

2019  
*City of Walla Walla*  
Comprehensive Annual Financial Report



# **CITY OF WALLA WALLA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended  
December 31, 2019**

**Prepared by:  
Finance Department  
15 N 3<sup>rd</sup> Ave  
Walla Walla, WA 99362  
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# CITY OF WALLA WALLA

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

“If you can dream it, you can do it.”

- Walt Disney



CITY HALL – 15 N 3<sup>rd</sup> Ave  
Walla Walla WA 99362-0216  
(509) 527-4423

July 27, 2020

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, 2019. This report is published as the official annual financial report and complies with State law (RCW 43.09.230) requiring annual reports for Washington municipal governments to be certified and filed with the Washington State Auditor's Office.

The 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, 2019.

This report consists of management's representations concerning the finances of the City of Walla Walla. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the City of Walla Walla has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile 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, 2019 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 unmodified opinion that the City of Walla Walla's financial statements for the fiscal year ended December 31, 2019, 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 13.75 square miles and is the largest city and the county seat of Walla Walla County. The City's 2019 population is 34,240.

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. In 2019, the process for electing Council changed to a ward system. The east and west ward representatives were elected in 2019 with the central and south wards elections in 2021. Three council members will remain elected at-large. The elections will continue to be staggered four-year terms. 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.

The City Council's adopted mission statement, core values and vision statement are 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.

The City's adopted strategic plan consists of five strategic initiatives aimed at infrastructure improvements; organizational and city resiliency; strategic communications plan; leadership and organizational development; and economic development. The 2019-2020 Biennium Budget was developed, adopted, and modified with the guidance of those strategies.

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

The 2019-2020 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 fund. 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 required supplementary information.

### **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 70,000 people in southeastern Washington and northeastern Oregon.

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

The County's most important commercial crop is wheat, ranking among the top in the state in the crop's production. Other significant local crops include asparagus, peas, alfalfa hay, wine grapes, and Walla Walla sweet onions. Over the last few years, the total value of fruits in the County has increased due to the expansion of vineyards. WW is a highly desirable destination for lovers of wine, food, art, history and outdoor recreation with an ever-increasing reputation nationally and globally. More than 120 wineries and nearly 3,000 acres of planted vineyards are located in the Walla Walla Valley. Wineries employ over 2,000 employees in wine production and wine tourism. Steady growth in the tourism traffic has led to the construction of new hotels and other amenities, with total visitor spending topping \$119MM by over one-million visitors in 2017.

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 1,400 workers. First Fruits is among the larger orchards in the County with up to 2,400 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 350 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 and Providence St. Mary's Medical Center. Walla Walla General Hospital was acquired by Providence St. Mary's Medical Center. Complete diagnostic and treatment services, as well as emergency and trauma care, are provided at these facilities. At the VA Campus new clinic facilities were constructed in 2017; a residential rehabilitation

center; and a specialty care services facility. The Walla Walla Veterans Home added approximately 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. The Lodge Apartment project will bring 120 apartment units, 20% affordable, and 17 extended stay to the downtown. Construction is underway with anticipated completion Fall 2020.

Walla Walla Town Center Mall, a regional retail center opened in 2018 to serve southeast Washington, northeast Oregon and southwest Idaho. National retailers such as Ross, Marshalls, Sportsman's Warehouse, Ulta Beauty, and Petco all opened to great success. A new bulk grocery store, Smart Food Services, is arriving in Walla Walla with construction of a 20,000 square foot store. Anticipated opening is late 2020.

Tourism: Largely spawned by the growing wine industry and enhanced by the interest in heritage and recreation, tourism has become a significant industry for Walla Walla. Lodging and other related tourism businesses have grown significantly in the last several years adding further diversity to the local economy. The former downtown Red Lion underwent an extensive renovation and being rebranded as a boutique hotel, The Finch, that opened October 2019. In addition, several boutique hotels are proposed for the downtown area.

### **Long-term financial planning**

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

In the enterprise funds, planning looks five, ten, or twenty years ahead to anticipate growth trends; infrastructure renewal and expansion; and unfunded mandates. Additionally, the Water and Wastewater enterprise continues its program of major infrastructure repair and replacement (IRRP). The IRRP has become a major component of the infrastructure improvement plan for water, wastewater and stormwater. The full-scale refurbishing of the water treatment plant including the addition of long-term treatment of its surface water source that began in 2015, was completed Spring 2020. In 2018, the

Wastewater Division began an upgrade to the wastewater treatment plant.

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 continues to do well, accepting green waste and producing and selling its compost products. The landfill scale project, which created two-way public traffic into and out of the landfill, was completed Spring 2020 to much appreciation of the community.

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

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. The Isaacs Avenue project, is a multi-year project replacing water, sewer, and stormwater as well as creating a three lane corridor that improves safety, pedestrian and bicycle modes of transportation. Two-thirds of the projects costs, or \$6M, is through grant funding 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.

#### **Cash management policies and practices**

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

Investments: The State Treasurer's Office administers the Washington State Local Government Investment Pool (LGIP), which invests money on behalf of more than 350 cities, counties, and special taxing districts. In managing the LGIP, the State Treasurer is required to adhere to principles appropriate for the prudent investment of public funds, including, in priority order (i) the safety of principal; (ii) the assurance of sufficient liquidity to meet cash flow demands; and (iii) the attainment of the highest possible yield within the constraints of the first two goals. Historically, the LGIP has had sufficient liquidity to meet all cash flow demands.

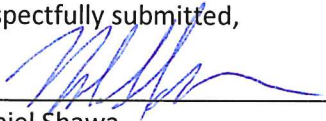
The LGIP, authorized by chapter 43.250 RCW, is a voluntary pool which provides its participants the opportunity to benefit from the economies of scale inherent in pooling. It is also intended to offer participants increased safety of principal and the ability to achieve a higher investment yield than 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

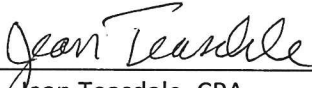
include U.S. government and agency securities, bankers' acceptances, high quality commercial paper, repurchase and reverse repurchase agreements, motor vehicle fund warrants, and certificates of deposit issued by qualified State depositories.

**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,

  
\_\_\_\_\_  
Nabiel 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, 2018**

*Christopher P. Morrill*

Executive Director/CEO

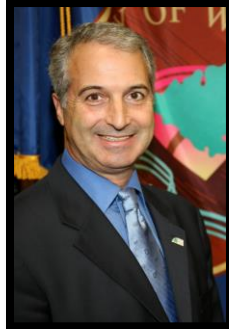
# Walla Walla City Council



	<u>Length of Service</u>	<u>Term Expires</u>
<b>Front Row (l-r):</b>		
<b>Yazmin Bahena</b> <i>Council Member</i>	2 years	12/31/21
<b>Barbara Clark</b> <i>Mayor</i>	22 years	12/31/19
<b>Jerry Cummins</b> <i>Council Member</i>	28 years	12/31/19
<b>Back Row (l-r):</b>		
<b>Myron Huie</b> <i>Council Member</i>	2 years	12/31/21
<b>Steve Moss</b> <i>Council Member</i>	4 years	12/31/23
<b>Riley Clubb</b> <i>Council Member</i>	2 years	12/31/21
<b>Tom Scribner</b> <i>Mayor Pro-Tem</i>	4 years	12/31/23

# Walla Walla Senior Management

## Appointed Officials

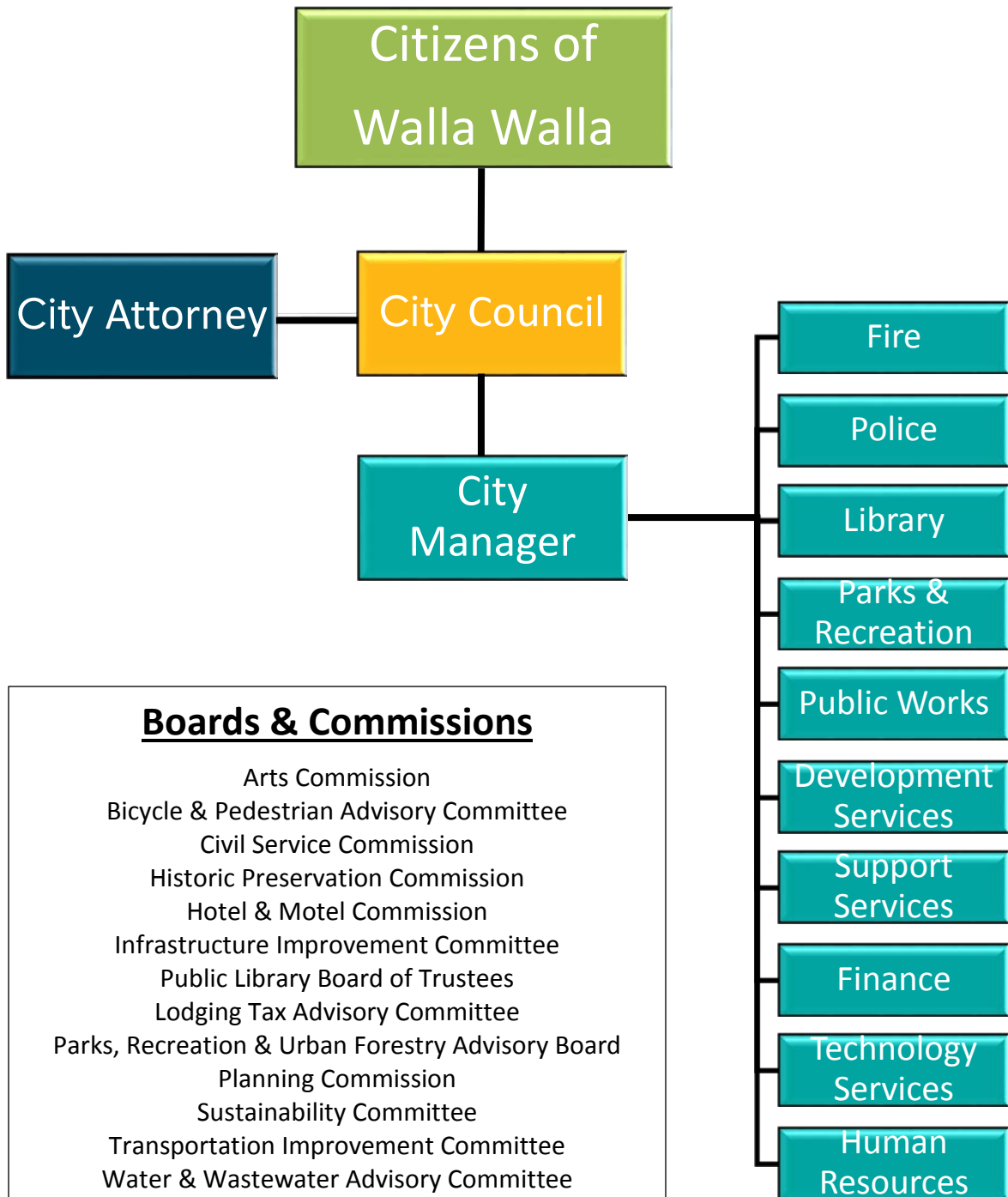


**CITY MANAGER**  
*Nabil Shawa*  
 Appointed October 2009

	<u>Length in Position</u>	<u>Length of Employment</u>
<b>CITY ATTORNEY</b> <i>Tim Donaldson</i>	23 years	23 years
<b>CITY CLERK</b> <i>Kammy Hill</i>	25 years	25 years
<b>DEPUTY CITY MANAGER</b> <i>Byron Olson</i>	2 years	2 years
<b>DEVELOPMENT SERVICES DIRECTOR</b> <i>Elizabeth Chamberlain</i>	5 years	5 years
<b>FINANCE DIRECTOR</b> <i>Jean Teasdale</i>	10 years	10 years
<b>FIRE CHIEF</b> <i>Bob Yancey</i>	7 years	33 years
<b>HUMAN RESOURCES DIRECTOR</b> <i>Pam Taylor</i>	5 years	5 years
<b>LIBRARY DIRECTOR</b> <i>Erin Wells</i>	4 months	4 months
<b>PARKS &amp; RECREATION DIRECTOR</b> <i>Andy Coleman</i>	2 years	20 years
<b>POLICE CHIEF</b> <i>Scott Bieber</i>	7 years	7 years
<b>PUBLIC WORKS DIRECTOR</b> <i>Ki Bealey</i>	9 years	9 years
<b>TECHNOLOGY SERVICES DIRECTOR</b> <i>Christopher Owen</i>	3 years	17 years

# City of Walla Walla

## Organizational Chart







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

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

July 27, 2020

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 remaining fund information of the City of Walla Walla, as of and for the year ended December 31, 2019, 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.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Walla Walla, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Matters of Emphasis**

As discussed in Note 21 to the 2019 financial statements, in February 2020, a state of emergency was declared that could have a negative financial effect on the City. Management's plans in response to this matter are also described in Note 21. Our opinion is not modified with respect to this matter.

## **Other Matters**

### ***Required Supplementary Information***

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

### ***Supplementary and Other Information***

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory and Statistical Sections are presented for purposes of additional analysis and are 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 July 27, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in cursive script that reads "Pat McCarthy".

Pat McCarthy  
State Auditor  
Olympia, WA

“When you reach the end of your rope, tie a knot in it and hang on.”

- Franklin D. Roosevelt



## CITY OF WALLA WALLA

### Management's Discussion and Analysis December 31, 2019

The City of Walla Walla's management is pleased to present this discussion and analysis of the 2019 Comprehensive Annual Financial Report to the reader as an overview and analysis of the City of Walla Walla's financial activities for the year ended December 31, 2019. The purpose is to introduce readers to the City's operations, explain how they are presented in this report, highlight significant financial activities that occurred during the period and provide a look into the future for the City. This discussion and analysis should be considered in conjunction with the letter of transmittal, and other components of this report. **All amounts in this section, unless otherwise indicated, are expressed in thousands of dollars.**

#### **FINANCIAL HIGHLIGHTS**

- As of December 31, 2019, the City of Walla Walla's assets and deferred outflows of resources exceed liabilities and deferred inflows by \$201,761 (net position). Of this amount, \$26,525 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. The restricted net position totals \$6,027 and includes amounts for capital improvements, pollution remediation, and debt service.
- The City's total net position increased by \$11,010 over 2018. Business-type and governmental activities contributed \$5,785 and \$5,225 to the increase, respectively. The overall financial position of the City improved during 2019, which continues a conservative growth trend over the past several years.
- At the close of the current fiscal year, the City of Walla Walla's governmental funds reported combined ending fund balances of \$12,113 a decrease of \$600 from 2018. A large portion of the reduction is attributed to the increase of the General Fund interfund loan balance of \$1,803 over 2018.
- Total unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$3,600 or approximately 10.3% of the total 2019 General Fund expenditures.
- The City of Walla Walla's total outstanding long-term debt increased by \$18,299 during the current fiscal year because the City's regularly scheduled principal reductions on existing long-term outstanding debt was less than its new debt issuance. The City reported three new Public Works Trust Fund loans in 2019, one for Landfill upgrades. The two additional loans paid for the expansion and updating of the City's Water Treatment Plant.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis provided here are intended to serve as an introduction to the City of Walla Walla's basic financial statements. The financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information to provide additional detail in support of 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 financial position in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the City of Walla Walla's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items, which will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The Statement of Net Position and Statement of Activities presents information that distinguishes between the functions of the City of Walla Walla. All of the City's basic services are considered to be governmental activities, including general government, public safety, utilities and environment, transportation, economic environment, culture and recreation, and social services. Property taxes, sales taxes, charges for services, and other similar revenue sources pay for most of these activities. All of the City's functions that recover all or a significant portion of their costs through user fees and charges including water/wastewater, stormwater, Sanitation, Landfill, golf course, ambulance, and vehicle equipment maintenance and replacement services.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or 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 of Walla Walla's funds are divided into two categories: governmental funds and proprietary funds.

*Governmental Funds:* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide 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 23 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 and the Street CIP Fund, the only two major funds in 2019. Data from the remaining 21 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining and individual fund statements elsewhere in this report.

The City of Walla Walla adopts a biennial budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

*Proprietary Funds:* The City of Walla Walla maintains two types of proprietary funds. Enterprise funds are used to 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 an accounting device used to accumulate and allocate costs internally among the City of Walla Walla's various functions.

The City uses internal service funds to account for the management of its health and industrial insurance, equipment maintenance and replacement, emergency communication, and service center functions. Of

those, the health and industrial 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. The proprietary fund financial statements provide separate information for sanitation, water/wastewater, and landfill, which are presented as major funds. Data from the other three enterprise funds, stormwater, golf course, and ambulance, and the internal service funds are combined into two single, aggregated presentations in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds and the internal service funds are provided in the combining and individual fund statements and schedule section of this report.

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

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The information will be found immediately following the notes to the financial statements. This section includes the budgetary comparison for the General Fund, the schedule of changes in net pension liabilities, the schedules of contributions, and the schedules of changes in net OPEB liabilities. The combining statements provide additional detail for other governmental funds, non-major proprietary funds, and internal service funds. The statistical information includes unaudited trends and demographic information about the City of Walla Walla.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

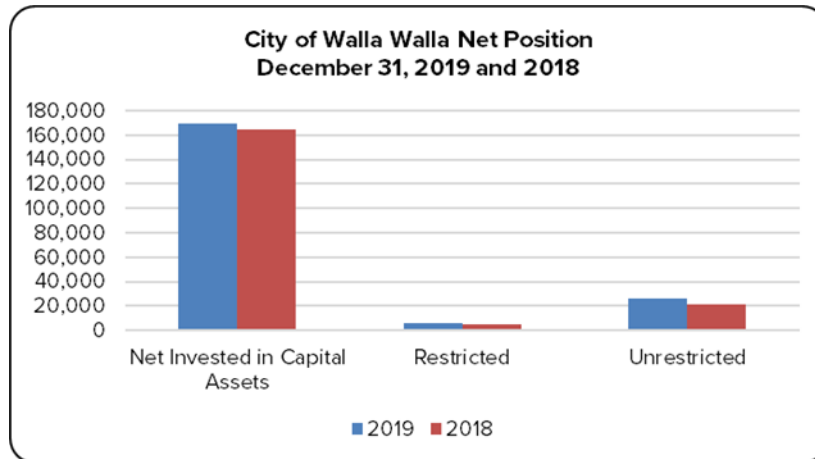
As stated earlier, net position over time may serve as a useful indicator of a government's financial position. The analysis that follows provides information on the amount and activities presented in the summarized Government-Wide statements, compared to the prior year, including significant events and transactions that impact the City's financial activity during 2019. The prior year amounts are restated to take into consideration the impact of combining the Fire Pension Funds into the General Fund.

Below is the comparative, condensed financial information based on the Government-wide Statement of Net Position.

	City of Walla Walla's Net Position					
	Governmental Activities		Business-type Activities		Total	
	Restated				Restated	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$27,362	\$26,130	\$51,079	\$50,634	\$78,441	\$76,305
Capital assets	85,035	83,001	142,471	135,592	227,506	218,592
Total assets	112,397	109,130	193,551	186,226	305,947	294,897
Total deferred outflows of resources	2,573	2,404	598	499	3,172	2,904
Other liabilities	3,926	3,096	4,980	3,361	8,906	6,433
Noncurrent liabilities	40,611	43,140	50,761	52,517	91,372	95,657
Total liabilities	44,537	46,236	55,741	55,878	100,278	102,090
Total deferred inflows of resources	4,225	4,315	1,214	1,080	5,439	5,395
Net position:						
Net investment in capital assets	70,312	67,026	98,896	97,877	169,209	164,904
Restricted	5,406	4,109	621	599	6,027	4,708
Unrestricted	(9,510)	(10,151)	36,035	31,290	26,525	21,139
Total net position	<b>\$66,208</b>	<b>\$60,983</b>	<b>\$135,553</b>	<b>\$129,767</b>	<b>\$201,761</b>	<b>\$190,751</b>

The largest portion of the City of Walla Walla’s net position \$169,209 (83.9%) is the City’s investment in capital assets, including land, building, equipment, and infrastructure net of accumulated depreciation and related debt for acquiring these capital assets. The capital assets are used to provide services to citizens; the assets are not available to fund the City’s day to day activities.

The restricted net position totaled \$6,027 (3.0%) at December 31, 2019. These resources are subject to external restrictions on how they are used. The restricted net position includes primarily taxes and grants collected in the various capital project, special revenue, and debt service funds. The remaining balance of \$26,525 (13.1%) is unrestricted and will be used to meet the government’s ongoing obligations to its citizens and creditors. At the end of 2019, the City of Walla Walla reported positive balances in all three categories of net position for the government. The same situation holds for the prior fiscal year.



The City of Walla Walla’s overall net position increased by \$11,010 (5.8%) from 2018. The following sections will explain the details about the increase.

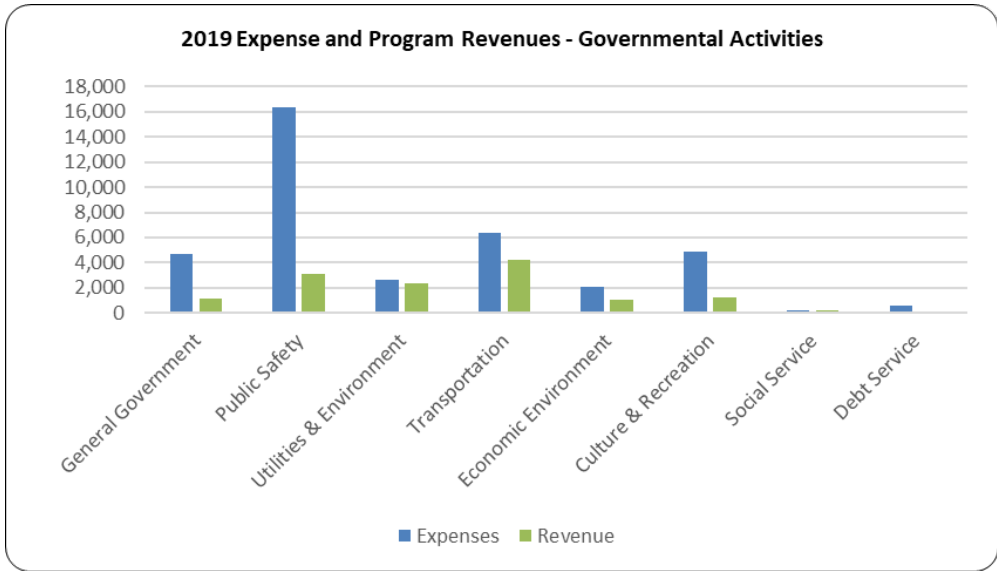
**Governmental Activities.** During the current fiscal year, the net position for governmental activities increased \$5,225 (8.6%), compared to the 2018 net position of \$60,983, for an ending balance of \$66,208. Total assets and deferred outflows of resources from governmental activities increased by \$3,436 (3.1%) over 2018. Current and other assets increased by \$1,232 (4.7%), mainly due to an increase in the City’s net pension asset of \$542 (8.7%) and an increase in the cash position of \$1,161 (10.0%). Capital assets increased by \$2,034 (2.5%); the most significant reasons for this increase are the building and infrastructure acquired for streets and the sleep center. Total governmental activities liabilities and deferred inflows of resources decreased \$1,789 (3.5%) from 2018. Other liabilities increased by \$830 (26.8%) and noncurrent liabilities decreased \$2,530 (5.9%). The main sources of the decrease were the reduction in existing long-term outstanding debt because the debt increases were less than the regularly scheduled payments.

**Business-type Activities.** The City of Walla Walla’s business-type activities during the 2019 fiscal year was positive, in that overall net position increased to an ending fund balance of \$135,553. The total increase in net position for business-type activities was \$5,785 (4.5%) over the fiscal year 2018. The increase in net position in the Water/Wastewater, Sanitation, Landfill, and Stormwater funds is largely attributed to rate increases. As a result of these increases, revenues from utility funds charges for services increased by \$1,547 (3.9%) over 2018. Other liabilities for business-type activities increased by \$1,169 (48.2%) over 2018. During 2019, noncurrent liabilities decreased by \$1,756 (3.3%). The City’s long-term debt increased. However, other non-current liabilities, including pension and OPEB liabilities, were lower.

Below is the comparative, condensed financial information based on the Government-wide Statement of Activities.

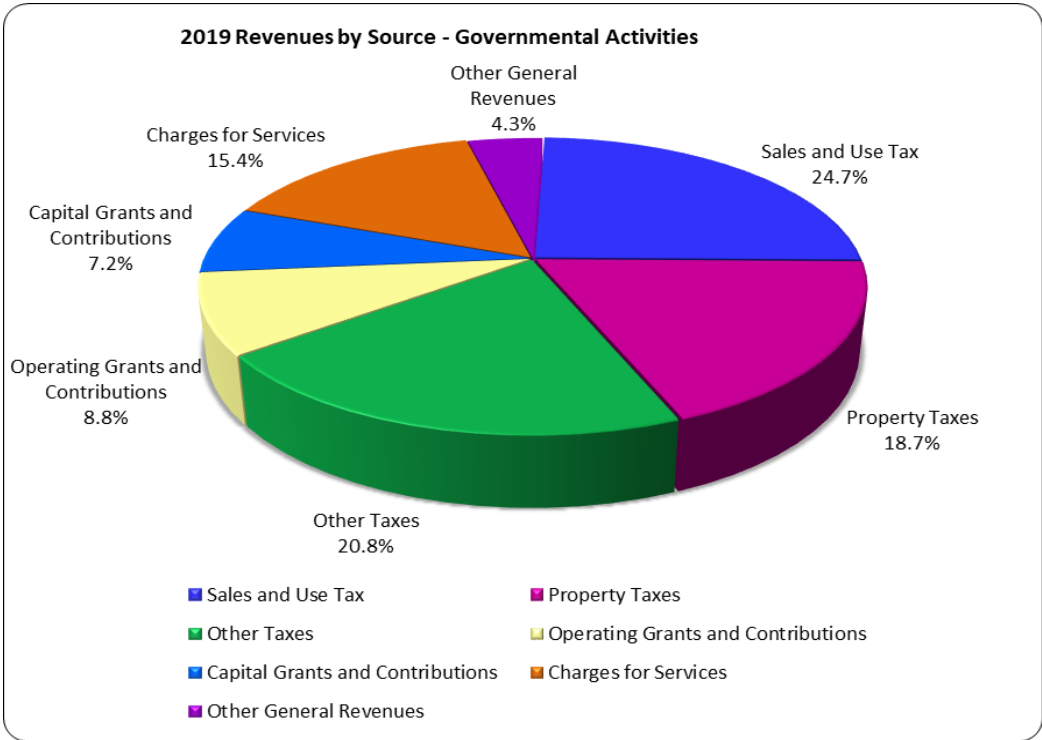
City of Walla Walla's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	Restated				Restated	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for service	\$6,523	\$6,880	41,130	\$39,582	\$47,653	\$46,462
Operating grants/contributions	3,731	4,263	2,621	2,197	6,352	6,460
Capital grants/contributions	3,056	2,246	1,290	1,626	4,346	3,872
General revenues:						
Property tax general	6,380	6,338	-	-	6,380	6,338
Property tax debt service	1,505	1,566	-	-	1,505	1,566
Sales tax	10,424	10,095	-	-	10,424	10,095
Other taxes	8,785	8,826	-	-	8,785	8,826
Grants and contributions not restricted to specific programs	664	683	-	-	664	683
Other Revenues	1,169	801	458	229	1,627	1,030
<b>Total revenues</b>	<b>42,237</b>	<b>41,698</b>	<b>45,499</b>	<b>43,634</b>	<b>87,736</b>	<b>85,332</b>
Expenses:						
General government	4,718	3,594	-	-	4,718	3,594
Public safety	16,321	15,419	-	-	16,321	15,419
Utilities and environment	2,595	3,039	-	-	2,595	3,039
Transportation	6,411	6,027	-	-	6,411	6,027
Economic environment	2,084	2,146	-	-	2,084	2,146
Culture and recreation	4,885	4,609	-	-	4,885	4,609
Social Services	229	150	-	-	229	150
Interest on long term debt	538	533	-	-	538	533
Ambulance	-	-	3,393	2,960	3,393	2,960
Golf course	-	-	149	132	149	132
Landfill	-	-	5,555	2,967	5,555	2,967
Sanitation	-	-	5,985	5,844	5,985	5,844
Stormwater	-	-	2,257	1,974	2,257	1,974
Water/Wastewater	-	-	21,605	16,763	21,605	16,763
<b>Total expenses</b>	<b>37,781</b>	<b>34,913</b>	<b>38,945</b>	<b>30,640</b>	<b>76,725</b>	<b>66,157</b>
Increase in net position before transfers	4,456	6,785	6,553	12,994	11,009	19,175
Transfers	769	1,561	(769)	(1,561)	-	-
Increase in net position	5,225	8,346	5,785	11,432	11,010	19,779
Net position- beginning, restated	60,983	62,206	129,767	121,347	190,751	11,011
Adjustment for prior period	-	(9,372)	-	(3,013)	-	(12,384)
<b>Net position - ending</b>	<b>\$66,208</b>	<b>\$60,983</b>	<b>\$135,553</b>	<b>\$129,767</b>	<b>\$201,761</b>	<b>\$190,751</b>

**Governmental Activity Analysis.** Government-wide activities expenses totaled \$37,781 in 2019 against program generated revenue (excluding taxes and other general revenue) of \$13,310. Program revenue supports 35.2% of the governmental program costs, while general revenue (taxes and other general revenue) cover the remaining 64.8% of program costs. Governmental activities program generated revenues decreased by 0.6% and, expenses increased by 8.2% from 2018. Program revenues increased mainly because of increased revenue in the Parks and Recreation programs and increased revenue from plan review.



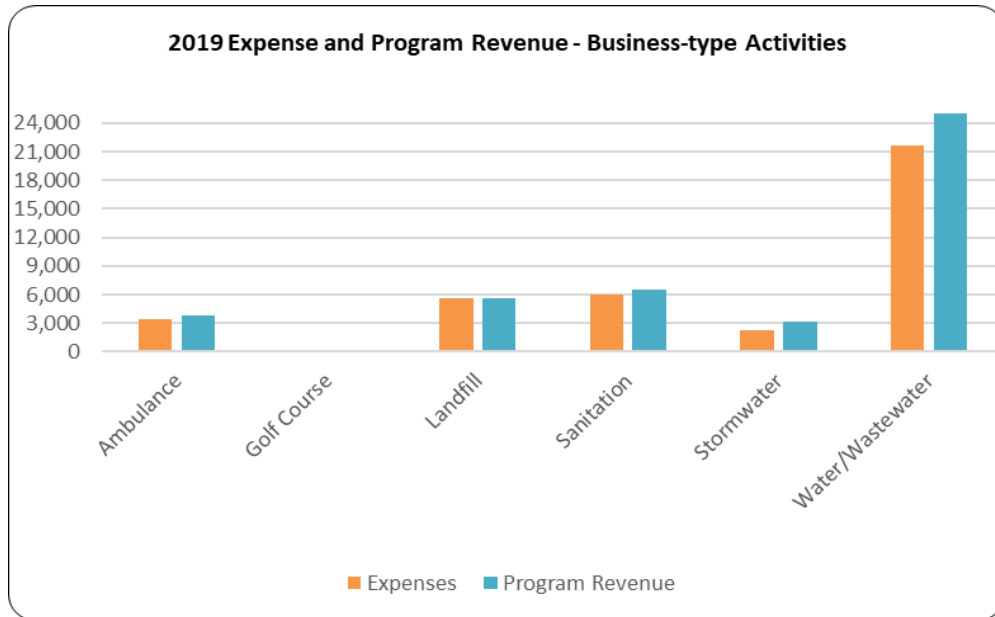
The chart above displays the extent that its program supports the cost of each of the City’s governmental programs generated revenue (fees, intergovernmental, and contributions specifically related to that program). For example, public safety comprises 43.2% of the total expenses for governmental activities but generated 23.0% of program revenues. These revenues include traffic citations, parking citations, criminal charges, miscellaneous court fees, fire services, fire inspections, and operating grant contributions.

The following chart displays the source breakdown for all revenues that fund governmental activities. Approximately 64.1% of the total governmental revenue activity is taxes. The largest governmental revenue source is sales and use tax 24.7%, and the second-largest source is other taxes 20.8%, property taxes account for the remaining 18.7% of the City’s revenue. Program-specific charges for services, grants, and contributions generate 31.5% of the total revenue for general governmental activity. The remaining 4.3% of other general revenue includes interest and miscellaneous revenue.



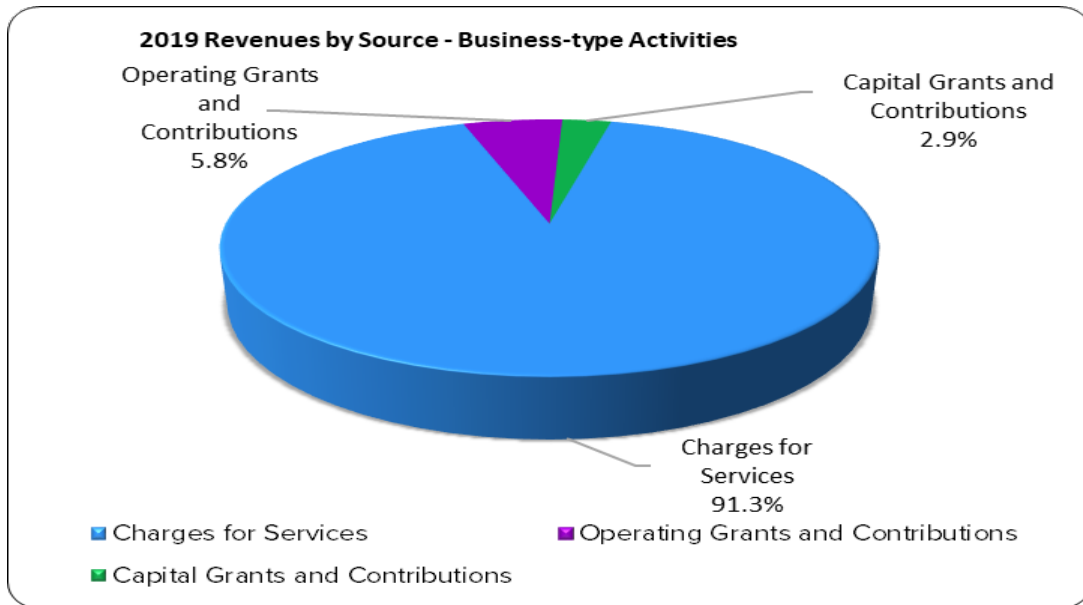


**Business-type Activities Analysis.** In comparison to the governmental funds, the primary sources of revenue for business-type activities are fees for services. For business-type activity funds, the program revenue is higher than the program costs for all funds. All business-type activity's costs for salaries and benefits continue to increase. The following chart illustrates the cost of each of the City's business-type programs along with each programs' revenue (fees, charges for services, and intergovernmental revenues related to each specific program).



- The Water/Wastewater Fund generated \$24,718 in charges for services; its program expenses were \$21,605. The Water/Wastewater Fund also received \$951 in grants, operating contributions, and capital contributions from developers. All utility revenues increased due to rate adjustments. Program expenses increased due to employee costs, project costs, supplies, and services.
- The Stormwater Fund generated \$3,177 in program revenues and \$2,257 of program expenses.
- The Sanitation Fund generated \$6,577 in program revenues and \$5,985 of program expenses. An additional charge for recycling was approved by the City Council to cover the increase in recycling expenses in 2019.
- The Landfill Fund generated \$5,664 in program revenues and \$5,554 of program expenses.
- The Golf Course Fund generated \$98 in program revenue and \$149 in program expenses.
- The Ambulance Fund generated program revenues of \$3,855, and program expenses were \$3,393. Federal and State mandated Medicare and Medicaid write-offs significantly reduce ambulance revenues each year.

