlay:										
General government	20,940	87,169	74,354	81,389	109,424	71,127	107,941	110,733	98,611	209,408
Public safety	106,358	133,376	66,685	362,577	7,672,849	1,315,702	1,118,552	167,758	29,009	771,197
Utilities and environment	-	212,495	19,428	-	-	6,059	13,461	-	-	10,196
Transportation	5,330,846	2,716,616	7,207,154	2,520,211	2,432,470	4,012,258	1,971,844	1,955,435	3,314,025	1,948,567
Economic environment	-	18,731	-	-	16,936	206,163	-	157	-	-
Culture and recreation	1,682,816	15,790	-	-	24,320	-	224,719	112,435	187,878	446,193
Total expenditures	\$ 39,647,284	\$ 31,975,949	\$ 37,971,708	\$ 30,866,279	\$ 37,945,226	\$ 33,745,121	\$ 30,715,947	\$ 26,911,208	\$ 28,480,247	\$ 27,796,141
Excess revenues over (under) expenditures	\$ (2,994,410)	\$ 336,772	\$ (3,395,783)	\$ (90,101)	\$ (8,970,665)	\$ (3,634,030)	\$ (2,511,185)	\$ (11,368)	\$ (827,109)	\$ (1,855,331)

City of Walla Walla
Changes in Fund Balances of Governmental Funds (continued)

Last Ten Fiscal Years

(Modified accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Other financing sources (uses)										
Transfers in	\$ 6,213,679	\$ 3,503,675	\$ 3,984,092	\$ 2,089,174	\$ 3,153,663	\$ 3,402,196	\$ 1,384,455	\$ 3,028,761	\$ 2,790,017	\$ 2,233,973
Transfers out	(4,642,149)	(3,020,513)	(3,240,122)	(1,580,807)	(1,854,812)	(2,019,031)	(1,083,128)	(3,217,646)	(1,560,280)	(2,106,082)
Insurance recoveries	-	19,874	18,453	9,198	50,828	283,114	13,720	77,094	-	-
Bonds issued	6,310,000	-	-	-	-	1,260,000	11,595,000	-	-	-
Premium on bonds issued	366,297	-	-	-	-	61,298	126,787	-	-	-
Proceeds from debt/refunding debt	194,991	-	2,840,000	-	-	-	-	-	-	-
Proceeds from disposal of capital assets	-	-	5,990	-	33,521	-	8,000	-	-	173,839
Total other financing sources (uses)	\$ 8,442,818	\$ 503,036	\$ 3,608,413	\$ 517,565	\$ 1,383,200	\$ 2,987,577	\$ 12,044,834	\$ (111,791)	\$ 1,229,737	\$ 301,730
Net change in fund balances	\$ 5,448,408	\$ 839,808	\$ 212,630	\$ 427,464	\$ (7,587,465)	\$ (646,453)	\$ 9,533,649	\$ (123,159)	\$ 402,628	\$ (1,553,601)
Debt service as a percentage of noncapital expenditures	5.09%	5.10%	15.97%	5.28%	5.34%	6.84%	2.06%	2.27%	2.28%	3.31%

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Property tax	\$ 7,277,314	\$ 6,239,821	\$ 6,374,356	\$ 6,254,026	\$ 5,964,834	\$ 5,926,165	\$ 5,780,071	\$ 4,575,216	\$ 4,458,320	\$ 4,335,642
Sales tax	8,132,270	7,470,268	7,258,757	6,537,878	5,881,627	5,687,489	6,134,841	6,646,811	6,248,205	6,078,419
Utility excise tax	4,164,429	3,164,614	2,874,497	2,573,264	2,461,493	2,296,596	2,152,560	2,278,219	2,214,284	2,104,897
Business and occupation tax	3,155,966	3,211,772	3,109,346	3,075,359	3,139,605	3,137,873	3,464,751	3,050,559	3,176,692	2,801,949
Gambling tax	(187,170)	52,726	210,821	25,691	88,872	108,771	135,422	163,759	227,767	233,612
Real estate excise tax	346,043	290,807	240,983	225,353	181,063	188,777	192,846	290,268	322,658	466,905
Leasehold tax	42,545	35,498	36,791	30,839	31,009	27,258	30,831	64,193	68,770	55,705
E911 access tax*	-	-	-	596,200	417,874	342,780	354,668	349,931	350,581	313,176
Tourism promotion area tax	278,329	230,361	211,886	213,602	215,571	18,378	-	-	-	-
Total taxes	\$ 23,209,726	\$ 20,695,867	\$ 20,317,437	\$ 19,532,212	\$ 18,381,948	\$ 17,734,087	\$ 18,245,990	\$ 17,418,956	\$ 17,067,427	\$ 16,390,305

*In 2013, the City of Walla Walla stopped reporting E911 Access Tax in this schedule, only Walla Walla County levies such tax, which is available to the City per interlocal agreement.

**City of Walla Walla
Property Tax Rates**

**Direct and Overlapping Governments ⁽¹⁾
Last Ten Fiscal Years (and Next Year)**

Fiscal Year	Overlapping Rates									
	City of Walla Walla			Walla Walla County			Walla Walla School District			
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total District Millage	Total Direct & Overlapping Rates
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
2013	2.517	0.610	3.127	1.486	-	1.486	3.649	1.249	4.898	9.511
2012	2.386	0.607	2.993	1.498	-	1.498	3.595	1.269	4.864	9.355
2011	2.381	0.606	2.987	1.494	-	1.494	3.409	1.301	4.710	9.191
2010	2.395	0.590	2.985	1.517	0.076	1.593	3.290	1.267	4.557	9.135
2009	2.236	-	2.236	1.450	0.070	1.52	2.940	1.066	4.006	7.762
2008	2.287	0.200	2.487	1.567	0.071	1.638	3.086	1.190	4.277	8.402
2007	2.613	0.235	2.848	1.701	0.091	1.792	3.528	1.551	5.079	9.719
2006	2.889	0.283	3.172	1.788	0.099	1.887	3.847	1.577	5.424	10.483

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	Total Direct Tax Rate
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
2013	1,949,683,000	74,531,270	45,556,053	2,126,000	60,941,100	-	967,312	12,051	2,005,723,860	3.1267
2012	1,943,952,000	73,572,252	50,888,881	2,043,600	66,371,700	-	1,044,125	10,458	1,998,943,250	2.9934
2011	1,941,762,300	76,134,762	45,870,117	2,053,500	70,845,100	-	1,137,779	12,677	1,989,718,123	2.9879
2010	1,892,238,900	77,077,453	41,667,687	2,179,700	66,148,200	-	1,183,746	7,121	1,941,465,273	2.9852
2009	2,007,951,200	73,227,804	44,635,592	2,184,300	76,759,100	-	1,489,045	8,824	2,045,373,327	2.2369
2008	1,755,744,100	70,919,566	42,356,780	1,714,600	71,077,500	-	1,651,914	9,106	1,794,567,326	2.4866
2007	1,475,258,200	66,968,757	34,853,739	482,500	55,718,300	-	606,849	6,900	1,520,266,147	2.8487
2006	1,205,368,700	69,660,084	38,929,740	237,300	46,449,200	-	572,323	11,800	1,266,687,901	3.1718