The following chart displays the source breakdown for program revenues that fund business-type activities. Approximately 91.3% of the total business-type activity is charges for services. Program-specific grants and contributions generate 8.7% of total revenue for business-type activities.



### FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

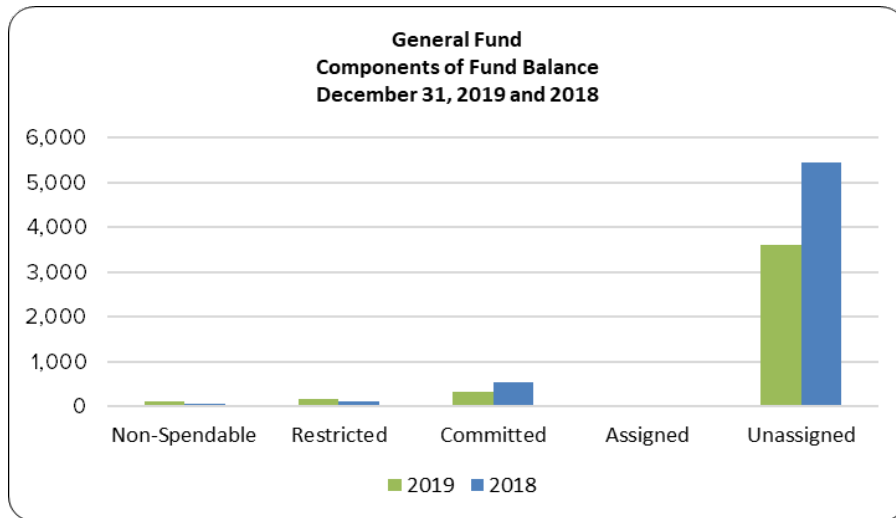
As noted earlier, the City of Walla Walla uses fund accounting to promote accountability and stewardship, as well as to demonstrate compliance with finance-related legal requirements.

**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 valuable measure of a government’s net resources available for discretionary spending. Unassigned fund balance represents the portion of fund balance, which has not been limited to use for a specific purpose.

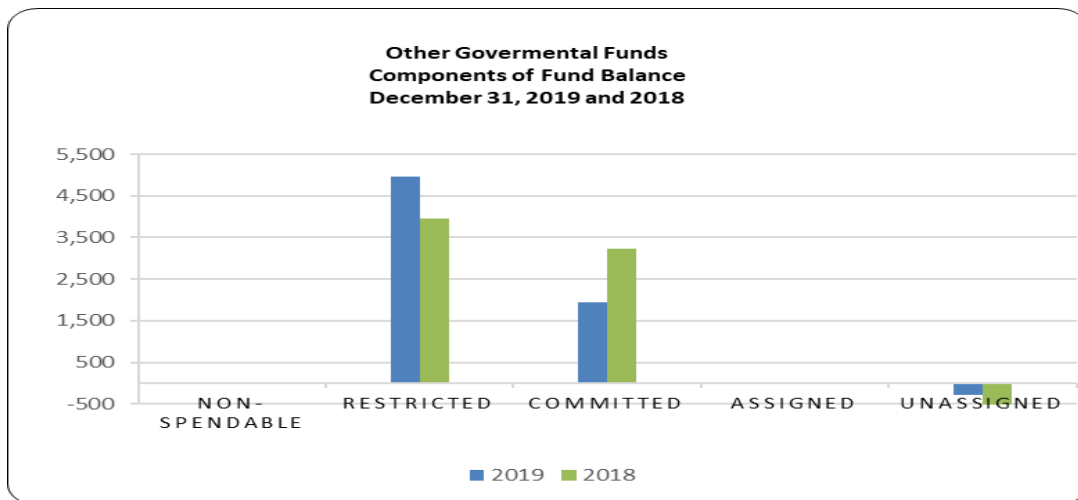
Beginning 2019 fund balance was restated to reflect the absorption of the fire and police pension funds, which had previously been reported as fiduciary funds. All comparisons to prior year activity and balances are made as if the pension funds had been part of the General Fund in the preceding year.

On December 31, 2019, the City of Walla Walla’s governmental funds reported combined ending fund balances of \$12,113, a decrease of \$600 (1.3%) in comparison with the prior year. An increase in interfund loans of \$2,803 and the corresponding transfers to construction projects make up the most significant portion of this decrease. Approximately 27.4% of ending governmental fund balance (\$3,317) constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$146), 2) restricted for specific purposes (\$5,388), 3) committed for purposes (\$3,249), or 4) assigned for purposes (\$14).

The General Fund is the chief operating fund of the City of Walla Walla. At the end of 2019, unassigned and committed fund balances of the General Fund were \$3,600 and \$340, respectively. The total fund balance decreased to \$4,233 in 2019. As a measure of the General Fund’s liquidity, it is useful to compare both unassigned fund balance and total fund balance to total expenditures. Accordingly, the unassigned fund balance represents 10.3% of the total expenditures, while total fund balance represents 12.1% of that same amount.



The City’s General Fund balance decreased \$1,913 (31.1%) during the 2019 fiscal year. Key factors include an increase in total expenditures in the General Fund over 2018. The cost of living salary and benefit increases for City employees, and increased support of homeless services make up most of the expenditure increases. The total revenue for the General Fund increased by \$984 compared to 2018. Charges for services revenue increased by \$998 (11.6%). Parks and Recreation added additional programs in 2019, and plan review revenue increased. Also, the General Fund had large increases in investment interest revenue and utility excise taxes. Overall revenues increased by 2.7% while total expenditures increased by 6.5%.



Other governmental funds have an overall unassigned deficit fund balance of \$283. The Parks Construction fund and LID bond fund had deficit fund balances of \$257 and \$26, respectively. Both fund deficits include outstanding capital construction interfund loan payable balances.

The committed fund balance for other non-major governmental funds is \$1,926, which is due to the City’s established Cemetery Reserve Fund and committed cash in the Street Fund for maintenance. The restricted fund balance was \$4,967 at year-end. The balance includes restrictions for capital improvement, debt service, and drug crime related expenses. The assigned fund balance for other governmental funds is \$14.

**Proprietary Funds.** These fund statements report on an economic resource basis and provide the same type of information found in the government-wide financial statements. However, more detail is provided in the fund statements. The City reports both enterprise funds and internal service funds, which support the operations of the government.

Unrestricted net position for the major proprietary funds at year-end 2019 are as follows: Landfill \$6,756, Sanitation \$1,725, and Water/Wastewater \$20,074. The total change in these major proprietary funds net position was \$88, \$505, and \$3,435, respectively. As noted earlier, the increase in rates for Landfill, Sanitation, and Water/Wastewater during the current fiscal year was a significant reason for the increase in net position.

**BUDGETARY HIGHLIGHTS** (amounts not in thousands)

The City of Walla Walla budgets on a biennial process that adopts two one-year budgets at one time. 2019 was the first year of the 2019-2020 biennium. During this year, there was a need for significant amendments to the original estimated budget for the following revenues:

- Decreased Sales Tax revenue by \$200,000, two major retail stores closed during 2019.
- Increased Utility Excise Tax revenue by a combined \$115,800, because utility revenue was higher than expected.
- Reduced Business Licensing revenue by \$45,000, overestimated revenue to be collected by the State of Washington.
- Increased investment interest by \$438,000, resulting from moving additional funds into investment opportunities outside of the Washington State LGIP.

**Final Budget Compared to Actual Results.** The most substantial differences between estimated General Fund revenues and actual revenues for the fiscal year 2019 were as follows:

Revenue Source	Estimated Revenues	Actual Revenues	Difference
Taxes	\$ 22,467,990	\$ 22,144,015	\$ (323,975)
Licenses and permits	864,440	734,391	(130,049)
Goods & Services	9,196,390	9,580,773	384,383
<b>Total</b>	<b>\$ 32,528,820</b>	<b>\$ 32,459,179</b>	<b>\$ (69,641)</b>

Sales revenue did not increase as much as projected. The City lost two major retail chain stores in 2019, and another major retailer delayed their project. In 2019, new construction added \$50,233,490 and annexed territory added \$1,308,760 in assessed value to the general levy. Licenses and permit revenue were lower due to a reduction of residential construction permits. Increases in charges for services can be attributed to new parks and recreation programs, state fire mobilization, and increased plan review fees. Overall, General Fund revenues, excluding transfers-in, were \$40,300 (0.1%) under final appropriations.

All General Fund departmental expenditures compared to the final 2019 budgeted appropriation yielded no significant variances. The General Fund expenditures, excluding transfers-out, were \$889,174 (2.5%) under final appropriated amounts. Part of the reason for the expenditures being under the appropriated amount is the delay in a transfer-out for a construction project.

**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, 2019 amounts to \$169,209 (net of accumulated depreciation). Capital asset investments include land, buildings, improvements, machinery, equipment, park facilities, roads, and bridges. The total increase in capital assets (net of accumulated depreciation) for the current fiscal year was \$7,272 (3.3%).

City of Walla Walla's Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$4,615	\$3,977	\$2,602	\$1,222	\$7,218	\$5,199
Construction in progress	1,112	1,371	5,273	20,365	6,384	21,736
Intangibles	-	-	225	225	225	225
Buildings	18,265	18,752	22,625	14,225	40,889	32,977
Improvements	8,073	8,178	5,859	6,266	13,931	14,444
Equipment	2,023	2,153	13,894	9,685	15,917	11,839
Infrastructure	50,947	48,562	90,325	83,598	141,273	132,160
Intangibles	-	7	28	6	28	13
<b>Total Capital Assets</b>	<b>\$85,035</b>	<b>\$83,001</b>	<b>\$140,830</b>	<b>\$135,592</b>	<b>\$225,865</b>	<b>\$218,592</b>

A portion of the increase in governmental capital assets \$638 (16.0%) was due to the acquisition of land and Right-of-Way for use in future street development. Governmental construction-in-process decreased by \$259 (18.9%), as a result of completing street construction projects. Business-type activities construction-in-progress decreased by \$15,093 (74.1%). The largest portion of the decrease is related to the acquisition of the improvements to the Water Treatment Plant. In October 2019, the City received a certificate of substantial completion and started using the new plant. The Public Works Department has been working on this project for seven years. Additional Capital Asset information is in Note 6.

**Debt Administration.** At the end of 2019, the City of Walla Walla had a total outstanding bonded debt of \$29,603, of that only \$23,213 is backed by the full faith and credit of the government. The remainder of the City of Walla Walla's long-term obligations is comprised of revenue bonds, capital leases, construction loans, and special assessment interfund loans.

City of Walla Walla Outstanding Debt						
General Obligation and Revenue Bonds						
	Government-type Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 14,221	\$ 15,444	\$ 8,991	\$ 10,014	\$ 23,213	\$ 25,458
Revenue bonds	-	-	6,390	6,390	6,390	6,390
Capital lease	-	-	125	165	125	165
Construction loans	-	-	27,164	6,561	27,164	6,561
Special assessment IF loan	62	82	-	-	62	82
<b>Total</b>	<b>\$ 14,283</b>	<b>\$ 15,526</b>	<b>\$ 42,670</b>	<b>\$ 23,129</b>	<b>\$ 56,954</b>	<b>\$ 38,655</b>

The City of Walla Walla's total debt increased by \$18,299 (47.3%) during 2019. In 2019 the City received a \$2,233 Public Works Trust Fund Loan to complete improvement to the Landfill. Also, the City started making payments on the Drinking Water Trust Fund Loan for construction of the new Water Treatment Plant. The new debt issuance was more than the regularly scheduled principal reductions on the City's existing outstanding debt.

The City of Walla Walla maintains an "AA" rating from Standard & Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 7.5% of the assessed property valuation. The current legal debt limit for the City of Walla Walla is \$201,727,637, which is significantly more than City's outstanding general obligation debt. More detailed information regarding debt is in Note 10 and 12 of the footnotes.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES** (amounts not in thousands)

The following economic factors affected the City of Walla Walla and were taken into consideration when amending the 2019-20 biennial budget.

The local economy experienced construction growth in residential and commercial properties that continued through the end of 2019. The City projected the growth to continue through the end of 2020. When the City of Walla amended its 2019-2020 biennial budget, City administrators and City Council estimated revenue and expenses based on the economic outlook for 2019 and 2020. However, the COVID-19 pandemic has changed the financial outlook for 2020. The City is reviewing its revenue projections and the impact of COVID-19 on key revenues. The City is anticipating reimbursement under FEMA and other federal programs but is also reviewing expenditure budgets for potential reductions.

In 2020, there will be a 1% increase in property taxes to cover increases in recurring expenditure obligations. Based on current information from the County Assessor's Office, the 2020 general property tax levy of \$6,581,557 on a 2019 assessed valuation of \$2,858,709,920 includes an increase of \$55,590,330 from new construction and an increase from the annexed territory of \$1,305,130 over 2018.

As of January 1, 2020, water, wastewater, and stormwater rates will increase by 2.3%, 2.7%, and 3.2%, respectively. Landfill rates will increase by 3.8%, and sanitation rates are budgeted to increase by 3.1%. Ambulance base rates will not increase in 2020, for the eighth year in a row.

**Requests for Information.** This financial report is designed to provide a general overview of the City of Walla Walla's finances. Questions concerning the information contained in this report or requests for additional financial information, please contact the Finance Director at 15 N. 3<sup>rd</sup> Avenue, Walla Walla, WA 99362.



# BASIC FINANCIAL STATEMENTS

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**City of Walla Walla**  
**Statement of Net Position**  
**December 31, 2019**

	<b>Governmental Activities</b>	<b>Business Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and equivalents	\$ 12,824,134	\$ 21,870,867	\$ 34,695,001
Investments	4,109,913	13,737,202	17,847,116
Taxes receivables	2,521,069	-	2,521,069
Other receivables (net of allowance)	191,298	2,420,973	2,612,271
Due from other governments	1,180,529	1,056,086	2,236,615
Special assessment receivable	32,059	-	32,059
Interest receivable	81,868	-	81,868
Pledged receivable	12,500	-	12,500
Notes receivable	-	65,456	65,456
Prepays	150,204	277	150,481
Inventories	-	999,451	999,451
Restricted cash:			
Temporarily restricted	-	28,184	28,184
Permanently restricted	16,545	3,547,694	3,564,239
Restricted investments	787,429	4,523,377	5,310,806
Net pension asset	6,749,292	1,534,855	8,284,147
Interfund loans receivable (payable)	(2,701,682)	2,701,682	-
Internal balances receivable (payable)	1,406,991	(1,406,991)	-
Capital assets not depreciated:			
Land	4,615,278	2,602,324	7,217,602
Construction in progress	1,111,669	5,272,513	6,384,182
Intangibles	-	225,307	225,307
Capital assets net of accumulated depreciation:			
Buildings and structures	18,264,579	22,624,653	40,889,232
Other improvements	8,072,564	5,858,734	13,931,298
Machinery and equipment	2,023,145	13,894,021	15,917,166
Infrastructure	50,947,465	90,325,075	141,272,540
Intangibles	-	27,522	27,522
<b>Total assets</b>	<b>\$ 112,396,849</b>	<b>\$ 191,909,263</b>	<b>\$ 304,306,112</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	\$ 1,883,859	\$ 567,278	\$ 2,451,137
OPEB	200,967	30,823	231,790
Debt refunding	488,573	-	488,573
<b>Total deferred outflows of resources</b>	<b>\$ 2,573,399</b>	<b>\$ 598,101</b>	<b>\$ 3,171,500</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,459,901	\$ 1,341,507	\$ 2,801,408
Due to other governments	-	2,499,882	2,499,882
Other accrued liabilities	2,030,157	919,048	2,949,205
Interest payable	76,306	219,256	295,562
Unearned revenue	359,696	-	359,696
Noncurrent liabilities:			
Due within one year	2,886,101	2,212,150	5,098,251
Due in more than one year	37,724,687	48,548,939	86,273,626
<b>Total liabilities</b>	<b>\$ 44,536,848</b>	<b>\$ 55,740,782</b>	<b>\$ 100,277,630</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	\$ 4,063,698	\$ 1,196,010	\$ 5,259,708
OPEB	116,887	17,928	134,815
Special assessments	32,059	-	32,059
Pledged revenue	12,500	-	12,500
<b>Total deferred inflows of resources</b>	<b>\$ 4,225,144</b>	<b>\$ 1,213,938</b>	<b>\$ 5,439,082</b>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 70,312,287	\$ 98,896,348	\$ 169,208,635
Net position restricted for:			
Community services	1,149,430.00	-	1,149,430
Debt service	623,408.00	-	623,408
Capital projects	3,603,951.00	-	3,603,951
Library Trusts:			
Expendable	12,216.00	-	12,216
Nonexpendable	16,545.00	-	16,545
Remediation	-	621,356	621,356
Net position unrestricted	(9,509,581)	36,034,938	26,525,357
<b>Total net position</b>	<b>\$ 66,208,256</b>	<b>\$ 135,552,644</b>	<b>\$ 201,760,898</b>

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, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 4,718,161	\$ 788,167	\$ 317,035	\$ -	\$ (3,612,959)		\$ (3,612,959)
Public safety	16,320,524	919,738	2,143,036	-	(13,257,750)		(13,257,750)
Utilities and environment	2,594,633	2,358,620	-	25,711	(210,302)		(210,302)
Transportation	6,411,069	376,306	967,143	2,897,957	(2,169,663)		(2,169,663)
Economic environment	2,084,013	1,075,363	-	-	(1,008,650)		(1,008,650)
Culture and recreation	4,885,497	1,004,994	203,768	52,500	(3,624,235)		(3,624,235)
Social services	228,767	-	100,000	80,000	(48,767)		(48,767)
Interest expense	538,006	-	-	-	(538,006)		(538,006)
Total governmental activities	<u>37,780,670</u>	<u>6,523,188</u>	<u>3,730,982</u>	<u>3,056,168</u>	<u>(24,470,332)</u>		<u>(24,470,331)</u>
Business-type activities:							
Ambulance	3,393,215	1,360,833	2,494,117	-		461,735	461,735
Golf course	149,187	98,437	-	-		(50,750)	(50,750)
Landfill	5,554,617	5,598,691	65,516	-		109,590	109,590
Sanitation	5,985,390	6,551,554	25,000	-		591,164	591,164
Stormwater	2,257,118	2,802,038	33,881	340,912		919,713	919,713
Water/Wastewater	21,605,442	24,718,305	2,523	948,971		4,064,357	4,064,357
Total business-type activities	<u>38,944,969</u>	<u>41,129,858</u>	<u>2,621,037</u>	<u>1,289,883</u>	<u>-</u>	<u>6,095,810</u>	<u>6,095,809</u>
Total primary government	<u>\$ 76,725,639</u>	<u>\$ 47,653,046</u>	<u>\$ 6,352,019</u>	<u>\$ 4,346,051</u>	<u>(24,470,332)</u>	<u>6,095,810</u>	<u>(18,374,522)</u>
General revenues:							
Taxes:							
Property tax, levied for general purposes					6,380,131	-	6,380,131
Property tax, levied for debt service					1,505,064	-	1,505,064
Sales and use taxes					10,423,766	-	10,423,766
Business and occupation taxes					2,841,041	-	2,841,041
Utility excise tax					5,029,264	-	5,029,264
Other Taxes					914,471	-	914,471
Grants and contributions not restricted to specific program					664,047	-	664,047
Unrestricted investment earnings					1,225,416	386,733	1,612,149
Miscellaneous					541	20,925	21,466
Loss on sale of capital assets					(57,291)	50,629	(6,662)
Transfers					768,649	(768,649)	-
Total general revenues and transfers					<u>29,695,100</u>	<u>(310,361)</u>	<u>29,384,738</u>
Change in net position					5,224,768	5,785,449	11,010,216
Restated net position - beginning					60,983,488	129,767,194	190,750,682
Net position - ending					<u>\$ 66,208,256</u>	<u>\$ 135,552,644</u>	<u>\$ 201,760,898</u>

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

**City of Walla Walla  
Balance Sheet  
Governmental Funds  
December 31, 2019**

	General Fund	Street CIP	Other Governmental	Total Governmental
<b>ASSETS</b>				
Cash and equivalents	\$ 4,497,121.78	\$ 781,439.00	\$ 5,260,806.00	\$ 10,539,366.78
Restricted cash and equivalents	-	-	16,545	16,545
Investments	2,334,065	-	871,162	3,205,227
Restricted investments	-	-	787,429	787,429
Taxes receivable (net)	1,869,579	-	651,234	2,520,813
Other receivables (net)	117,373	-	12,637	130,010
Due from other governments	69,436	1,104,210	6,883	1,180,529
Special assessments receivable	-	-	32,059	32,059
Interest receivable	72,981	-	6,420	79,401
Pledged receivable	-	-	12,500	12,500
Interfund loan receivable	344,433	-	-	344,433
Prepays	143,764	-	5,000	148,764
Total assets	<u>\$ 9,448,753</u>	<u>\$ 1,885,649</u>	<u>\$ 7,662,675</u>	<u>\$ 18,997,077</u>
<b>LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 505,679	\$ 582,176	\$ 263,878	\$ 1,351,733
Other accrued liabilities	1,722,926	63,604	136,249	1,922,779
Interfund loans payable	2,498,442	-	547,673	3,046,115
Unearned revenues	359,696	-	-	359,696
Total liabilities	<u>\$ 5,086,743</u>	<u>\$ 645,780</u>	<u>\$ 947,800</u>	<u>\$ 6,680,323</u>
Deferred inflows of resources:				
Property taxes	\$ 128,999	\$ -	\$ 30,065	\$ 159,064
Special assessments	-	-	32,059	32,059
Pledged revenue	-	-	12,500	12,500
Total deferred inflows of resources	<u>\$ 128,999</u>	<u>\$ -</u>	<u>\$ 74,624</u>	<u>\$ 203,623</u>
Fund balances:				
Nonspendable	\$ 128,778	\$ -	\$ 16,545	\$ 145,323
Restricted	163,486	257,756	4,955,497	5,376,739
Committed	340,410	982,114	1,937,306	3,259,830
Assigned	-	-	14,136	14,136
Unassigned	3,600,337	-	(283,232)	3,317,105
Total fund balances	<u>\$ 4,233,011</u>	<u>\$ 1,239,870</u>	<u>\$ 6,640,252</u>	<u>\$ 12,113,134</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><b>\$ 9,448,753</b></u>	<u><b>\$ 1,885,650</b></u>	<u><b>\$ 7,662,676</b></u>	

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

Total fund balances - governmental funds	\$ 12,113,134
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	82,288,270
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(36,000,778)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	159,064
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.	6,212,377
The net pension asset, liability, deferred outflows and deferred inflows are reported in the government-wide statements of net position but not in the governmental balance sheet.	1,436,194
Net position of governmental activities	<u><u>\$ 66,208,256</u></u>

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

**City of Walla Walla**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2019**

	General Fund	Street CIP	Other Governmental	Total Governmental
<b>REVENUES</b>				
Sales tax	\$ 7,877,803	\$ -	\$ 2,545,963	\$ 10,423,766
Property tax	6,352,123	-	1,498,899	7,851,022
Other tax	7,914,089	-	870,687	8,784,776
Licenses and permits	734,391	-	304,715	1,039,106
Intergovernmental revenues	2,226,052	2,826,699	939,398	5,992,149
Charges for goods and services	9,573,007	-	353,810	9,926,817
Fines and forfeitures	129,752	-	6,521	136,273
Miscellaneous revenues	2,012,710	-	198,716	2,211,426
Total revenues	<u>\$ 36,819,927</u>	<u>\$ 2,826,699</u>	<u>\$ 6,718,709</u>	<u>\$ 46,365,335</u>
<b>EXPENDITURES</b>				
Current:				
General government	\$ 9,839,673	\$ -	\$ 158,028	\$ 9,997,701
Public safety	16,174,119	-	72,538	16,246,657
Utilities and environment	3,274,147	-	-	3,274,147
Transportation	-	308,231	3,335,938	3,644,169
Economic environment	716,232	-	1,411,560	2,127,792
Culture and recreation	4,571,130	-	25,875	4,597,005
Social services	225,287	-	-	225,287
Debt service:				
Principal retirement	-	-	1,951	1,951
Interest	12,116	-	482,756	494,872
Administrative charges	-	-	1,222,401	1,222,401
Capital outlay:				
General government	-	-	87,038	87,038
Public safety	30,868	-	-	30,868
Utilities and environment	-	5,462,078	114,881	5,576,959
Transportation	-	-	6,471	6,471
Culture and recreation	16,482	-	-	16,482
Social services	208,327	-	-	208,327
Total expenditures	<u>35,068,381</u>	<u>5,770,309</u>	<u>6,919,437</u>	<u>47,758,127</u>
Excess (deficiency) of revenues over expenditures	<u>1,751,546</u>	<u>(2,943,610)</u>	<u>(200,728)</u>	<u>(1,392,792)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	202,603	2,802,124	2,402,875	5,407,602
Transfers out	(3,868,676)	-	(770,276)	(4,638,952)
Insurance recoveries	717	-	22,745	23,462
Custodial Activities	-	-	541	541
Total other financing sources and uses	<u>(3,665,356)</u>	<u>2,802,124</u>	<u>1,655,885</u>	<u>792,653</u>
Net change in fund balances	<u>(1,913,810)</u>	<u>(141,486)</u>	<u>1,455,159</u>	<u>(600,137)</u>
Fund balances -- beginning restated	6,146,821	1,381,356	5,185,095	12,713,272
Fund balances -- ending	<u>\$ 4,233,011</u>	<u>\$ 1,239,870</u>	<u>\$ 6,640,253</u>	<u>\$ 12,113,134</u>

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

Net change in fund balances - total governmental funds (above)	\$ (600,137)
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.	2,111,208
The net effect of various miscellaneous transaction involving capital assets (i.e., sales and donations) is to increase net assets.	33,557
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.	1,181,218
Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	34,173
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.	2,082,177
Internal service funds are used by management to charge the costs of emergency communications, health and industrial insurance to individual funds. The net revenue (loss) of certain activities of internal service funds is reported in the governmental activities.	382,573
Change in net position of governmental activities.	<u>\$ 5,224,768</u>

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, 2019**

	<b>Business-type Activities Major Enterprise Funds</b>			<b>Total Non-Major Enterprise</b>	<b>Total Enterprise</b>	<b>Total Internal Service</b>
	<b>Sanitation</b>	<b>Water/ Wastewater</b>	<b>Landfill</b>			
<b>ASSETS</b>						
Current assets:						
Cash and equivalents	\$ 599,851	\$ 13,297,392	\$ 3,704,680	\$ 1,786,716	\$ 19,388,639	\$ 4,766,994
Investments	1,273,194	5,511,947	2,529,702	402,082	9,716,925	4,924,963
Taxes receivables (net)	-	-	-	-	-	256
Other receivables (net)	387,069	1,297,740	290,456	445,710	2,420,975	61,288
Interest receivable	-	-	-	-	-	2,467
Interfund loans receivable	-	-	-	-	-	844,314
Due from other governments	-	903,875	27,751	124,460	1,056,086	-
Inventories	-	925,481	-	-	925,481	73,970
Restricted cash & equivalents	-	1,814,663	1,731,155	1,876	3,547,694	-
Restricted Investments	-	-	4,523,377	-	4,523,377	-
Prepays	-	277	-	-	277	1,440
Total current assets	<u>2,260,114</u>	<u>23,751,375</u>	<u>12,807,121</u>	<u>2,760,844</u>	<u>41,579,454</u>	<u>10,675,692</u>
Noncurrent assets:						
Restricted cash & equivalents	-	-	28,184	-	28,184	-
Restricted net pension asset	-	-	-	1,534,855	1,534,855	-
Notes receivable	-	-	65,456	-	65,456	-
Interfund loans receivable	-	-	-	-	-	2,641,378
Land	-	1,889,531	657,378	55,415	2,602,324	135,600
Construction in progress	-	4,036,923	1,137,180	98,410	5,272,513	149,996
Intangibles	-	225,307	-	-	225,307	-
Buildings and structures (net)	-	21,828,152	443,767	352,734	22,624,653	2,374,594
Other improvements (net)	-	1,306,266	3,646,409	906,058	5,858,733	-
Machinery and equipment (net)	2,790	5,594,477	78,677	19,103	5,695,047	8,229,987
Infrastructure (net)	-	83,063,892	423,658	6,837,525	90,325,075	55,229
Intangibles (net)	-	99	-	-	99	27,423
Total noncurrent assets	<u>2,790</u>	<u>117,944,647</u>	<u>6,480,709</u>	<u>9,804,100</u>	<u>134,232,246</u>	<u>13,614,207</u>
Total assets	<u>\$ 2,262,904</u>	<u>\$ 141,696,022</u>	<u>\$ 19,287,830</u>	<u>\$ 12,564,944</u>	<u>\$ 175,811,700</u>	<u>\$ 24,289,899</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows on pensions	\$ 67,114	\$ 155,874	\$ 73,747	\$ 235,102	\$ 531,837	\$ 148,223
Deferred outflows OPEB	-	-	-	30,823	30,823	-
Total deferred outflows of resources	<u>\$ 67,114</u>	<u>\$ 155,874</u>	<u>\$ 73,747</u>	<u>\$ 265,925</u>	<u>\$ 562,660</u>	<u>\$ 148,223</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 123,443	\$ 693,330	\$ 401,853	\$ 112,305	\$ 1,330,931	\$ 118,744
Other accrued liabilities	61,969	629,946	147,310	268,394	1,107,619	138,062
Industrial insurance claims	-	-	-	-	-	46,771
Compensated absences	50,833	125,130	57,285	204,267	437,515	142,451
Pollution Remediation	-	-	710,581	-	710,581	-
Due to other governments	-	2,382,335	117,547	-	2,499,882	-
Current portion long term debt	-	610,527	409,237	20,251	1,040,015	-
Interfund loans payable	-	89,849	-	144,738	234,587	-
Total current liabilities	<u>236,245</u>	<u>4,531,117</u>	<u>1,843,813</u>	<u>749,955</u>	<u>7,361,130</u>	<u>446,028</u>
Noncurrent liabilities:						
Industrial insurance claims	-	-	-	-	-	311,809
Compensated absences	-	14,547	5,411	-	19,958	11,128
Net pension liability	235,377	546,667	258,637	429,035	1,469,716	519,834
OPEB liability	-	-	-	2,711,412	2,711,412	-
Landfill Closure	-	-	2,573,243	-	2,573,243	-
Pollution Remediation	-	-	1,650,671	-	1,650,671	-
Due to other governments	-	-	2,115,841	-	2,115,841	-
Federal DWSRF LT2 Slow Sand Plant	-	19,303,730	-	-	19,303,730	-
Long term debt	-	14,930,360	3,550,123	89,186	18,569,669	-
Interfund loans payable	-	91,647	-	457,777	549,424	-
Total noncurrent liabilities	<u>235,377</u>	<u>34,886,951</u>	<u>10,153,926</u>	<u>3,687,410</u>	<u>48,963,664</u>	<u>842,771</u>
Total liabilities	<u>\$ 471,622</u>	<u>\$ 39,418,068</u>	<u>\$ 11,997,739</u>	<u>\$ 4,437,365</u>	<u>\$ 56,324,794</u>	<u>\$ 1,288,799</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows on pensions	130,877	303,964	143,810	548,247	1,126,898	289,044
Deferred inflow OPEB	-	-	-	17,928	17,928	-
Total deferred inflows of resources	<u>\$ 130,877</u>	<u>\$ 303,964</u>	<u>\$ 143,810</u>	<u>\$ 566,175</u>	<u>\$ 1,144,826</u>	<u>\$ 289,044</u>
<b>NET POSITION</b>						
Net investment in capital assets	\$ 2,790	\$ 82,056,248	\$ 463,820	\$ 8,147,094	\$ 90,669,952	\$ 10,972,829
Restricted for Remediation	-	-	\$ 621,356	-	621,356	-
Unrestricted	1,724,728	20,073,617	6,134,852	(319,762)	27,613,435	11,887,449
Total net position	<u>\$ 1,727,518</u>	<u>\$ 102,129,865</u>	<u>\$ 7,220,028</u>	<u>\$ 7,827,332</u>	<u>\$ 118,904,743</u>	<u>\$ 22,860,278</u>
Difference between business-type adjustments to assets and liabilities.					16,647,901	
Net position of business-type activities					<u>\$ 135,552,644</u>	

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



City of Walla Walla  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2019

	Business-type Activities Major Enterprise Funds			Total Non-Major Enterprise	Total Enterprise	Total Internal Service
	Sanitation	Water/ Wastewater	Landfill			
<b>OPERATING REVENUES</b>						
Licenses and permits	\$ 1,288	\$ -	\$ -	\$ -	\$ 1,288	\$ -
Intergovernmental revenues	-	-	52,024	1,235,229	1,287,253	2,348,144
Charges for goods and services	6,549,958	24,451,611	5,475,500	5,464,662	41,941,731	91
Miscellaneous revenues	308	81,992	120,166	74,910	277,376	-
Interfund Charges	-	-	-	-	-	10,520,948
Total operating revenues	<u>\$ 6,551,554</u>	<u>\$ 24,533,603</u>	<u>\$ 5,647,690</u>	<u>\$ 6,774,801</u>	<u>\$ 43,507,648</u>	<u>\$ 12,869,183</u>
<b>OPERATING EXPENSES</b>						
Depreciation	\$ 819	\$ 3,021,545	\$ 450,106	\$ 196,868	\$ 3,669,338	\$ 1,107,909
Salaries and wages	680,414	1,560,916	738,234	2,251,429	5,230,993	1,485,141
Personnel benefits	290,746	678,965	361,349	756,886	2,087,946	6,687,723
Supplies	142,256	650,814	89,237	193,883	1,076,190	1,007,676
Services and charges	4,968,258	14,708,344	3,393,213	2,453,052	25,522,867	1,868,571
Total operating expenses	<u>\$ 6,082,493</u>	<u>\$ 20,620,584</u>	<u>\$ 5,032,139</u>	<u>\$ 5,852,118</u>	<u>\$ 37,587,334</u>	<u>\$ 12,157,020</u>
Operating income (loss)	<u>\$ 469,061</u>	<u>\$ 3,913,019</u>	<u>\$ 615,551</u>	<u>\$ 922,683</u>	<u>\$ 5,920,314</u>	<u>\$ 712,163</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Intergovernmental revenues	\$ -	\$ 2,523	\$ 13,492	\$ 13,307	\$ 29,322	\$ -
Miscellaneous revenues	11,272	369,116	93,057	7,115	480,560	139,254
Gain(loss) on disposal of capital	-	(176,362)	-	(75,522)	(251,884)	(56,947)
Insurance recoveries	25,000	-	-	-	25,000	20,925
Adjustment to landfill liability	-	-	608,625	-	608,625	-
Pollution remediation	-	-	(1,092,704)	-	(1,092,704)	-
Debt service - interest	-	(751,753)	(149,857)	(23,730)	(925,340)	-
Total nonoperating revenues (expenses)	<u>\$ 36,272</u>	<u>\$ (556,476)</u>	<u>\$ (527,387)</u>	<u>\$ (78,830)</u>	<u>\$ (1,126,421)</u>	<u>\$ 103,232</u>
Income (loss) before contributions and transfers	<u>\$ 505,333</u>	<u>\$ 3,356,543</u>	<u>\$ 88,164</u>	<u>\$ 843,853</u>	<u>\$ 4,793,893</u>	<u>\$ 815,395</u>
Capital contributions	-	948,971	-	340,912	1,289,883	-
Transfer in	-	-	-	380,116	380,116	-
Transfer out	-	(870,921)	-	(112,199)	(983,120)	(165,645)
Change in net position	<u>505,333</u>	<u>3,434,593</u>	<u>88,164</u>	<u>1,452,682</u>	<u>5,480,772</u>	<u>649,750</u>
Total net position - beginning	<u>1,222,184</u>	<u>98,695,274</u>	<u>7,131,864</u>	<u>6,374,648</u>	<u>113,423,970</u>	<u>22,210,527</u>
Total net position - ending	<u>\$ 1,727,518</u>	<u>\$ 102,129,867</u>	<u>\$ 7,220,028</u>	<u>\$ 7,827,330</u>	<u>\$ 118,904,742</u>	<u>\$ 22,860,277</u>
Net change in net position - total proprietary funds					\$ 5,480,772	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					304,677	
Change in net position of business-type activities					<u>\$ 5,785,449</u>	