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
Walla Walla County Top Ten Principal Property Taxpayers
 Current Year and Nine Years Ago

	2015			2006		
	Total Taxes	Rank	Percentage of Assessed Taxes	Total Taxes	Rank	Percentage of Assessed Taxes
County Taxpayers						
Boise White Paper	\$ 2,284,901	1	3.33%	\$ 2,522,689	1	5.00%
Broetje Orchards	970,874	2	1.41%	418,600	4	0.83%
Gas Transmission Northwest LLC	857,206	3	1.25%	956,329	3	1.90%
Union Pacific Railroad	830,449	4	1.21%			
PacificCorp	741,455	5	1.08%	214,761	8	0.43%
FPL Energy Vansycle LLC	347,266	6	0.51%	1,373,363	2	2.72%
J R Simplot	343,537	7	0.50%	179,589	10	0.36%
I B P INC	339,251	8	0.49%	370,468	5	0.73%
Columbia Rural Electric Assn	303,968	9	0.44%			
Nelson Irrigation	266,481	10	0.39%			
Boise Packaging & Newsprint				260,209	6	0.52%
Taggares Farms, Inc (Snake River Vineyards)				223,477	7	0.44%
Northwest Grain Growers				206,466	9	15000.00%

Source: 2015 data provided by the Walla Walla County Assessor's Office

2006 data provided by the Port of Walla Walla, Walla Walla County Quick Facts

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	Amount	% of Levy
2015	\$ 6,157,923	\$ 6,029,512	97.9%	\$ -	-	\$ 6,029,512	97.9%
2014	6,336,964	5,977,960	94.3%	74,747	74,747	6,052,707	95.5%
2013	6,254,026	5,908,411	94.5%	322,134	322,134	6,230,545	99.6%
2012	5,964,834	5,642,366	94.6%	315,879	315,879	5,958,245	99.9%
2011	4,737,642	4,359,015	92.0%	375,649	375,649	4,734,664	99.9%
2010	4,649,972	4,370,974	94.0%	276,230	276,230	4,647,204	99.9%
2009	4,575,216	4,397,339	96.1%	175,822	175,822	4,573,161	100.0%
2008	4,458,320	4,303,042	96.5%	154,138	154,138	4,457,180	100.0%
2007	4,334,747	4,213,839	97.2%	120,505	120,505	4,334,344	100.0%
2006	3,659,651	3,557,181	97.2%	102,210	102,210	3,659,391	100.0%

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

City of Walla Walla
Local Sales and Use Taxable Retail Sales by Industry
 Last Ten Fiscal Years ⁽¹⁾

NAICS	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
11 Agriculture, Forestry, Fishing and Hunting	\$ 378,657	\$ 295,499	\$ 152,267	\$ 998,635	\$ 440,249	\$ 259,086	\$ 367,460	\$ 281,795	\$ 964,952	\$ 815,183
21 Mining	28,407	-	-	20,076	8,263	-	-	-	47,059	-
22 Utilities	1,502,411	1,447,044	847,080	247,597	146,413	1,217,774	1,799,040	1,349,139	1,249,641	920,302
23 Construction	64,674,573	72,773,406	89,737,741	81,427,416	62,587,997	104,112,247	133,790,392	113,765,933	141,035,263	109,108,842
31-33 Manufacturing	12,995,932	13,710,658	12,307,192	11,061,333	12,967,022	12,497,611	14,620,878	11,858,392	11,253,131	12,809,101
42 Wholesale Trade	47,375,785	49,180,308	51,990,125	46,016,643	43,465,905	49,164,232	50,976,282	53,090,838	46,557,529	40,038,660
44-45 Retail Trade	211,598,298	199,099,058	187,644,188	184,775,496	189,534,010	195,968,182	201,935,494	207,160,060	196,463,736	200,833,041
48-49 Transportation and Warehousing	1,482,946	908,487	983,032	810,522	1,071,859	579,472	710,682	698,613	924,421	1,562,928
51 Information	25,417,677	25,153,226	22,904,649	22,750,383	21,422,121	23,595,659	23,523,134	22,905,585	23,078,867	20,481,230
52 Finance and Insurance	4,353,265	3,923,533	4,400,141	3,935,159	3,556,762	3,555,265	4,288,099	2,900,953	2,690,656	3,031,382
53 Real Estate and Rental and Leasing	9,912,417	9,037,326	9,840,076	7,352,468	8,160,359	8,374,609	7,389,271	7,207,386	6,404,047	6,538,371
54 Professional, Scientific, and Technical Services	8,938,928	8,038,972	8,232,498	9,337,468	7,861,467	7,788,402	6,721,636	7,658,558	8,934,577	6,583,438
55-62 Management, Education & Health Services	19,229,810	17,758,592	16,670,508	14,752,764	13,707,230	15,755,833	16,763,226	14,293,790	13,335,184	12,679,655
71 Arts, Entertainment, and Recreation	4,125,868	4,225,137	4,017,630	4,141,316	4,059,648	4,021,263	3,892,803	4,236,841	4,146,555	3,850,786
72 Accommodation and Food Services	87,869,735	81,995,265	79,774,260	74,397,364	69,862,111	66,520,917	68,934,057	64,136,938	57,468,149	53,612,711
81 Other Services (except Public Administration)	17,761,384	15,885,563	16,145,496	19,650,008	20,363,208	14,793,562	17,674,837	16,627,595	16,069,061	15,738,508
92 Public Administration	1,677,539	1,279,722	563,693	445,152	367,979	561,762	150	3,944,582	3,027,864	1,896,665
Total Local Sales and Use Taxable Retail Sales	\$ 519,323,632	\$ 504,711,796	\$ 506,210,576	\$ 482,119,800	\$ 459,582,603	\$ 508,765,876	\$ 553,387,441	\$ 532,116,998	\$ 533,650,692	\$ 490,500,803

City of Walla Walla Sales & Use Tax Rates

Local Basic	0.425%	\$ 2,207,125	\$ 2,145,025	\$ 2,151,395	\$ 2,049,009	\$ 1,953,226	\$ 2,351,897	\$ 2,261,497	\$ 2,268,015	\$ 2,084,628
Local Optional	0.425%	2,207,125	2,145,025	2,151,395	2,049,009	1,953,226	155	2,261,497	2,268,015	2,084,628
Criminal Justice	0.100%	519,324	504,712	506,211	482,120	459,583	553,387	532,117	533,651	490,501
Public Safety	0.090%	467,391	454,241	455,590	433,908	413,624	498,049	478,905	480,286	441,451
Transportation Benefit District ⁽⁴⁾	0.200%	1,038,647	1,009,424	1,012,421	-	-	-	-	-	-
Total City of Walla Walla Sales & Use Tax ⁽³⁾	1.240%	\$ 6,439,612	\$ 6,258,427	\$ 6,277,012	\$ 5,014,046	\$ 4,779,659	\$ 3,403,488	\$ 5,534,016	\$ 5,549,967	\$ 5,101,208
State Sales & Use Tax Rate	6.500%									
Valley Transit	0.600%									
Walla Walla County Sales & Use Tax Rates:										
Local Basic	0.075%									
Local Optional	0.075%									
Public Safety	0.310%									
Juvenile Justice/Detention	0.100%									
Total Walla Walla County Sales & Use Tax Rate	0.560%									
Total Local Sales & Use Tax Rate	8.900%									

Source: WA State Department of Revenue

Notes: ⁽¹⁾ 2014 is the latest annual data available.

⁽²⁾ As of July 1, 2012, the City of Walla Walla started collecting 0.200% tax rate for the Transportation Benefit District as of July 1, 2012.

⁽³⁾ Calculated sales and use taxes above will not equal reported total sales tax revenue because taxes on Brokered Natural Gas and Hotel/Motel taxes are not included. There is also a timing difference between reported taxable sales above and the period the taxes are collected and reported.

City of Walla Walla
Combined Water Utility and Wastewater Utility Operating Statement
 (Year Ending December 31)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues ⁽¹⁾										
Charges for Water Services	\$ 11,372,034	\$ 9,861,984	\$ 9,059,602	\$ 9,839,557	\$ 9,111,296	\$ 8,250,027	\$ 8,039,618	\$ 8,119,978	\$ 7,928,557	\$ 7,522,723
Charges for Wastewater Services	10,202,032	9,909,038	9,434,094	8,914,574	8,481,396	7,498,277	7,105,207	6,868,450	6,833,431	6,570,756
Miscellaneous	29,590	23,243	100,733	290,251	53,118	148,685	13,215	630,000	232,037	126,987
Interest Income	52,218	150,488	169,542	196,196	214,429	216,771	273,287	510,695	652,295	671,947
Contributions	1,268,748	915,102	857,105	387,834	873,199	340,787	473,772	2,895,478	929,640	510,385
Total Revenues	\$ 22,924,622	\$ 20,859,855	\$ 19,621,076	\$ 19,628,412	\$ 18,733,438	\$ 16,454,547	\$ 15,905,099	\$ 19,024,601	\$ 16,575,960	\$ 15,402,798
Expenses ⁽²⁾										
Personnel Services	\$ 1,751,623	\$ 1,727,725	\$ 1,595,970	\$ 1,509,860	\$ 1,410,031	\$ 1,386,383	\$ 1,257,225	\$ 1,338,152	\$ 1,327,563	\$ 1,241,980
Supplies	651,756	565,671	466,341	427,014	53,998	994,849	332,995	489,341	559,957	449,933
Services/Charges	2,993,484	2,863,729	2,871,338	3,070,387	2,680,107	2,905,518	2,457,678	2,364,047	2,236,590	2,332,356
Governmental Charges	6,895,866	6,108,966	5,516,941	5,260,635	4,889,174	5,026,399	4,785,148	4,338,035	4,003,268	3,982,404
Bad Debt Expense	-	-	28,958	-	-	568	1,238	298	439	573
Total Expenses	\$ 12,292,729	\$ 11,266,091	\$ 10,479,548	\$ 10,267,896	\$ 9,033,310	\$ 10,313,717	\$ 8,834,284	\$ 8,529,873	\$ 8,127,817	\$ 8,007,246
Net Revenue of System	\$ 10,631,893	\$ 9,593,764	\$ 9,141,528	\$ 150	\$ 9,700,128	\$ 6,140,830	\$ 7,070,815	\$ 10,494,728	\$ 8,448,143	\$ 7,395,552

⁽¹⁾ Excludes transfers-in/out

⁽²⁾ Excludes depreciation, debt service and non-operating activity except for miscellaneous revenues.

City of Walla Walla
System Historical Operating Results and Debt Service Coverage
 (Year Ending December 31)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues of the System:										
Operating Income	\$ 21,574,066	\$ 19,771,022	\$ 18,493,696	\$ 18,754,131	\$ 17,592,692	\$ 15,748,304	\$ 15,144,825	\$ 14,988,428	\$ 14,761,988	\$ 14,093,479
Other Income	1,350,556	1,088,833	1,127,380	157	1,140,746	706,243	760,274	4,036,173	1,813,972	1,309,319
Total Revenues	\$ 22,924,622	\$ 20,859,855	\$ 19,621,076	\$ 18,754,288	\$ 18,733,438	\$ 16,454,547	\$ 15,905,099	\$ 19,024,601	\$ 16,575,960	\$ 15,402,798
Costs of Maintenance and Operation	\$ 12,292,729	\$ 11,266,091	\$ 10,479,548	\$ 10,267,896	\$ 9,033,310	\$ 10,313,717	\$ 8,834,284	\$ 8,529,873	\$ 8,127,817	\$ 8,007,246
Net Revenue Available for Debt Service	\$ 10,631,893	\$ 9,593,764	\$ 9,141,528	\$ 8,486,392	\$ 9,700,128	\$ 6,140,830	\$ 7,070,815	\$ 10,494,728	\$ 8,448,143	\$ 7,395,552
Maximum Annual Debt Service ⁽¹⁾	\$ -	\$ 2,586,488	\$ 2,586,488	\$ 3,036,339	\$ 3,036,339	\$ 3,036,339	\$ 3,036,339	\$ 3,250,340	\$ 3,265,178	\$ 3,265,178
Debt Ratio	N/A	3.71	3.53	2.79	3.19	2.02	2.33	3.23	2.59	2.26

⁽¹⁾ In 2015, the City paid off the balance of the 2005 Water/Wastewater bonds, \$7,175,000, therefore there is no remaining debt service at the end of 2015.

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

Water Utility Monthly Meter Charges

Meter Size (inches)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
3/4	\$ 32.90	\$ 27.80	\$ 25.70	\$ 23.80	\$ 22.20	\$ 20.40	\$ 19.08	\$ 18.61	\$ 18.07	\$ 17.54
1	65.50	55.30	51.20	47.40	44.30	40.60	37.97	37.04	35.96	34.91
1 1/2	131.10	110.70	102.50	94.90	88.70	81.40	76.03	74.18	72.02	69.92
2	209.80	177.20	164.10	151.90	142.00	130.30	121.75	118.78	115.32	111.96
3	392.60	331.60	307.00	284.30	265.70	243.80	227.89	222.33	215.85	209.56
4	655.00	553.20	512.20	474.30	443.30	406.70	380.08	370.81	360.01	349.53
6	1,317.10	1,112.40	1,030.00	953.70	891.30	817.70	764.24	745.60	723.88	702.80
8	1,965.10	1,659.70	1,536.80	1,423.00	1,329.90	1,220.10	1,140.27	1,112.46	1,080.06	1,048.60
10	2,620.10	2,212.90	2,049.00	1,897.20	1,773.10	1,626.70	1,520.24	1,483.16	1,439.96	1,398.02