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

**City of Walla Walla  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019**

	<b>Business-type Activities - Major Enterprise Funds</b>			<b>Total Non-Major Enterprise</b>	<b>Total Enterprise</b>	<b>Total Internal Services</b>
	<b>Sanitation</b>	<b>Water/ Wastewater</b>	<b>Landfill</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash from customers	\$ 6,546,835	\$ 25,253,235	\$ 5,379,023	\$ 6,622,227	\$ 43,801,320	\$ 2,343,199
Cash from grants	-	-	-	-	-	17,556
Cash from interfund services	-	-	-	-	-	10,520,948
Cash from other receipts	25,308	-	172,190	11,365	208,863	20,925
Payments to suppliers	(5,096,544)	(16,883,241)	(3,109,420)	(2,580,641)	(27,669,845)	(8,891,735)
Payments to employees	(1,015,406)	(2,355,204)	(1,120,139)	(3,155,863)	(7,646,612)	(2,019,968)
<b>Net cash provided by operating activities</b>	<b>\$ 460,193</b>	<b>\$ 6,014,791</b>	<b>\$ 1,321,654</b>	<b>\$ 897,088</b>	<b>\$ 8,693,726</b>	<b>\$ 1,990,925</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Proceeds from grants and contributions	-	2,523	148,549	13,307	164,379	-
Proceeds (repayments) from interfund loan	-	-	-	(97,340)	(97,340)	-
Miscellaneous revenues	-	225,535	56,528	4,483	286,546	-
Transfers in	-	-	-	380,116	380,116	-
Transfers out	-	(870,921)	-	(112,199)	(983,120)	(165,645)
<b>Total cash flows from noncapital financing</b>	<b>\$ -</b>	<b>\$ (642,863)</b>	<b>\$ 205,077</b>	<b>\$ 188,367</b>	<b>\$ (249,419)</b>	<b>\$ (165,645)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Proceeds from capital debt	-	2,687,531	-	-	2,687,531	(1,094,573)
Proceeds from capital grants and contributions	-	678,255	-	340,912	1,019,167	(6,350)
Proceeds from sale of capital assets	-	-	-	-	-	(291)
Purchase of capital assets	-	(7,272,615)	(994,507)	(847,516)	(9,114,638)	(741,169)
Principal paid on capital debt	-	(3,823,441)	1,417,794	(68,426)	(2,474,073)	-
Interest paid on capital debt	-	(725,417)	(138,149)	(23,772)	(887,338)	-
Payments for landfill closure and remediation	-	-	484,079	-	484,079	-
Landfill closure and post-closure care	-	-	608,625	-	608,625	-
Pollution remediation	-	-	(1,092,704)	-	(1,092,704)	-
<b>Total cash flows from capital and related financing</b>	<b>\$ -</b>	<b>\$ (8,455,687)</b>	<b>\$ 285,138</b>	<b>\$ (598,802)</b>	<b>\$ (8,769,351)</b>	<b>\$ (1,842,383)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale of investments	-	-	-	-	-	(1,071)
Change in fair value of investments	(416,600)	(1,605,741)	(2,687,398)	(300,000)	(5,009,738)	(805,116)
Interest received	-	22,630	36,529	-	59,159	3,732
<b>Total cash flows from investing activities</b>	<b>\$ (416,600)</b>	<b>\$ (1,583,111)</b>	<b>\$ (2,650,869)</b>	<b>\$ (300,000)</b>	<b>\$ (4,950,579)</b>	<b>\$ (762,037)</b>
<b>Net increase (decrease) in cash and equivalents</b>	<b>\$ 43,593</b>	<b>\$ (4,666,870)</b>	<b>\$ (838,999)</b>	<b>\$ 186,653</b>	<b>\$ (5,275,623)</b>	<b>\$ (779,140)</b>
Beginning cash and cash equivalents	\$ 556,256	\$ 19,778,927	\$ 6,303,019	\$ 1,601,938	\$ 28,240,140	\$ 5,546,135
Ending cash and cash equivalents	\$ 599,851	\$ 15,112,055	\$ 5,464,019	\$ 1,788,593	\$ 22,964,518	\$ 4,766,994
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ 469,061	\$ 3,913,019	\$ 615,551	\$ 922,683	\$ 5,920,314	\$ 712,163
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	819	3,021,545	450,106	196,868	3,669,338	1,107,909
(Increase) decrease in accounts receivable	(4,411)	719,633	(96,511)	(141,209)	477,502	12,520
(Increase) decrease in inventories	-	49,492	-	-	49,492	18,182
(Increase) decrease in prepaid expenses	-	-	34	-	34	-
Increase (decrease) in accounts payable	13,970	(1,573,576)	373,030	66,294	(1,120,282)	40,370
Increase (decrease) in other receipts	25,000	-	-	-	25,000	20,925
Increase (decrease) in salaries and benefits	6,230	8,972	12,033	81,923	109,157	238,527
Increase (decrease) in pension adjustment	(50,476)	(124,295)	(32,588)	(229,471)	(436,830)	(159,671)
<b>Net cash provided by operating activities</b>	<b>\$ 460,193</b>	<b>\$ 6,014,791</b>	<b>\$ 1,321,654</b>	<b>\$ 897,088</b>	<b>\$ 8,693,726</b>	<b>\$ 1,990,925</b>
<b>Noncash investing, capital, and financing activities</b>						
Contribution of capital assets from developers	\$ -	\$ 401,640	\$ -	\$ -	\$ 401,640	\$ -

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

## **CITY OF WALLA WALLA**

### Notes to the Financial Statements

December 31, 2019

#### **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 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-chartered code cities, council-manager form of government. Walla Walla is served by a full-time City Manager appointed by a part-time Council of seven members who are elected with four positions being elected in wards and three positions elected at-large. The elections are staggered with alternating four-year terms, including the Mayor, who is elected to the position by the Council. The City provides a full range of municipal services authorized by State law, such as public safety, ambulance, a library, street maintenance and construction, parks and recreation, planning and zoning, permits and inspections, sanitation, landfill, general administration, and water/wastewater services. The City contracts for operation and maintenance of the municipal golf course and operation of the wastewater treatment plant.

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

- The Walla Walla School District, even though its activities are conducted within the City's borders. It is a separate municipal corporation, and no financial interdependence exists between the two entities.
- The City Council is responsible for appointing three of the seven board members for the Walla Walla Valley Transit, but the accountability for this organization does not extend beyond making the appointments.
- The City Council is also responsible for appointing the members of the board of the Walla Walla Housing Authority, but the accountability for this organization does not extend beyond making the appointments. RCW 35.82.030 establishes rules governing the Housing Authority.

##### **B. Basis of Presentation 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 the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 function or segment. Internally dedicated resources are reported as general revenues rather than program revenue. Taxes and other items not properly included among program revenues are reported instead as general revenues.

In general, the effect of the interfund activity has been eliminated for the government-wide financial statements. Exceptions to this general rule are interfund charges for governmental services, including utilities and certain internal services, which have not been eliminated. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

**Street Capital Project Fund** - The Street Capital Project Fund was established to account for receipts and disbursements related to the acquisition, design, construction, and any related street, traffic management project expenditures. Revenues supporting this fund’s activities include bond proceeds, grant proceeds, interfund transfers and other revenue sources that may be authorized by City Council.

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 city limits.

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

Additionally, the City reports the following fund types:

Special revenue funds are used to account for revenues which are legally restricted to expenditures for a specified purpose.

Debt service funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Capital project funds are used to report significant capital acquisition and construction separate from ongoing operating activities.

Permanent funds are used to report 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 on a cost-reimbursement basis.

## **C. Measurement Focus, Basis of Accounting**

### **1. Government-Wide and Governmental Funds**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, similar to 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon 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. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

### **2. Proprietary Funds**

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing 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, on the modified accrual basis of accounting. Proprietary funds are adopted on the accrual basis of accounting. Budgets for debt service and capital project funds are adopted at the level of the individual debt issue or project and for the fiscal periods which correspond to the lives of debt issues or projects.

The appropriated budget is prepared by fund, function, and department. The fund level is the legal level for budgetary control. Appropriations generally lapse at year-end, except for appropriations for capital outlays, which may be carried forward from year-to-year until fully expended or the purpose of the appropriation has been accomplished or abandoned.

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

## **2. 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 revenue of the City must be approved by the City Council and adopted by ordinance. When the Walla Walla City Council determines it is in the best interest of the City to increase or decrease the appropriation for a fund, it may do so by ordinance approved by one more than the majority.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. The financial statements contain the original and final budget information. The original budget is the first complete appropriated 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.

## **3. Excess of Expenditures over Appropriations**

For the year ended December 31, 2019, the General Fund did not exceed the appropriated amount.

## **4. Deficit Fund Net Position**

The Local Improvement District (LID) Bond Fund showed a deficit fund balance of (\$25,732) at December 31, 2019. 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 \$60,848 and will be redeemed with annual assessment proceeds.

The Parks Construction Fund showed a deficit fund balance of (\$257,500) at December 31, 2019. This is expected and normal since the debt related to this construction fund is from an interfund loan in combination with an outside funding source. With the internal financing, the debt is carried within the fund and therefore results in a negative fund balance. Interfund loans payable in this fund total \$450,000 and will be repaid with private donations, real estate excise tax proceeds and General Fund contributions within the four-year loan term.

The Ambulance Fund showed a deficit fund balance of (\$2,016,122) at December 31, 2019. This resulted from the City adopting GASB 75 - Other Post-Employment Benefits (OPEB). The Ambulance Fund presented the allocation of the deferred outflows, OPEB Liability and deferred inflows of resources related to the retired LEOFF 1 medical benefits.

## **E. Assets, Liabilities, Fund Balance, Net Position**

### **1. Cash and Equivalents**

It is the City's policy to invest all temporary cash surpluses. On December 31, 2019, the State LGIP was holding



\$35,393,430 in short-term residual investments of surplus cash. This amount is classified on the balance sheet as cash and cash equivalents in various funds. The interest on these investments is prorated to various funds.

The amounts reported as cash and cash equivalents also include compensating balances maintained with certain banks in-lieu-of payments for services rendered. The average compensating balance maintained during 2019 was \$2,922,206.

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

## **2. Investments**

See Note 4, Deposits, and Investments.

## **3. Receivables**

Taxes receivable consist of property taxes, other taxes and related interest and penalties (see Note 5). Accrued interest receivable includes amounts earned on investments, notes, and contracts at the end of the year.

Special assessments are recorded when levied. Special assessments receivable consist of current and delinquent assessments and related interest and penalties. As of December 31, 2019, there are no delinquent special assessment receivables.

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

## **4. Amounts Due to and From Other Funds and Governments, Interfund Loans, Advances Receivable**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund loans receivable/payable or advances to/from other funds. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. A separate schedule of interfund loans receivable and payable is furnished in Note 14, Interfund Balances and Transfers.

## **5. Inventories and Prepaid Items**

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

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

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

## 6. Restricted Assets and Liabilities

These accounts contain resources for construction and debt service in enterprise funds. Specific debt service reserve requirements are described in Note 10, Long-Term Debt.

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

Cash and Investments	
Closure, post-closure and remediation	\$5,149,490
Unspent bond proceeds	2,632,637
Debt service	293,701
Total	\$8,075,827

## 7. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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 if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation, except for donated historical treasures not capitalized because they meet the exemption from capitalization per GASB Statement 34, paragraph 27.

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

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

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

See Note 6, Capital Assets, for additional detail.

## 8. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. Deferred charges on debt refunding result from the difference in the carrying value of refunded debt and the reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows related to pension plans are discussed in detail in Note 8, Pension Plans.

In addition to liabilities, the Statement of Net Position will at times report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

### **9. Compensated Absences**

Compensated absences are paid time off work, such as vacation and sick leave. All vacation and sick pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

Vacation, sick, and compensatory time is earned based on the terms of the personnel policy and collective bargaining agreements (CBA). At employment termination, accrued but unused leave time is paid in accordance with the personnel policy and CBA.

### **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.

### **11. Other Accrued Liabilities**

These accounts consist of accrued wages and employee benefits, deposits, and retainage payable.

### **12. Long-Term Debt**

See Note 10, Long-Term Debt.

### **13. Unearned Revenue**

This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria have not been met. As of December 31, 2019, unearned revenue reported in the governmental funds were as follow:

Cemetery Premeed Services	\$358,068
Engineering Deposits	19,469
Parks Gift Certificates Outstanding	2,159
Total Unearned Revenue	<u>\$359,696</u>

### **14. Fund Balance Classification**

Fund balance is presented in the governmental fund financial statement and represents the difference between assets and liabilities reported within the governmental fund. Beginning with the most restrictive constraints, the City of Walla Walla fund balance amounts are reported in the following categories.

<b>Nonspendable</b>	Includes items that cannot be spent. Activity that is not in a spendable form (prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed or assigned) and activities that are legally or contractually required to remain intact.
<b>Restricted</b>	Externally (outside the City) enforceable limitations imposed by creditors, grantors, contributors, laws and regulations of other governments, or laws through constitutional provisions or enabling legislation.
<b>Committed</b>	Self-imposed limitations imposed at the highest level of decision-making authority, the City Council. City Council approval by ordinance is required to commit, modify, or rescind resources.
<b>Assigned</b>	Constraints imposed for specific purposes by the City Manager, who is authorized to assign unexpended funds per Walla Walla Municipal Code 3.03.050.
<b>Unassigned</b>	Is the residual amount of the General Fund not included in the above four categories. Also, deficit fund balances within other governmental fund types are reported as unassigned.

## 15. Fund Balance Details

Fund Balances	Non-Major			Total
	General Fund	Street CIP's	Governmental	Governmental
<b>Nonspendable:</b>				
Prepays	\$ 128,778	\$ -	\$ -	\$ 128,778
Library trusts	-	-	16,545	16,545
<b>Restricted for:</b>				
Community services	163,486	-	997,011	1,160,497
Debt service	-	-	623,408	623,408
Capital projects	-	257,756	3,346,145	3,603,901
<b>Committed to:</b>				
Community enforcement and development	340,410	-	298,649	639,059
Cemetery	-	-	497,126	497,126
Debt service	-	-	37,434	37,434
Streets	-	982,114	104,487	1,086,601
Capital projects	-	-	988,544	988,544
<b>Assigned to:</b>				
Cemetery and library	-	-	14,136	14,136
<b>Unassigned:</b>	3,600,337	-	(283,232)	3,317,105
<b>Total fund balances:</b>	<b>\$ 4,233,011</b>	<b>\$ 1,239,870</b>	<b>\$ 6,640,253</b>	<b>\$ 12,113,134</b>

## 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 fund balance sheet includes a 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 details of this are as follows:

Land	\$ 4,479,678
Construction in progress	961,674
Buildings	23,569,839
Less: accumulated depreciation-buildings	(7,679,855)
Other improvements	10,414,362
Less: accumulated depreciation-other improvements	(2,341,798)
Equipment	3,741,748
Less: accumulated depreciation-equipment	(1,749,616)
Intangibles	699,996
Less: accumulated depreciation-intangibles	(699,996)
Infrastructure	93,611,000
Less: accumulated depreciation-infrastructure	(42,718,763)

Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<b>\$ 82,288,270</b>
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Another element of the reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The following shows the detail of these liability changes:

Bonds payable	\$ (14,221,438)
Bond premiums	(925,945)
Interest payable	(76,306)
Debt refunding	488,573
Compensated absences	(1,538,582)
OPEB deferred outflows/inflows	84,080
OPEB liability	(17,678,403)
Firemens’ pension liability	(2,132,757)

Net adjustment to reduce <i>fund balance - total government funds</i> to arrive at <i>net position - governmental activities</i>	<b>\$ (36,000,778)</b>
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**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a 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 these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 5,926,145
Depreciation expense	(3,814,937)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<b>\$2,111,208</b>

Another element of the reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.” The details of this difference are as follows:

In the statement of activities, only the <i>loss</i> on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	\$ (67,701)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	101,258
Net adjustment to increase total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 33,557</u></u>

The issuance of long-term debt 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 principal repayments	\$ 1,222,401
Debt service interest	(76,306)
Amortization of bond premiums	83,980
Amortization of refunded debt	(48,857)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 1,181,218</u></u>

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

Compensated absences	\$ 16,135
Net OPEB liability	899,230
Net firemen’s pension liability	(200,647)
Net State pension obligations	1,367,459
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 2,082,177</u></u>

**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**

Cash on hand as of December 31, 2019, was \$3,223,946. The City of Walla Walla does not have certificates of deposit, thus no carrying value is reported. The bank balance was \$3,215,644.

Custodial Credit Risk - Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the City would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party.

The City deposits are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington State Public Deposit Protection

Commission (WPDPC). The FDIC insures the first \$250,000 of the City's deposits. The deposit balances over \$250,000 are insured by the WPDPC.

Deposits	Balance on 12/31/2019
Baker Boyer Bank	\$3,215,644
Total FDIC Insured or PFCP Bank Deposits	\$3,215,644

Foreign Currency Risk - Foreign currency risk for deposits is the risk that changes in exchange rates will adversely affect the deposit. The city's policy is to limit deposits subject to foreign currency risk to five percent of total deposits. There is no exposure to foreign currency risk for deposits as of December 31, 2019.

## B. Investments

Investments are subject to the following risks.

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

Maturities	Fair Value	Maturity (in years)	
		Less than 1 year	1-5 year
Investment Type			
US Treasury	\$11,035,647	\$6,497,619	\$4,538,028
Government Sponsored Enterprise (GSE's)	\$12,122,274	\$3,000,909	\$9,121,365
Total	\$23,157,921	\$9,498,528	\$13,659,393

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

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

At December 31, 2019, the City's investments had the following credit quality distribution for securities with credit exposure:

Credit Risk	Ratings		
	Moody's	S&P	Fair Value
U.S Treasury Notes	Aaa	AA+	\$11,035,647
Government Sponsored Enterprises			
Federal National Mortgage Association	Aaa	AA+	\$1,503,656
Federal Farm Credit Bank	Aaa	AA+	\$2,523,764
Federal Home Loan Bank	Aaa	AA+	\$8,094,854

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

Custodial Credit Risk	Held by Counterparty	Held by Counterparty's Trust Dept or Agent
U.S Treasury Notes		\$11,035,647
Government Sponsored Enterprises		
Federal National Mortgage Association		\$1,503,656
Federal Home Loan Bank		\$8,094,854
Federal Farm Credit Bank		\$2,523,764
Total Investments		\$23,157,921

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributable to the magnitude of an investment in a single issuer. The City investment policy contains limitations on the amount that can be invested by issue type. As of December 31, 2019, there were no investments in any one type that represents



35% or more of the City’s investments.

**Foreign Currency Risk:** Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The City’s investment policy includes foreign investments but, at this time, the City does not have any foreign investments.

**Investments in Local Government Investment Pool (LGIP)**

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

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

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

**Investments Measured at Fair Value**

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

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

The fair values and levels noted in the following table have been provided by the City’s investment advisor Government Portfolio Advisors (GPA). At December 31, 2019, the City had the following investments measured at fair value:

Investments by Fair Value	12/31/2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
US Treasury	\$11,035,647	\$11,035,647	-	-
Government Sponsored Enterprise (GSE's)	\$12,122,274	-	\$12,122,274	-
Total Investments measured at fair value	<b>\$23,157,921</b>	<b>\$11,035,647</b>	<b>\$12,122,274</b>	-
<b>Investments measured at amortized cost</b>				
State Local Government Investment Pool (LGIP)	\$35,393,430			
Total Investments measured at cost	<b>\$35,393,430</b>			

**NOTE 5 – PROPERTY TAX**

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

Collections are distributed by the 15th day of the following month.

Property Tax Calendar	
January 1	Tax is levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	The second installment is due.

In governmental funds, property taxes are recorded as a receivable when levied, offset by deferred revenue. During the year, property tax revenues are recognized when cash is collected. At year-end, property tax revenues are recognized for collections to be distributed by the county treasurer in January, and collections expected to occur within 60 days. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. Delinquent taxes are evaluated annually. The City may levy up to \$3.60 per \$1,000 of assessed value for general governmental services.

The City's 2019 levy is \$2.4278260 per \$1,000 on a 2018 assessed valuation of \$2,634,807,052 for a total regular levy of \$6,396,853. Washington State Constitution and Washington State law, RCW 84.55.010, limit the rate.

Special levies approved by the voters are not subject to the 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 a pool in February of 2015. The City's 2019 voted levy was \$0.581436 per \$1,000 on a 2018 assessed valuation of \$2,596,730,149 for a total debt service levy of \$1,509,832.

## NOTE 6 – CAPITAL ASSETS

### A. Capital Assets – Governmental Activities

Capital asset activity for the year ending December 31, 2019 was as follows:

Governmental Activities	Beginning Balance 01/01/2019	Increase	Decrease	Ending Balance 12/31/2019
Capital assets not being depreciated:				
Land	\$3,977,041	\$638,238	\$ -	\$4,615,278
Construction in progress	1,370,520	404,890	664,740	1,111,671
Total capital assets not being depreciated	5,347,560	1,044,128	664,740	5,726,949
Capital assets being depreciated:				
Buildings	27,698,375	135,094	9,888	27,823,580
Improvements other than buildings	10,327,341	103,233	16,212	10,414,362
Machinery and equipment	4,874,882	140,859	1,218,027	3,797,713
Intangibles – computer software	7,294	699,996	7,294	699,996
Infrastructure	88,666,402	5,307,315	266,529	93,707,188
Total depreciated capital assets	131,574,294	6,386,498	1,517,950	136,442,840
Less accumulated depreciation for:				
Buildings	8,946,148	622,742	9,888	9,559,002
Improvements other than buildings	2,149,086	199,062	6,350	2,341,798
Machinery and equipment	2,721,676	220,321	1,167,429	1,774,568
Intangibles – computer software	203	701,820	2,026	699,996
Infrastructure	40,104,214	2,865,972	210,463	42,759,722
Total accumulated depreciation	53,921,327	4,609,917	1,396,156	57,135,087
Capital assets being depreciated, net	77,652,967	1,776,580	121,793	79,307,753
Governmental activities capital, net	\$83,000,527	2,820,708	786,534	85,034,702

## B. Capital Assets – Business-type Activities

Business-type Activities:	Beginning Balance 01/01/2019	Increase	Decrease	Ending Balance 12/31/2019
Capital assets not being depreciated:				
Land	\$1,221,574	\$1,380,750	\$ -	\$2,602,324
Construction in progress	20,365,200	4,316,555	19,409,243	5,272,513
Intangibles – water rights	225,307	-	-	225,307
Total capital assets not being depreciated	21,812,081	5,697,305	19,409,243	8,100,144
Business-type assets being depreciated:				
Buildings	31,414,762	9,007,873	-	40,422,635
Improvements other than buildings	10,382,194	110,538	53,671	10,439,062
Machinery and equipment	23,104,443	5,524,361	731,689	27,897,115
Intangibles – computer software	7,024	103,898	7,024	103,898
Infrastructure	120,371,157	9,426,945	472,098	129,326,003
Total depreciated capital assets	185,279,579	24,173,615	1,264,483	208,188,712
Less accumulated depreciation for:				
Buildings	17,189,937	608,043	-	17,797,981
Improvements other than buildings	4,116,677	490,721	27,070	4,580,329
Machinery and equipment	13,419,004	1,197,775	613,684	14,003,094
Intangibles – computer software	1,171	78,132	2,927	76,376
Infrastructure	36,773,039	2,395,657	167,768	39,000,928
Total accumulated depreciation	71,499,828	4,770,328	811,449	75,458,707
Capital assets being depreciated, net	113,779,751	19,403,287	453,034	132,730,005
Business-type activities capital, net	\$135,591,833	\$25,100,592	\$19,862,276	\$140,830,149

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

### Governmental activities:

General government	\$157,787
Public safety	407,256
Utilities & environment	2,317
Transportation	2,874,218
Social services	3,480
Culture & recreational environment	461,665
Total depreciation - governmental activities	<u>\$3,906,722</u>

### Business-type activities:

Golf course	\$64,880
Sanitation	819
Water	1,302,801
Stormwater	130,550
Wastewater	1,718,744
Landfill	450,106
Ambulance	1,438
Fleet services	8,221
Vehicle replacement	1,007,903
Total depreciation - business-type activities	<u>\$4,685,462</u>

## C. Collections not Capitalized

The City 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; c) subject to a policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

The City owns the following donated historical treasures not capitalized as of December 31, 2019:

<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 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

**A. Construction Commitments**

The City of Walla Walla has active construction projects as of December 31, 2019. The projects include improvements to the Water Treatment Plant, the infrastructure repair and replacement program (IRRP), landfill site improvements, two bridge replacements, a sewer pump station upgrade and improvements at the Wastewater Treatment Plant.

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

<b>Project</b>	<b>Spent to Date</b>	<b>Remaining Commitment</b>
Street fund	\$350,481	\$202,953
Street construction	2,870,461	2,493,578
TBD street construction	42,341	1,654
Water construction	11,982,276	1,978,081
Stormwater construction	588,695	381,615
Wastewater construction	2,979,931	1,065,228
Landfill construction	1,029,458	1,138,890
Service center construction	127,873	3,731
<b>Total:</b>	<b>\$19,971,516</b>	<b>\$7,265,730</b>

**NOTE 8 – PENSION PLANS**

The following table represents the aggregate pension amounts for all plans for the year 2019:

<b>Aggregate Pension Amounts</b>	<b>State Sponsored Plans</b>	<b>Fireman’s Pension</b>	<b>Total</b>
Pension liabilities	\$ (4,951,773)	\$ (2,410,943)	\$ (7,362,716)
Pension assets	\$ 8,284,147	\$-	\$ 8,284,147
Deferred outflows of resources	\$ 2,444,673	\$ 6,464	\$ 2,451,137
Deferred inflows of resources	\$ (5,259,708)	\$-	\$ (5,259,708)
Pension expense/expenditures	\$ 546,432	\$ 277,329	\$ 823,761

**State Sponsored Pension Plans**

Substantially all city 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 (DRS), 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.

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

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

The DRS CAFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

**Public Employees’ Retirement System (PERS)**

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

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

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2019 were as follows:

<b>PERS Plan 1</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee*</b>
January-June 2019		
PERS Plan 1	7.52%	6.00%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.83%</b>	<b>6.00%</b>
July-December 2019		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.86%</b>	<b>6.00%</b>

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

**PERS Plan 2/3** provides retirement, disability and death benefits. Retirement benefits are determined as 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 2019 were as follows:

<b>PERS Plan 2/3</b>		
<b>Actual Contribution Rates</b>	<b>Employer 2/3</b>	<b>Employee 2*</b>
January-June 2019		
PERS Plan 2/3	7.52%	7.41%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>12.83%</b>	<b>7.41%</b>
July-December 2019		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>12.86%</b>	<b>7.90%</b>

\* For employees participating in JBM, the contribution rate was 18.53% to 19.75%.

The City's actual PERS plan contributions were \$700,787 to PERS Plan 1 and \$1,058,819 to PERS Plan 2/3 for the year ended December 31, 2019.

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

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

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

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

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

#### Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2019. 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 includes 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.

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



a percentage of covered payroll) was 3.44% as of July 1, 2019.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2019 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	Employer	Employee
January-June 2019		
State and local governments	5.25%	8.75%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.43%</b>	<b>8.75%</b>
July-December 2019		
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.33%</b>	<b>8.59%</b>
Ports and Universities	8.75%	8.75%
Administrative Fee	0.18%	
<b>Total</b>	<b>8.93%</b>	<b>8.75%</b>
July-December 2019		
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.33%</b>	<b>8.59%</b>
Ports and Universities	8.59%	8.59%
Administrative Fee	0.18%	
<b>Total</b>	<b>8.77%</b>	<b>8.59%</b>

The City's actual contributions to the plan were \$477,230 for the year ended December 31, 2019.

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, 2019, the state contributed \$72,959,897 to LEOFF Plan 2. The amount recognized by the city as its proportionate share of this amount is \$6,254,839.

### Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2019 with a valuation date of June 30, 2018. 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* and the *2017 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2018 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2019. Plan liabilities were rolled forward from June 30, 2018, to June 30, 2019, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

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

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

- OSA updated modeling to reflect providing benefit payments to the date of the initial retirement eligibility for terminated vested members who delay application for retirement benefits.
- OSA updated COLA programming to reflect legislation signed during the 2018 legislative session that provides PERS and TRS Plan 1 annuitants who are not receiving a basic minimum, alternate minimum, or temporary disability benefit with a one-time permanent 1.5% increase to their monthly retirement benefit, not to exceed a maximum of \$62.50 per month.

### Discount Rate

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

### Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns over various time horizons.

### 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, 2019, 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%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	<b>100%</b>	

### Sensitivity of the Net Pension Liability/(Asset)

The table below presents the city's proportionate share of the net pension liability calculated using the discount rate of 7.4 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 (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	\$ 4,701,816	\$ 3,754,489	\$ 2,932,559
PERS 2/3	\$ 9,182,688	\$ 1,197,283	\$ (5,355,269)
LEOFF 1	\$ (1,660,082)	\$ (2,029,307)	\$ (2,348,099)
LEOFF 2	\$ (1,163,039)	\$ (6,254,839)	\$ (10,410,914)

### 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, 2019, the City reported a total pension liability of \$4,951,773 for its proportionate share of the net pension liabilities as follows:

	Liability
PERS 1	\$ 3,754,489
PERS 2/3	\$ 1,197,283

At June 30, 2019, the City reported a total pension asset of \$8,284,147 for its proportionate share of the net pension liabilities as follows:

	Asset
LEOFF 1	\$ 2,029,307
LEOFF 2	\$ 6,254,839

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

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	\$(2,029,307)	\$(6,254,839)
State's proportionate share of the net pension asset associated with the employer	\$(13,726,185)	\$(4,096,082)
TOTAL	\$(15,755,493)	\$(10,350,921)

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

	Proportionate Share 6/30/18	Proportionate Share 6/30/19	Change in Proportion
PERS 1	.096921%	.097637%	.000716%
PERS 2/3	.120879%	.123261%	.002382%
LEOFF 1	.102813%	.102666%	(.000147)%
LEOFF 2	.276442%	.269990%	(.006452)%

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 2019. Historical data was obtained from

a 2011 study by the Office of the State Actuary (OSA). In the fiscal year 2019, 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 the fiscal year 2019, the state of Washington contributed 39.57 percent of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 60.43 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2019, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2018, with update procedures used to roll forward the total pension liability to the measurement date.

### Pension Expense

For the year ended December 31, 2019, the city recognized pension expense as follows:

	Pension Expense
PERS 1	\$204,878
PERS 2/3	\$323,356
LEOFF 1	\$(103,896)
LEOFF 2	\$122,094
TOTAL	\$546,432

### Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019, the city 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	\$ -	\$(250,831)
Changes of assumptions	\$ -	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ -
Contributions subsequent to the measurement date	\$348,035	\$ -
<b>TOTAL</b>	<b>\$348,035</b>	<b>\$(250,831)</b>

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$343,025	\$(257,409)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$(1,742,757)
Changes of assumptions	\$30,659	\$(502,340)
Changes in proportion and differences between contributions and proportionate share of contributions	\$137,067	\$ -
Contributions subsequent to the measurement date	\$553,139	\$ -
<b>TOTAL</b>	<b>\$1,063,889</b>	<b>\$(2,502,507)</b>

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	\$ -	\$(210,378)
Changes of assumptions	\$ -	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ -
Contributions subsequent to the measurement date	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$(210,378)</b>

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$450,092	\$(112,479)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$(1,282,438)
Changes of assumptions	\$10,304	\$(703,870)
Changes in proportion and differences between contributions and proportionate share of contributions	\$334,706	\$(197,206)
Contributions subsequent to the measurement date	\$237,647	\$ -
<b>TOTAL</b>	<b>\$1,032,749</b>	<b>\$(2,295,992)</b>

TOTAL OF ALL PLANS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$793,116	\$(369,888)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$(3,486,404)
Changes of assumptions	\$40,963	\$(1,206,210)
Changes in proportion and differences between contributions and proportionate share of contributions	\$471,773	\$(197,206)
Contributions subsequent to the measurement date	\$1,138,821	\$ -
<b>TOTAL</b>	<b>\$2,444,673</b>	<b>\$(5,259,708)</b>

Deferred outflows of resources related to pensions resulting from the city's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	PERS 1
2020	(55,372)
2021	(131,161)
2022	(46,806)
2023	(17,492)
2024	
Thereafter	
<b>TOTAL</b>	<b>(250,831)</b>

Year Ended December 31	LEOFF 1
2020	(48,865)
2021	(107,703)
2022	(39,082)
2023	(14,728)
2024	
Thereafter	
<b>TOTAL</b>	<b>(210,378)</b>

Year Ended December 31	PERS 2/3
2020	(505,492)
2021	(869,508)
2022	(371,739)
2023	(187,362)
2024	(79,143)
Thereafter	21,487
<b>TOTAL</b>	<b>(1,991,757)</b>

Year Ended December 31	LEOFF 2
2020	(327,826)
2021	(629,208)
2022	(280,057)
2023	(144,054)
2024	(41,297)
Thereafter	(78,447)
<b>TOTAL</b>	<b>(1,500,890)</b>

## A. 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 firefighters 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 firefighters who retired on or after March 1, 1970.

The financial activity of the FPP is presented in the Statement of Net Position – Fiduciary Funds, and the Statement of Changes in Net Position – Fiduciary Funds. No separate stand-alone report is issued for the FPP. 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, 2019, 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	4
Firefighters disabled not in line of duty since March 1, 1970	4
Survivors of firefighters retired after March 1, 1970	5
<b>Total</b>	<b>24</b>

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 the death of a retired firefighter, payment on the death of eligible pensioner before retirement, payment on death in the line of duty, payment upon disablement in line of duty, payment upon disablement not in the 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, 2019, the state contributed \$50,375, and the City contributed \$79,811, no members made contributions to the Plan. As of the last actuarial study dated January 1, 2020, the actuary determined that current Plan assets and future contributions from state fire insurance taxes and employer contributions will be sufficient to pay all plan benefits.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increase	3.25%
Investment Rate of Return	2.75%
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 2.75%. 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, 2019 is 2.74%. Rounding this to the nearest 1/4 percent results in the discount rate of 2.75%.

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 2.74% as of December 31, 2019—rounding this to the nearest 1/4 percent results in a discount rate of 2.75%. 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, Deposits and Investments, for information regarding the City's investment activities.

Rate of Return. For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments was 0.0%. 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 2.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.75%) or one percentage point higher (3.75%) than the current rate:



	1% Decrease 1.75%	Current Discount Rate 2.75%	1% Increase 3.75%
Total pension liability	\$2,713,934	\$2,493,341	\$2,301,976
Fiduciary net position	82,398	82,398	82,398
Net pension liability	<u>\$2,631,536</u>	<u>\$2,410,943</u>	<u>\$2,219,578</u>

Changes in the Net Position Liability. The changes in net position liability for the period ending December 31, 2019, 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)
<b>Balance as of December 31, 2018</b>	<b>\$2,300,950</b>	<b>\$87,760</b>	<b>\$2,213,190</b>
Service cost (Entry Age Normal)	-	-	-
Interest on total pension liability	84,419	-	84,419
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	235,220	-	235,220
Benefit payments	(132,248)	(132,248)	-
Medical payments from fund	-	-	-
Employer contributions	-	79,811	(79,811)
Contributions from state fire insurance premium tax	-	50,375	(50,375)
Net investment income	-	-	-
Administrative expenses	-	(3,300)	3,300
<b>Balance as of December 31, 2019</b>	<b>\$ 2,493,341</b>	<b>\$ 82,398</b>	<b>\$ 2,410,943</b>

Measurement Date. The Valuation Date is January 1, 2018. This is the date as of which the actuarial valuation is performed. The Measurement Date is December 31, 2019. This is the date as of which the net pension liability is determined. The Reporting Date is December 31, 2019. This is the Plan's and/or employer's fiscal year ending date.

Changes in Assumptions. The changes in economic assumptions led to the largest increase in liability. All other changes in 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.

For the fiscal year, ending December 31, 2019, the City's fire pension expense was as follows:

<b>GASB Statement No. 68 Pension Expense</b>		
<b>Pension Expense</b>	<b>January 1, 2018 to December 31, 2018</b>	<b>January 1, 2019 to December 31, 2019</b>
Service cost	\$ -	\$ -
Interest on total pension liability	84,158	89,419
Effect of plan changes	-	-
Administrative expenses	12,175	3,300
Medical payments from fund	-	-
Contributions from state fire insurance premium tax	(50,006)	(50,375)
Expected investment return net of investment expenses	(3,425)	(3,404)
Recognition of deferred inflows/outflows of resources		
Recognition of economic/demographic gains or losses	-	-
Recognition of assumption changes or inputs	(97,018)	235,220
Recognition of investment gains or losses	2,490	3,169
<b>Pension Expense</b>	<b>\$ (51,626)</b>	<b>\$ 277,329</b>

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Plan Name	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$-	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings	-	6,464
Contributions made subsequent to the measurement date	-	-
Total	\$-	\$6,464

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*	
2020	\$2,419
2021	1,999
2022	1,366
2023	680
2024	-
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, 2019 were as follows:

Total Pension Liability	\$ 2,493,341
Plan Fiduciary Net Position	<u>82,398</u>
City's Net Pension Liability	<u>\$ 2,410,943</u>
Plan fiduciary net position as a percentage of the total pension liability 3.30%	

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, Deposits and Investments, 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, 2019:

<u>Investment Type</u>	<u>% of Net Position</u>
Local Government Investment Pool	100%

Rate of Return. For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments was 0.0%. The money-weighted rate of return expresses investment performance adjusted for the changing amounts 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 9 – RISK MANAGEMENT

Washington Cities Insurance Authority (WCIA): 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 163 members.

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

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

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$300 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

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

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

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

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

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

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

As of December 31, 2019, 261 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and

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

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2019, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Commencement Bay Risk Management, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

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

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

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

Matrix Absence Management: 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 claim's manager estimates, the City's estimated liability for probable losses at December 31, 2019 is \$358,581 for the workers' compensation program. The state requires \$100,000 be set aside in cash reserves for protection for the worker's compensation fund. The City met this requirement. The fund's average monthly cash balance for 2019 was \$138,279. 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 12/31/2018	Year Ended 12/31/2019
Unpaid claims, beginning of the fiscal year	\$ 142,545	\$ 138,001
Incurred claims (including IBNRs)	10,330	43,864
Changes in estimate for claims, prior period	78,912	347,652
Payments on claims	(93,785)	(170,937)
Unpaid claims, end of fiscal year	<u>\$138,001</u>	<u>\$358,581</u>

#### NOTE 10 – LONG-TERM DEBT

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

General obligation bonds outstanding at December 31, 2019, are as follows:

Purpose	Issue Date	Maturity Date	Interest Rate	Original	Outstanding
2010 LTGO Bond Fire Truck	6/22/2010	12/1/2024	3.00%-5.00%	\$845,000	\$345,000
2010 LTGO Bond Landfill	6/22/2010	12/1/2024	3.00%-5.00%	2,805,000	1,695,000
2013 UTGO Refunding Bond	10/15/2013	12/1/2023	2.72%	2,840,000	1,255,000
2015 LTGO Bond Street Construction	5/7/2015	12/1/2024	3.125%-4.50%	188,789	89,458
2015 LTGO Bond Library	5/7/2015	12/1/2024	3.125%-4.50%	756,202	436,980
2015 UTGO Bond Pool	10/15/2015	12/1/2034	2.50%-4.00%	5,560,000	4,905,000
2015 LTGO Bond Landfill Liner	5/7/2015	12/1/2024	3.13%	1,366,359	76,934
2015 LTGO Bond Golf Course	5/7/2015	12/1/2024	3.13%	230,951	109,437
2016 LTGO Water AMI	8/31/2016	12/1/2031	2.00%-3.00%	5,960,000	4,935,000
2016 UTGO Refunding Police Station	9/15/2016	12/1/2029	3.00%	7,745,000	7,190,000
2017 LTGO Bond Landfill	10/18/2017	12/1/2027	2.18%	2,660,000	2,175,000
				<b>\$30,957,301</b>	<b>\$23,212,809</b>

General obligation bond debt service requirements to maturity are as follows:

Year Ending 12/31/2019	Governmental Activities		Business-type Activities	
	Interest	Principal	Interest	Principal
2020	\$427,344	1,280,423	\$235,419	\$784,488
2021	388,620	1,348,355	217,627	806,997
2022	351,684	1,424,633	195,106	825,987
2023	310,474	1,462,558	172,021	853,333
2024	268,184	1,175,469	148,194	875,566
2025-2029	802,500	5,630,000	393,529	3,925,000
2030-2034	170,890	1,900,000	32,325	920,000
<b>Total</b>	<b>\$2,719,696</b>	<b>\$14,221,438</b>	<b>\$1,394,221</b>	<b>\$8,991,371</b>

**Revenue Bonds:** The City issues revenue bonds to finance construction projects for the City’s utilities. Revenue bonds are payable from revenues generated from user fees and are backed by the Water/Wastewater utilities. In 2018, the City issued a \$6,390,000 revenue bond to be used for capital construction at the Wastewater Treatment Plant and other capital projects.

Revenue bonds outstanding at December 31, 2019, are as follows:

Purpose	Issue Date	Maturity Date	Interest Rate	Original	Outstanding
2018 Water/Wastewater Series	8/28/2018	8/01/2038	4.00%-5.00%	\$6,390,000	\$6,390,000

Revenue bond debt service requirements to maturity are as follows:

Year Ending 12/31/2019	Business-type Activities	
	Interest	Principal
2020	\$285,900	\$215,000
2021	275,150	225,000
2022	263,900	235,000
2023	252,150	245,000
2024	239,900	260,000
2025-2029	991,000	1,505,000
2030-2034	599,250	1,895,000
2035 and beyond	184,600	1,810,000
<b>Total</b>	<b>\$3,091,850</b>	<b>\$6,390,000</b>

**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 from the LID Bond Fund, until the proceeds are received. As of December 31, 2019, the LID special assessment delinquency equals zero, all special assessments are current. This special assessment bond has been funded and accounted for as an interfund loan from the Equipment Replacement Fund. The final payment is scheduled for December 2020.

Special assessment bonds outstanding at December 31, 2019, are as follows:

Purpose	Issue Date	Maturity Date	Interest Rate	Original	Outstanding
2009-1 Bond LID (Taxable)	12/21/2011	12/21/2022	4.40%	\$551,000	\$60,848

Special Assessment bond debt service requirement to maturity in the year 2022 are as follows:

Year Ending 12/31/2019	Special Assessment	
	Interest	Principal
2020	2,677	20,000
2021	1,797	20,000
2022	917	20,848
<b>Total</b>	<b>\$5,391</b>	<b>\$60,848</b>

**Public Works Trust Fund Loans:** The City’s business-type activities have seven State of Washington Public Works Trust Fund Loans with principal outstanding of \$27,163,713. One loan has an interest rate of 0.5%, four loans have an interest rate of 1.0%, one at 1.16%, and the final loan has an interest rate of 4.1%. In 1999, 2001, 2002, 2006, 2007, and 2013, 2015 and 2019, the City Council authorized all seven loans for improvements to the City’s Water and Wastewater Treatment Plants and the Landfill. The final loan amounts will be repaid from the Water, Wastewater and Landfill utility funds in equal installments over a 20-year repayment term.

Public works loans outstanding as of December 31, 2019, are as follows:

Title	Purpose	Interest Rate	Original	Outstanding
DM13-952-183 Loan Water	Capital construction	1.00%	12,120,000	11,298,827
DM15-952-027 Loan Water	Capital construction	1.00%	9,682,527	9,209,157
L9900019A Loan Wastewater	Capital construction	4.10%	14,220,127	511,924
PC18-96103-010 Loan Landfill	Capital construction	1.16%	2,233,388	2,233,388
PW-02-691-060 Loan Wastewater	Capital construction	0.50%	5,159,197	834,523
PW-06-962-PRE-103 Loan Wastewater	Capital construction	1.00%	531,399	195,779
PW-07-962-018 Loan Wastewater	Capital construction	1.00%	6,823,104	2,880,116
<b>Total PWTF:</b>			<b>\$50,769,742</b>	<b>\$27,163,713</b>

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

Year Ending 12/31/2019	Business-type Activities Interest	
2020	273,817	2,499,882
2021	247,397	1,987,957
2022	228,720	1,987,957
2023	210,043	1,709,783
2024	192,757	1,709,783
2025-2029	708,938	7,744,982
2030-2034	351,346	6,609,002
2035 and beyond	57,064	2,914,366
<b>Total</b>	<b>\$2,270,082</b>	<b>\$27,163,713</b>

**Legal Debt Margin:** The City of Walla Walla is subject to a legal limit of indebtedness of 7.5% of the assessed property value, \$2,858,709,920, of which 1.5% may be for General Purpose Debt without a vote of the people, with a vote is 1% or less. Utility purpose limit voted is 2.5% with a vote and 2.5% open space parks and capital facilities, with a vote. The Legal Debt Margin chart in the statistical section of this CAFR provides the detail of the City of Walla Walla's remaining debt capacity.

**Rebatable Arbitrage:** Arbitrage occurs when the City invests funds borrowed at tax-exempt interest rates in higher-yielding taxable securities. The interest earnings in excess of interest expense must be remitted to the federal government. At the fund level, the City recognizes this liability only when due and payable. The City did not have any arbitrage excess earnings liability to report in 2019.

## NOTE 11 – LEASES

### Operating Leases

The City leases land, a building, and office equipment under noncancelable operating leases. Total costs for such leases were \$85,095 for the year ended December 31, 2019.

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

Year Ending December 31	Amount
2020	79,852
2021	67,240
2022	33,978
2023	19,191
2024	12,054
2025-2029	22,438
<b>Total</b>	<b>\$ 234,753</b>



## Capital Leases

The City of Walla Walla entered into lease agreements for financing equipment with a down payment of \$44,185. These lease agreements qualify as a capital lease for accounting purposes. Therefore, they have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Asset	Business-type Activities
Excavator #1	\$100,971
Excavator #2	146,033
Less: accumulated depreciation	(126,932)
<b>Total</b>	<b>\$ 120,072</b>

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2019 were as follows:

Year Ending December 31	Business-type Activities
2020	44,185
2021	44,185
2022	44,185
2023	2
<b>Total minimum lease payments</b>	<b>132,558</b>
<b>Less: interest</b>	<b>7,394</b>
<b>Present value of minimum lease payments</b>	<b>\$125,164</b>

## NOTE 12 – CHANGES IN LONG-TERM LIABILITIES

Long-term Liability activity for the year ended December 31, 2019, was as follows:

	Beginning 1/1/2019	Additions	Reductions	Ending 12/31/2019	One Year
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds	\$15,443,838	\$ -	\$1,222,401	\$14,221,437	\$1,280,423
Bond premiums	1,009,926	-	83,981	925,945	-
<b>Total bonds payable</b>	<b>16,453,764</b>	<b>-</b>	<b>1,306,382</b>	<b>15,147,382</b>	<b>1,280,423</b>
Special assessment bonds	81,848	-	21,000	60,848	20,000
Compensated absences	1,672,292	1,703,930	1,718,504	1,657,717	1,558,907
Workers compensation claims	138,001	391,517	170,938	358,580	46,771
Firemens' pension liability	1,932,110	200,647	-	2,132,757	-
Total OPEB liability	18,198,244	-	519,841	17,678,403	-
State pension	4,745,948	-	1,110,000	3,635,948	-
<b>Governmental activity long-term liabilities</b>	<b>\$43,222,207</b>	<b>\$2,296,094</b>	<b>\$4,846,665</b>	<b>\$40,671,635</b>	<b>\$2,906,101</b>
<b>Business-type Activities</b>					
Bonds payable:					
General obligation bonds	10,013,662	-	1,022,291	8,991,371	784,488
Revenue Bonds	6,390,000	-	-	6,390,000	215,000
Premiums	912,347	-	53,458	858,889	-
<b>Total bonds payable</b>	<b>17,316,009</b>	<b>-</b>	<b>1,075,749</b>	<b>16,240,260</b>	<b>999,488</b>

	Beginning 1/1/2019	Additions	Reductions	Ending 12/31/2019	One Year
DWSRF Loans	6,560,626	-	2,138,281	4,422,345	1,178,081
Capital leases	164,545	-	39,382	125,163	40,527
Landfill Closure	3,181,868	65,048	673,673	2,573,243	-
Federal DWSRF LT2	19,024,469	-	19,024,469	-	-
Dept of Health	-	20,507,984	-	20,507,984	1,204,254
Landfill Public Trust Fund Loan	-	2,233,388	-	2,233,388	117,547
Pollution remediation	1,268,548	1,244,456	151,752	2,361,252	710,581
Compensated absences	473,263	588,308	569,655	491,916	461,554
Pension Liability	1,646,478	-	330,653	1,315,825	-
Firemens' pension liability	281,080	-	2,894	278,186	-
Total OPEB liability	2,599,748	111,664	-	2,711,412	-
<b>Business-type activity long-term liabilities</b>	<b>\$52,516,634</b>	<b>\$24,750,848</b>	<b>\$24,006,508</b>	<b>\$53,260,974</b>	<b>\$4,712,032</b>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end \$673,413 of internal service funds, net pension liability and compensated absences are included in the above amounts. The General Fund, Street Fund, Emergency Services Fund, and Service Center Fund normally liquidate 89.6%, 2.80%, 7.50%, and 0.1% of compensated absences, respectively. The fund for which the liability is incurred is responsible for liquidating compensated absence liabilities. In the coming years, the General Fund, the Ambulance Fund, and the Fire Medical and Pension Funds, which incurred the pension and OPEB liabilities, are responsible for liquidating the liability.

#### NOTE 13 – CONTINGENCIES AND LITIGATIONS

The City's financial statements include all material liabilities. There are no material contingent liabilities to record other than those noted herein.

The City of Walla Walla was named as a defendant in an action filed in Walla Walla County Superior Court case number 19-2-00159-36 on February 27, 2019 for injuries allegedly sustained by Kimberly Garbe in a March 2, 2016 traffic collision with a City vehicle. The City of Walla Walla contests liability and is being defended by Kirk Ehlis of Menke, Jackson, Beyer, LLP. The City has tendered the claim to its insurance pool WCIA which has accepted the tender and is providing a defense. The City anticipates that its liability, if any, will be paid by WCIA. The amount of the City of Walla Walla's potential liability exposure cannot be estimated at this time, but the City's estimated maximum out-of-pocket exposure is estimated to be no more than \$1,000.

The City of Walla Walla was named as a defendant in an action filed in the United States District Court for the Eastern District of Washington case number 4:19-cv-5254 on November 4, 2019 in an action brought by Anthony Haworth for injuries allegedly arising from an investigation by the Walla Walla Police Department into matters charged in Franklin County Superior Court case number 17-1-50264-1. The City of Walla Walla contests liability and is being defended by Richard Jolley of Keating, Bucklin & McCormack. The City has tendered the claim to its insurance pool WCIA which has accepted the tender and is providing a defense. The City anticipates that its liability, if any, will be paid by WCIA. The amount of the City of Walla Walla's potential liability exposure cannot be estimated at this time, but the City's estimated maximum out-of-pocket exposure is estimated to be no more than \$1,000.

Miscellaneous other 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 14 – 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 \$943,402 which is due within one year and \$2,886,724 which is due in more than one year from the date of the financial statements.

Interfund loans between funds balances owing at the year ended December 31, 2019 are as follows:

Receivable Fund	Amount	Payable Fund	Amount
General	\$ 344,433	General	\$2,498,442
Equipment Replacement	3,485,693	Non-Major Government	547,673
	-	Major Enterprise	181,496
	-	Non-Major Enterprise	602,515
<b>Total</b>	<b>\$3,830,126</b>	<b>Total</b>	<b>\$3,830,126</b>

Transfers between funds during the year ended December 31, 2019, are as follows:

Transfers From:	Transfers To:				Totals From:
	General Fund	Streets Construction	Non-major Gov't	Other Enterprise	
General Fund	\$ -	\$ 1,490,000	\$ 2,233,676	\$ 145,000	\$ 3,868,676
Non-Major Gov't	146,957	441,202	157,000	25,116	770,276
Water/Wastewater	-	870,921	-	-	870,921
Other Enterprise	-	-	12,199	100,000	112,199
Internal Services	55,645	-	-	110,000	165,645
<b>Total Transfers:</b>	<b>\$ 202,603</b>	<b>\$ 2,802,124</b>	<b>\$ 2,402,874</b>	<b>\$ 380,116</b>	

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 15 – RECEIVABLE AND PAYABLE BALANCES**

Receivables balances include customer accounts receivable, grants receivable, NSF (returned payment) fees, reservation of recreation facilities and retirement systems payments. Grants receivable relates to qualified expenditures made prior to the end of the year.

Receivables as of December 31, 2019, were as follows:

	Governmental Activities	Business-type Activities	Total
<b>Taxes Receivable</b>			
Property taxes	\$ 159,064	\$ -	\$ 159,064
Sales and B&O taxes	2,362,005	-	2,362,005
<b>Total Taxes Receivable</b>	<b>\$ 2,521,069</b>	<b>\$ -</b>	<b>\$ 2,521,069</b>
<b>Other Receivables (net of allowance for uncollectible)</b>			
Accounts receivable	\$ 188,325	\$ 2,420,973	\$ 2,609,298
Employee receivable	2,973	-	2,973
<b>Total Other Receivables</b>	<b>\$ 191,298</b>	<b>\$ 2,420,973</b>	<b>\$ 2,612,271</b>

Receivables for the Ambulance Fund are reported net of allowance for uncollectible accounts. Using historical collection rates, it is estimated that 54% of the receivables or \$290,154 on December 31, 2019, will ultimately prove uncollectible for the Ambulance Fund.

Other liabilities include use tax payable and customer prepayments. As of December 31, 2019, the City's payable balances were:

	Governmental Activities	Business-type Activities	Total
<b>Other Accrued Liabilities</b>			
Employee Wages and Benefits	\$ 1,892,523	\$ 530,353	\$ 2,422,876
Retainage	63,604	302,301	365,905
Other Liabilities	74,030	86,394	160,424
<b>Total</b>	<b>\$ 2,030,157</b>	<b>\$ 919,048</b>	<b>\$ 2,949,205</b>

#### **NOTE 16 -Define Benefit Other Postemployment Benefit (OPEB) Plans**

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year 2019.

<b>Aggregate OPEB Amounts – LEOFF 1 Medical</b>	
OPEB liabilities	\$20,389,815
Deferred outflows of resources	\$231,790
Deferred inflows of resources	\$134,815
OPEB expenses/expenditures	\$649,790

The City elected to use the Alternative Measurement Method (AMM) to calculate the 2019 total OPEB liability.

*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 single-employer defined benefit healthcare plan administered by the City. The members' necessary hospital, medical, and nursing care expenses not payable by worker's compensation, social security, insurance provided by another employer, other pension plans, or any other similar source are covered. 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. The board is made up of the following five members: two City of Walla Walla council members, a "citizen at large" appointed by the City, one retired firefighter, and one retired police officer.

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

*Employees covered by benefit terms.* On December 31, 2019, the City had 47 participants in the plan, all of which were inactive employees or beneficiaries currently receiving benefits.

The City of Walla Walla's prior measurement date of June 30, 2018, the number of members who are eligible for benefits has decreased by three. The plan is funded on a pay-as-you-go basis, and there are no assets accumulated in a qualifying trust. The employer's contributions to the plan are not irrevocable. The LEOFF 1 Medical plan assets are not legally protected from creditors of the City.

*Contribution Requirements.* As required by State statute, the City provides contributions on a pay-as-you-go basis. The City pays a monthly insurance premium to cover each retiree as well as any remaining eligible out-of-pocket expenses. Retirees are not required to contribute to the plan. The City contributed a total of \$413,437 in 2019, \$75,472 from the Ambulance Fund, and the remaining \$337,965 from the General Fund. As of December 31, 2019, the City paid \$138,874 out of the General Fund and \$368,359 out of the Fire Medical Benefit fund for medical insurance and other qualifying expenses. The City of Walla Walla's OPEB financial reports are included in the 2019 CAFR.

*Assumptions and Other Inputs.* The City of Walla Walla's total OPEB liability was calculated by the Alternative Measurement Method (AMM) actuarial valuation as of June 30, 2019. The City used this method in place of an actuarial evaluation. The following actuarial methods and assumptions were applied to all periods included in the measurement unless otherwise specified.

**Methodology:**

Actuarial Valuation Date	6/30/2019
Actuarial Measurement Date	6/30/2019
Actuarial Cost Method	Entry Age
Amortization Method	Recognized Immediately
Asset Valuation Method	N/A (No Assets)

**Assumptions:**

Assumptions	
<b>Discount Rate</b>	
Beginning of Measurement Year	3.87%
End of Measurement Year	3.50%
<b>Healthcare Trend Rates</b>	
Medical Costs	Initial rate is about 6%, trends down to about 5% in the 2020's.
Long-Term Care	4.50%
Medicare Part B Premiums	Approximately 5%, varies by year.
<b>Mortality Rates (assume 100% male population)</b>	
Base Mortality Table	RP-2000 Mortality Table
Age Setback	+1 year Healthy/ -2 years Disabled Blended 50%/50% Healthy/Disabled
Mortality Improvements	100% Scale BB
Projection Period	Generational
<b>Medicare Participation Rate</b>	100%

The following presents the total OPEB liability of the City calculated using the current healthcare cost trend rate of 6%, as well as what the OPEB liability would be if it were calculated using a discount rate that is a one-percentage point lower (5%) or one-percentage-point higher (7%) that the current rate.

	1% Decrease 5%	Current Healthcare Cost Trend Rate 6%	1% Increase 7%
<b>Total OPEB Liability</b>	\$18,633,431	\$20,389,815	\$22,393,363

The following presents the total OPEB liability of the City calculated using the discount rate of 3.50%, as well as what the OPEB liability would be if it were calculated using a discount rate that is a one-percentage point lower (2.50%) or a one-percentage point higher (4.50%) that the current rate.

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
<b>Total OPEB Liability</b>	\$22,548,798	\$20,389,815	\$18,541,282

*Changes in the Total OPEB Liability.*

LEOFF 1 Medical	
<b>OPEB Liability at 01/01/2019</b>	<b>\$20,797,992</b>
Service cost	-
Interest	784,605
Changes of benefit terms	-
*Differences between expected and actual experience and changes of assumptions	(134,815)
Estimated Benefit payments	(1,057,967)
Other changes	-
<b>OPEB Liability at 12/31/2019</b>	<b>\$20,389,815</b>

The LEOFF 1 plan incurred pension expense of the \$649,790. Under GASB 75, the basic formula for calculating OPEB expense is as follows:

Calculation of Expense Under GASB 75	
1. Service Cost	\$ -
2. Interest (on liabilities)	784,605
3. Interest (on assets)	-
4. Administrative Expenses	-
5. Difference between expected and actual experience	(134,815)
6. Changes in Assumptions	-
7. Difference between expected and actual earnings	-
<b>Total Expense</b>	<b>\$649,790</b>

Deferred outflows of resources and inflows of resources of \$96,975 resulting from payments subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended December 31, 2019.

**NOTE 17 – CLOSURE AND POST-CLOSURE CARE COSTS**

Background: The City of Walla Walla (City) owns three landfills: 1) Sudbury Road Landfill (SRL); 2) the closed Tausick Way Landfill (TWL); 3) the Isaacs Inert Waste Landfill (IIWL/Burdine property). The SRL covers approximately 125 acres and is located within the western portion of an 829-acre City-owned section of land

zoned as Public Reserve. Municipal Solid Waste (MSW) has been placed in five separate areas at the SRL – Areas 1, 2, 5, 6, and 7. Areas 1, 2, 5, and 6 are closed, unlined cells, and contain MSW. Area 7 is a lined cell that has been in operation since 2006 and is actively receiving MSW. Area 7 has a projected capacity until 2030 when the area will either be closed or a revised permit submitted for vertical expansion to 2038. Area 6 reached its capacity in 2008 and was closed in accordance with WAC 173-351. The City is currently performing monitoring of Area 6.

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

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

Closure and Post-Closure Costs: Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the City must record a portion of these closure and post-closure costs each year as an expense. That expense calculation is based 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. A permit modification for Area 7 was submitted to the Department of Health and the DOE in December 2016 for Cell 3. The expansion permit was formally approved by the DOE on February 22, 2017. With this expansion (constructed in the spring/summer of 2017), Area 7 has a total permitted capacity of 1,813,000 cubic yards. As of May 22, 2019, Area 7 is approximately 58% filled.

The permit revision for Area 7, Cell 3, included a revision to the closure and post-closure plan. The total long-term closure and post-closure costs for Area 7 (Cells 1-3) is estimated at \$4,267,764 (in 2019 dollars). However, when adjusted for estimated capacity used between the survey date and December 31, 2019, the estimated capacity filled is 60.1%, and the amount of the liability for closure is \$796,892, and post-closure is \$1,766,351. As of December 31, 2019, cash of \$3,928,184 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.

In February 2020, a consultant for the City and the Public Works Department of the City estimated the cost of closure for the IWL/Burdine property. Closure costs were estimated at \$10,000 for 2020. The City has recorded a liability in the amount of \$10,000 costs associated with the IWL/Burdine property.

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-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 ongoing operations and cap construction, inflation, deflation, technology, or changes in applicable laws or regulations.

#### **NOTE 18 – 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 the fiscal year 2019.



## **NOTE 19 – POLLUTION REMEDIATION OBLIGATIONS**

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

The Sudbury Road Landfill is a City-owned and operated landfill which the DOE determined required remediation in 2008 pursuant to the Model Toxics Control Act (MTCA). The City entered into Agreed Order No. 8456 with the DOE in 2011 and completed a remedial investigation/feasibility study. In 2015, the DOE prepared a Cleanup Action Plan (CAP) that describes the activities required to implement the selected remedy. The requirements of the CAP were incorporated into Consent Decree 15-2-00536-8 (Decree) in August 2015. The remedy was constructed in 2016. Operation of the remediation systems, long-term monitoring, and reporting will be conducted until specific cleanup levels in groundwater are achieved. At a minimum, the remediation will extend through 2020.

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

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

Pursuant to GASB Statement 49, the City is reporting a \$710,581 in current liability and \$1,650,671 in long-term liability in its landfill fund for its estimated post-remediation liability. The obligation is an estimate subject to changes resulting from price increases or reductions, technology, DOE requirements, or laws and regulations. In 2016, the DOE required that the City reserve \$599,311 in a financial assurance account to cover monitoring expenditures in the event that the City cannot complete the cleanup using City funds.

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

The IIWL/Burdine property was formerly privately held property that, according to available records, appears to have had a history of sand and gravel mining and subsequent solid and inert waste disposal. It is adjacent to the City's closed TWL, and is located at 2740 East Isaacs Avenue, Walla Walla, Washington. The City purchased the property in 1999 to resolve a garbage trespass claim and maintains ownership today. On February 4, 2004, the City received an Early Notice letter from DOE for the IIWL/Burdine property stating that contaminated soil was reportedly found on the IIWL/Burdine property. Remedial studies were performed and the City was granted an inert landfill permit for the IIWL/Burdine property in 2006 which requires the City to perform groundwater monitoring.



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

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

#### **NOTE 20 – ACCOUNTING AND REPORTING CHANGES**

In 2019, the City reclassified \$669,996 of Machinery and Equipment assets to Intangibles – Computer Software. The City also reclassified \$669,686 of Machinery and Equipment Accumulated Depreciation to Intangibles – Computer Software, following GASB 51 and the City of Walla Walla Capital Asset Policy.

#### **NOTE 21 – SUBSEQUENT EVENTS**

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges, and universities, canceling public events, prohibiting public and private gatherings, and requiring people to stay home unless they are leaving for an essential function.

On March 16, 2020, the City Manager invoked the Continuity of Operations Plan for the City, and the Leadership Team has been actively meeting since that date. The City Manager directed that all City buildings would be closed to the public and that department directors should reduce the number of people working in City buildings and abide by the requirements of the Governor to stay home. As a result, there is minimum staffing in all City buildings. However, mission-critical functions continue by using social distancing and protective equipment. Employees are working in City facilities, at construction sites, or from home. Some employees are on reserve and expected to return to work within a thirty-minute notification.

City Leadership is anticipating significant losses in revenue due to the closure of businesses, the reduction in construction, the increase in unemployment, and the loss of tourism. Also, there are increased costs associated with COVID-19, such as acquiring software licensing to enable employees to work remotely, increasing hours of operation at the Homeless Sleep Center, and buying additional protective equipment. To address the decreased revenue and increased expenses, City Leadership is limiting expenses to mission-critical and job essential and freezing all vacancies until the impact can be determined. All nonessential costs are on hold until the effect of COVID-19 can be estimated. The City has been tracking all costs associated with COVID-19 for potential reimbursement from FEMA.

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

In early February 2020, the City experienced significant damage due to flooding of Mill Creek including:

- Floodwaters filled the Intake Facility area behind the dam with sand, rock, and debris, making it impossible to intake water. The cut off the Mill Creek supply of water to the City's residents. The City estimated \$250,000 of damages.

- The City provides drinking water to 36 private connections fed by a groundwater well located just downstream of the Intake Facility. The Glen Water System suffered substantial damage. The preliminary estimated repair costs are \$250,000.
- A 30” water transmission line is the primary water line that conveys water from the intake facility to the water treatment plant. The estimated repair expense for three primary areas of damage is a total of \$1.5 million.
- The telemetry communications line is the underground line that provides communication from the intake facility to the water treatment plant. The estimated damages are \$100,000.

The flood area has been designated as a national disaster making the repairs eligible for reimbursement under FEMA.

**NOTE 22 – TAX ABATEMENT**

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

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

As of December 31, 2019, the City’s projects that are currently subject to property and use tax abatement and the total are as follows:

Tax Abatement Program	Property Tax Abated 12/31/2019
Property Tax Exemption for Affordable Multi-Family Housing	\$22,980
<b>Total</b>	<b>\$22,980</b>

**NOTE 23 – RESTATEMENTS**

GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB 67 and 68, became effective for fiscal years beginning after June 30, 2016. Before 2019, the City considered its Fire Pension to be under a “trust-like arrangement,” and reported its Pension Liability under GASB 68. The City revisited the decision, “trust or trust-like arrangement,” and determined that GASB 73 should have been used for Fire Pension Fund reporting.

In previous years, the City reported The Fire Medical Fund as a Fiduciary Fund. This fund is used to record post-employment medical expenses. The City uses the pay-as-you-go method, which is not administered through a trust or an equivalent arrangement. Therefore, the assets should be reported in a governmental or proprietary fund as assets of the government.

After the implementation of GASB 73, the Fire Pension Fund and Fire Medical Fund were treated as managerial funds for accounting purposes. For financial reporting, they are combined with the General Fund in the fund financial statements. As such, they are included as part of Governmental Activities in the government-wide financial statement.

The table below shows a summary of the above changes in governmental entries net position, due to a reclassification of the Fire Medical and Pension funds from fiduciary funds to the General Fund.

	Governmental Activities Increase (Decrease)	General Fund Increase (Decrease)
Cash	\$458,754	\$458,754
Accounts Payable	9,298	9,298
Other Liabilities	14,353	14,353
<b>Net Position Adjustment</b>	<b>\$453,103</b>	<b>\$453,103</b>

“Keep your face to the sunshine and you can never see the shadow.”