Water Utility Consumption Charges per 100 Cubic Feet

Customer Class	2015	2014	150	2012	2011	2010	2009	2008	2007	2006
Residential	\$ 1.70	\$ 1.58	\$ 1.46	\$ 1.35	\$ 1.26	\$ 1.16	\$ 1.08	\$ 1.05	\$ 1.02	\$ 0.99
Commercial	1.30	1.17	1.08	1.00	0.93	0.85	0.79	0.77	0.75	0.73
Industrial	1.30	1.21	1.12	1.04	0.97	0.89	0.83	0.81	0.79	0.77
Public	1.30	1.17	1.08	1.00	0.93	0.85	0.79	0.77	0.75	0.73

Water Utility Connection Charges for Permanent Meters

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Meter Installation Fee-3/4"	\$ 577.00	\$ 577.00	\$ 534.00	\$ 494.00	\$ 462.00	\$ 424.00	\$ 396.00	\$ 385.00	\$ 383.93	\$ 372.75
Meter Installation Fee-1" or larger	Actual cost \$638.00	Actual cost \$638.00	Actual cost \$547.00	Actual cost \$547.00 plus applicable fees	Actual cost \$511.00 plus applicable fees	Actual cost \$469.00 plus applicable fees	Actual cost \$438.00 plus applicable fees	Actual cost \$425.00 plus actual excess costs	Actual cost \$412.00 plus actual excess costs	Actual cost \$400.00 plus actual excess costs
Service connection charge-1" service line	Actual cost plus applicable fees	Actual cost plus applicable fees	Actual cost plus applicable fees	Actual cost plus applicable fees	Actual cost plus applicable fees	Actual cost plus applicable fees	Actual cost plus applicable fees	Actual cost plus actual excess costs	Actual cost plus actual excess costs	Actual cost plus actual excess costs
Service connection charge-larger than 1" service line	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost

**City of Walla Walla
Water/Wastewater Various Rates and Capital Facility Charges (continued)**

Meter Size (inches)	Water Capital Facilities Charges ⁽¹⁾									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
5/8 & 3/4	\$ 1,785.00	\$ 1,785.00	\$ 1,785.00	\$ 1,785.00	\$ 1,785.00	\$ 1,785.00	\$ 1,785.00	\$ 1,785.00	\$ 1,785.00	\$ 1,785.00
1	2,981.00	2,981.00	2,981.00	2,981.00	2,981.00	2,981.00	2,981.00	2,981.00	2,981.00	2,981.00
1 1/2	5,944.00	5,944.00	5,944.00	5,944.00	5,944.00	5,944.00	5,944.00	5,944.00	5,944.00	5,944.00
2	9,514.00	9,514.00	9,514.00	9,514.00	9,514.00	9,514.00	9,514.00	9,514.00	9,514.00	9,514.00
3	19,046.00	19,046.00	19,046.00	19,046.00	19,046.00	19,046.00	19,046.00	19,046.00	19,046.00	19,046.00
4	29,810.00	29,810.00	29,810.00	29,810.00	29,810.00	29,810.00	29,810.00	29,810.00	29,810.00	29,810.00
Charge per fixture unit values	78.64	78.64	78.64	78.64	78.64	78.64	78.64	78.64	78.64	78.64

⁽¹⁾Water Capital Facility Charges replaced connection fees in 2006

Water Capital Facilities Functional Unit Cost Credit Factor

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Customer	\$ 40.82	\$ 40.82	\$ 40.82	\$ 40.82	\$ 40.82	\$ 40.82	\$ 40.82	\$ 40.82	\$ 40.82	\$ 40.82
Fire storage	122.18	122.18	122.18	150.00	122.18	122.18	122.18	122.18	122.18	122.18
Equalizing storage	91.23	91.23	91.23	91.23	91.23	91.23	91.23	91.23	91.23	91.23
Emergency storage	91.23	91.23	91.23	91.23	91.23	91.23	91.23	91.23	91.23	91.23
Supply	493.53	493.53	493.53	493.53	493.53	493.53	493.53	493.53	493.53	493.53
Transmission and distribution	754.73	754.73	754.73	754.73	754.73	754.73	754.73	754.73	754.73	754.73
Treatment	192.06	192.06	192.06	192.06	192.06	192.06	192.06	192.06	192.06	192.06
Total	1,785.00	1,785.00	1,785.00	155.00	1,785.00	1,785.00	1,785.00	1,785.00	1,785.00	1,785.00

Water and Wastewater Fixture Unit Values by Fixture Type

Type of Fixture	Fixture Unit Value
Bar sink	1.0
Bath tub	4.0
Bath/Shower combo	4.0
Bidet	1.0
Clothes washer, domestic	4.0
Dishwasher, domestic	1.5
Hose bibb	2.5
Hose bibb, each additional	1.0
Kitchen sink, domestic	1.5
Laundry sink	1.5
Lavatory	1.0
Shower	2.0
Water Closet, 1.6 GPF Gravity Tank	2.5
Water Closet, 1.6 GPF Flushometer valve	To be determined by Public Works
Fixtures not listed above	To be determined by Public Works

**City of Walla Walla
Water/Wastewater Various Rates and Capital Facility Charges (continued)**

**Wastewater Utility Rates
(For First 800 Cubic Feet or Less)**

Customers connected to the Wastewater Utility ⁽¹⁾	Total Monthly Charge										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	
Residential	\$ 52.10	\$ 52.10	\$ 48.70	\$ 45.90	\$ 43.70	\$ 39.70	\$ 36.42	\$ 35.29	\$ 34.60	\$ 32.90	
Multi-Family Residences (per unit)	31.20	31.20	29.20	27.50	26.20	23.80	21.82	21.14	20.73	19.60	
Commercial	51.00	51.00	47.70	45.00	42.90	39.00	35.75	34.65	33.97	32.30	
Public	61.50	61.50	57.50	54.20	51.60	46.90	43.05	41.72	40.90	39.31	
Industrial	65.30	65.30	61.00	57.50	54.80	49.80	45.70	44.28	43.41	41.33	
City of Walla Walla	15.20	15.20	14.20	13.40	12.80	11.60	10.65	10.32	10.12	10.12	
Metered Water Utility customers to whom wastewater service is available (but not connected)											
Residential	N/A	N/A	\$ 35.20	\$ 33.20	\$ 31.60	\$ 28.70	\$ 26.34	\$ 25.52	\$ 25.02	\$ 23.62	
Multi-Family Residences (per unit)	N/A	N/A	21.30	20.10	19.10	17.40	16.00	15.50	15.20	14.36	
Commercial	N/A	N/A	33.70	31.80	30.30	27.50	25.25	24.47	23.99	23.29	
Public	N/A	N/A	41.20	38.90	37.00	33.60	30.84	29.88	29.29	27.88	
Industrial	N/A	N/A	43.70	150.00	39.20	35.60	32.67	31.66	31.04	29.27	
City of Walla Walla	N/A	N/A	14.20	13.40	12.80	11.60	10.65	10.32	10.12	10.12	

⁽¹⁾A consumption fee is charged to commercial and industrial customers for each 100 cu ft of water used over the 800 cu ft minimum
N/A - Penalties were discontinued per Ordinance 2013-29

Wastewater Capital Facilities Charges

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Per total number of fixture unit values	\$ 109.00	\$ 109.00	\$ 109.00	\$ 109.00	\$ 109.00	\$ 109.00	\$ 109.00	\$ 109.00	\$ 109.00	\$ 109.00
Strength component charge-BOD	16.87	16.87	16.87	157.00	16.87	16.87	16.87	16.87	16.87	16.87
Strength component charge-total suspended solids	16.87	16.87	16.87	16.87	16.87	16.87	16.87	16.87	16.87	16.87
Strength component charge-pH	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Side sewer charge	1,104.00	1,104.00	1,032.00	974.00	928.00	844.00	774.00	750.00	772.50	750.00

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

	2015		2014		2013		2012		2011		2010		2009		2008		2007		2006	
<u>Water</u>	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Residential	9,373	88.9%	9,299	88.9%	9,258	89.0%	9,174	89.0%	9,127	89.0%	9,091	89.0%	9,047	89.0%	9,053	88.0%	8,928	89.0%	8,793	88.8%
Multifamily	146	1.4%	146	1.4%	144	1.4%	145	1.4%	145	1.4%	146	1.4%	149	1.5%	157	1.5%	148	1.5%	149	1.5%
Commercial	910	8.6%	898	8.6%	885	8.5%	878	8.5%	871	8.5%	866	8.5%	865	8.5%	985	9.6%	863	8.6%	865	8.7%
Industrial	14	0.1%	14	0.1%	14	0.1%	14	0.1%	14	0.1%	11	0.1%	11	0.1%	12	0.1%	13	0.1%	12	0.1%
Public	99	0.9%	98	0.9%	99	1.0%	98	1.0%	98	1.0%	96	0.9%	93	0.9%	80	0.8%	83	0.8%	84	0.8%
Total	10,542	100%	10,455	100%	10,400	100%	10,309	100%	10,255	100%	10,210	100%	10,165	100%	10,287	100%	10,035	100%	9,903	100%

	2015		2014		2013		2012		2011		2010		2009		2008		2007		2006	
<u>Wastewater</u>	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Residential	8,365	90.6%	8,271	89.5%	8,202	89.4%	8,469	90.4%	656	36.2%	8,381	89.4%	8,344	89.3%	8,050	89.3%	7,882	89.5%	7,783	89.5%
Multifamily	143	1.5%	140	1.5%	141	1.5%	145	1.5%	145	8.0%	145	1.5%	149	1.6%	147	1.6%	145	1.6%	143	1.6%
Commercial	655	7.1%	749	8.1%	745	8.1%	688	7.3%	773	42.7%	766	8.2%	767	8.2%	734	8.2%	712	8.1%	700	8.0%
Industrial	6	0.1%	7	0.1%	7	0.1%	7	0.1%	155	8.6%	6	0.1%	6	0.1%	5	0.1%	4	0.0%	4	0.0%
Public	64	0.7%	78	0.8%	77	0.8%	64	0.7%	83	4.6%	78	0.8%	74	0.8%	70	0.8%	64	0.7%	70	0.8%
Total	9,233	100%	9,245	100%	9,172	100%	9,373	100%	1,812	100%	9,376	100%	9,340	100%	9,006	100%	8,807	100%	8,700	100%

	2015		2014		2013		2012		2011		2010		2009		2008		2007		2006	
<u>Water/Wastewater</u>	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Residential	9,373	88.9%	9,299	88.9%	9,258	89.0%	9,174	89.0%	9,127	89.0%	9,091	89.0%	9,047	89.0%	9,053	88.0%	8,928	89.0%	8,793	88.8%
Total Comm'l/Multifamily	1,056	10.0%	1,044	10.0%	1,029	9.9%	1,023	9.9%	1,016	9.9%	1,012	9.9%	1,014	10.0%	1,142	11.1%	1,011	10.1%	1,014	10.2%
Industrial	14	0.1%	14	0.1%	14	0.1%	14	0.1%	14	0.1%	11	0.1%	11	0.1%	12	0.1%	13	0.1%	12	0.1%
Public	99	0.9%	98	0.9%	99	1.0%	98	1.0%	98	1.0%	96	0.9%	93	0.9%	80	0.8%	83	0.8%	84	0.8%
Total	10,542	100%	10,455	100%	10,400	100%	10,309	100%	10,255	100%	10,210	100%	10,165	100%	10,287	100%	10,035	100%	9,903	100%

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General governmental activities:										
General obligation bonds ⁽²⁾	\$18,709,753	\$13,336,613	\$14,251,920	\$15,098,397	\$15,952,984	\$16,813,648	\$16,897,376	\$5,874,532	\$6,433,853	\$6,967,303
Special assessment bonds	241,311	288,689	477,749	515,163	551,000	-	-	-	-	-
Business-type activities										
Water bonds	-	7,709,800	10,529,442	13,228,200	16,097,400	18,740,400	16,750,000	18,555,000	20,280,000	21,920,000
Wastewater bonds	-	1,600,200	2,578,561	3,496,800	4,672,600	5,749,600	1,900,000	2,255,000	2,885,000	3,540,000
Water/Wastewater bonds	-	9,310,000	13,108,003	16,725,000	20,770,000	24,490,000	18,650,000	20,810,000	23,165,000	25,460,000
Water loans	162,632	216,842	271,052	325,263	379,473	433,683	487,894	542,104	596,315	650,526
Wastewater loans	12,320,581	14,204,009	16,053,854	17,871,450	19,658,082	21,414,981	23,143,331	24,518,019	24,145,349	20,551,798
Water/Wastewater loans	12,483,213	14,420,851	16,324,906	18,196,713	20,037,555	21,848,664	23,631,225	25,060,123	24,741,664	21,202,324
Landfill Bonds ⁽²⁾	3,343,014	3,687,590	4,030,141	4,352,692	4,670,243	4,976,400	2,362,558	2,548,714	2,728,476	2,903,238
Golf course bonds	206,605	224,168	242,022	259,876	277,730	293,600	309,470	325,341	339,228	353,114
Total primary government	\$34,983,896	\$41,267,911	\$48,434,741	\$55,147,841	\$62,259,512	\$68,422,312	\$61,850,629	\$54,618,710	\$57,408,221	\$56,885,979
							150			
Percentage of personal income ⁽¹⁾	1.52%	1.82%	2.10%	2.43%	2.81%	3.28%	3.03%	2.63%	3.11%	3.41%
Per capita	\$ 1,048	\$ 1,292	\$ 1,517	\$ 1,737	\$ 1,966	\$ 2,156	\$ 1,957	\$ 1,742	\$ 1,858	\$ 1,855

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.

⁽²⁾ Used 2013 personal income, latest available data, to calculate "percentage of personal income" for 2013 and 2014.

⁽³⁾ The bonds are presented net of original issuance discounts and premiums.