- Helen Keller

# REQUIRED SUPPLEMENTAL INFORMATION

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

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Schedules of Changes in Total OPEB <i>This includes Schedule of Changes in Total OPEB Liability and Related Ratios, LEOFF 1 Medical.</i>	88

**City of Walla Walla  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2019**

	<b>2019-20 Biennial Budgeted Amounts</b>		<b>2019-20 Actuals</b>	<b>Variance with Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Sales tax	\$ 16,726,650	\$ 16,491,650	\$ 7,877,800	\$ (8,613,850)
Property tax	13,083,700	13,023,440	6,352,120	(6,671,320)
Other tax	16,353,120	16,368,920	7,914,090	(8,454,830)
Licenses and permits	2,398,880	2,063,880	734,390	(1,329,490)
Intergovernmental revenues	3,146,040	3,715,600	2,226,050	(1,489,550)
Charges for goods and services	19,742,480	20,403,250	9,573,010	(10,830,240)
Fines and forfeits	365,700	365,700	129,750	(235,950)
Miscellaneous revenues	2,070,370	2,443,250	2,012,710	(430,560)
Total revenues	<u>73,886,940</u>	<u>74,875,690</u>	<u>36,819,920</u>	<u>(38,055,790)</u>
<b>EXPENDITURES</b>				
Current:				
General government	18,487,910	19,896,040	9,839,670	(10,056,370)
Public safety	32,676,320	32,605,260	16,174,120	(16,431,160)
Utilities and environment	6,604,740	6,649,600	3,274,150	(3,375,410)
Economic environment	1,449,460	1,462,510	716,230	(746,280)
Culture and recreation	8,854,470	9,202,960	4,571,130	(4,631,730)
Social services	249,480	633,450	225,290	(408,160)
Debt service:				
Interest	24,000	24,000	12,120	(11,880)
Capital outlay:				
General government	16,360	123,950	-	(107,470)
Public safety	149,170	76,530	30,870	(45,660)
Culture and recreation	-	16,880	16,480	(400)
Social services	-	-	208,320	208,320
Total expenditures	<u>68,511,910</u>	<u>70,691,180</u>	<u>35,068,380</u>	<u>(35,606,200)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,375,030</u>	<u>4,184,510</u>	<u>1,751,540</u>	<u>(2,449,590)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	-	720	720	-
Transfers in	592,470	448,090	202,610	(245,480)
Transfers out	(6,845,880)	(8,344,760)	(3,868,680)	4,476,080
Total other financing sources, uses and special items	<u>(6,253,410)</u>	<u>(7,895,950)</u>	<u>(3,665,350)</u>	<u>4,230,600</u>
Net change in fund balances	(878,380)	(3,711,440)	(1,913,810)	1,781,010
<b>Restated fund balances -- beginning</b>	<u>6,146,820</u>	<u>6,146,820</u>	<u>6,146,820</u>	<u>-</u>
<b>Fund balances -- ending</b>	<u>\$ 5,268,440</u>	<u>\$ 2,435,380</u>	<u>\$ 4,233,010</u>	<u>\$ 1,781,010</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla  
Schedule of Proportionate Share of the Net Pension Liability  
PERS 1  
As of June 30, 2019  
Last 10 Fiscal Years\*

	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.097637%	0.096921%	0.095323%	0.094658%	0.092117%
Employer's proportionate share of the net pension liability (asset)	\$ 3,754,489	\$ 4,328,525	\$ 4,523,151	\$ 5,083,581	\$ 4,818,576
TOTAL	\$ 3,754,489	\$ 4,328,525	\$ 4,523,151	\$ 5,083,581	\$ 4,818,576
Covered payroll	\$ 13,529,785	\$ 12,755,063	\$ 11,870,367	\$ 11,277,102	\$ 10,430,823
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	27.75%	33.94%	38.10%	45.08%	46.20%
Plan fiduciary net position as a percentage of the total pension liability	67.12%	63.22%	61.24%	57.03%	59.10%

**Notes to Schedule:**

*Valuation Date: June 30, 2018*

*Cost method: Entry Age Normal*

*Inflation: 2.75%*

*Salary Increase: 3.5%*

*Investment Rate of Return: 7.40 %*

*Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled 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, 2019**  
**Last 10 Fiscal Years\***

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<u>Employer's proportion of the net pension liability (asset)</u>	0.123261%	0.120879%	0.119835%	0.118477%	0.116406%
<u>Employer's proportionate share of the net pension liability (asset)</u>	\$ 1,197,283	\$ 2,063,901	\$ 4,163,693	\$ 5,965,223	\$ 4,159,253
<b>TOTAL</b>	<b>\$ 1,197,283</b>	<b>\$ 2,063,901</b>	<b>\$ 4,163,693</b>	<b>\$ 5,965,223</b>	<b>\$ 4,159,253</b>
<u>Covered payroll</u>	<u>\$ 13,403,446</u>	<u>\$ 12,632,163</u>	<u>\$ 11,752,101</u>	<u>\$ 11,168,410</u>	<u>\$ 10,329,845</u>
<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	8.93%	16.34%	35.43%	53.41%	40.26%
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	97.77%	95.77%	90.97%	85.82%	89.20%

**Notes to Schedule:**

*Valuation Date: June 30, 2018*

*Cost method: Entry Age Normal*

*Inflation: 2.75%*

*Salary Increase: 3.5%*

*Investment Rate of Return: 7.40 %*

*Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled 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, 2019  
Last 10 Fiscal Years\*

	2019	2018	2017	2016	2015
<u>Employer's proportion of the net pension liability (asset)</u>	0.102666%	0.102813%	0.101943%	0.104522%	0.105656%
<u>Employer's proportionate share of the net pension liability (asset)</u>	\$ (2,029,307)	\$ (1,866,572)	\$ (1,546,700)	\$ (1,076,875)	\$ (1,273,388)
<u>State's proportionate share of the net pension liability (asset) associated with the employer</u>	\$ (13,726,185)	\$ (12,625,447)	\$ (10,461,838)	\$ (7,283,959)	\$ (8,613,165)
<b>TOTAL</b>	<b>\$ (15,755,492)</b>	<b>\$ (14,492,019)</b>	<b>\$ (12,008,538)</b>	<b>\$ (8,360,834)</b>	<b>\$ (9,886,553)</b>
<u>Covered payroll</u>	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	148.78%	144.42%	135.96%	123.74%	127.36%

**Notes to Schedule:**

*Valuation Date: June 30, 2018*

*Cost method: Entry Age Normal*

*Inflation: 2.75%*

*Salary Increase: 3.5%*

*Investment Rate of Return: 7.40 %*

*Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled 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, 2019**  
**Last 10 Fiscal Years\***

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<u>Employer's proportion of the net pension liability (asset)</u>	0.269990%	0.276442%	0.303723%	0.273693%	0.277581%
<u>Employer's proportionate share of the net pension liability (asset)</u>	\$ (6,254,839)	\$ (5,612,375)	\$ (4,214,691)	\$ (1,591,881)	\$ (2,852,978)
<u>State's proportionate share of the net pension liability (asset) associated with the employer</u>	\$ (4,096,082)	\$ (3,633,907)	\$ (2,733,991)	\$ (1,037,790)	\$ (137,841)
<b>TOTAL</b>	<b>\$ (10,350,921)</b>	<b>\$ (9,246,282)</b>	<b>\$ (6,948,682)</b>	<b>\$ (2,629,671)</b>	<b>\$ (2,990,819)</b>
<u>Covered payroll</u>	\$ 9,426,922	\$ 9,139,727	\$ 9,503,747	\$ 8,291,300	\$ 8,056,482
<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	119.43%	118.50%	113.36%	106.04%	111.67%

**Notes to Schedule:**

*Valuation Date: June 30, 2018*

*Cost method: Entry Age Normal*

*Inflation: 2.75%*

*Salary Increase: 3.5%*

*Investment Rate of Return: 7.40 %*

*Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled 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, 2019  
Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>Statutorily or contractually required contributions</u>	\$ 700,787	\$ 675,228	\$ 611,015	\$ 555,681	\$ 480,611	\$ 404,980	\$ 303,071	\$ 119,317	\$ 12,615	\$ 16,264
<u>Contributions in relation to the statutorily or contractually required contributions</u>	\$ (700,787)	\$ (675,228)	\$ (611,015)	\$ (555,681)	\$ (480,611)	\$ (404,980)	\$ (303,071)	\$ (119,317)	\$ (12,615)	\$ (16,264)
<u>Contribution deficiency (excess)</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Covered payroll</u>	\$ 13,895,819	\$ 13,174,059	\$ 12,350,656	\$ 11,501,607	\$ 11,021,440	\$ 9,894,290	\$ 9,434,853	\$ 9,212,829	\$ 9,104,707	\$ 10,153,179
<u>Contributions as a percentage of covered payroll</u>	5.04%	5.13%	4.95%	4.83%	4.36%	4.09%	3.21%	1.30%	0.14%	0.16%

**Notes to Schedule:**

*Valuation Date: June 30, 2018*

*Cost method: Entry Age Normal*

*Inflation: 2.75%*

*Salary Increase: 3.5%*

*Investment Rate of Return: 7.40 %*

*Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table*

City of Walla Walla  
Schedule of Employer Contributions  
PERS 2/3  
As of December 31, 2019  
Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>Statutorily or contractually required contributions</u>	\$ 1,058,819	\$ 978,142	\$ 827,402	\$ 709,084	\$ 602,117	\$ 488,418	\$ 440,889	\$ 528,487	\$ 526,811	\$ 506,642
<u>Contributions in relation to the statutorily or contractually required contributions</u>	\$ (1,058,819)	\$ (978,142)	\$ (827,402)	\$ (709,084)	\$ (602,117)	\$ (488,418)	\$ (440,889)	\$ (528,487)	\$ (516,811)	\$ (506,642)
<u>Contribution deficiency (excess)</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Covered payroll</u>	\$ 13,766,786	\$ 13,049,726	\$ 12,229,108	\$ 11,385,254	\$ 10,917,363	\$ 9,779,302	\$ 9,290,243	\$ 9,039,970	\$ 8,889,737	\$ 9,837,381
<u>Contributions as a percentage of covered payroll</u>	7.69%	7.50%	6.77%	6.23%	5.52%	4.99%	4.75%	5.85%	5.93%	5.15%

**Notes to Schedule:**

*Valuation Date: June 30, 2018*

*Cost method: Entry Age Normal*

*Inflation: 2.75%*

*Salary Increase: 3.5%*

*Investment Rate of Return: 7.40 %*

*Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table*

City of Walla Walla  
Schedule of Employer Contributions  
LEOFF 2  
As of December 31, 2019  
Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>Statutorily or contractually required contributions</u>	\$ 477,230	\$ 496,212	\$ 476,302	\$ 454,340	\$ 413,118	\$ 397,591	\$ 369,799	\$ 377,328	\$ 372,667	\$ 375,611
<u>Contributions in relation to the statutorily or contractually required contributions</u>	\$ (477,230)	\$ (496,212)	\$ (476,302)	\$ (454,340)	\$ (413,118)	\$ (397,591)	\$ (369,799)	\$ (377,328)	\$ (372,667)	\$ (375,611)
<u>Contribution deficiency (excess)</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Covered payroll</u>	\$ 9,154,391	\$ 9,394,473	\$ 9,266,556	\$ 8,995,544	\$ 8,192,390	\$ 7,873,077	\$ 7,297,391	\$ 7,427,670	\$ 7,336,003	\$ 7,393,919
<u>Contributions as a percentage of covered payroll</u>	5.21%	5.28%	5.14%	5.05%	5.04%	5.05%	5.07%	5.08%	5.08%	5.08%

**Notes to Schedule:**

*Valuation Date: June 30, 2018*

*Cost method: Entry Age Normal*

*Inflation: 2.75%*

*Salary Increase: 3.5%*

*Investment Rate of Return: 7.40 %*

*Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table*

**City of Walla Walla**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Firemens' Pension Plan**  
**Last Ten Fiscal Years\*** (expressed in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Total pension liability</b>										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
Interest	89	84	87	87	89	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	-	-	117	-	-	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	235	(97)	53	(55)	-	N/A	N/A	N/A	N/A	N/A
Benefit payments, including refunds of contributions	(132)	(180)	(185)	(173)	(167)	N/A	N/A	N/A	N/A	N/A
<b>Net change in total pension liability</b>	192	(193)	73	(141)	(78)	N/A	N/A	N/A	N/A	N/A
<b>Total pension liability - beginning</b>	2,301	2,494	2,421	2,562	2,640	N/A	N/A	N/A	N/A	N/A
<b>Total pension liability - ending (a)</b>	<u>\$ 2,493</u>	<u>\$ 2,301</u>	<u>\$ 2,494</u>	<u>\$ 2,421</u>	<u>\$ 2,562</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 80	\$ 122	\$ 185	\$ 140	\$ 27	N/A	N/A	N/A	N/A	N/A
Contributions - state fire insurance premium tax	50	50	49	47	45	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expense	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Benefit payments, including refunds of contributions	(132)	(180)	(185)	(173)	(167)	N/A	N/A	N/A	N/A	N/A
Administrative expense	(3)	(12)	(3)	(12)	-	N/A	N/A	N/A	N/A	N/A
<b>Net change in plan fiduciary net position</b>	(5)	(20)	47	2	(95)	N/A	N/A	N/A	N/A	N/A
<b>Plan fiduciary net position - beginning</b>	88	108	61	59	154	N/A	N/A	N/A	N/A	N/A
<b>Plan fiduciary net position - ending (b)</b>	<u>82</u>	<u>88</u>	<u>108</u>	<u>61</u>	<u>59</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Net pension liability ending (a) - (b)</b>	<u>\$ 2,411</u>	<u>\$ 2,213</u>	<u>\$ 2,386</u>	<u>\$ 2,360</u>	<u>\$ 2,503</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Plan fiduciary net position as a % of total pension liability (b)/(a)</b>	3.30%	3.81%	4.32%	2.53%	2.31%	N/A	N/A	N/A	N/A	N/A
<b>Covered payroll</b>	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
<b>Net pension liability as a % of covered employee payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule:**

Valuation Date: January 1, 2018

Measurement Date: December 31, 2019

Actuarial Cost Method: Entry Age Normal

Inflation: 2.25%

Salary Increases: 3.25%

Investment Rate of Return: 2.75%

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 Ten Fiscal Years\*** (expressed in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Actuarially/statutorily/contractually determined contribution</u>	\$ 79,811	\$ 122,045	\$ 184,705	\$ 172,713	\$ 167,146
<u>Actual contribution in relation to the above</u>	\$ (79,811)	\$ (122,045)	\$ (184,705)	\$ (172,713)	\$ (167,146)
<u>Contribution deficiency (excess)</u>	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Covered payroll</u>	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Contributions as a % of covered-employee payroll</u>	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

*Valuation Date: January 1, 2018*

*Measurement Date: December 31, 2019*

*Actuarial Cost Method: Entry Age Normal*

*Inflation: 2.25%*

*Salary Increases: 3.25%*

*Investment Rate of Return: 2.75%*

*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 Ten Fiscal Years\*** (expressed in thousands)

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Annual money-weighted rate of return, net of investment expense</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

*Valuation Date: January 1, 2018*

*Measurement Date: December 31, 2019*

*Actuarial Cost Method: Entry Age Normal*

*Inflation: 2.25%*

*Salary Increases: 3.25%*

*Investment Rate of Return: 2.75%*

*Mortality : RP Mortality Table*

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



**City of Walla Walla**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**LEOFF 1 Medical**  
**For the Year Ended December 31, 2019**  
**Last 10 Fiscal Years\***

	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability - beginning</b>	\$ 20,797,992	\$ 21,676,292
Service cost	-	-
Interest	784,605	757,571
Changes in benefit terms	-	-
Differences between expected and actual experience	(134,815)	(596,534)
Changes of assumptions	-	-
Benefit payments	(1,057,967)	(1,039,337)
Other changes	-	-
<b>Total OPEB liability - ending</b>	<u>\$ 20,389,815</u>	<u>\$ 20,797,992</u>
 <b>Covered payroll</b>	 -	 -
 <b>Total OPEB liability as a % of covered payroll</b>	 -	 -

**Notes to Schedule:**

- \* *Until a full 10-year trend is compiled, only information for those years available is presented.*
- No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.*
- Valuation Date: June 30, 2019*
- Measurement Date: June 30, 2019*
- Actuarial Cost Method: Entry Age Normal*
- Medical Costs: Initial rate is 6%, trends down to about 5% in the 2020's.*
- Long-term Care: 4.5%*
- Medicare Part B Premiums: Approximately 5%, varies by year*
- Mortality : RP-2000 Mortality Table*

“Change your thoughts and you change the world.”

- Norman Vincent Peale

# NON-MAJOR GOVERNMENTAL FUNDS

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

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**City of Walla Walla**  
**Combining Governmental Balance Sheet**  
**Non-Major Governmental Funds**  
**December 31, 2019**

	<u>Special Revenue</u>	<u>Permanent</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Total Non-Major Governmental</u>
<b>ASSETS</b>					
Cash and equivalents	\$ 1,729,138	\$ 28,761	\$ 692,966	\$ 2,826,487	\$ 5,277,351
Investments	871,162	-	-	-	871,162
Taxes receivables (net)	365,952	-	33,057	252,225	651,234
Other receivables (net)	12,637	-	-	-	12,637
Due from other governments	6,883	-	-	-	6,883
Restricted investments	184,305	-	-	603,124	787,429
Special assessments receivable	-	-	32,059	-	32,059
Interest receivable	5,493	-	-	928	6,420
Pledged receivable	-	-	-	12,500	12,500
Prepays	5,000	-	-	-	5,000
Total assets	<u>\$ 3,180,570</u>	<u>\$ 28,761</u>	<u>\$ 758,082</u>	<u>\$ 3,695,264</u>	<u>\$ 7,662,675</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 126,189	\$ -	\$ -	\$ 137,689	\$ 263,878
Other accrued liabilities	136,249	-	-	-	136,249
Interfund loans payable	36,825	-	60,848	450,000	547,673
Total liabilities	<u>299,263</u>	<u>-</u>	<u>60,848</u>	<u>587,689</u>	<u>947,800</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes	\$ -	\$ -	\$ 30,065	\$ -	\$ 30,065
Special assessments	-	-	32,059	-	32,059
Pledged revenue	-	-	-	12,500	12,500
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>62,124</u>	<u>12,500</u>	<u>74,624</u>
<b>FUND BALANCES</b>					
Nonspendable	\$ -	\$ 16,545	\$ -	\$ -	\$ 16,545
Restricted	997,011	-	623,408	3,346,145	4,966,564
Committed	1,882,375	-	37,434	6,430	1,926,239
Assigned	1,921	12,216	-	-	14,136
Unassigned	-	-	(25,732)	(257,500)	(283,232)
Total fund balances	<u>\$ 2,881,307</u>	<u>\$ 28,760</u>	<u>\$ 635,110</u>	<u>\$ 3,095,075</u>	<u>\$ 6,640,253</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,180,570</u>	<u>\$ 28,760</u>	<u>\$ 758,082</u>	<u>\$ 3,695,264</u>	<u>\$ 7,662,677</u>

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

**City of Walla Walla**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended December 31, 2019**

	<u>Special Revenue</u>	<u>Permanent</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Total Non-Major Governmental</u>
<b>REVENUES</b>					
Sales tax	\$ 1,082,535	\$ -	\$ -	\$ 1,463,428	\$ 2,545,963
Property tax	-	-	1,498,899	-	1,498,899
Other tax	870,687	-	-	-	870,687
Licenses and permits	304,715	-	-	-	304,715
Intergovernmental revenues	939,398	-	-	-	939,398
Charges for goods and services	353,961	-	-	-	353,961
Fines and forfeits	6,521	-	-	-	6,521
Miscellaneous revenues	49,949	531	45,189	102,898	198,566
Total revenues	<u>\$ 3,607,766</u>	<u>\$ 531</u>	<u>\$ 1,544,088</u>	<u>\$ 1,566,326</u>	<u>\$ 6,718,710</u>
<b>EXPENDITURES</b>					
Current:					
General government	\$ -	\$ -	\$ -	\$ 158,028	\$ 158,028
Public safety	23,595	-	-	48,943	72,538
Transportation	3,175,031	-	-	160,907	3,335,938
Economic environment	1,411,560	-	-	-	1,411,560
Culture and recreation	-	-	-	25,875	25,875
Debt service:					
Administrative charges	-	-	1,951	-	1,951
Interest	1,914	-	465,842	15,000	482,756
Principal retirement	-	-	1,222,401	-	1,222,401
Capital outlay:					
General government	-	-	-	87,038	87,038
Transportation	-	-	-	114,881	114,881
Culture and recreation	-	-	-	6,471	6,471
Total expenditures	<u>\$ 4,612,100</u>	<u>\$ -</u>	<u>\$ 1,690,194</u>	<u>\$ 617,143</u>	<u>\$ 6,919,437</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,004,334)</u>	<u>\$ 531</u>	<u>\$ (146,106)</u>	<u>\$ 949,183</u>	<u>\$ (200,727)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in	\$ 1,702,543	\$ -	\$ 194,228	\$ 506,104	\$ 2,402,875
Transfer out	(717,279)	-	-	(52,997)	(770,276)
Insurance recoveries	22,745	-	-	-	22,745
Custodial activities	541	-	-	-	541
Total other financing sources (uses)	<u>\$ 1,008,550</u>	<u>\$ -</u>	<u>\$ 194,228</u>	<u>\$ 453,107</u>	<u>\$ 1,655,885</u>
Net change in fund balances	4,216	531	48,122	1,402,290	1,455,159
Fund balances - beginning	2,877,092	28,229	586,989	1,692,785	5,185,095
Fund balances - ending	<u>\$ 2,881,308</u>	<u>\$ 28,760</u>	<u>\$ 635,110</u>	<u>\$ 3,095,075</u>	<u>\$ 6,640,253</u>

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

City of Walla Walla  
Combining Balance Sheet  
Non-Major Special Revenue Funds  
December 31, 2019

	Streets	Real Estate Excise Tax	Housing Development	Hotel/Motel Tax	Tourism Promotion	Drug Fund	Code Enforcement	Cemetery Reserve	Total Special Revenue
<b>ASSETS</b>									
Cash and equivalents	\$ 730,019	\$ 386,814	\$ 61,998	\$ 263,515	\$ -	\$ 134,161	\$ 142,578	\$ 10,053	\$ 1,729,138
Investments	301,562	-	-	-	-	-	83,784	485,816	871,162
Taxes receivables (net)	179,737	29,229	-	114,537	42,448	-	-	-	365,952
Other receivables (net)	2,831	-	-	-	-	-	9,806	-	12,637
Due from other governments	6,883	-	-	-	-	-	-	-	6,883
Restricted Investments	-	-	-	-	-	184,305	-	-	184,305
Interest receivable	986	-	-	-	-	846	483	3,177	5,493
Prepays	-	-	-	-	-	5,000	-	-	5,000
Total assets	<u>\$ 1,222,018</u>	<u>\$ 416,043</u>	<u>\$ 61,998</u>	<u>\$ 378,052</u>	<u>\$ 42,448</u>	<u>\$ 324,312</u>	<u>\$ 236,651</u>	<u>\$ 499,046</u>	<u>\$ 3,180,570</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 36,312	\$ -	\$ -	\$ 47,260	\$ 42,448	\$ 168	\$ -	\$ -	\$ 126,189
Other accrued liabilities	62,281	-	-	-	-	73,968	-	-	136,249
Interfund loans payable	36,825	-	-	-	-	-	-	-	36,825
Total liabilities	<u>\$ 135,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,260</u>	<u>\$ 42,448</u>	<u>\$ 74,136</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,263</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Total deferred inflow of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities and deferred inflows of resources	<u>\$ 135,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,260</u>	<u>\$ 42,448</u>	<u>\$ 74,136</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,263</u>
<b>FUND BALANCES</b>									
Restricted	\$ -	\$ 416,043	\$ -	\$ 330,792	\$ -	\$ 250,176	\$ -	\$ -	\$ 997,011
Committed	1,086,601	-	61,998	-	-	-	236,651	497,126	1,882,375
Assigned	-	-	-	-	-	-	-	1,921	1,921
Total fund balances	<u>\$ 1,086,601</u>	<u>\$ 416,043</u>	<u>\$ 61,998</u>	<u>\$ 330,792</u>	<u>\$ -</u>	<u>\$ 250,176</u>	<u>\$ 236,651</u>	<u>\$ 499,047</u>	<u>\$ 2,881,307</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,222,019</u>	<u>\$ 416,042</u>	<u>\$ 61,998</u>	<u>\$ 378,052</u>	<u>\$ 42,448</u>	<u>\$ 324,312</u>	<u>\$ 236,651</u>	<u>\$ 499,047</u>	<u>\$ 3,180,570</u>

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

City of Walla Walla  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Non-Major Special Revenue Funds  
 For the Year Ended December 31, 2019

	Street	Real Estate Excise Tax	Housing Development	Hotel-Motel Tax	Tourism Promotion	Drug Fund	Code Enforcement	Cemetery Reserve	Total Non- Major Special Revenue
<b>REVENUES</b>									
Sales tax	\$ -	\$ -	\$ -	\$ 1,082,535	\$ -	\$ -	\$ -	\$ -	\$ 1,082,535
Other tax	-	512,552	-	-	358,136	-	-	-	870,687
Licenses and permits	304,715	-	-	-	-	-	-	-	304,715
Intergovernmental revenues	939,398	-	-	-	-	-	-	-	939,398
Charges for goods and services	353,961	-	-	-	-	-	-	-	353,961
Fines and forfeits	-	-	-	-	-	6,521	-	-	6,521
Miscellaneous revenues	13,370	4,407	1,464	2,925	578	22,943	(11,363)	15,625	49,949
Total revenues	\$ 1,611,444	\$ 516,959	\$ 1,464	\$ 1,085,460	\$ 358,714	\$ 29,464	\$ (11,363)	\$ 15,625	\$ 3,607,766
<b>EXPENDITURES</b>									
Current:									
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,036	\$ 2,559	\$ -	\$ 23,595
Transportation	3,175,031	-	-	-	-	-	-	-	3,175,031
Economic environment	-	-	25,060	1,027,786	358,714	-	-	-	1,411,560
Debt service:									
Interest	1,914	-	-	-	-	-	-	-	1,914
Total expenditures	\$ 3,176,945	\$ -	\$ 25,060	\$ 1,027,786	\$ 358,714	\$ 21,036	\$ 2,559	\$ -	\$ 4,612,100
Excess (deficiency) of revenues over expenditures	\$ (1,565,501)	\$ 516,959	\$ (23,596)	\$ 57,674	\$ -	\$ 8,428	\$ (13,922)	\$ 15,625	\$ (1,004,334)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfer in	\$ 1,702,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,702,543
Transfer out	(297,279)	(285,000)	-	-	-	-	-	(135,000)	(717,279)
Insurance recoveries	22,745	-	-	-	-	-	-	-	22,745
Custodial activities	-	-	-	-	-	541	-	-	541
Total other financing sources (uses)	\$ 1,428,009	\$ (285,000)	\$ -	\$ -	\$ -	\$ 541	\$ -	\$ (135,000)	\$ 1,008,550
Net change in fund balances	\$ (137,492)	\$ 231,959	\$ (23,596)	\$ 57,674	\$ -	\$ 8,969	\$ (13,922)	\$ (119,375)	\$ 4,216
Fund balances - beginning	1,224,093	184,083	85,594	273,118	-	241,207	250,573	618,422	2,877,092
Fund balances - ending	\$ 1,086,601	\$ 416,043	\$ 61,998	\$ 330,792	\$ -	\$ 250,177	\$ 236,651	\$ 499,047	\$ 2,881,308

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

City of Walla Walla  
Combining Balance Sheet  
Non-Major Debt Service Funds  
December 31, 2019

	L.T.G.O. Bond	Fire Station U.T.G.O. Bond	Police Station U.T.G.O. Bond	Pool Bond	Abadie Street LID	LID Guarantee	Total Non-Major Debt Service
<b>ASSETS</b>							
Cash and equivalents	\$ 2,120	\$ 182,531	\$ 374,376	\$ 63,509	\$ 35,116	\$ 35,313	\$ 692,966
Taxes receivables (net)	-	7,501	17,582	7,974	-	-	33,057
Special assessments receivable	-	-	-	-	32,059	-	32,059
Total assets	<u>\$ 2,120</u>	<u>\$ 190,032</u>	<u>\$ 391,958</u>	<u>\$ 71,483</u>	<u>\$ 67,175</u>	<u>\$ 35,313</u>	<u>\$ 758,082</u>
<b>LIABILITIES</b>							
Interfund loans payable	\$ -	\$ -	\$ -	\$ -	\$ 60,848	\$ -	\$ 60,848
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,848</u>	<u>\$ -</u>	<u>\$ 60,848</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Property taxes	\$ -	\$ 6,842	\$ 16,021	\$ 7,202	\$ -	\$ -	\$ 30,065
Special assessments	-	-	-	-	32,059	-	32,059
Total deferred inflow of resources	<u>\$ -</u>	<u>\$ 6,842</u>	<u>\$ 16,021</u>	<u>\$ 7,202</u>	<u>\$ 32,059</u>	<u>\$ -</u>	<u>\$ 62,124</u>
<b>FUND BALANCES</b>							
Restricted	\$ -	\$ 183,190	\$ 375,937	\$ 64,281	\$ -	\$ -	\$ 623,408
Committed	2,120	-	-	-	-	35,313	37,434
Unassigned	-	-	-	-	(25,732)	-	(25,732)
Total fund balances (deficits)	<u>\$ 2,120</u>	<u>\$ 183,190</u>	<u>\$ 375,937</u>	<u>\$ 64,281</u>	<u>\$ (25,732)</u>	<u>\$ 35,313</u>	<u>\$ 635,110</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,120</u>	<u>\$ 190,032</u>	<u>\$ 391,958</u>	<u>\$ 71,483</u>	<u>\$ 67,175</u>	<u>\$ 35,313</u>	<u>\$ 758,082</u>

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



City of Walla Walla  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Debt Service Funds**  
**For the Year Ended December 31, 2019**

	L.T.G.O. Bond	Fire Station U.T.G.O. Bond	Police Station U.T.G.O. Bond	Pool Bond	Abadie Street LID	LID Guarantee	Total Non-Major Debt Service
<b>REVENUES</b>							
Property tax	\$ -	\$ 330,009	\$ 782,184	\$ 386,706	\$ -	\$ -	\$ 1,498,899
Miscellaneous revenues	-	5,458	11,233	2,787	25,711	-	45,189
Total revenues	<u>\$ -</u>	<u>\$ 335,467</u>	<u>\$ 793,417</u>	<u>\$ 389,493</u>	<u>\$ 25,711</u>	<u>\$ -</u>	<u>\$ 1,544,088</u>
<b>EXPENDITURES</b>							
Debt service:							
Administrative charges	\$ 381	\$ 170	\$ 800	\$ 600	\$ -	\$ -	\$ 1,951
Interest	26,827	42,024	232,350	161,040	3,601	-	465,842
Principal retirement	167,401	290,000	555,000	210,000	-	-	1,222,401
Total expenditures	<u>\$ 194,609</u>	<u>\$ 332,194</u>	<u>\$ 788,150</u>	<u>\$ 371,640</u>	<u>\$ 3,601</u>	<u>\$ -</u>	<u>\$ 1,690,194</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (194,609)</u>	<u>\$ 3,273</u>	<u>\$ 5,267</u>	<u>\$ 17,853</u>	<u>\$ 22,110</u>	<u>\$ -</u>	<u>\$ (146,106)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer in	\$ 194,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,228
Total other financing sources (uses)	<u>\$ 194,228</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,228</u>
Net change in fund balances	\$ (381)	\$ 3,273	\$ 5,267	\$ 17,853	\$ 22,110	\$ -	\$ 48,122
Fund balances - beginning	2,501	179,917	370,671	46,429	(47,842)	35,313	586,989
Fund balances - ending	<u>\$ 2,120</u>	<u>\$ 183,190</u>	<u>\$ 375,938</u>	<u>\$ 64,282</u>	<u>\$ (25,732)</u>	<u>\$ 35,313</u>	<u>\$ 635,111</u>

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

City of Walla Walla  
Combining Balance Sheet  
Non-Major Capital Projects Funds  
December 31, 2019

	General Capital	Library Capital	Fire Capital	Parks and Rec Capital	TBD Street Capital	Total Non-Major Capital Project
<b>ASSETS</b>						
Cash and equivalents	\$ 18,385	\$ -	\$ -	\$ 192,500	\$ 2,615,602	\$ 2,826,487
Taxes receivables (net)	-	-	-	-	252,225	252,225
Restricted Investments	-	-	-	-	603,124	603,124
Interest receivable	-	-	-	-	928	928
Pledged receivable	-	-	-	12,500	-	12,500
Total assets	<u>\$ 18,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,000</u>	<u>\$ 3,471,879</u>	<u>\$ 3,695,264</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 11,955	\$ -	\$ -	\$ -	\$ 125,733	\$ 137,689
Interfund loans payable	-	-	-	450,000	-	450,000
Total liabilities	<u>\$ 11,955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,000</u>	<u>\$ 125,733</u>	<u>\$ 587,689</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pledged revenue	\$ -	\$ -	\$ -	\$ 12,500	\$ -	\$ 12,500
Total deferred inflow of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,500</u>	<u>\$ -</u>	<u>\$ 12,500</u>
<b>FUND BALANCES (DEFICITS)</b>						
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 3,346,145	\$ 3,346,145
Committed	6,430	-	-	-	-	6,430
Unassigned	-	-	-	(257,500)	-	(257,500)
Total fund balances (deficits)	<u>\$ 6,430</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (257,500)</u>	<u>\$ 3,346,145</u>	<u>\$ 3,095,075</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,000</u>	<u>\$ 3,471,878</u>	<u>\$ 3,695,264</u>

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

**City of Walla Walla**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Capital projects funds**  
**For the Year Ended December 31, 2019**

	<u>General Capital</u>	<u>Library Capital</u>	<u>Fire Capital</u>	<u>Parks and Rec Capital</u>	<u>TBD Street Capital</u>	<u>Total Non-Major Capital Project</u>
<b>REVENUES</b>						
Sales tax	\$ -	\$ -	\$ -	\$ -	\$ 1,463,428	\$ 1,463,428
Miscellaneous revenues	203	307	85	52,500	49,803	102,898
Total revenues	<u>\$ 203</u>	<u>\$ 307</u>	<u>\$ 85</u>	<u>\$ 52,500</u>	<u>\$ 1,513,231</u>	<u>\$ 1,566,326</u>
<b>EXPENDITURES</b>						
Current:						
General government	\$ 158,028	\$ -	\$ -	\$ -	\$ -	\$ 158,028
Public safety	-	-	48,943	-	-	48,943
Transportation	-	-	-	-	160,907	160,907
Culture and recreation	-	25,875	-	-	-	25,875
Debt service:						
Interest	-	-	-	15,000	-	15,000
Capital outlay:						
General government	87,038	-	-	-	-	87,038
Transportation	-	-	-	-	114,881	114,881
Culture and recreation	-	6,471	-	-	-	6,471
Total expenditures	<u>\$ 245,065</u>	<u>\$ 32,347</u>	<u>\$ 48,943</u>	<u>\$ 15,000</u>	<u>\$ 275,788</u>	<u>\$ 617,143</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (244,862)</u>	<u>\$ (32,040)</u>	<u>\$ (48,858)</u>	<u>\$ 37,500</u>	<u>\$ 1,237,443</u>	<u>\$ 949,183</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer in	\$ 131,720	\$ -	\$ -	\$ 309,185	\$ 65,199	\$ 506,104
Transfer out	-	-	(1,085)	-	(51,912)	(52,997)
Total other financing sources (uses)	<u>\$ 131,720</u>	<u>\$ -</u>	<u>\$ (1,085)</u>	<u>\$ 309,185</u>	<u>\$ 13,287</u>	<u>\$ 453,107</u>
Net change in fund balances	(113,142)	(32,040)	(49,943)	346,685	1,250,730	1,402,290
Fund balances - beginning	119,572	32,040	49,943	(604,185)	2,095,415	1,692,785
Fund balances - ending	<u>\$ 6,430</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (257,500)</u>	<u>\$ 3,346,145</u>	<u>\$ 3,095,075</u>

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

**City of Walla Walla  
Combining Balance Sheet  
Non-Major Permanent Funds  
December 31, 2019**

	<u>Esther Eyruad Trust</u>	<u>Sherwood Library Trust</u>	<u>Total Non-Major Permanent</u>
<b>ASSETS</b>			
Cash and equivalents	\$ 13,700	\$ 15,060	\$ 28,761
Total assets	<u>\$ 13,700</u>	<u>\$ 15,060</u>	<u>\$ 28,761</u>
<b>LIABILITIES</b>			
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCES</b>			
Nonspendable	\$ 3,000	\$ 13,545	\$ 16,545
Assigned	10,700	1,515	12,216
Total fund balances	<u>\$ 13,700</u>	<u>\$ 15,060</u>	<u>\$ 28,761</u>
Total liabilities and fund balances	<u>\$ 13,700</u>	<u>\$ 15,060</u>	<u>\$ 28,761</u>

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

**City of Walla Walla**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Permanent Funds**  
**For the Year Ended December 31, 2019**

	<u>Esther Eyrud Trust</u>	<u>Sherwood Library Trust</u>	<u>Total Non-Major Permanent</u>
<b>REVENUES</b>			
Miscellaneous revenues	\$ 253	\$ 278	\$ 531
Total revenues	<u>\$ 253</u>	<u>\$ 278</u>	<u>\$ 531</u>
<b>EXPENDITURES</b>			
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 253</u>	<u>\$ 278</u>	<u>\$ 531</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ 253	\$ 278	\$ 531
Fund balances - beginning	13,447	14,782	28,229
Fund balances - ending	<u><u>\$ 13,700</u></u>	<u><u>\$ 15,060</u></u>	<u><u>\$ 28,760</u></u>

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

**City of Walla Walla  
Street Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2019**

	<b>2019-20 Biennial Budgeted Amounts</b>		<b>2019-20 Actuals</b>	<b>Variance with Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Licenses and permits	\$ 630,400	\$ 618,500	\$ 304,720	\$ (313,790)
Intergovernmental revenues*	1,595,280	1,933,820	939,400	(994,410)
Charges for goods and services	509,600	598,450	353,960	(244,490)
Miscellaneous revenues	4,000	11,800	13,370	1,570
Total revenues	<u>2,739,280</u>	<u>3,162,570</u>	<u>1,611,450</u>	<u>(1,551,120)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	5,477,790	6,638,210	3,175,040	(3,463,170)
Debt service:				
Interest	5,110	5,110	1,910	(3,200)
Total expenditures	<u>5,482,900</u>	<u>6,643,320</u>	<u>3,176,950</u>	<u>(3,466,370)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,743,620)</u>	<u>(3,480,750)</u>	<u>(1,565,500)</u>	<u>1,915,250</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,177,020	3,483,470	1,702,540	(1,780,930)
Transfers out	(432,000)	(419,680)	(297,280)	-
Insurance recoveries	-	-	22,750	22,750
Proceeds from disposal of capital assets	-	-	-	-
Total other financing sources, uses and special items	<u>2,745,020</u>	<u>3,063,790</u>	<u>1,428,010</u>	<u>(1,758,180)</u>
Net change in fund balances	1,400	(416,960)	(137,490)	157,070
<b>Fund balances -- beginning</b>	<u>1,224,090</u>	<u>1,224,090</u>	<u>1,224,090</u>	<u>-</u>
<b>Fund balances -- ending</b>	<u>\$ 1,225,490</u>	<u>\$ 807,130</u>	<u>\$ 1,086,600</u>	<u>\$ 157,070</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, 2019**

	2019-20 Biennial		2019-20	Variance with
	Budgeted Amounts			
	Original	Final		Over (Under)
<b>REVENUES</b>				
Other tax	\$ 900,000	\$ 968,500	\$ 512,550	\$ (455,950)
Miscellaneous revenues	4,000	5,600	4,410	1,190
Total revenues	<u>904,000</u>	<u>974,100</u>	<u>516,960</u>	<u>(454,760)</u>
<b>EXPENDITURES</b>				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>904,000</u>	<u>974,100</u>	<u>516,960</u>	<u>(454,760)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(772,700)	(882,700)	(285,000)	597,700
Proceeds from disposal of capital assets	-	-	-	-
Total other financing sources, uses and special items	<u>(772,700)</u>	<u>(882,700)</u>	<u>(285,000)</u>	<u>597,700</u>
Net change in fund balances	131,300	91,400	231,960	142,940
<b>Fund balances -- beginning</b>	<u>184,080</u>	<u>184,080</u>	<u>184,080</u>	<u>-</u>
<b>Fund balances -- ending</b>	<u>\$ 315,380</u>	<u>\$ 275,480</u>	<u>\$ 416,040</u>	<u>\$ 142,940</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, 2019**

	2019-20 Biennial		2019-20	Variance with
	Budgeted Amounts			
	Original	Final	Actuals	Over (Under)
<b>REVENUES</b>				
Miscellaneous revenues	\$ 2,000	\$ 2,000	\$ 1,460	\$ (540)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>1,460</u>	<u>(540)</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment	200	28,130	25,060	(3,060)
Total expenditures	<u>200</u>	<u>28,130</u>	<u>25,060</u>	<u>(3,060)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,800</u>	<u>(26,130)</u>	<u>(23,600)</u>	<u>2,520</u>
Net change in fund balances	1,800	(26,130)	(23,600)	2,520
<b>Fund balances -- beginning</b>	<u>85,590</u>	<u>85,590</u>	<u>85,590</u>	<u>-</u>
<b>Fund balances -- ending</b>	<u>\$ 87,390</u>	<u>\$ 59,460</u>	<u>\$ 61,990</u>	<u>\$ 2,520</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, 2019**

	<b>2019-20 Biennial</b>		<b>2019-20</b>	<b>Variance with</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>		<b>Over (Under)</b>
<b>REVENUES</b>				
Sales tax*	\$ 2,091,000	\$ 2,171,000	\$ 1,082,540	\$ (1,088,460)
Miscellaneous revenues	2,300	3,300	2,930	(370)
Total revenues	<u>2,093,300</u>	<u>2,174,300</u>	<u>1,085,470</u>	<u>(1,088,830)</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment	2,032,000	2,085,500	1,027,790	(1,057,710)
Culture and recreation	-	-	-	-
Total expenditures	<u>2,032,000</u>	<u>2,085,500</u>	<u>1,027,790</u>	<u>(1,057,710)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>61,300</u>	<u>88,800</u>	<u>57,680</u>	<u>(31,120)</u>
Net change in fund balances	61,300	88,800	57,680	(31,120)
<b>Fund balances -- beginning</b>	<u>273,120</u>	<u>273,120</u>	<u>273,120</u>	<u>-</u>
<b>Fund balances -- ending</b>	<u>\$ 334,420</u>	<u>\$ 361,920</u>	<u>\$ 330,800</u>	<u>\$ (31,120)</u>

Figures are rounded to the nearest ten dollars.