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General obligation bonds ⁽¹⁾	\$22,259,372	\$26,558,371	\$18,524,083	\$24,925,965	\$27,655,957	\$30,188,648	\$19,569,404	\$8,748,587	\$9,501,557	\$10,223,655
Less: Amounts available in debt service fund	356,481	774,070	226,982	176,494	115,906	71,227	52,032	378,254	30,067	13,395
Net total	\$21,902,891	\$25,784,301	\$18,297,101	\$24,749,471	\$27,540,051	\$30,117,421	\$19,517,372	\$8,370,333	\$9,471,490	\$10,210,260
Percentage of estimated actual taxable value of property	1.04%	1.28%	0.91%	1.24%	1.38%	1.55%	0.95%	0.47%	0.62%	0.81%
Per capita	\$ 656	\$ 799	\$ 573	\$ 780	\$ 870	\$ 949	\$ 617	\$ 267	\$ 307	\$ 333

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.

⁽¹⁾ The bonds are presented net of original issuance discounts and premiums.

City of Walla Walla
Direct and Overlapping Governmental Activities Debt
As of December 31, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
City of Walla Walla direct debt			\$ 18,951,064
Port District	3,896,981	40.6%	1,582,174
School district	<u>10,755,000</u>	72.4%	<u>7,786,620</u>
Subtotal overlapping debt	<u>\$ 14,651,981</u>		<u>\$ 9,368,794</u>
Total direct and overlapping debt			<u>\$ 28,319,858</u>

Sources: Debt outstanding data provided by the Port of Walla Walla, Walla Walla County, and 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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt limit	\$163,692,810	\$157,343,463	\$150,568,785	\$150,429,291	\$149,920,743	\$149,228,859	\$145,609,896	\$153,402,999	\$134,592,549	\$114,244,962
Total net debt applicable to limit	12,393,400	17,702,343	20,067,763	20,022,302	22,336,140	16,059,413	15,755,381	5,372,488	3,158,745	4,099,602
Legal debt margin	\$151,299,410	\$139,641,120	\$130,501,022	\$130,406,989	\$127,584,603	\$133,169,446	\$129,854,515	\$148,030,511	\$131,433,804	\$110,145,360
Total net debt applicable to the limit as a percentage of debt margin	8.2%	12.7%	15.4%	15.4%	17.5%	12.1%	12.1%	3.6%	2.4%	3.7%

Legal debt margin calculation for fiscal year 2014:

Total assessed value January 2015

2.5% general purposes limit is allocated between:

Up to 1.5% debt without a vote (Councilmanic)
 Less: outstanding debt
 Less: contracts payable
 Less: excess of debt with a vote
 Add: available assets

Equals: remaining debt capacity without a vote

1% general purpose debt with a vote
 Less: outstanding debt
 Less: contracts payable
 Add: available assets

Equals remaining debt capacity with a vote

2.5% utility purpose limit, voted
 Less: outstanding debt
 Less: contracts payable
 Add: available assets

Equals remaining debt capacity- utility purpose, voted

2.5% utility purpose limit, open space park and capital facilities, voted
 Less: outstanding debt
 Less: contracts payable
 Add: available assets

Equals remaining debt capacity- park & facilities, voted

Total legal debt margin

\$2,182,570,791	
54,564,270	
32,738,562	
(5,064,372)	
-	
-	
9,865,972	
	<u>37,540,163</u>
21,825,708	
(17,195,000)	
-	
-	
	<u>4,630,708</u>
54,564,270	
-	
-	
-	
	<u>54,564,270</u>
54,564,270	
-	
-	
-	
	<u>54,564,270</u>
	<u>\$151,299,411</u>

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Water Bonds										
Charges for services and other	\$ 12,111,309	\$ 10,482,958	\$ 9,686,663	\$ 10,455,260	\$ 9,643,398	\$ 8,559,110	\$ 8,389,570	\$ 9,430,139	\$ 8,905,188	\$ 8,311,958
Less: Operating expenses	5,213,538	5,025,793	4,692,976	4,706,216	3,742,568	4,942,764	3,815,868	3,787,470	3,470,349	3,600,320
Net available revenue	\$ 6,897,771	\$ 5,457,165	\$ 4,993,687	\$ 5,749,044	\$ 5,900,830	\$ 3,616,346	\$ 4,573,702	\$ 5,642,669	\$ 5,434,839	\$ 4,711,638
Debt service:										
Principal	\$ 7,709,800	\$ 2,740,411	\$ 2,886,411	\$ 2,923,411	\$ 2,697,211	\$ 1,954,211	\$ 1,859,211	\$ 1,779,211	\$ 1,694,211	\$ 1,574,211
Interest	159,740	424,477	539,022	613,817	722,672	728,109	747,919	818,980	873,630	914,881
Payment	\$ 7,869,540	\$ 3,164,888	\$ 3,425,433	\$ 3,537,228	\$ 3,419,883	\$ 2,682,320	\$ 2,607,130	\$ 2,598,191	\$ 2,567,841	\$ 2,489,092
Coverage	0.88	1.72	1.46	1.63	1.73	1.35	1.75	2.17	2.12	1.89
Wastewater Bonds										
Charges for services and other	\$ 10,869,728	\$ 10,376,896	\$ 9,951,613	\$ 9,173,152	\$ 9,036,922	\$ 7,746,752	\$ 7,502,314	\$ 7,483,845	\$ 7,670,772	\$ 6,858,356
Less: Operating expenses	4,639,903	4,410,146	3,909,166	3,899,771	3,733,713	3,975,952	3,683,383	3,245,210	3,254,778	3,057,561
Net available revenue	\$ 6,229,825	\$ 5,966,750	\$ 6,042,447	\$ 5,273,381	\$ 5,303,209	\$ 3,770,800	\$ 3,818,931	\$ 4,238,635	\$ 4,415,994	\$ 3,800,795
Debt service:										
Principal	\$ 1,600,200	\$ 2,683,644	\$ 2,880,397	\$ 2,962,432	\$ 2,833,899	\$ 2,093,348	\$ 2,038,762	\$ 1,946,124	\$ 1,900,620	\$ 1,846,289
Interest	63,461	436,707	528,919	595,008	669,701	636,608	598,800	624,081	642,119	679,261
Payment	\$ 1,663,661	\$ 3,120,351	\$ 3,409,316	\$ 3,557,440	\$ 3,503,600	\$ 2,729,956	\$ 2,637,562	\$ 2,570,205	\$ 2,542,739	\$ 2,525,550
Coverage	3.74	1.91	1.77	1.48	1.51	1.38	1.45	1.65	1.74	1.50
Water/Wastewater Bonds										
Charges for services and other	\$ 22,981,037	\$ 20,859,854	\$ 19,638,276	\$ 19,628,412	\$ 18,680,320	\$ 16,305,862	\$ 15,891,884	\$ 16,913,984	\$ 16,575,960	\$ 15,170,314
Less: Operating expenses	9,853,441	9,435,939	8,602,142	8,605,987	7,476,281	8,918,716	7,499,251	7,032,680	6,725,127	6,657,881
Net available revenue	\$ 13,127,596	\$ 11,423,915	\$ 11,036,134	\$ 11,022,425	\$ 11,204,039	\$ 7,387,146	\$ 8,392,633	\$ 9,881,304	\$ 9,850,833	\$ 8,512,433
Debt service:										
Principal	\$ 9,310,000	\$ 5,424,055	\$ 5,766,808	\$ 5,885,843	\$ 5,531,110	\$ 4,047,559	\$ 3,897,973	\$ 3,725,335	\$ 3,594,831	\$ 3,420,500
Interest	223,201	861,184	1,067,941	1,208,825	1,392,373	1,364,717	1,346,719	1,443,061	1,515,749	1,594,142
Payment	\$ 9,533,201	\$ 6,285,239	\$ 6,834,749	\$ 7,094,668	\$ 6,923,483	\$ 5,412,276	\$ 5,244,692	\$ 5,168,396	\$ 5,110,580	\$ 5,014,642
Coverage	1.38	1.82	1.61	1.55	1.62	1.36	1.60	1.91	1.93	1.70
Special Assessment Bonds										
Special assessment collections	\$ 63,870	\$ 65,549	\$ 106,096	\$ 156,266	\$ 204,961	\$ 15,850	\$ 17,149	\$ 55,098	\$ 82,782	\$ 217,947
Debt service:										
Principal	47,379	189,060	37,414	35,837	-	-	-	-	-	135,000
Interest	19,302	21,021	22,530	24,113	2,020	-	-	-	-	8,345
Payment	\$ 66,681	\$ 210,081	\$ 59,944	\$ 59,950	\$ 2,020	\$ -	\$ -	\$ -	\$ -	\$ 143,345
Coverage	0.96	0.31	1.77	2.61	1.00	-	-	-	-	1.52

Note: 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. Bond covenants require a 1.25 coverage ratio.

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Source</u>										
1 Population - City	33,390	32,260	31,930	31,740	31,670	31,731	31,610	31,350	30,900	30,660
1 Population - County	60,650	60,150	59,500	59,100	58,800	58,781	59,200	58,600	57,900	57,900
City as percent of County	55%	54%	54%	54%	54%	54%	53%	53%	53%	53%
2 County personal income (in 1,000s)*	N/A	\$ 2,372,702	\$ 2,301,633	\$ 2,269,926	\$ 2,215,788	\$ 2,085,840	\$ 2,038,643	\$ 2,075,518	\$ 1,846,768	\$ 1,667,306
2 County per capita personal income*	N/A	\$ 39,648	\$ 38,663	\$ 38,214	\$ 37,231	\$ 35,405	\$ 35,087	\$ 36,212	\$ 32,491	\$ 29,403
3 County median family income projection**	\$ 53,371	\$ 50,835	\$ 47,238	\$ 46,147	\$ 44,606	\$ 44,117	\$ 44,267	\$ 44,940	\$ 43,995	\$ 40,600
3 County median age	37.58	37.33	37.33	38	37.01	36.63	36.27	36.11	35.99	35.87
4 Percent with high school degree or higher	N/A	N/A	N/A	N/A	N/A	85.7%	N/A	N/A	N/A	N/A
5 School enrollment	6,074	6,214	6,119	6,211	6,308	6,159	6,052	6,004	6,016	6,068
6 County unemployment rate	7.1%	6.7%	6.9%	7.2%	7.3%	7.4%	6.8%	4.8%	4.8%	5.4%

Sources:

- 1 Port of Walla Walla
- 2 Bureau of Economic Analysis
- 3 Washington Office of Financial Management
- 4 U.S. Census Bureau - State and County QuickFacts
- 5 School District/Office of the Superintendent of Public Instruction
- 6 Employment Security Department Washington State

N/A - Information is not available at this time.

* In 2015, the Bureau of Economic Analysis revised County personal income figures for 2014

** The Revenue Forecast Council's November 2015 forecast of the state personal income is used in the projection of 2015 median household income.

City of Walla Walla
Top Ten Principal Employers
Total Headcount
 Previous Year and Nine Years Prior

	2015			2006		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total Employment</u>
<u>Employer within the City</u>						
Washington State Penitentiary	1,089	1	7.0%	879	2	6.3%
Providence St. Mary Medical Center	961	2	6.2%	861	3	6.1%
Walla Walla School District #140	814	3	5.2%	763	4	5.4%
Walla Walla Community College	614	4	4.0%	1,179	1	8.4%
Whitman College	570	5	3.7%	479	5	3.4%
U.S. Dept. of Veterans Affairs	436	6	2.8%	362	6	2.6%
Key Technology, Inc.	434	7	2.8%			
Walla Walla General Hospital	410	8	2.6%	320	8	2.3%
U.S. Army Corps of Engineers	356	9	2.3%	360	7	2.6%
Walla Walla County	342	10	2.2%	292	10	2.1%
City of Walla Walla				303	9	2.2%

Source: Port of Walla Walla

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

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>Governmental activities:</u>										
General government	33	34	34	34	35	35	37	38	35	34
Public safety										
Police										
Officers	43	42	41	41	42	42	44	44	42	38
Civilians	13	8	9	9	11	11	11	11	11	16
Fire										
Officers	30	29	29	29	29	30	32	32	32	32
Civilians	0	0	0	0	1	1	2	1	1	2
Emergency dispatch	17	17	17	17	18	17	17	17	17	17
Utilities and environment	22	23	20	22	19	18	29	23	22	22
Transportation	11	12	11	12	14	13	12	12	12	14
Economic environment ⁽¹⁾	6	-	-	-	-	10	12	14	12	12
Culture and recreation	20	19	18	19	20	24	31	32	34	34
Total governmental activities	195	184	179	183	189	201	227	224	218	221
<u>Business-type activities:</u>										
Ambulance	19	18	18	19	20	18	17	22	22	19
Golf course	0	0	0	0	0	0	0	0	0	0
Landfill	12	11	10	9	10	10	10	8	8	8
Sanitation	10	11	10	10	13	13	15	16	16	16
Stormwater	4	4	4	5	5	6	5	5	5	5
Wastewater	2	4	4	4	4	4	4	4	4	4
Water	14	19	18	16	17	16	18	16	16	17
Total business-type activities	61	67	64	63	69	67	69	71	71	68
Total primary government	256	251	243	246	258	268	296	295	289	289