\*Includes 2018 prior period adjustment.

**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, 2019**

	<b>2019-20 Biennial</b>		<b>2019-20</b>	<b>Variance with</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>		<b>Over (Under)</b>
<b>REVENUES</b>				
Other tax*	\$ 720,000	\$ 720,000	\$ 358,140	\$ (361,860)
Miscellaneous revenues*	120	120	580	460
Total revenues	<u>720,120</u>	<u>720,120</u>	<u>358,720</u>	<u>(361,400)</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment*	<u>704,520</u>	<u>704,520</u>	<u>358,710</u>	<u>(345,810)</u>
Total expenditures	<u>704,520</u>	<u>704,520</u>	<u>358,710</u>	<u>(345,810)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,600</u>	<u>15,600</u>	<u>-</u>	<u>(15,590)</u>
Net change in fund balances	15,600	15,600	-	(15,590)
<b>Fund balances -- beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances -- ending</b>	<u>\$ 15,600</u>	<u>\$ 15,600</u>	<u>-</u>	<u>\$ (15,590)</u>

Figures are rounded to the nearest ten dollars.

\*Includes 2018 prior period adjustment.

**City of Walla Walla  
Drug Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2019**

	<b>2019-20 Biennial Budgeted Amounts</b>		<b>2019-20 Actuals</b>	<b>Variance with Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Fines and forfeits	\$ 18,000	\$ 18,000	\$ 6,520	\$ (11,480)
Miscellaneous revenues	62,200	62,200	22,940	(39,260)
Total revenues	<u>80,200</u>	<u>80,200</u>	<u>29,460</u>	<u>(50,740)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	63,470	58,250	21,030	(37,220)
Capital outlay:				
Public safety	32,000	25,270	-	(25,270)
Total expenditures	<u>95,470</u>	<u>83,520</u>	<u>21,030</u>	<u>(62,490)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,270)</u>	<u>(3,320)</u>	<u>8,430</u>	<u>11,750</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Custodial Activities	-	-	540	540
Total other financing sources, uses and special items	<u>-</u>	<u>-</u>	<u>540</u>	<u>540</u>
Net change in fund balances	(15,270)	(3,320)	8,970	12,290
<b>Fund balances -- beginning</b>	<u>241,210</u>	<u>241,210</u>	<u>241,210</u>	<u>-</u>
<b>Fund balances -- ending</b>	<u>\$ 225,940</u>	<u>\$ 237,890</u>	<u>\$ 250,180</u>	<u>\$ 12,290</u>

Figures are rounded to the nearest ten dollars.

City of Walla Walla  
Code Enforcement Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2019

	2019-20 Biennial Budgeted Amounts		2019-20 Actuals	Variance with Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous revenues	\$ 600	\$ 3,660	\$ (11,360)	\$ (15,020)
Total revenues	<u>600</u>	<u>3,660</u>	<u>(11,360)</u>	<u>(15,020)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	16,040	16,040	2,560	(13,480)
Utilities and environment	-	-	-	-
Total expenditures	<u>16,040</u>	<u>16,040</u>	<u>2,560</u>	<u>(13,480)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,440)</u>	<u>(12,380)</u>	<u>(13,920)</u>	<u>1,540</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of capital assets	-	-	-	-
Total other financing sources, uses and special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(15,440)	(12,380)	(13,920)	(1,540)
<b>Fund balances -- beginning</b>	<u>250,570</u>	<u>250,570</u>	<u>250,570</u>	<u>-</u>
<b>Fund balances -- ending</b>	<u>\$ 235,130</u>	<u>\$ 238,190</u>	<u>\$ 236,650</u>	<u>\$ (1,540)</u>

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, 2019

	2019-20 Biennial Budgeted Amounts		2019-20 Actuals	Variance with Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -			\$ -
Licenses and permits	-			-
Intergovernmental revenues	-			-
Charges for goods and services	\$ -	\$ -	\$ (150)	\$ (150)
Fines and forfeits	-			-
Miscellaneous revenues	\$ 2,000	\$ 11,660	\$ 15,780	\$ 4,120
Total revenues	<u>2,000</u>	<u>11,660</u>	<u>15,630</u>	<u>3,970</u>
<b>EXPENDITURES</b>				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	2,000	11,660	15,630	3,970
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(270,000)	(270,000)	(135,000)	135,000
Total other financing sources, uses and special items	<u>(270,000)</u>	<u>(270,000)</u>	<u>(135,000)</u>	<u>135,000</u>
Net change in fund balances	(268,000)	(258,340)	(119,370)	138,970
<b>Fund balances -- beginning</b>	618,420	618,420	618,420	-
<b>Fund balances -- ending</b>	<u>\$ 350,420</u>	<u>\$ 360,080</u>	<u>\$ 499,050</u>	<u>\$ 138,970</u>

Figures are rounded to the nearest ten dollars.

“One way to keep momentum going is to have constantly greater goals.”

- Michael Korda

# NON-MAJOR ENTERPRISE FUNDS

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

<u>CONTENTS</u>	<u>PAGE</u>
Enterprise Funds <i>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.</i>	113
Internal Service Funds <i>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.</i>	116

**City of Walla Walla**  
**Combining Statement of Net Position**  
**Non-Major Enterprise funds**  
**December 31, 2019**

	<u>Golf Course</u>	<u>Stormwater</u>	<u>Ambulance</u>	<u>Total Non-Major Enterprise Funds</u>
<b>ASSETS</b>				
Current assets:				
Cash and equivalents	\$ 8,763	\$ 1,554,672	\$ 223,282	\$ 1,786,717
Other receivables (net)	5,399	166,647	273,664	445,710
Due from other governments	-	124,460	-	124,460
Investments	-	402,082	-	402,082
Restricted cash & equivalents	1,876	-	-	1,876
Total current assets	<u>16,038</u>	<u>2,247,861</u>	<u>496,946</u>	<u>2,760,845</u>
Noncurrent assets:				
Land	38,508	16,907	-	55,415
Buildings and structures (net)	352,734	-	-	352,734
Other improvements (net)	777,919	128,140	-	906,059
Machinery and equipment (net)	9,575	7,222	2,307	19,104
Infrastructure (net)	250,815	6,586,710	-	6,837,525
Construction in progress	-	98,410	-	98,410
Restricted net pension asset	-	-	1,534,855	1,534,855
Total noncurrent assets	<u>1,429,551</u>	<u>6,837,389</u>	<u>1,537,162</u>	<u>9,804,102</u>
Total assets	<u>\$ 1,445,588</u>	<u>\$ 9,085,250</u>	<u>\$ 2,034,108</u>	<u>\$ 12,564,947</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows on pensions	\$ -	\$ 34,197	\$ 200,905	\$ 235,102
Deferred outflows OPEB	-	-	30,823	30,823
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ 34,197</u>	<u>\$ 231,728</u>	<u>\$ 265,925</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 2,502	\$ 97,171	\$ 12,632	\$ 112,305
Other accrued liabilities	188	34,660	233,546	268,394
Compensated absences	-	32,923	171,344	204,267
Current portion long term debt	20,251	-	-	20,251
Interfund loans payable	45,651	-	99,087	144,738
Total current liabilities	<u>68,592</u>	<u>164,754</u>	<u>516,609</u>	<u>749,955</u>
Noncurrent liabilities:				
Long term debt	89,186	-	-	89,186
Interfund loans payable	212,431	-	245,346	457,777
Net pension liability	-	119,932	309,103	429,035
OPEB liability	-	-	2,711,412	2,711,412
Total noncurrent liabilities	<u>301,617</u>	<u>119,932</u>	<u>3,265,861</u>	<u>3,687,410</u>
Total liabilities	<u>\$ 370,209</u>	<u>\$ 284,686</u>	<u>\$ 3,782,470</u>	<u>\$ 4,437,365</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows on pensions	\$ -	\$ 66,686	\$ 481,561	\$ 548,247
Deferred inflow OPEB	-	-	17,928	17,928
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ 66,686</u>	<u>\$ 499,489</u>	<u>\$ 566,175</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 1,320,113	\$ 6,824,674	\$ 2,307	\$ 8,147,094
Unrestricted	(244,734)	1,943,401	(2,018,429)	(319,762)
Total net position	<u>\$ 1,075,379</u>	<u>\$ 8,768,075</u>	<u>\$ (2,016,122)</u>	<u>\$ 7,827,332</u>

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



**City of Walla Walla**  
**Combining Statement of Revenues, Expenditures, and Changes in Net Position**  
**Non- Major Enterprise Funds**  
**For the Year Ended December 31, 2019**

	<u>Golf Course</u>	<u>Stormwater</u>	<u>Ambulance</u>	<u>Total Non-Major Enterprise Funds</u>
<b>OPERATING REVENUES</b>				
Intergovernmental revenues	\$ -	\$ 21,841	\$ 2,492,826	\$ 2,514,667
Charges for goods and services	23,526	2,802,028	1,359,670	4,185,224
Miscellaneous revenues	74,910	-	-	74,910
Total operating revenues	<u>\$ 98,436</u>	<u>\$ 2,823,869</u>	<u>\$ 3,852,496</u>	<u>\$ 6,774,801</u>
<b>OPERATING EXPENSES</b>				
Depreciation	\$ 64,880	\$ 130,550	\$ 1,438	\$ 196,868
Salaries and wages	-	355,707	1,895,722	2,251,429
Personnel benefits	-	134,657	622,229	756,886
Supplies	2,514	32,000	159,369	193,883
Services and charges	89,280	1,644,877	718,894	2,453,051
Total operating expenses	<u>\$ 156,674</u>	<u>\$ 2,297,791</u>	<u>\$ 3,397,652</u>	<u>\$ 5,852,117</u>
Operating income (loss)	<u>\$ (58,238)</u>	<u>\$ 526,078</u>	<u>\$ 454,844</u>	<u>\$ 922,684</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental revenues	\$ -	\$ 12,041	\$ 1,266	\$ 13,307
Miscellaneous revenues	-	5,928	1,187	7,115
Gain(loss) on disposal of capital	-	(75,522)	-	(75,522)
Debt service - interest	(15,603)	-	(8,127)	(23,730)
Total nonoperating revenues (expenses)	<u>\$ (15,603)</u>	<u>\$ (57,553)</u>	<u>\$ (5,674)</u>	<u>\$ (78,830)</u>
Income (loss) before contributions and transfers	<u>\$ (73,841)</u>	<u>\$ 468,525</u>	<u>\$ 449,170</u>	<u>\$ 843,854</u>
Capital contributions	-	340,912	-	340,912
Transfer in	185,000	195,116	-	380,116
Transfer out	-	(112,199)	-	(112,199)
Change in net position	111,159	892,354	449,170	1,452,683
Total net position - beginning	964,220	7,875,721	(2,465,293)	6,374,648
Total net position - ending	<u>\$ 1,075,379</u>	<u>\$ 8,768,075</u>	<u>\$ (2,016,123)</u>	<u>\$ 7,827,331</u>

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

**City of Walla Walla**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the Year Ended December 31, 2019**

	<u>Golf Course</u>	<u>Stormwater</u>	<u>Ambulance</u>	<u>Total Non-Major Enterprise</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash from customers	\$ 22,133	\$ 2,788,866	\$ 3,811,228	\$ 6,622,227
Cash from other receipts	74,910	(63,545)	-	11,365
Payments to suppliers	(90,475)	(1,613,623)	(876,542)	(2,580,641)
Payments to employees	-	(545,807)	(2,610,056)	(3,155,863)
<b>Net cash provided by operating activities</b>	<u>\$ 6,568</u>	<u>\$ 565,892</u>	<u>\$ 324,629</u>	<u>\$ 897,088</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Proceeds from grants and contributions	\$ -	\$ 12,041	\$ 1,266	\$ 13,307
Proceeds (repayments) from interfund loan	-	-	(97,340)	(97,340)
Miscellaneous revenues	-	3,296	1,187	4,483
Transfers in	185,000	195,116	-	380,116
Transfers out	-	(112,199)	-	(112,199)
<b>Total cash flows from noncapital financing</b>	<u>\$ 185,000</u>	<u>\$ 98,254</u>	<u>\$ (94,887)</u>	<u>\$ 188,367</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from capital grants and contributions	\$ -	\$ 340,912	\$ -	\$ 340,912
Purchase of capital assets	(110,538)	(736,978)	-	(847,516)
Principal paid on capital debt	(68,426)	-	-	(68,426)
Interest paid on capital debt	(15,645)	-	(8,127)	(23,772)
<b>Total cash flows from capital and related financing</b>	<u>\$ (194,609)</u>	<u>\$ (396,066)</u>	<u>\$ (8,127)</u>	<u>\$ (598,802)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Change in fair value of investments	\$ -	\$ (300,000)	\$ -	\$ (300,000)
<b>Total cash flows from investing activities</b>	<u>\$ -</u>	<u>\$ (300,000)</u>	<u>\$ -</u>	<u>\$ (300,000)</u>
Net increase (decrease) in cash and equivalents	<u>\$ (3,042)</u>	<u>\$ (31,920)</u>	<u>\$ 221,615</u>	<u>\$ 186,653</u>
Beginning cash and cash equivalents	<u>\$ 13,680</u>	<u>\$ 1,586,592</u>	<u>\$ 1,666</u>	<u>\$ 1,601,938</u>
Ending cash and cash equivalents	<u>\$ 10,638</u>	<u>\$ 1,554,672</u>	<u>\$ 223,282</u>	<u>\$ 1,788,592</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (58,238)	\$ 526,077	\$ 454,844	\$ 922,683
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	64,880	130,550	1,438	196,868
(Increase) decrease in accounts receivable	(1,393)	(98,547)	(41,268)	(141,209)
Increase (decrease) in accounts payable	1,319	63,255	1,721	66,294
Increase (decrease) in salaries and benefits	-	(19,959)	101,882	81,923
Increase (decrease) in pension adjustment	-	(35,484)	(193,987)	(229,471)
<b>Net cash provided by operating activities</b>	<u>\$ 6,568</u>	<u>\$ 565,892</u>	<u>\$ 324,629</u>	<u>\$ 897,088</u>

**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, 2019**

	<b>Emergency Communication</b>	<b>Service Center</b>	<b>Vehicle Maintenance</b>	<b>Vehicle Replacement</b>	<b>Health Insurance</b>	<b>Industrial Insurance</b>	<b>Total Internal Service</b>
<b>ASSETS</b>							
Current assets:							
Cash and equivalents	\$ 848,794	\$ 261,707	\$ 262,200	\$ 2,220,027	\$ 968,702	\$ 205,564	\$ 4,766,994
Taxes receivables (net)	256	-	-	-	-	-	256
Other receivables (net)	61,288	-	-	-	-	-	61,288
Investments	804,165	100,521	-	4,020,277	-	-	4,924,963
Interfund loans receivable	-	-	-	844,314	-	-	844,314
Interest receivable	2,467	-	-	-	-	-	2,467
Inventories	-	-	73,970	-	-	-	73,970
Prepays	1,440	-	-	-	-	-	1,440
Total current assets	<u>1,718,410</u>	<u>362,228</u>	<u>336,170</u>	<u>7,084,618</u>	<u>968,702</u>	<u>205,564</u>	<u>10,675,692</u>
Noncurrent assets:							
Interfund loans receivable	-	-	-	2,641,378	-	-	2,641,378
Land	-	135,600	-	-	-	-	135,600
Construction in progress	-	149,996	-	-	-	-	149,996
Buildings and structures (net)	-	2,374,594	-	-	-	-	2,374,594
Machinery and equipment (net)	-	31,014	98,323	8,100,649	-	-	8,229,986
Infrastructure (net)	-	55,229	-	-	-	-	55,229
Intangibles (net)	-	-	-	27,423	-	-	27,423
Total noncurrent assets	<u>-</u>	<u>2,746,433</u>	<u>98,323</u>	<u>10,769,450</u>	<u>-</u>	<u>-</u>	<u>13,614,206</u>
Total assets	<u>\$ 1,718,410</u>	<u>\$ 3,108,661</u>	<u>\$ 434,493</u>	<u>\$ 17,854,068</u>	<u>\$ 968,702</u>	<u>\$ 205,564</u>	<u>\$ 24,289,898</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflows on pensions	\$ 106,472	\$ 6,310	\$ 29,268	\$ 6,173	\$ -	\$ -	\$ 148,223
Total deferred outflows of resources	<u>\$ 106,472</u>	<u>\$ 6,310</u>	<u>\$ 29,268</u>	<u>\$ 6,173</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,223</u>
Total assets and deferred outflows of resources	<u>\$ 1,824,882</u>	<u>\$ 3,114,971</u>	<u>\$ 463,761</u>	<u>\$ 17,860,241</u>	<u>\$ 968,702</u>	<u>\$ 205,564</u>	<u>\$ 24,438,121</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	\$ 24,206	\$ 28,418	\$ 9,122	\$ 1,454	\$ 23,116	\$ 32,428	\$ 118,744
Other accrued liabilities	101,099	6,279	25,562	5,122	-	-	138,062
Industrial insurance claims	-	-	-	-	-	46,771	46,771
Compensated absences	116,167	2,245	20,360	3,679	-	-	142,451
Total current liabilities	<u>241,472</u>	<u>36,942</u>	<u>55,044</u>	<u>10,255</u>	<u>23,116</u>	<u>79,199</u>	<u>446,028</u>
Noncurrent liabilities:							
Compensated absences	-	724	10,404	-	-	-	11,128
Industrial insurance claims	-	-	-	-	-	311,809	311,809
Net pension liability	373,409	22,130	102,645	21,650	-	-	519,834
Total noncurrent liabilities	<u>373,409</u>	<u>22,854</u>	<u>113,049</u>	<u>21,650</u>	<u>-</u>	<u>311,809</u>	<u>842,771</u>
Total liabilities	<u>\$ 614,881</u>	<u>\$ 59,796</u>	<u>\$ 168,093</u>	<u>\$ 31,905</u>	<u>\$ 23,116</u>	<u>\$ 391,008</u>	<u>\$ 1,288,799</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflows on pensions	\$ 207,627	\$ 12,305	\$ 57,074	\$ 12,038	\$ -	\$ -	\$ 289,044
Total deferred inflows of resources	<u>\$ 207,627</u>	<u>\$ 12,305</u>	<u>\$ 57,074</u>	<u>\$ 12,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 289,044</u>
Total liabilities and deferred inflows of resources	<u>\$ 822,508</u>	<u>\$ 72,101</u>	<u>\$ 225,167</u>	<u>\$ 43,943</u>	<u>\$ 23,116</u>	<u>\$ 391,008</u>	<u>\$ 1,577,843</u>
<b>NET POSITION</b>							
Net investment in capital assets	\$ -	\$ 2,746,433	\$ 98,323	\$ 8,128,073	\$ -	\$ -	\$ 10,972,829
Unrestricted	1,002,373	296,437	140,270	9,688,226	945,586	(185,444)	11,887,448
Total net position	<u>\$ 1,002,373</u>	<u>\$ 3,042,870</u>	<u>\$ 238,593</u>	<u>\$ 17,816,299</u>	<u>\$ 945,586</u>	<u>\$ (185,444)</u>	<u>\$ 22,860,277</u>

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

City of Walla Walla  
Combining Statement of Revenues, Expenditures, and Changes in Net Position  
Internal Service Funds  
For the Year Ended December 31, 2019

	Emergency Communication	Service Center	Vehicle Maintenance	Vehicle Replacement	Health Insurance	Industrial Insurance	Total Internal Service
<b>OPERATING REVENUES</b>							
Intergovernmental revenues	\$ 2,348,144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,348,144
Charges for goods and services	-	-	91	-	-	-	91
Interfund Charges	-	308,760	1,610,396	1,938,224	6,177,705	485,863	10,520,948
Total operating revenues	<u>\$ 2,348,144</u>	<u>\$ 308,760</u>	<u>\$ 1,610,487</u>	<u>\$ 1,938,224</u>	<u>\$ 6,177,705</u>	<u>\$ 485,863</u>	<u>\$ 12,869,183</u>
<b>OPERATING EXPENSES</b>							
Depreciation	-	91,785	8,221	1,007,903	-	-	1,107,909
Salaries and wages	1,069,816	62,421	291,836	61,068	-	-	1,485,141
Personnel benefits	436,355	27,950	134,625	14,753	6,074,040	-	6,687,723
Supplies	87,952	21,575	879,669	18,480	-	-	1,007,676
Services and charges	510,237	190,644	343,186	120,730	10,001	693,773	1,868,571
Total operating expenses	<u>\$ 2,104,360</u>	<u>\$ 394,375</u>	<u>\$ 1,657,537</u>	<u>\$ 1,222,934</u>	<u>\$ 6,084,041</u>	<u>\$ 693,773</u>	<u>\$ 12,157,020</u>
Operating income (loss)	<u>\$ 243,784</u>	<u>\$ (85,615)</u>	<u>\$ (47,050)</u>	<u>\$ 715,290</u>	<u>\$ 93,664</u>	<u>\$ (207,910)</u>	<u>\$ 712,163</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Miscellaneous revenues	\$ 43,087	\$ 1,071	\$ 2,661	\$ 92,436	\$ -	\$ -	\$ 139,255
Gain(loss) on disposal of capital	(47,429)	(9,862)	-	344	-	-	(56,947)
Insurance recoveries	-	-	20,925	-	-	-	20,925
Total nonoperating revenues (expenses)	<u>\$ (4,342)</u>	<u>\$ (8,791)</u>	<u>\$ 23,586</u>	<u>\$ 92,780</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,233</u>
Income (loss) before contributions and transfers	239,442	(94,406)	(23,464)	808,070	93,664	(207,910)	815,396
Transfer out	-	-	-	(165,645)	-	-	(165,645)
Change in net position	239,442	(94,406)	(23,464)	642,425	93,664	(207,910)	649,751
Total net position - beginning	762,931	3,137,276	262,058	17,173,874	851,922	22,465	22,210,526
Total net position - ending	<u>\$ 1,002,373</u>	<u>\$ 3,042,870</u>	<u>\$ 238,594</u>	<u>\$ 17,816,299</u>	<u>\$ 945,586</u>	<u>\$ (185,445)</u>	<u>\$ 22,860,277</u>

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

**City of Walla Walla**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2019**

	<b>Business-type Activities</b>		<b>Government-type Activities</b>				<b>Total Internal Service</b>
	<b>Vehicle Maintenance</b>	<b>Vehicle Replacement</b>	<b>Emergency Communication</b>	<b>Service Center</b>	<b>Health Insurance</b>	<b>Industrial Insurance</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash from customers	\$ 91	\$ -	\$ 2,343,108	\$ -	\$ -	\$ -	\$ 2,343,199
Cash from grants	-	17,556	-	-	-	-	17,556
Cash from interfund services	1,610,396	1,938,224	-	308,760	6,177,705	485,863	10,520,948
Cash from other receipts	20,925	-	-	-	-	-	20,925
Payments to suppliers	(1,207,256)	(143,980)	(581,529)	(203,464)	(6,061,087)	(694,419)	(8,891,735)
Payments to employees	(420,490)	(81,596)	(1,643,156)	(95,305)	-	220,579	(2,019,968)
<b>Net cash provided by operating activities</b>	<b>\$ 3,666</b>	<b>\$ 1,730,204</b>	<b>\$ 118,423</b>	<b>\$ 9,991</b>	<b>\$ 116,618</b>	<b>\$ 12,023</b>	<b>\$ 1,990,925</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers out	-	(165,645)	-	-	-	-	(165,645)
<b>Total cash flows from noncapital financing</b>	<b>\$ -</b>	<b>\$ (165,645)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (165,645)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Proceeds from capital debt	\$ -	\$ (1,094,573)	\$ -	\$ -	\$ -	\$ -	\$ (1,094,573)
Proceeds from capital grants and contributions	-	-	-	(6,350)	-	-	(6,350)
Proceeds from sale of capital assets	-	9,571	-	(9,862)	-	-	(291)
Purchase of capital assets	(12,926)	(705,969)	-	(22,274)	-	-	(741,169)
<b>Total cash flows from capital and financing activities</b>	<b>\$ (12,926)</b>	<b>\$ (1,790,972)</b>	<b>\$ -</b>	<b>\$ (38,486)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,842,383)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Proceeds from sale of investments	\$ -	\$ -	\$ -	\$ (1,071)	\$ -	\$ -	\$ (1,071)
Change in fair value of investments	-	(539,537)	(265,579)	-	-	-	(805,116)
Interest on investments	-	40,418	-	-	-	-	40,418
Interest received	2,661	-	-	1,071	-	-	3,732
<b>Total cash flows from investing activities</b>	<b>\$ 2,661</b>	<b>\$ (499,119)</b>	<b>\$ (265,579)</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (762,037)</b>
Net increase (decrease) in cash and equivalents	\$ (6,599)	\$ (725,531)	\$ (147,155)	\$ (28,495)	\$ 116,618	\$ 12,023	\$ (779,140)
Beginning cash and cash equivalents	\$ 268,799	\$ 2,945,558	\$ 995,950	\$ 290,202	\$ 852,085	\$ 193,541	\$ 5,546,135
Ending cash and cash equivalents	\$ 262,200	\$ 2,220,027	\$ 848,794	\$ 261,707	\$ 968,702	\$ 205,564	\$ 4,766,994
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>							
Operating income (loss)	\$ (47,050)	\$ 715,290	\$ 243,784	\$ (85,615)	\$ 93,664	\$ (207,910)	\$ 712,163
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	8,221	1,007,903	-	91,785	-	-	1,107,909
(Increase) decrease in accounts receivable	-	17,556	(5,036)	-	-	-	12,520
(Increase) decrease in inventories	18,182	-	-	-	-	-	18,182
Increase (decrease) in accounts payable	(2,583)	(4,770)	16,660	8,755	22,954	(646)	40,370
Increase (decrease) in other receipts	20,925	-	-	-	-	-	20,925
Increase (decrease) in salaries and benefits	13,309	311	1,911	2,417	-	220,579	238,527
Increase (decrease) in pension adjustment	(7,338)	(6,086)	(138,896)	(7,351)	-	-	(159,671)
<b>Net cash provided by operating activities</b>	<b>\$ 3,666</b>	<b>\$ 1,730,204</b>	<b>\$ 118,423</b>	<b>\$ 9,991</b>	<b>\$ 116,618</b>	<b>\$ 12,023</b>	<b>\$ 1,990,925</b>

**No noncash investing, capital, and financing activities**

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

“Believe you can and you’re halfway there.”

- Theodore Roosevelt

# STATISTICAL SECTION

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

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Financial Trends <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>	122
Revenue Capacity <i>These schedules contain information to help the reader assess the government’s most significant local revenue sources: sales tax, property tax, and utility fees.</i>	123
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>	130
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>	132
Operating Information <i>These schedules offer operating data to help the reader understand how the information in the government’s financial report relates to the services it provides and the activities it performs.</i>	133

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)**

	2019	2018	2017 <sup>(3)</sup>	2016 <sup>(2)</sup>	2014 <sup>(1)</sup>	2013	2012	2011	2010
<b>Governmental activities:</b>									
Net investment in capital assets	\$ 70,312,287	\$ 67,026,138	\$ 64,520,591	\$ 60,448,138	\$ 50,450,335	\$ 48,599,279	\$ 43,184,306	\$ 42,962,010	\$ 41,988,033
Restricted	5,405,550	4,108,715	2,913,694	2,439,934	4,817,377	1,099,874	916,071	185,616	220,680
Unrestricted	(9,509,581)	(10,586,468)	(14,599,555)	(3,832,806)	(248,231)	10,367,238	10,560,920	9,513,398	8,408,600
Total governmental activities net position	\$ 66,208,256	\$ 60,548,385	\$ 52,834,730	\$ 59,055,266	\$ 55,019,481	\$ 60,066,391	\$ 54,661,297	\$ 52,661,024	\$ 50,617,313
<b>Business-type activities:</b>									
Net investment in capital assets	\$ 98,896,348	\$ 97,877,415	\$ 98,684,992	\$ 97,729,792	\$ 77,617,386	\$ 69,213,933	\$ 60,384,997	\$ 58,492,182	\$ 58,806,203
Restricted	621,356	599,311	-	487,285	964,209	-	-	-	-
Unrestricted	36,034,938	31,290,468	19,649,752	17,622,292	19,655,037	24,575,368	27,147,834	25,650,225	16,077,891
Total business-type activities net position	\$ 135,552,642	\$ 129,767,194	\$ 118,334,744	\$ 115,839,369	\$ 98,236,632	\$ 93,789,301	\$ 87,532,831	\$ 84,142,407	\$ 74,884,094
<b>Primary government:</b>									
Net investment in capital assets	\$ 169,208,635	\$ 164,903,553	\$ 163,205,583	\$ 158,177,930	\$ 128,067,721	\$ 117,813,212	\$ 103,569,303	\$ 101,454,192	\$ 100,794,236
Restricted	6,026,906	4,708,026	2,913,694	2,927,219	5,781,586	1,099,874	916,071	185,616	220,680
Unrestricted	26,525,357	20,704,000	5,050,197	13,789,486	19,406,806	34,942,606	37,708,754	35,163,623	24,486,491
Total primary government net position	\$ 201,760,898	\$ 190,315,579	\$ 171,169,474	\$ 174,894,635	\$ 153,256,113	\$ 153,855,692	\$ 142,194,128	\$ 136,803,431	\$ 125,501,407

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

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

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



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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 4,718,161	\$ 3,593,748	\$ 3,380,224	\$ 3,308,121	\$ 3,253,287	\$ 2,249,975	\$ 2,155,690	\$ 2,210,774	\$ 1,877,637	\$ 1,272,314
Public safety	16,320,524	14,815,944	16,209,517	15,990,790	15,276,870	14,681,954	13,677,945	14,869,930	13,722,774	14,548,204
Utilities and environment	2,594,633	3,038,880	2,851,589	2,709,236	2,592,685	2,360,895	2,194,544	1,976,609	1,850,115	2,252,629
Transportation	6,411,069	6,026,744	6,685,530	6,555,679	5,247,657	5,851,751	3,644,460	3,826,048	3,735,290	2,902,711
Economic environment	2,084,013	2,145,950	2,085,639	956,150	903,984	1,124,963	1,078,669	42,813	556,503	925,031
Culture and recreation	4,885,497	4,609,347	4,618,624	4,775,959	4,527,730	4,079,993	4,044,217	3,328,714	3,746,226	3,529,640
Social services	228,767	149,626	155,435	4,438	-	-	-	-	-	-
Interest on long term debt	538,006	533,032	553,079	1,395,231	764,303	730,005	803,031	794,914	805,229	832,691
Total governmental activities:	\$ 37,780,669	\$ 34,913,271	\$ 36,539,637	\$ 35,695,604	\$ 32,566,516	\$ 31,079,536	\$ 27,598,556	\$ 27,049,802	\$ 26,293,774	\$ 26,263,219
<b>Business-type activities:</b>										
Ambulance	3,393,215	\$ 2,959,794	\$ 3,057,477	\$ 3,185,784	\$ 3,118,200	\$ 3,139,012	\$ 3,476,310	\$ 3,599,965	\$ 3,530,191	\$ 3,390,344
Golf course	149,187	132,487	154,029	139,180	132,078	147,287	512,335	110,774	120,667	122,256
Landfill	5,554,617	2,966,771	3,968,744	2,472,899	4,021,581	4,677,636	3,940,417	6,112,551	893,703	2,868,474
Sanitation	5,985,390	5,843,735	5,439,937	5,374,024	5,040,390	4,799,808	4,433,738	4,282,557	4,239,822	4,297,310
Stormwater	2,257,118	1,974,405	2,052,031	1,660,551	1,386,959	1,429,072	1,289,337	929,937	992,083	714,354
Water/Wastewater	21,605,442	16,763,198	19,979,217	17,594,045	15,151,247	14,341,718	13,684,629	14,524,725	13,240,623	13,814,946
Total business-type activities	\$ 38,944,969	\$ 30,640,390	\$ 34,651,435	\$ 30,426,483	\$ 28,850,455	\$ 28,534,533	\$ 27,336,766	\$ 29,560,509	\$ 23,017,089	\$ 25,207,684
Total primary government expenses	\$ 76,725,638	\$ 65,553,661	\$ 71,191,072	\$ 66,122,087	\$ 61,416,971	\$ 59,614,069	\$ 54,935,322	\$ 56,610,311	\$ 49,310,863	\$ 51,470,903
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	\$ 788,167	\$ 773,343	\$ 870,356	\$ 808,410	\$ 781,841	\$ 806,195	\$ 682,342	\$ 343,963	\$ 337,511	\$ 259,343
Public safety	919,738	606,831	566,867	440,910	479,993	505,368	393,438	555,043	392,982	515,762
Utilities and environment	2,358,620	2,378,726	2,133,538	1,914,108	1,895,266	1,672,521	1,476,872	1,154,959	1,271,038	1,604,956
Transportation	376,306	308,820	222,892	222,892	290,863	301,418	333,420	423,855	372,657	355,878
Economic environment	1,075,363	1,371,647	1,174,266	1,017,476	1,144,181	845,115	750,045	603,117	706,241	582,598
Culture and recreation	1,004,994	858,236	720,504	317,856	462,868	345,820	324,117	327,561	322,203	317,355
Operating grants and contributions	3,730,982	4,212,541	3,334,437	987,587	1,075,661	372,574	1,289,337	1,001,284	634,047	799,303
Capital grants and contributions	3,056,168	2,245,528	3,375,093	6,157,573	3,245,363	4,327,416	5,296,039	2,325,926	2,362,370	5,679,398
Total governmental activities program revenue	\$ 13,310,338	\$ 12,755,672	\$ 12,419,881	\$ 11,866,812	\$ 9,376,036	\$ 9,176,427	\$ 10,028,777	\$ 6,735,708	\$ 6,399,049	\$ 10,114,593
<b>Business-type activities:</b>										
Charges for services:										
Ambulance	\$ 1,360,833	\$ 1,259,289	\$ 1,538,762	\$ 1,627,741	\$ 1,606,795	\$ 1,920,251	\$ 2,105,437	\$ 2,087,991	\$ 2,097,681	\$ 2,228,244
Golf course	98,437	78,690	73,948	75,304	104,306	90,736	270,250	76,600	73,510	77,185
Landfill	5,598,691	5,398,131	4,951,864	4,690,036	4,380,629	4,030,508	3,368,013	3,153,082	3,225,809	3,327,597
Sanitation	6,551,554	6,117,352	5,684,986	5,515,937	5,118,064	4,783,827	4,751,480	4,687,252	4,636,330	4,509,943
Stormwater	2,802,038	2,630,835	2,451,304	2,300,055	1,593,500	1,495,465	1,422,438	1,352,572	1,316,701	1,253,731
Water/Wastewater	24,718,305	24,097,340	22,679,888	21,870,452	21,603,657	19,801,391	18,574,429	19,044,382	17,607,350	15,760,002
Operating grants and contributions	2,621,037	2,197,410	2,235,345	1,840,497	377,681	285,584	600,771	1,066,141	2,126,404	302,553
Capital grants and contributions	1,289,883	1,626,077	2,035,937	2,168,824	1,510,896	1,429,054	1,781,634	523,411	951,058	736,454
Total business-type activities program revenue	\$ 45,040,778	\$ 43,405,124	\$ 41,652,034	\$ 40,088,846	\$ 36,295,528	\$ 33,836,816	\$ 32,874,452	\$ 31,990,891	\$ 32,034,843	\$ 28,195,709
Total primary government program revenue	\$ 58,351,116	\$ 56,160,796	\$ 54,071,915	\$ 51,955,658	\$ 45,671,564	\$ 43,013,243	\$ 42,903,229	\$ 38,726,599	\$ 38,433,892	\$ 38,310,302
<b>Net (expense)/revenue:</b>										
Governmental activities	\$ (24,470,331)	\$ (22,157,599)	\$ (24,119,756)	\$ (23,828,792)	\$ (23,190,480)	\$ (21,903,109)	\$ (17,569,779)	\$ (20,314,094)	\$ (19,894,725)	\$ (16,148,626)
Business-type activities	6,095,809	12,764,734	7,000,599	9,662,363	7,445,073	5,302,283	5,537,687	2,430,382	9,017,754	2,988,225
Total primary government net expense	\$ (18,374,522)	\$ (9,392,865)	\$ (17,119,157)	\$ (14,166,429)	\$ (15,745,406)	\$ (16,600,825)	\$ (12,032,092)	\$ (17,883,712)	\$ (10,876,971)	\$ (13,160,601)
<b>General Revenues and Other Changes</b>										
<b>Governmental activities:</b>										
Taxes										
Property tax	\$ 7,885,195	\$ 7,904,331	\$ 7,095,973	\$ 7,577,730	\$ 7,277,314	\$ 6,239,821	\$ 6,374,356	\$ 6,254,026	\$ 5,964,834	\$ 5,926,165
Sales tax	10,423,766	10,095,356	8,831,118	8,815,394	8,132,270	7,470,268	7,258,757	6,537,878	5,881,627	5,687,489
Other taxes	8,784,777	8,826,430	8,547,756	8,204,322	7,800,142	6,985,778	6,684,324	6,740,308	6,535,487	6,120,433
Grants and Contributions - not restricted	664,047	683,242	607,280	3,159,854	2,742,463	2,568,803	1,782,724	2,199,495	2,121,393	2,008,115
Unrestricted investment earnings	1,225,416	794,802	366,756	-	-	-	-	-	-	-
Miscellaneous general revenue	541	6,030	8,410	221,315	72,146	46,430	51,087	4,698	26,393	52,701
Gain on sale of assets	(57,291)	-	-	-	-	-	5,990	-	33,521	-
Transfers	768,649	1,561,063	1,813,555	2,030,510	1,686,605	543,344	817,637	577,962	1,375,181	1,493,227
Total governmental activities general revenue	\$ 29,695,100	\$ 29,871,254	\$ 27,270,848	\$ 30,009,125	\$ 27,710,940	\$ 23,854,444	\$ 22,974,873	\$ 22,314,367	\$ 21,938,436	\$ 21,288,130
<b>Business-type activities:</b>										
Intergovernmental	\$ -	\$ -	\$ 39,206	\$ 1,450,850	\$ 1,389,746	\$ 1,273,873	\$ 1,258,535	\$ 1,240,450	\$ 1,251,569	\$ 1,217,964
Unrestricted investment earnings	386,733	168,747	-	-	-	-	-	-	-	-
Miscellaneous general revenue	20,925	12,665	236,280	56,033	118,034	218,234	266,356	294,668	353,819	348,921
Gain on sale of assets	50,629	47,367	45,399	301,372	63,620	57,304	11,528	3,156	10,352	-
Transfers	(768,649)	(1,561,063)	(1,813,555)	(2,030,510)	(1,686,605)	(543,344)	(817,637)	(577,962)	(1,375,181)	(1,493,227)
Total business-type activities general revenue	\$ (310,361)	\$ (1,332,284)	\$ (1,492,670)	\$ (222,255)	\$ (115,205)	\$ 1,006,067	\$ 718,783	\$ 960,312	\$ 240,559	\$ 73,658
Total primary government	\$ 29,384,739	\$ 28,538,970	\$ 25,778,178	\$ 29,786,870	\$ 27,595,735	\$ 24,860,511	\$ 23,693,655	\$ 23,274,679	\$ 22,178,995	\$ 21,361,788
<b>Change in net position</b>										
Governmental activities	\$ 5,224,768	\$ 7,713,655	\$ 3,151,092	\$ 6,180,333	\$ 4,520,460	\$ 1,951,335	\$ 5,405,094	\$ 2,000,273	\$ 2,043,711	\$ 5,139,504
Business-type activities	5,785,449	11,432,450	5,507,929	9,440,108	7,329,868	6,308,350	6,256,470	3,390,694	9,258,313	3,061,683
Total primary government	\$ 11,010,217	\$ 19,146,105	\$ 8,659,021	\$ 15,620,441	\$ 11,850,328	\$ 8,259,685	\$ 11,661,563	\$ 5,390,967	\$ 11,302,024	\$ 8,201,187
Prior Period Adjustment - Government		(9,371,628)	(6,665,008)		(6,998,245)					
Prior Period Adjustment - Business		(3,012,554)	832,761		(1,861,019)					
Total adjusted primary government		\$ (12,384,182)	\$ (5,832,247)		\$ (599,579)					

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

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

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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Fund (Per GASB 54)<sup>(1)</sup></b>										
Nonspendable	\$ 128,778	\$ 50,719	\$ 107,272	\$ 47,043	\$ 43,623	\$ 55,428	\$ 56,714	\$ 48,844	\$ 34,638	\$ -
Restricted	163,486	127,503	207,807	148,145	209,535	901,919	1,072,404	888,642	158,239	-
Committed	340,410	534,017	529,558	524,938	521,183	18,303	15,058	11,052	7,377	-
Unassigned	3,600,337	4,999,479	3,562,300	4,625,143	4,837,752	4,503,888	3,917,645	3,298,864	3,039,942	-
<b>General Fund (Prior GASB 54)<sup>(1)</sup></b>										
Reserved	-	-	-	-	-	-	-	-	-	445,580
Unreserved	-	-	-	-	-	-	-	-	-	1,868,624
<b>Total general fund</b>	<b>\$ 4,233,011</b>	<b>\$ 5,711,718</b>	<b>\$ 4,406,937</b>	<b>\$ 5,345,269</b>	<b>\$ 5,612,093</b>	<b>\$ 5,479,538</b>	<b>\$ 5,061,821</b>	<b>\$ 4,247,402</b>	<b>\$ 3,240,196</b>	<b>\$ 2,314,204</b>
<b>All Other Governmental Funds (Per GASB 54)<sup>(1)</sup></b>										
Nonspendable	\$ 16,545	\$ 16,545	\$ 16,545	\$ 16,545	\$ 16,545	\$ 16,545	\$ 16,545	\$ 17,790	\$ 32,146	\$ -
Restricted	5,224,320	3,952,983	2,678,048	1,899,169	6,981,127	1,736,966	1,490,212	1,595,196	2,088,025	-
Committed	2,908,353	3,228,232	2,568,986	2,577,210	2,403,617	2,629,948	2,535,408	2,247,092	2,447,204	-
Assigned	14,136	20,715	29,144	13,370	23,730	28,677	69,939	104,902	130,434	-
Unassigned	(283,232)	(652,027)	(1,084,869)	(510,725)	(682,715)	(985,685)	(1,107,746)	(358,833)	(488,292)	-
<b>All Other Governmental Funds (Prior GASB 54)<sup>(1)</sup></b>										
Reserved	-	-	-	-	-	-	-	-	-	850,006
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	1,262,193
Debt service funds	-	-	-	-	-	-	-	-	-	221,151
Capital project funds	-	-	-	-	-	-	-	-	-	10,370,535
Permanent funds	-	-	-	-	-	-	-	-	-	19,090
<b>Total other governmental funds</b>	<b>\$ 7,880,122</b>	<b>\$ 6,566,448</b>	<b>\$ 4,207,854</b>	<b>\$ 3,995,569</b>	<b>\$ 8,742,304</b>	<b>\$ 3,426,451</b>	<b>\$ 3,004,358</b>	<b>\$ 3,606,147</b>	<b>\$ 4,209,517</b>	<b>\$ 12,722,975</b>

<sup>(1)</sup> 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)**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues</b>										
Taxes	\$ 27,059,564	\$ 26,832,900	\$ 24,520,123	\$ 24,155,908	\$ 22,006,791	\$ 20,860,501	\$ 20,168,861	\$ 18,694,349	\$ 17,961,449	\$ 17,181,308
Licenses and permits	1,039,106	1,557,543	1,140,558	1,219,756	1,301,815	986,234	888,301	759,407	833,201	609,565
Intergovernmental	5,992,149	4,822,948	4,793,611	3,227,625	4,981,353	2,733,232	5,822,049	3,667,660	3,296,987	4,727,086
Charges for goods and services	9,926,817	8,851,628	8,245,254	7,483,827	7,473,887	7,018,159	6,417,762	6,081,043	6,049,680	6,893,718
Fines and forfeits	136,273	190,933	196,270	205,949	207,984	197,036	259,895	278,038	282,355	304,466
Miscellaneous revenues	2,211,426	1,460,376	1,819,477	894,276	681,044	517,559	1,019,057	1,295,681	550,889	394,948
<b>Total revenues</b>	<b>\$ 46,365,335</b>	<b>\$ 43,716,328</b>	<b>\$ 40,715,293</b>	<b>\$ 37,187,341</b>	<b>\$ 36,652,874</b>	<b>\$ 32,312,721</b>	<b>\$ 34,575,925</b>	<b>\$ 30,776,178</b>	<b>\$ 28,974,561</b>	<b>\$ 30,111,091</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	\$ 9,997,701	\$ 8,776,034	\$ 8,106,587	\$ 7,742,169	\$ 7,429,590	\$ 6,338,741	\$ 5,907,939	\$ 5,899,717	\$ 5,606,512	\$ 5,506,634
Public safety	16,246,657	15,203,368	14,568,000	13,765,770	12,624,805	11,834,771	11,499,592	13,127,711	12,710,585	12,537,110
Utilities and environment	3,274,147	3,204,005	2,895,895	2,690,464	2,620,860	2,387,847	2,221,713	1,992,305	1,868,845	2,327,038
Transportation	3,644,169	3,372,661	3,632,075	2,919,421	2,905,840	1,789,636	1,800,218	1,728,705	1,992,451	1,546,263
Economic environment	2,127,792	2,160,763	2,101,562	950,080	884,540	1,138,245	1,080,826	42,813	556,503	996,500
Culture and recreation	4,597,005	4,286,982	4,250,683	4,512,065	4,371,195	3,906,501	3,853,727	3,710,615	3,549,324	3,406,847
Social services	225,287	149,626	155,435	4,438	-	-	-	-	-	-
<b>Debt service:</b>										
Principal retirement	1,951	1,135,806	1,073,539	8,801,570	1,053,481	829,594	3,594,594	754,595	752,973	1,112,973
Interest	494,872	528,498	544,262	1,350,861	515,940	566,370	616,826	644,259	650,653	686,624
Administrative charges	1,222,401	1,137	2,421	134,690	100,073	67	28,652	1,382	1,381	13,823
<b>Capital outlay:</b>										
General government	87,038	57,645	265,656	36,265	20,940	87,169	74,354	81,389	109,424	71,127
Public safety	30,868	85,487	24,968	43,089	106,358	133,376	66,685	362,577	7,672,849	1,315,702
Utilities and environment	5,576,959	-	-	-	-	212,495	19,428	-	-	6,059
Transportation	6,471	4,029,456	3,912,289	3,549,000	5,330,846	2,716,616	7,207,154	2,520,211	2,432,470	4,012,258
Economic environment	-	-	-	-	-	18,731	-	-	16,936	206,163
Culture and recreation	16,482	74,310	1,597,947	6,334,034	1,682,816	15,790	-	-	24,320	-
Social Services	208,327	5,224	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 47,758,127</b>	<b>\$ 43,071,002</b>	<b>\$ 43,131,319</b>	<b>\$ 52,833,916</b>	<b>\$ 39,647,284</b>	<b>\$ 31,975,949</b>	<b>\$ 37,971,708</b>	<b>\$ 30,866,279</b>	<b>\$ 37,945,226</b>	<b>\$ 33,745,121</b>
<b>Excess revenues over (under) expenditures</b>	<b>\$ (1,392,792)</b>	<b>\$ 645,326</b>	<b>\$ (2,416,026)</b>	<b>\$ (15,646,575)</b>	<b>\$ (2,994,410)</b>	<b>\$ 336,772</b>	<b>\$ (3,395,783)</b>	<b>\$ (90,101)</b>	<b>\$ (8,970,665)</b>	<b>\$ (3,634,030)</b>
<b>Other financing sources (uses)</b>										
Transfers in	\$ 5,407,602	\$ 5,764,506	\$ 5,391,572	\$ 5,920,359	\$ 6,213,679	\$ 3,503,675	\$ 3,984,092	\$ 2,089,174	\$ 3,153,663	\$ 3,402,196
Transfers out	(4,638,952)	(4,509,428)	(3,706,652)	(3,945,230)	(4,642,149)	(3,020,513)	(3,240,122)	(1,580,807)	(1,854,812)	(2,019,031)
Insurance recoveries	23,462	214	5,059	8,536	-	19,874	18,453	9,198	50,828	283,114
Custodial activities	541	-	-	-	-	-	-	-	-	-
Bonds issued	-	-	-	-	6,310,000	-	-	-	-	1,260,000
Premium on bonds issued	-	-	-	904,351	366,297	-	-	-	-	61,298
Proceeds from debt/refunding debt	-	-	-	7,745,000	194,991	-	2,840,000	-	-	-
Proceeds from disposal of capital assets	-	-	-	-	-	-	5,990	-	33,521	-
<b>Total other financing sources (uses)</b>	<b>\$ 792,653</b>	<b>\$ 1,255,292</b>	<b>\$ 1,689,979</b>	<b>\$ 10,633,016</b>	<b>\$ 8,442,818</b>	<b>\$ 503,036</b>	<b>\$ 3,608,413</b>	<b>\$ 517,565</b>	<b>\$ 1,383,200</b>	<b>\$ 2,987,577</b>
<b>Net change in fund balances</b>	<b>\$ (600,137)</b>	<b>\$ 1,900,618</b>	<b>\$ (726,047)</b>	<b>\$ (5,013,559)</b>	<b>\$ 5,448,408</b>	<b>\$ 839,808</b>	<b>\$ 212,630</b>	<b>\$ 427,464</b>	<b>\$ (7,587,465)</b>	<b>\$ (646,453)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>1.19%</b>	<b>4.29%</b>	<b>4.33%</b>	<b>23.68%</b>	<b>4.83%</b>	<b>4.85%</b>	<b>13.76%</b>	<b>5.01%</b>	<b>5.07%</b>	<b>6.40%</b>

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Property tax	\$ 7,885,195	\$ 7,904,331	\$ 7,095,973	\$ 7,577,730	\$ 7,277,314	\$ 6,239,821	\$ 6,374,356	\$ 6,254,026	\$ 5,964,834	\$ 5,926,165
Sales tax	10,423,766	10,095,356	8,831,118	8,815,394	8,132,270	7,470,268	7,258,757	6,537,878	5,881,627	5,687,489
Business and occupation tax	2,841,042	2,969,226	3,105,232	2,946,561	3,155,966	3,211,772	3,109,346	3,075,359	3,139,605	3,137,873
Utility excise tax	5,029,264	4,855,631	4,544,087	4,372,166	4,164,429	3,164,614	2,874,497	2,573,264	2,461,493	2,296,596
Gambling tax	(3,580)	53,634	71,829	102,573	(187,170)	52,726	210,821	25,691	88,872	108,771
Real estate excise tax	512,552	548,502	452,590	396,849	346,043	290,807	240,983	225,353	181,063	188,777
Leasehold tax	47,364	43,731	37,702	41,976	42,545	35,498	36,791	30,839	31,009	27,258
E911 access tax*	-	-	-	-	-	-	-	596,200	417,874	342,780
Tourism promotion area tax	358,136	355,706	336,316	344,197	278,329	230,361	211,886	213,602	215,571	18,378
<b>Total taxes</b>	<b>\$ 27,093,739</b>	<b>\$ 26,826,117</b>	<b>\$ 24,474,847</b>	<b>\$ 24,597,446</b>	<b>\$ 23,209,726</b>	<b>\$ 20,695,867</b>	<b>\$ 20,317,437</b>	<b>\$ 19,532,212</b>	<b>\$ 18,381,948</b>	<b>\$ 17,734,087</b>

\*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 <sup>(1)</sup>  
Last Ten Fiscal Years (and Next Year)**

Fiscal Year	Overlapping Rates									
	City of Walla Walla			Walla Walla County			Walla Walla School District			Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total District Millage	
2020	2.302	0.552	2.854	1.39	-	1.39	2.500	1.161	3.661	7.905
2019	2.427	0.581	3.008	1.446	-	1.446	1.500	1.218	2.718	7.172
2018	2.620	0.631	3.251	1.474	-	1.474	3.479	1.227	4.706	9.431
2017	2.534	0.644	3.178	1.457	-	1.457	3.513	1.218	4.731	9.366
2016	2.630	0.703	3.333	1.493	-	1.493	3.656	1.262	4.918	9.744
2015	2.595	0.345	2.940	1.485	-	1.485	3.712	1.282	4.994	9.419
2014	2.558	0.607	3.165	1.474	-	1.474	3.687	1.231	4.918	9.557
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

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

Note: <sup>(1)</sup>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 <sup>(1)</sup>  
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 <sup>(2)</sup>	Less: Head of Household Loss	Less: Minimum Value Loss	Total Taxable Assessed Value	Direct Tax Rate
2020	\$ 3,238,041,751	\$ 92,559,830	\$ 49,559,275	\$ 5,665,550	\$ 46,214,032	\$ 469,071,930	\$ 485,400	\$ 14,024	2,858,709,920	3.0092
2019	2,500,803,244	84,693,230	49,310,578	5,685,510	47,402,927	460,853,870	572,930	13,400	2,634,807,052	3.0092
2018	2,739,106,872	81,967,040	48,038,171	5,653,480	46,122,638	353,588,590	582,950	19,720	2,463,144,705	3.2509
2017	2,579,778,378	87,068,060	44,297,980	5,881,331	46,284,448	321,027,980	552,000	7,140	2,337,391,519	3.1783
2016	2,412,557,034	120,067,212	45,833,173	1,999,939	47,192,431	345,801,828	884,870	7,560	2,182,570,791	3.3323
2015	2,314,569,479	76,540,480	45,110,156	31,044,750	38,616,960	267,668,220	962,090	15,265	2,097,912,830	2.9399
2014	1,949,365,400	76,206,477	42,487,527	2,063,700	57,391,000	-	1,007,627	13,269	2,007,583,808	3.1649
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

Source: Walla Walla County Assessor's Office

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

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

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

City Taxpayers	2019		2010*	
	Assessed Value	Rank	Assessed Value	Rank
Providence Health & Services	\$ 22,503,900	1	\$ -	
Zelman Walla Walla LLC	17,084,300	2	-	
Adventist Health System	13,837,100	3	-	
Key Technology Inc.	10,930,000	4	-	
Baker Boyer Bank	10,156,000	5	-	
PacificCorp	9,713,412	6	662,060	5
Whitman College Board of Trustees	8,085,680	7	-	
Lions Gate Apartments LLC	8,017,120	8	-	
Banner Bank	7,819,250	9	-	
Walla Walla Hospitality LLC	7,162,440	10	-	
Boise Cascade			2,443,371	1
Gas Transmission Northwest			1,011,332	2
FPL Energy Vansycle LLC			903,008	3
Ralph & Cheryl Broetje (Broetje Orchards)			826,326	4
J.R. Simplot Company			470,711	6
Union Pacific Railroad C.O.			467,492	7
I.B.P. Inc (Tyson Fresh Meats)			423,240	8
Railx			280,842	9
Wal-Mart Real Estate			183,653	10

Source: 2019 data provided by the Walla Walla County Assessor Office.

\*2010 data is only available for Walla Walla County as a whole

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

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Amount	Amount	% of Levy	Amount	Amount	% of Levy
2019	\$ 7,907,008	\$ 7,807,808	98.7%	\$ -	7,807,808	98.75%
2018	7,899,015	7,777,311	98.5%	86,799	7,864,110	99.56%
2017	7,407,689	7,052,747	95.2%	341,093	7,393,840	99.81%
2016	7,253,414	7,110,707	98.0%	137,546	7,248,253	99.93%
2015	6,157,923	6,029,512	97.9%	125,739	6,155,251	99.96%
2014	6,336,964	5,977,960	94.3%	357,381	6,335,341	99.97%
2013	6,254,026	5,908,411	94.5%	344,436	6,252,847	99.98%
2012	5,964,834	5,642,366	94.6%	321,833	5,964,199	99.99%
2011	4,737,642	4,359,015	92.0%	378,012	4,737,027	99.99%
2010	4,649,972	4,370,974	94.0%	277,966	4,648,940	99.98%

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 <sup>(1)</sup>**

NAICS	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>11</b> Agriculture, Forestry, Fishing and Hunting	\$ 416,016	\$ 402,799	\$ 374,095	\$ 304,373	\$ 378,657	\$ 295,499	\$ 152,267	\$ 998,635	\$ 440,249	\$ 259,086
<b>21</b> Mining	-	-	60,294	15,940	28,407	-	-	20,076	8,263	-
<b>22</b> Utilities	2,368,110	3,757,994	2,567,870	2,376,129	1,502,411	1,447,044	847,080	247,597	146,413	1,217,774
<b>23</b> Construction	134,545,147	96,616,780	110,490,487	79,461,799	64,674,573	72,773,406	89,737,741	81,427,416	62,587,997	104,112,247
<b>31-33</b> Manufacturing	22,968,929	17,617,558	17,676,191	16,472,960	12,995,932	13,710,658	12,307,192	11,061,333	12,967,022	12,497,611
<b>42</b> Wholesale Trade	48,366,837	48,674,418	46,973,255	49,077,071	47,375,785	49,180,308	51,990,125	46,016,643	43,465,905	49,164,232
<b>44-45</b> Retail Trade	266,943,553	233,996,064	233,071,548	224,498,351	211,598,298	199,099,058	187,644,188	184,775,496	189,534,010	195,968,182
<b>48-49</b> Transportation and Warehousing	1,769,626	1,112,636	1,552,074	1,444,933	1,482,946	908,487	983,032	810,522	1,071,859	579,472
<b>51</b> Information	25,241,425	25,422,533	26,927,281	25,755,159	25,417,677	25,153,226	22,904,649	22,750,383	21,422,121	23,595,659
<b>52</b> Finance and Insurance	8,830,978	6,042,403	5,924,169	8,309,215	4,353,265	3,923,533	4,400,141	3,935,159	3,556,762	3,555,265
<b>53</b> Real Estate and Rental and Leasing	11,882,552	10,943,381	10,295,751	9,474,785	9,912,417	9,037,326	9,840,076	7,352,468	8,160,359	8,374,609
<b>54</b> Professional, Scientific, and Technical Services	11,990,103	11,886,326	11,287,843	11,850,757	8,938,928	8,038,972	8,232,498	9,337,468	7,861,467	7,788,402
<b>55-62</b> Management, Education & Health Services	34,988,909	27,525,779	22,680,982	21,220,209	19,229,810	17,758,592	16,670,508	14,752,764	13,707,230	15,755,833
<b>71</b> Arts, Entertainment, and Recreation	4,724,176	4,426,631	4,238,750	3,977,570	4,125,868	4,225,137	4,017,630	4,141,316	4,059,648	4,021,263
<b>72</b> Accommodation and Food Services	110,717,090	104,527,848	100,330,413	93,979,872	87,869,735	81,995,265	79,774,260	74,397,364	69,862,111	66,520,917
<b>81</b> Other Services (except Public Administration)	20,504,664	19,720,926	18,133,602	18,644,999	17,761,384	15,885,563	16,145,496	19,650,008	20,363,208	14,793,562
<b>92</b> Public Administration	2,901,067	2,407,463	2,453,325	2,012,705	1,677,539	1,279,722	563,693	445,152	367,979	561,762
<b>Total Local Sales and Use Taxable Retail Sales</b>	<b>\$ 709,159,182</b>	<b>\$ 615,081,539</b>	<b>\$ 615,037,930</b>	<b>\$ 568,876,827</b>	<b>\$ 519,323,632</b>	<b>\$ 504,711,796</b>	<b>\$ 506,210,576</b>	<b>\$ 482,119,800</b>	<b>\$ 459,582,603</b>	<b>\$ 508,765,876</b>

**City of Walla Walla Sales & Use Tax Rates**

Local Basic	0.425%	\$ 3,013,927	\$ 2,614,097	\$ 2,613,911	\$ 2,417,727	\$ 2,207,125	\$ 2,145,025	\$ 2,151,395	\$ 2,049,009	\$ 1,953,226	\$ 2,162,255
Local Optional	0.425%	3,013,927	2,614,097	2,613,911	2,417,727	2,207,125	2,145,025	2,151,395	2,049,009	1,953,226	2,162,255
Criminal Justice	0.100%	709,159	615,082	615,038	568,877	519,324	504,712	506,211	482,120	459,583	508,766
Public Safety	0.090%	638,243	553,753	553,534	511,989	467,391	454,241	455,590	433,908	413,624	457,889
Transportation Benefit District <sup>(2)</sup>	0.200%	1,418,318	1,230,163	1,230,076	1,137,754	1,038,647	1,009,424	1,012,421	-	-	-
<b>Total City of Walla Walla Sales &amp; Use Tax <sup>(3)</sup></b>	<b>1.240%</b>	<b>\$ 8,793,574</b>	<b>\$ 7,627,012</b>	<b>\$ 7,626,470</b>	<b>\$ 7,054,074</b>	<b>\$ 6,439,612</b>	<b>\$ 6,258,427</b>	<b>\$ 6,277,012</b>	<b>\$ 5,014,046</b>	<b>\$ 4,779,659</b>	<b>\$ 5,291,165</b>
State Sales & Use Tax Rate	6.500%										
Valley Transit	0.600%										
<b>Walla Walla County Sales &amp; Use Tax Rates:</b>											
Local Basic	0.075%										
Local Optional	0.075%										
Public Safety	0.310%										
Juvenile Justice/Detention	0.100%										
<b>Total Walla Walla County Sales &amp; Use Tax Rate</b>	<b>0.560%</b>										
<b>Total Local Sales &amp; Use Tax Rate</b>	<b>8.900%</b>										

Source: WA State Department of Revenue.

Notes: <sup>(1)</sup> 2018 is the latest annual data available.

<sup>(2)</sup> The City of Walla Walla started collecting 0.200% tax rate for the Transportation Benefit District as of July 1, 2012.

<sup>(3)</sup> 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**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues <sup>(1)</sup></b>										
Charges for Water Services	\$ 13,198,575	\$ 13,119,725	\$ 12,142,931	\$ 11,693,088	\$ 11,372,034	\$ 9,861,984	\$ 9,059,602	\$ 9,839,557	\$ 9,111,296	\$ 8,250,027
Charges for Wastewater Services	11,250,892	10,844,542	10,366,269	10,089,298	10,202,032	9,909,038	9,434,094	8,914,574	8,481,396	7,498,277
Miscellaneous	451,108	253,840	196,548	98,052	81,808	173,731	270,275	486,447	267,547	365,456
Capital Contributions	948,971	1,328,347	1,325,595	1,868,870	1,268,748	915,102	857,105	387,834	873,199	340,787
<b>Total Revenues</b>	<b>\$ 25,849,546</b>	<b>\$ 25,546,454</b>	<b>\$ 24,031,343</b>	<b>\$ 23,749,308</b>	<b>\$ 22,924,622</b>	<b>\$ 20,859,855</b>	<b>\$ 19,621,076</b>	<b>\$ 19,628,412</b>	<b>\$ 18,733,438</b>	<b>\$ 16,454,547</b>
<b>Expenses <sup>(2)</sup></b>										
Personnel Services	\$ 1,560,916	\$ 1,967,691	\$ 2,147,720	\$ 1,934,568	\$ 1,751,623	\$ 1,727,725	\$ 1,595,970	\$ 1,509,860	\$ 1,410,031	\$ 1,386,383
Supplies	678,965	541,766	732,177	582,771	651,756	565,671	466,341	427,014	53,998	994,849
Services/Charges	650,814	3,148,911	6,317,323	4,562,365	2,993,484	2,863,729	2,871,338	3,070,387	2,680,107	2,905,518
Governmental Charges	14,708,344	7,726,961	7,566,260	7,358,681	6,895,866	6,108,966	5,516,941	5,260,635	4,889,174	5,026,399
Bad Debt Expense	2,144	-	-	-	-	-	28,958	-	-	568
<b>Total Expenses</b>	<b>\$ 17,601,183</b>	<b>\$ 13,385,329</b>	<b>\$ 16,763,480</b>	<b>\$ 14,438,385</b>	<b>\$ 12,292,729</b>	<b>\$ 11,266,091</b>	<b>\$ 10,479,548</b>	<b>\$ 10,267,896</b>	<b>\$ 9,033,310</b>	<b>\$ 10,313,717</b>
<b>Net Revenue of System</b>	<b>\$ 8,248,363</b>	<b>\$ 12,161,125</b>	<b>\$ 7,267,863</b>	<b>\$ 9,310,923</b>	<b>\$ 10,631,893</b>	<b>\$ 9,593,764</b>	<b>\$ 9,141,528</b>	<b>\$ 9,360,516</b>	<b>\$ 9,700,128</b>	<b>\$ 6,140,830</b>

<sup>(1)</sup> Excludes transfers-in/out.

<sup>(2)</sup> 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**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues of the System:</b>										
Operating Income	\$ 24,449,467	\$ 24,042,648	\$ 22,509,200	\$ 21,782,386	\$ 21,574,066	\$ 19,771,022	\$ 18,493,696	\$ 18,754,131	\$ 17,592,692	\$ 15,748,304
Other Income	1,400,079	1,503,806	1,522,143	1,966,922	1,350,556	1,088,833	1,127,380	874,281	1,140,746	706,243
<b>Total Revenues</b>	<b>\$ 25,849,546</b>	<b>\$ 25,546,454</b>	<b>\$ 24,031,343</b>	<b>\$ 23,749,308</b>	<b>\$ 22,924,622</b>	<b>\$ 20,859,855</b>	<b>\$ 19,621,076</b>	<b>\$ 19,628,412</b>	<b>\$ 18,733,438</b>	<b>\$ 16,454,547</b>
<b>Costs of Maintenance and Operation</b>	<b>\$ 17,601,183</b>	<b>\$ 13,385,329</b>	<b>\$ 16,763,480</b>	<b>\$ 14,438,385</b>	<b>\$ 12,292,729</b>	<b>\$ 11,266,091</b>	<b>\$ 10,479,548</b>	<b>\$ 10,267,896</b>	<b>\$ 9,033,310</b>	<b>\$ 10,313,717</b>
<b>Net Revenue Available for Debt Service</b>	<b>\$ 8,248,363</b>	<b>\$ 12,161,125</b>	<b>\$ 7,267,863</b>	<b>\$ 9,310,923</b>	<b>\$ 10,631,893</b>	<b>\$ 9,593,764</b>	<b>\$ 9,141,528</b>	<b>\$ 9,360,516</b>	<b>\$ 9,700,128</b>	<b>\$ 6,140,830</b>
<b>Maximum Annual Debt Service <sup>(3)</sup></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,586,488</b>	<b>\$ 2,586,488</b>	<b>\$ 3,036,339</b>	<b>\$ 3,036,339</b>	<b>\$ 3,036,339</b>
<b>Debt Ratio</b>	N/A	N/A	N/A	N/A	N/A	3.71	3.53	3.08	3.19	2.02

<sup>(3)</sup> 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)	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
3/4	\$ 39.40	\$ 37.90	\$ 36.50	\$ 35.10	\$ 32.90	\$ 27.80	\$ 25.70	\$ 23.80	\$ 22.20	\$ 20.40
1	78.40	75.40	72.60	69.90	65.50	55.30	51.20	47.40	44.30	40.60
1 1/2	157.00	151.00	145.30	139.90	131.10	110.70	102.50	94.90	88.70	81.40
2	251.10	241.60	232.50	223.80	209.80	177.20	164.10	151.90	142.00	130.30
3	469.90	452.00	435.00	418.80	392.60	331.60	307.00	284.30	265.70	243.80
4	784.00	754.20	725.80	698.80	655.00	553.20	512.20	474.30	443.30	406.70
6	1,576.50	1,516.60	1,459.50	1,405.10	1,317.10	1,112.40	1,030.00	953.70	891.30	817.70
8	2,352.00	2,262.60	2,177.50	2,096.40	1,965.10	1,659.70	1,536.80	1,423.00	1,329.90	1,220.10
10	3,136.00	3,016.80	2,903.30	2,795.10	2,620.10	2,212.90	2,049.00	1,897.20	1,773.10	1,626.70

**Water Utility Consumption Charges per 100 Cubic Feet**

Customer Class	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Residential	\$ 2.10	\$ 2.00	\$ 1.90	\$ 1.80	\$ 1.70	\$ 1.58	\$ 1.46	\$ 1.35	\$ 1.26	\$ 1.16
Commercial	1.70	1.60	1.50	1.40	1.30	1.17	1.08	1.00	0.93	0.85
Industrial	1.70	1.60	1.50	1.40	1.30	1.21	1.12	1.04	0.97	0.89
Public	1.70	1.60	1.50	1.40	1.30	1.17	1.08	1.00	0.93	0.85

**Water Utility Connection Charges for Permanent Meters**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Meter Installation Fee-3/4"	\$ 270.00	\$ 260.00	\$ 250.00	\$ 239.00	\$ 577.00	\$ 577.00	\$ 534.00	\$ 494.00	\$ 462.00	\$ 424.00
Meter Installation Fee-1" or larger	280.00	270.00	260.00	249.00	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Service connection charge-1" service line <sup>(1)</sup>	2,990.00	2,900.00	2,810.00	2,772.00	\$638.00 plus applicable fees	\$638.00 plus applicable fees	\$547.00 plus applicable fees	\$547.00 plus applicable fees	\$511.00 plus applicable fees	\$469.00 plus applicable fees
Service connection charge-2" service line <sup>(2)</sup>	4,790.00	4,610.00	4,440.00	4,278.00	-	-	-	-	-	-
Service connection charge-larger than 2" service line	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost

<sup>(1)</sup>1-inch service line (service line only; meter separate).