Source: City of Walla Walla Human Resources department

⁽¹⁾ 2015 data reflect the reopened Development Services Department; data from 2011 through 2014 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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
City Attorney										
Requests for legal service	286	266	243	163	174	164	181	167	167	195
Total Walla Walla District Court hearings	4,958	4,760	3,847	4,183	4,476	4,489	5,097	3,673	5,186	4,434
Development Services**										
Permits processed for building and development	2,208	1,466	882	867	895	911	1,139	1,386	1,069	1,349
Construction value of permits completed	\$47,283,870	\$18,434,410	\$33,589,796	\$21,444,092	\$41,121,658	\$11,188,593	\$31,086,945	\$51,174,853	\$10,646,457	\$48,627,163
Library										
Questions answered	42,728	47,145	44,989	50,231	45,201	48,825	48,400	57,554	57,550	51,543
Items checked out	302,829	321,512	318,803	351,943	322,811	306,763	305,827	284,061	266,017	246,255
Children's storytime and program attendance	14,716	14,663	14,846	15,591	13,912	9,503	11,613	13,435	11,423	9,637
Adult program attendance	1,420	2,275	1,758	951	250	263	719	668	1,016	1,052
Parks and Recreation Department										
Meals served during the summer	25,044	24,911	26,563	28,718	29,227	19,494	21,447	20,296	18,761	19,900
Special event permits issued	46	40	29	41	29	37	44	43	48	41
Visits to City pools	2,979	3,775	4,620	5,897	5,058	4,762	4,505	3,240	4,119	2,283
Attendance for City recreation programs	96,862	99,622	94,988	106,500	105,000	100,000	100,000	98,000	95,000	89,500
Burial services at Mountain View Cemetery	197	179	172	163	174	181	205	204	222	236
Picnic area reservations	226	224	199	188	169	185	161	156	186	207
Fire Department										
Fire responses	115	116	129	88	92	100	138	136	139	85
Hazardous incident responses	91	87	109	73	74	64	82	177	120	129
Ambulance responses	5,670	5,624	5,268	5,289	5,040	5,182	5,208	5,428	5,169	5,183
Ambulance transported patients	3,493	3,516	3,464	3,285	3,325	3,485	3,509	3,575	3,435	3,480
Property fire loss	\$1,399,125	\$928,811	\$769,530	\$267,370	\$732,800	\$486,625	\$459,350	\$1,302,275	\$1,076,950	\$385,445
Safety Always Matters (SAM) program # students	3,785	3,894	3,711	3,929	3,660	3,720	3,811	3,747	3,878	3,579
Police Department										
Code compliance complaints resolved***	980	260	600	497	285	765	728	938	974	835
Requests for service	20,911	18,820	20,355	19,701	18,537	19,879	19,320	20,232	20,480	20,445
Death investigations and attempted suicides	63	78	74	72	64	118	71	86	83	56
Other calls	10,676	9,891	10,478	10,219	9,273	10,552	9,990	10,388	10,529	10,387
Accidents	903	889	857	901	885	1,013	1,126	1,065	1,097	943
Animal calls	2,109	1,913	1,950	2,114	1,968	2,271	2,233	2,506	2,435	2,141
Volunteer hours	1,142	1,155	2,005	978	1,165	883	933	727	1,346	1,095
Walla Walla Emergency Services Communications										
Total calls	94,622	100,537	101,340	110,965	100,399	92,978	108,775	94,793	91,750	91,086
9-1-1 calls	24,664	25,750	24,320	24,286	23,126	20,420	44,644	46,608	46,854	44,782

City of Walla Walla
Operating Indicators by Function (continued)
 Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Water										
Linear feet of line replaced	6,026	10,166	8,707	5,765	7,476	6,741	4,352	4,860	2,703	2,075
Linear feet of lines added to system	4,077	-	3,124	260	5,301	4,345	2,721	12,718	14,117	16,968
Million gallons of water to customers	3,439	3,474	3,458	3,441	3,367	3,447	3,649	3,744	3,879	3,760
Meters installed	367	302	268	344	421	501	371	533	1,087	731
Leaks repaired to mains and services	143	152	176	123	162	232	182	116	68	80
Wastewater										
Linear feet of line replaced	11,376	8,068	6,239	4,004	6,149	7,121	1,860	1,778	2,142	530
Linear feet of lines added to system	4,493	35	2,172	1,102	1,958	1,820	2,793	9,923	18,591	12,994
Feet of sanitary sewer lines cleaned	470,017	847,165	475,331	618,294	552,358	729,624	369,595	709,526	680,312	663,354
Stormwater										
Feet of storm lines cleaned	27,978	39,554	20,762	18,401	20,599	28,332	17,490	48,069	35,410	57,708
Streets										
Linear feet of new streets added to subdivisions	4420	-	1641	252	336	523	642	10,853	12,195	9,615
Utility street cuts patched	326	249	337	383	350	239	118	185	137	123
Sanitation										
Pounds of curbside recycling collected	3,011,862	2,996,500	2,991,727	3,173,565	3,123,560	3,015,180	1,617,360	1,441,840	1,523,120	1,732,991
Million pounds of waste collected	43	42	41	41	41	42	42	42	47	48
Landfill										
Tons of solid waste collected	55,976	53,051	50,099	53,304	48,671	47,219	58,692	67,000	89,919	60,935
Pounds of hazardous waste collected	86,984	84,294	106,915	98,278	101,391	113,644	110,254	104,869	140,152	131,967
Landfill courtesy passes used	841	806	925	1,443	1,503	1,452	1,502	1,545	1,738	2,781
Pounds of metal recycled at the Landfill	47,980	54,780	42,220	83,340	98,660	108,000	194,120	144,360	271,280	261,220
Tons of leaves collected and recycled	1,871	1,359	1,324	1,452	1,098	1,514	2,400	2,203	1,541	1,293*
Equipment Repair										
Fleet service repairs performed	3,755	3,448	4,529	3,745	3,644	3,843	3,804	3,970	4,074	7,392
Number of equipment repair parts used	10,565	10,444	11,659	10,729	9,495	11,383	14,799	15,711	15,973	14,864

* Indicated as cubic yards
 ** 2015 data reflects the reopened Development Services Department; data from 2011 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

Sources:
 City of Walla Walla Public Works, Development Services, Police, Library, Fire, Parks and Recreation, and Support Services Departments.

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
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	15	15	14	12	12	14	14	14	13	13
Vans/SWAT vehicles	6	5	3	3	3	3	3	3	2	2
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	2	3	3	4	4	4	4	4	4	4
Other vehicles	8	8	8	9	9	9	12	11	10	9
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	1,671,438	1,633,426	1,560,502	1,554,303	1,553,351	1,552,827	1,542,350	1,539,372	1,530,281	1,477,033
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	6	6	6	6	6	6	5	5	5	5
Other vehicle	1	1	1	1	1	1	1	1	1	0
Defibrillators	9	9	15	9	9	9	9	9	8	8
IV pumps	6	6	6	6	6	6	6	6	6	N/A
Sanitation										
Refuse collection vehicles	15	13	13	12	12	12	15	13	13	12
Leaf loaders	1	1	1	2	2	2	2	2	2	2
Other vehicles	2	2	2	3	3	3	2	2	2	3
Water/Wastewater										
Miles of water mains	182	181	182	182	191	190	188	185	183	180
Miles of wastewater mains	144	143	144	144	147	147	143	139	137	133
Landfill⁽¹⁾										
Active landfills (available acres)	829	924	923	923	923	924	970	970	970	970
Closed landfills (acres)	117	117	117	117	117	117	97	97	97	97
Composting facility	1	1	1	1	1	1	1	1	1	0
Other Business-type Assets										
Golf course	1	1	1	1	1	1	1	1	1	1

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

N/A - Information is not available.

⁽¹⁾Refer to Note 20 "Closure and Postclosure", in the Notes to the Financial Statements for more details.