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

**Water Capital Facilities Charges**

Meter Size (inches)	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
5/8 & 3/4	\$ 4,130.00	\$ 4,000.00	\$ 3,870.00	\$ 3,750.00	\$ 1,785.00	\$ 1,785.00	\$ 1,785.00	\$ 1,785.00	\$ 1,785.00	\$ 1,785.00
1	6,880.00	6,660.00	6,450.00	6,250.00	2,981.00	2,981.00	2,981.00	2,981.00	2,981.00	2,981.00
1 1/2	13,770.00	13,330.00	12,910.00	12,500.00	5,944.00	5,944.00	5,944.00	5,944.00	5,944.00	5,944.00
2	22,020.00	21,320.00	20,650.00	20,000.00	9,514.00	9,514.00	9,514.00	9,514.00	9,514.00	9,514.00
3	44,040.00	42,650.00	41,300.00	40,000.00	19,046.00	19,046.00	19,046.00	19,046.00	19,046.00	19,046.00
4	68,810.00	66,640.00	64,540.00	62,500.00	29,810.00	29,810.00	29,810.00	29,810.00	29,810.00	29,810.00

**Wastewater Capital Facilities Charges**

Charge	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Side Sewer Charge	\$ 1,756.00	1,701.00	1,647.00	1,595.00	1,104.00	1,104.00	1,032.00	974.00	928.00	844.00

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

Customers Connected to the Wastewater Utility <sup>(1)</sup>	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Residential	\$ 55.90	\$ 54.60	\$ 53.30	\$ 52.10	\$ 52.10	\$ 52.10	\$ 48.70	\$ 45.90	\$ 43.70	\$ 39.70
Multi-Family Residences (per unit)	33.50	32.70	31.90	31.20	31.20	31.20	29.20	27.50	26.20	23.80
Commercial	54.70	53.40	52.20	51.00	51.00	51.00	47.70	45.00	42.90	39.00
Public	65.90	64.40	62.90	61.50	61.50	61.50	57.50	54.20	51.60	46.90
Industrial	70.00	68.40	66.80	65.30	65.30	65.30	61.00	57.50	54.80	49.80
City of Walla Walla	16.40	16.00	15.60	15.20	15.20	15.20	14.20	13.40	12.80	11.60

<sup>(1)</sup>A consumption fee is charged to commercial and industrial customers for each 100 cu ft of water used over 800 cu ft minimum.

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

	2019		2018		2017		2016		2015		2014		2013		2012		2011		2010					
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%				
<b>Water</b>																								
Residential	9,455	88.3%	9,455	88.3%	9,433	88.1%	9,304	89.2%	9,373	88.9%	9,299	88.9%	9,258	89.0%	9,174	89.0%	9,127	89.0%	9,091	89.0%	9,091	89.0%		
Multifamily	153	1.4%	153	1.4%	146	1.4%	146	1.4%	146	1.4%	146	1.4%	144	1.4%	145	1.4%	145	1.4%	145	1.4%	146	1.4%	146	1.4%
Commercial	989	9.2%	989	9.2%	908	8.5%	876	8.4%	910	8.6%	898	8.6%	885	8.5%	878	8.5%	871	8.5%	866	8.5%	866	8.5%	866	8.5%
Industrial	14	0.1%	14	0.1%	13	0.1%	13	0.1%	14	0.1%	14	0.1%	14	0.1%	14	0.1%	14	0.1%	14	0.1%	11	0.1%	11	0.1%
Public	105	1.0%	105	1.0%	101	0.9%	92	0.9%	99	0.9%	98	0.9%	98	0.9%	99	1.0%	98	1.0%	98	1.0%	96	0.9%	96	0.9%
<b>Total</b>	<b>10,821</b>	<b>100%</b>	<b>10,821</b>	<b>100%</b>	<b>10,702</b>	<b>100%</b>	<b>10,431</b>	<b>100%</b>	<b>10,542</b>	<b>100%</b>	<b>10,455</b>	<b>100%</b>	<b>10,400</b>	<b>100%</b>	<b>10,309</b>	<b>100%</b>	<b>10,255</b>	<b>100%</b>	<b>10,210</b>	<b>100%</b>	<b>10,210</b>	<b>100%</b>		
<b>Wastewater</b>																								
Residential	8,598	88.8%	8,598	88.8%	8,914	88.2%	8,432	89.5%	8,365	90.6%	8,271	89.5%	8,202	89.4%	8,469	90.4%	656	36.2%	656	36.2%	8,381	89.4%	8,381	89.4%
Multifamily	146	1.5%	146	1.5%	146	1.4%	142	1.5%	143	1.5%	140	1.5%	141	1.5%	145	1.5%	145	8.0%	145	8.0%	145	1.5%	145	1.5%
Commercial	775	8.0%	775	8.0%	858	8.5%	763	8.1%	655	7.1%	749	8.1%	745	8.1%	688	7.3%	773	42.7%	766	8.2%	766	8.2%	766	8.2%
Industrial	7	0.1%	7	0.1%	8	0.1%	7	0.1%	6	0.1%	7	0.1%	7	0.1%	7	0.1%	155	8.6%	6	0.1%	6	0.1%	6	0.1%
Public	79	0.8%	79	0.8%	92	0.9%	80	0.8%	64	0.7%	78	0.8%	77	0.8%	64	0.7%	83	4.6%	78	0.8%	78	0.8%	78	0.8%
<b>Total</b>	<b>9,684</b>	<b>100%</b>	<b>9,684</b>	<b>100%</b>	<b>10,110</b>	<b>100%</b>	<b>9,424</b>	<b>100%</b>	<b>9,233</b>	<b>100%</b>	<b>9,245</b>	<b>100%</b>	<b>9,172</b>	<b>100%</b>	<b>9,373</b>	<b>100%</b>	<b>1,812</b>	<b>100%</b>	<b>9,376</b>	<b>100%</b>	<b>9,376</b>	<b>100%</b>		
<b>Water/Wastewater</b>																								
Residential	9,455	79.7%	9,455	79.7%	9,433	80.9%	9,304	89.2%	9,373	88.9%	9,299	88.9%	9,258	89.0%	9,174	89.0%	9,127	89.0%	9,091	89.0%	9,091	89.0%	9,091	89.0%
Total Comm'l/Multifamily	1,142	9.6%	1,142	9.6%	1,054	9.0%	1,022	9.8%	1,056	10.0%	1,044	10.0%	1,029	9.9%	1,023	9.9%	1,016	9.9%	1,012	9.9%	1,012	9.9%	1,012	9.9%
Industrial	14	0.1%	14	0.1%	13	0.1%	13	0.1%	14	0.1%	14	0.1%	14	0.1%	14	0.1%	14	0.1%	14	0.1%	11	0.1%	11	0.1%
Public	105	0.9%	105	0.9%	101	0.9%	92	0.9%	99	0.9%	98	0.9%	99	1.0%	98	1.0%	98	1.0%	98	1.0%	96	0.9%	96	0.9%
<b>Total</b>	<b>11,858</b>	<b>100%</b>	<b>11,858</b>	<b>100%</b>	<b>11,655</b>	<b>100%</b>	<b>10,431</b>	<b>100%</b>	<b>10,542</b>	<b>100%</b>	<b>10,455</b>	<b>100%</b>	<b>10,400</b>	<b>100%</b>	<b>10,309</b>	<b>100%</b>	<b>10,255</b>	<b>100%</b>	<b>10,210</b>	<b>100%</b>	<b>10,210</b>	<b>100%</b>		

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

**Water Customers**

Customer Name	2019				2010			
	Amount (In Gallons)	Rank	% of Total	Amount (In Gallons)	Rank	% of Total		
CITY OF WALLA WALLA	204,690,308	1	17.34%	166,908	2	14.45%		
DEPARTMENT OF CORRECTIONS	129,313,110	2	10.96%	169,093	1	14.64%		
SCHOOL DIST #140	71,882,886	3	6.09%	70,579	4	6.11%		
EARLY - REPASS GOLF LLC	48,468,849	4	4.11%					
COTT BEVERAGE/CLIFFSTAR LLC	46,558,660	5	3.95%	83,005	3	7.19%		
WHITMAN COLLEGE	32,256,715	6	2.73%	55,710	6	4.82%		
PROVIDENCE HEALTH SYSTEMS	29,032,327	7	2.46%					
RANCHO VILLA	26,548,810	8	2.25%	61,485	5	5.32%		
CALDWELL BANKER	20,355,149	9	1.72%	33,510	7	2.90%		
ECOVA	12,393,130	10	1.05%					
GOLDEN WEST ESTATES				16,920	8	1.46%		
SCHNABEL				12,962	9	1.12%		
SE WASHINGTON FAIRGROUNDS				12,305	10	1.07%		

**Wastewater Customers**

Customer Name	2019				2010			
	Amount (In Gallons)	Rank	% of Total	Amount (In Gallons)	Rank	% of Total		
DEPARTMENT OF CORRECTIONS	129,313,110	1	27.00%	169,093	1	20.34%		
COTT BEVERAGE/CLIFFSTAR LLC	46,558,660	2	9.72%	83,005	2	9.98%		
CITY OF WALLA WALLA	20,736,543	3	4.33%	34,223	4	4.12%		
WHITMAN COLLEGE	20,034,296	4	4.18%	33,153	5	3.99%		
PROVIDENCE HEALTH SYSTEMS	11,784,051	5	2.46%					
WHEATLAND VILLAGE	11,754,350	6	2.45%					
KEY TECHNOLOGY INC	8,860,220	7	1.85%					
WASH ODD FELLOWS HOME	6,799,649	8	1.42%	11,911	10	1.43%		
ECOVA	6,343,429	9	1.32%					
BUSH CAR WASH	5,877,463	10	1.23%					
RANCHO VILLA				61,485	3	7.40%		
CALDWELL BANKER				33,016	6	3.97%		
GOLDEN WEST ESTATES				16,920	7	2.04%		
SCHNABEL				12,962	8	1.56%		
SE WASHINGTON FAIRGROUNDS				12,216	9	1.47%		

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General governmental activities:</b>										
General obligation bonds	\$15,147,382	\$16,453,764	\$17,673,550	\$18,913,480	\$19,156,019	\$13,336,613	\$14,251,920	\$15,098,397	\$15,952,984	\$16,813,648
Special assessment bonds	60,848	81,848	106,848	141,847	241,311	288,689	477,749	515,163	551,000	-
<b>Business-type activities</b>										
Water bonds	5,091,468	5,487,007	5,842,545	6,193,085	-	7,709,800	10,529,442	13,228,200	16,097,400	18,740,400
Wastewater bonds	7,049,995	7,086,662	-	-	-	1,600,200	2,578,561	3,496,800	4,672,600	5,749,600
Water/Wastewater bonds	12,141,463	12,573,669	5,842,545	6,193,085	-	9,310,000	13,108,003	16,725,000	20,770,000	24,490,000
Water loans	20,507,984	106,026	166,475	228,421	162,632	216,842	271,052	325,263	379,473	433,683
Wastewater loans	4,422,341	6,454,602	8,447,356	10,402,181	12,320,581	14,204,009	16,053,854	17,871,450	19,658,082	21,414,981
Water/Wastewater loans	24,930,323	6,560,626	8,613,830	10,630,602	12,483,213	14,420,851	16,324,906	18,196,713	20,037,555	21,848,664
Landfill bonds	3,959,360	4,608,162	5,247,772	2,979,054	3,360,451	3,687,590	4,030,141	4,352,692	4,670,243	4,976,400
Landfill loans	2,233,388	-	-	-	-	-	-	-	-	-
Golf course bonds	109,437	134,179	158,998	183,032	206,605	224,168	242,022	259,876	277,730	293,600
Capital lease	125,163	164,545	202,818	-	-	-	-	-	-	-
<b>Total primary government</b>	<b>\$56,473,976</b>	<b>\$40,576,793</b>	<b>\$37,846,361</b>	<b>\$39,041,100</b>	<b>\$35,447,599</b>	<b>\$41,267,911</b>	<b>\$48,434,741</b>	<b>\$55,147,841</b>	<b>\$62,259,512</b>	<b>\$68,422,312</b>
Percentage of personal income <sup>(1)</sup>	2.01%	1.56%	1.44%	1.64%	1.54%	1.82%	2.10%	2.43%	2.81%	3.28%
Per capita	\$ 1,649	\$ 1,193	\$ 1,118	\$ 1,162	\$ 1,048	\$ 1,292	\$ 1,517	\$ 1,737	\$ 1,966	\$ 2,156

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

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

Used 2018 personal income, latest available data, to calculate "percentage of personal income" for 2019.

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General obligation bonds	\$24,307,647	\$25,890,380	\$28,922,865	\$28,268,651	\$22,723,075	\$26,558,371	\$18,524,083	\$24,925,965	\$27,655,957	\$30,188,648
Less: Amounts available in debt service fund	623,408	589,614	458,900	425,454	356,481	774,070	226,982	176,494	115,906	71,227
<b>Net total</b>	<b>\$23,684,239</b>	<b>\$25,300,766</b>	<b>\$28,463,965</b>	<b>\$27,843,197</b>	<b>\$22,366,594</b>	<b>\$25,784,301</b>	<b>\$18,297,101</b>	<b>\$24,749,471</b>	<b>\$27,540,051</b>	<b>\$30,117,421</b>
Percentage of estimated actual taxable value of property	0.90%	1.03%	1.22%	1.03%	1.07%	1.28%	0.91%	1.24%	1.38%	1.55%
Per capita	\$692	\$744	\$ 841	\$ 648	\$ 656	\$ 799	\$ 573	\$ 780	\$ 870	\$ 949

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

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

**City of Walla Walla  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2019**

<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			\$ 15,147,382
School District	56,315,000	100.0%	56,315,000
<b>Subtotal overlapping debt</b>	<b>\$ 56,315,000</b>		<b>\$ 56,315,000</b>
<b>Total direct and overlapping debt</b>			<b>\$ 71,462,382</b>

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

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

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



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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt limit	\$214,403,244	\$197,610,529	\$182,756,794	\$175,304,364	\$163,692,810	\$157,343,463	\$150,568,785	\$150,429,291	\$149,920,743	\$149,228,859
Total net debt applicable to limit	12,675,606	14,955,872	17,019,507	14,409,436	12,393,400	17,702,343	20,067,763	20,022,302	22,336,140	16,059,413
Legal debt margin	\$201,727,637	\$182,654,656	\$165,737,287	\$160,894,928	\$151,299,410	\$139,641,120	\$130,501,022	\$130,406,989	\$127,584,603	\$133,169,446
Total net debt applicable to the limit as a percentage of debt margin	6.3%	8.2%	10.3%	9.0%	8.2%	12.7%	15.4%	15.4%	17.5%	12.1%

**Legal debt margin calculation for fiscal year 2019:**

Total assessed value January 2019	\$2,858,709,920
<b>2.5% general purposes limit is allocated between</b>	71,467,748
<i>Up to 1.5% debt without a vote (councilmanic)</i>	42,880,649
Less: outstanding debt	(9,862,809)
Less: contracts payable	-
Less: excess of debt with a vote	-
Add: available assets	9,913,795
<b>Equals remaining debt capacity without a vote</b>	<u>42,931,634</u>
<b>1% general purpose debt with a vote</b>	28,587,099
Less: outstanding debt	(13,350,000)
Less: contracts payable	-
Add: available assets	623,408
<b>Equals remaining debt capacity with a vote</b>	<u>15,860,507</u>
<b>2.5% utility purpose limit, voted</b>	71,467,748
Less: outstanding debt	-
Less: contracts payable	-
Add: available assets	-
<b>Equals remaining debt capacity- utility purpose, voted</b>	<u>71,467,748</u>
<b>2.5% utility purpose limit, open space park and capital facilities, voted</b>	71,467,748
Less: outstanding debt	-
Less: contracts payable	-
Add: available assets	-
<b>Equals remaining debt capacity- park &amp; facilities, voted</b>	<u>71,467,748</u>
<b>Total legal debt margin</b>	<u>\$201,727,637</u>

11,495,896.00

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Water Bonds</b>										
Charges for services and other	\$ 13,980,212	\$ 13,796,846	\$ 12,961,977	\$ 12,590,360	\$ 12,111,309	\$ 10,482,958	\$ 9,686,663	\$ 10,455,260	\$ 9,643,398	\$ 8,559,110
Less: Operating expenses	7,615,684	6,085,639	9,505,663	7,715,626	5,213,538	5,025,793	4,692,976	4,706,216	3,742,568	4,942,764
Net available revenue	\$ 6,364,528	\$ 7,711,207	\$ 3,456,314	\$ 4,874,734	\$ 6,897,771	\$ 5,457,165	\$ 4,993,687	\$ 5,749,044	\$ 5,900,830	\$ 3,616,346
Debt service:										
Principal	\$ 1,772,789	\$ 490,567	\$ 487,067	\$ 54,211	\$ 7,709,800	\$ 2,740,411	\$ 2,886,411	\$ 2,923,411	\$ 2,697,211	\$ 1,954,211
Interest	\$ 411,176	\$ 197,733	\$ 163,700	\$ 45,117	\$ 159,740	\$ 424,477	\$ 539,022	\$ 613,817	\$ 722,672	\$ 728,109
Payment	\$ 2,183,965	\$ 688,300	\$ 650,767	\$ 99,328	\$ 7,869,540	\$ 3,164,888	\$ 3,425,433	\$ 3,537,228	\$ 3,419,883	\$ 2,682,320
<b>Coverage</b>	<u>2.91</u>	<u>11.20</u>	<u>5.31</u>	<u>49.08</u>	<u>0.88</u>	<u>1.72</u>	<u>1.46</u>	<u>1.63</u>	<u>1.73</u>	<u>1.35</u>
<b>Wastewater Bonds</b>										
Charges for services and other	\$ 11,872,855	\$ 11,671,227	\$ 10,957,057	\$ 11,158,948	\$ 10,869,728	\$ 10,376,896	\$ 9,951,613	\$ 9,173,152	\$ 9,036,922	\$ 7,746,752
Less: Operating expenses	4,000,869	4,260,587	4,410,718	4,256,090	4,639,903	4,410,146	3,909,166	3,899,771	3,733,713	3,975,952
Net available revenue	\$ 7,871,986	\$ 7,410,640	\$ 6,546,339	\$ 6,902,858	\$ 6,229,825	\$ 5,966,750	\$ 6,042,447	\$ 5,273,381	\$ 5,303,209	\$ 3,770,800
Debt service:										
Principal	\$ 2,032,258	\$ 1,992,756	\$ 1,954,824	\$ 1,918,402	\$ 1,600,200	\$ 2,683,644	\$ 2,880,397	\$ 2,962,432	\$ 2,833,899	\$ 2,093,348
Interest	76,119	199,356	185,747	236,420	63,461	436,707	528,919	595,008	669,701	636,608
Payment	\$ 2,108,377	\$ 2,192,112	\$ 2,140,571	\$ 2,154,822	\$ 1,663,661	\$ 3,120,351	\$ 3,409,316	\$ 3,557,440	\$ 3,503,600	\$ 2,729,956
<b>Coverage</b>	<u>3.73</u>	<u>3.38</u>	<u>3.06</u>	<u>3.20</u>	<u>3.74</u>	<u>1.91</u>	<u>1.77</u>	<u>1.48</u>	<u>1.51</u>	<u>1.38</u>
<b>Water/Wastewater Revenue Bonds</b>										
Charges for services and other	\$ 25,853,067	\$ 25,468,073	\$ 23,919,034	\$ 23,749,308	\$ 22,981,037	\$ 20,859,854	\$ 19,638,276	\$ 19,628,412	\$ 18,680,320	\$ 16,305,862
Less: Operating expenses	11,616,553	10,346,226	13,916,381	11,971,716	9,853,441	9,435,939	8,602,142	8,605,987	7,476,281	8,918,716
Net available revenue	\$ 14,236,514	\$ 15,121,847	\$ 10,002,653	\$ 11,777,592	\$ 13,127,596	\$ 11,423,915	\$ 11,036,134	\$ 11,022,425	\$ 11,204,039	\$ 7,387,146
Debt service:										
Principal	\$ (1)	\$ (1)	\$ -	\$ -	\$ 9,310,000	\$ 5,424,055	\$ 5,766,808	\$ 5,885,843	\$ 5,531,110	\$ 4,047,559
Interest	264,458	-	-	-	223,201	861,184	1,067,941	1,208,825	1,392,373	1,364,717
Payment	\$ 264,457	\$ -	\$ -	\$ -	\$ 9,533,201	\$ 6,285,239	\$ 6,834,749	\$ 7,094,668	\$ 6,923,483	\$ 5,412,276
<b>Coverage</b>	<u>53.83</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.38</u>	<u>1.82</u>	<u>1.61</u>	<u>1.55</u>	<u>1.62</u>	<u>1.36</u>
<b>Special Assessment Bonds</b>										
Special assessment collections	\$ 25,531	\$ 26,939	\$ 59,461	\$ 66,057	\$ 63,870	\$ 65,549	\$ 106,096	\$ 156,266	\$ 204,961	\$ 15,850
Debt service:										
Principal	21,000	25,000	35,000	99,463	47,379	189,060	37,414	35,837	-	-
Interest	3,601	4,701	6,425	10,618	19,302	21,021	22,530	24,113	2,020	-
Payment	\$ 24,601	\$ 29,701	\$ 41,425	\$ 110,081	\$ 66,681	\$ 210,081	\$ 59,944	\$ 59,950	\$ 2,020	\$ -
<b>Coverage</b>	<u>1.04</u>	<u>0.91</u>	<u>1.44</u>	<u>0.60</u>	<u>0.96</u>	<u>0.31</u>	<u>1.77</u>	<u>2.61</u>	<u>1.00</u>	<u>-</u>

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

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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
1 Population - City	34,240	34,000	33,840	33,340	33,390	32,260	31,930	31,740	31,670	31,731
1 Population - County	62,200	61,800	61,400	60,730	60,650	60,150	59,500	59,100	58,800	58,781
City as percent of County	55%	55%	55%	55%	55%	54%	54%	54%	54%	54%
2 County personal income (in 1,000s)	N/A	\$ 2,811,189	\$ 2,602,735	\$ 2,622,346	\$ 2,528,898	\$ 2,372,702	\$ 2,301,633	\$ 2,269,926	\$ 2,215,788	\$ 2,085,840
2 County per capita personal income	N/A	46,144	42,973	43,459	41,912	39,648	38,663	38,214	37,231	35,405
4 County median family income projection	N/A	56,533	52,630	52,094	49,619	50,835	47,238	46,147	44,606	44,117
3 County median age	N/A	39.01	39.01	37.58	37.58	37.33	37.33	38	37.01	36.63
4 Percent with high school degree or higher	N/A	87.8%	88.5%	N/A	N/A	N/A	N/A	N/A	N/A	85.7%
5 School enrollment	5,690	5,735	5,854	5,959	6,074	6,214	6,119	6,211	6,308	6,159
6 County unemployment rate	4.8%	5.3%	6.3%	7.1%	7.1%	6.7%	6.9%	7.2%	7.3%	7.4%

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.

**City of Walla Walla  
Top Ten Principal Employers  
Total Headcount  
2015 and Nine Years Prior**

<u>Employer within the City</u>	2019			2006		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total Employment</u>
Washington State Penitentiary	1,068	1	6.9%	879	2	6.3%
Providence St. Mary Medical Center	948	2	6.1%	861	3	6.1%
Walla Walla Community College	538	3	3.5%	1,179	1	8.4%
Walla Walla School District #140	494	4	3.2%	763	4	5.4%
Whitman College	486	5	3.1%	479	5	3.4%
Key Technology, Inc.	405	6	2.6%	N/A	N/A	N/A
U.S. Dept. of Veterans Affairs	329	8	2.1%	362	6	2.6%
U.S. Army Corps of Engineers	332	7	2.1%	360	7	2.6%
Walla Walla County	284	9	1.8%	292	10	2.1%
City of Walla Walla	279	10	1.8%	303	9	2.2%
Walla Walla General Hospital	N/A	N/A	N/A	320	8	2.3%

Source: Port of Walla Walla

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

<b>FUNCTION</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Governmental activities:</b>										
General government	42.8	38.5	37.5	34	33	34	34	34	35	35
Public safety										
Police										
Officers	42	46	45	44	43	42	41	41	42	42
Civilians	12.8	13.5	13.5	12	13	8	9	9	11	11
Fire										
Officers	28	31	31	31	30	29	29	29	29	30
Civilians	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1	1
Emergency dispatch	17	17	17	15	17	17	17	17	18	17
Utilities and environment	25	24	25	23	22	23	20	22	19	18
Transportation	13.6	13	13	13	11	12	11	12	14	13
Economic environment <sup>(1)</sup>	8	9	9	8	6	1	0	0	0	10
Culture and recreation	24.5	24	23	21	20	18	18	19	20	24
<b>Total governmental activities</b>	<b>214</b>	<b>216.5</b>	<b>214.5</b>	<b>201.5</b>	<b>195.5</b>	<b>184.5</b>	<b>179.5</b>	<b>183.5</b>	<b>189</b>	<b>201</b>
<b>Business-type activities:</b>										
Ambulance	20.5	17.5	17.5	16.5	18.5	17.5	17.5	18.5	20	18
Golf course	0	0	0	0	0	0	0	0	0	0
Landfill	10.6	11	10	11	12	11	10	9	10	10
Sanitation	11.9	11	11	11	10	11	10	10	13	13
Stormwater	6.7	7	6	6	4	4	4	5	5	6
Wastewater	3.7	5	5	5	2	4	4	4	4	4
Water	20	20	17	19	14	19	18	16	17	16
<b>Total business-type activities</b>	<b>73</b>	<b>71.5</b>	<b>66.5</b>	<b>68.5</b>	<b>60.5</b>	<b>66.5</b>	<b>63.5</b>	<b>62.5</b>	<b>69</b>	<b>67</b>
<b>Total primary government</b>	<b>287</b>	<b>288</b>	<b>281</b>	<b>270</b>	<b>256</b>	<b>251</b>	<b>243</b>	<b>246</b>	<b>258</b>	<b>268</b>

Source: City of Walla Walla Finance Department, positions filled as of 12/31/19.

<sup>(1)</sup> Development Services Department provided data from 2011 through 2014 to reflect the City's participation with the Walla Walla Joint Community Development Agency (WWJCDA)

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>City Attorney</b>										
Requests for legal service	353	329	310	330	286	266	243	163	174	164
Total Walla Walla District Court hearings	8,538	8,029	7,275	6,144	4,958	4,760	3,847	4,183	4,476	4,489
<b>Development Services*</b>										
Permits processed for building and development	1,359	1,413	1,152	1,235	2,208	1,466	882	867	895	911
Construction value of permits completed	\$58,306,750	\$70,233,607	\$55,492,129	\$51,250,001	\$47,283,870	\$18,434,410	\$33,589,796	\$21,444,092	\$41,121,658	\$11,188,593
<b>Library</b>										
Questions answered	43,014	45,874	48,989	38,664	42,728	47,145	44,989	50,231	45,201	48,825
Items checked out	309,694	317,767	307,259	308,891	302,829	321,512	318,803	351,943	322,811	306,763
Children's storytime and program attendance	18,007	14,463	13,034	14,047	14,716	14,663	14,846	15,591	13,912	9,503
Adult program attendance	1,663	2,599	2,023	1,641	1,420	2,275	1,758	951	250	263
<b>Parks and Recreation Department</b>										
Meals served during the summer	26,552	22,178	26,543	26,254	25,044	24,911	26,563	28,718	29,227	19,494
Special event permits issued	48	31	45	59	46	40	29	41	29	37
Visits to City pools	79,648	75,324	78,223	3,057	2,979	3,775	4,620	5,897	5,058	4,762
Attendance for City recreation programs	206,521	184,215	181,941	97,229	96,862	99,622	94,988	106,500	105,000	100,000
Burial services at Mountain View Cemetery	171	166	177	190	197	179	172	163	174	181
Picnic area reservations	326	279	206	252	226	224	199	188	169	185
<b>Fire Department</b>										
Fire responses	745	102	117	107	115	116	129	88	92	100
Hazardous incident responses	81	78	138	85	91	87	109	73	74	64
Ambulance responses	5,222	5,609	5,979	5,718	5,670	5,624	5,268	5,289	5,040	5,182
Ambulance transported patients	3,001	3,208	3,591	3,490	3,493	3,516	3,464	3,285	3,325	3,485
Property fire loss	\$824,100	\$641,230	\$1,023,800	\$1,094,940	\$1,399,125	\$928,811	\$769,530	\$267,370	\$732,800	\$486,625
Safety Always Matters (SAM) program # students	3,922	3,868	3,817	3,921	3,785	3,894	3,711	3,929	3,660	3,720
<b>Police Department</b>										
Code compliance complaints resolved**	997	1,576	875	1,207	980	260	600	497	285	765
Requests for service	19,844	20,342	19,549	19,128	20,911	18,820	20,355	19,701	18,537	19,879
Death investigations and attempted suicides	82	73	80	N/A	63	78	74	72	64	118
Other calls	6,979	8,270	8,969	N/A	10,676	9,891	10,478	10,219	9,273	10,552
Accidents	977	897	1,044	N/A	903	889	857	901	885	1,013
Animal calls	1,810	1,678	1,689	N/A	2,109	1,913	1,950	2,114	1,968	2,271
Volunteer hours	706	678	988	N/A	1,142	1,155	2,005	978	1,165	883
<b>Walla Walla Emergency Services Communications</b>										
Total calls	85,681	84,185	90,228	N/A	94,622	100,537	101,340	110,965	100,399	92,978
9-1-1 calls	22,633	22,527	23,635	N/A	24,664	25,750	24,320	24,286	23,126	20,420
<b>Water</b>										
Linear feet of lines replaced	7,579	11,655	5,345	9,603	6,026	10,166	8,707	5,765	7,476	6,741
Linear feet of lines added to system	3,400	4,045	3,819	5,905	4,077	-	3,124	260	5,301	4,345
Million gallons of water to customers	3,087	3,257	3,105	3,170	3,439	3,474	3,458	3,441	3,367	3,447
Meters installed	290	375	10,989	304	367	302	268	344	421	501
Leaks repaired to mains and services	102	153	85	72	143	152	176	123	162	232
<b>Wastewater</b>										
Linear feet of lines replaced	19,287	14,307	5,827	9,852	11,376	8,068	6,239	4,004	6,149	7,121
Linear feet of lines added to system	1,204	4,261	2,884	6,806	4,493	35	2,172	1,102	1,958	1,820
Feet of sanitary sewer lines cleaned	387,835	274,529	370,003	489,124	470,017	847,165	475,331	618,294	552,358	729,624
<b>Stormwater</b>										
Feet of storm lines cleaned	27,858	9,038	10,667	27,584	27,978	39,554	20,762	18,401	20,599	28,332
<b>Streets</b>										
Linear feet of new streets added to subdivisions	1,060	3,623	1,702	2,787	4,420	-	1,641	252	336	523
Utility street cuts patched	200	231	138	157	326	249	337	383	350	239
<b>Sanitation</b>										
Pounds of curbside recycling collected	2,915,680	2,983,260	3,081,850	3,058,780	3,011,862	2,996,500	2,991,727	3,173,565	3,123,560	3,015,180
Million pounds of waste collected	46	51	44	44	43	42	41	41	41	42
<b>Landfill</b>										
Tons of solid waste collected	59,890	60,969	57,802	59,249	55,976	53,051	50,099	53,304	48,671	47,219
Pounds of hazardous waste collected	100,196	104,040	93,982	96,374	86,984	84,294	106,915	98,278	101,391	113,644
Landfill courtesy passes used	860	796	745	761	841	806	925	1,443	1,503	1,452
Pounds of metal recycled at the Landfill	56,540	90,640	42,480	50,760	47,980	54,780	42,220	83,340	98,660	108,000
Tons of leaves collected and recycled	1,711	2,100	2,104	1,764	1,871	1,359	1,324	1,452	1,098	1,514
<b>Equipment Repair</b>										
Fleet service repairs performed	3,464	2,566	3,329	3,334	3,755	3,448	4,529	3,745	3,644	3,843
Number of equipment repair parts used	11,614	11,419	10,827	10,375	10,565	10,444	11,659	10,729	9,495	11,383

Sources:

City of Walla Walla City Attorney, Development Services, Library, Parks and Recreation, Fire Dept., PoliceDept., Public Works, Fleet Management and Support Services Departments.

\*2015 data reflects the reopened Development Services Department; data from 2011 through 2014 was provided by the Walla Walla Joint Community Development Agency (WJJCDA).

\*\*Code Compliance moved from Development Services to Police Department as of 2015.

N/A - Police department and Walla Walla Emergency Services Communications data were not available in 2016.

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Government</b>										
City Hall	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
Police										
Police station	1	1	1	1	1	1	1	1	1	1
Patrol vehicles	21	21	18	16	15	15	14	12	12	14
Vans/SWAT vehicles	3	3	3	3	6	5	3	3	3	3
Animal control vehicle	1	1	1	1	1	1	1	1	1	1
Parking control vehicle	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Pumpers/ladders	4	4	2	2	2	3	3	4	4	4
Other vehicles	10	10	9	9	8	8	8	9	9	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
<b>Utilities and Environment</b>										
Service Center building	1	1	1	1	1	1	1	1	1	1
<b>Transportation</b>										
Square yards of streets	1,736,003	1,734,825	1,734,341	1,710,693	1,671,438	1,633,426	1,560,502	1,554,303	1,553,351	1,552,827
<b>Culture and Recreation</b>										
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
<b>Ambulance</b>										
Ambulances	5	5	5	6	6	6	6	6	6	6
Other vehicle	1	1	1	1	1	1	1	1	1	1
Defibrillators	9	9	9	9	9	9	15	9	9	9
IV pumps	6	6	6	6	6	6	6	6	6	6
<b>Sanitation</b>										
Refuse collection vehicles	13	13	13	13	15	13	13	12	12	12
Leaf loaders	0	0	0	1	1	1	1	2	2	2
Other vehicles	4	4	2	2	2	2	2	3	3	3
<b>Water/Wastewater</b>										
Miles of water mains	185	185	184	183	182	181	182	182	191	190
Miles of wastewater mains	148	147	147	146	144	143	144	144	147	147
<b>Landfill<sup>(1)</sup></b>										
Active landfills (available acres)	829	829	829	829	829	924	923	923	923	924
Closed landfills (acres)	117	117	117	117	117	117	117	117	117	117
Composting facility	1	1	1	1	1	1	1	1	1	1
<b>Other Business-type Assets</b>										
Golf course	1	1	1	1	1	1	1	1	1	1

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

<sup>(1)</sup>Refer to Note 18 "Closure and Postclosure" in the Notes to the Financial Statements for more details.