



City of Walla Walla, WA

2020 Annual Financial Report



**Prepared by the Finance
Department**

JEAN TEASDALE

FINANCE DIRECTOR

ELIZABETH MOELLER

ACCOUNTING SUPERVISOR

RACHEL WARREN

CUSTOMER SERVICE SUPERVISOR

LIZBETTE FERIA

ACCOUNTANT

KELLIE EMIGH

PAYROLL ACCOUNTANT

MEGAN REXIN

ACCOUNTANT

Annual Financial Report

For the Fiscal Year Ended
December 31, 2020

15 N 3rd Ave
Walla Walla, WA 99362
Phone: (509) 527-4522
Fax: (509) 524-7921

Cover Photo: 1st Street, Downtown Walla Walla
Cover Photo Credit: Andy Coleman



CITY OF WALLA WALLA

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Introductory Section





August 23, 2021

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

We are pleased to present the Annual Comprehensive Financial Report of the City of Walla for the fiscal year ended December 31, 2020. 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 ACFR 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, 2020.

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, 2020 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, 2020, 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 2020 population is 34,400.

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 May 2021. The Mill Creek Apartments will bring 96 units in Phase 1 to the former Kmart site. Construction has begun with anticipated completion Spring 2022.

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 (now U.S. Foods), is arriving in Walla Walla with construction of a 20,000 square foot store. The store opened Fall of 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 now complete and the City is moving onto the Poplar Corridor Project. Two phases of the corridor will be completed at the same time with the City's success in receiving grant funds (Transportation Improvement Board and federal grants). Alder/Merriam to Colville and the Colville to 5th Avenue will begin construction Spring 2022. 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,



Nabil Shawa
City Manager



Jean Teasdale, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Walla Walla
Washington**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

Walla Walla City Council



Front Row (l-r):	Length of Service	Term Expires
Susan Nakonieczny <i>Council Member</i>	1 years	12/31/23
Tom Scribner <i>Mayor</i>	5 years	12/31/23
Yazmin Bahena <i>Council Member</i>	3 years	12/31/21
Back Row (l-r):		
Myron Huie <i>Council Member</i>	3 years	12/31/21
Gary Koehler <i>Council Member</i>	1 years	12/31/23
Steve Moss <i>Council Member</i>	5 years	12/31/23
Riley Clubb <i>Council Member</i>	3 years	12/31/21

Walla Walla Senior Management



Appointed Officials

CITY MANAGER

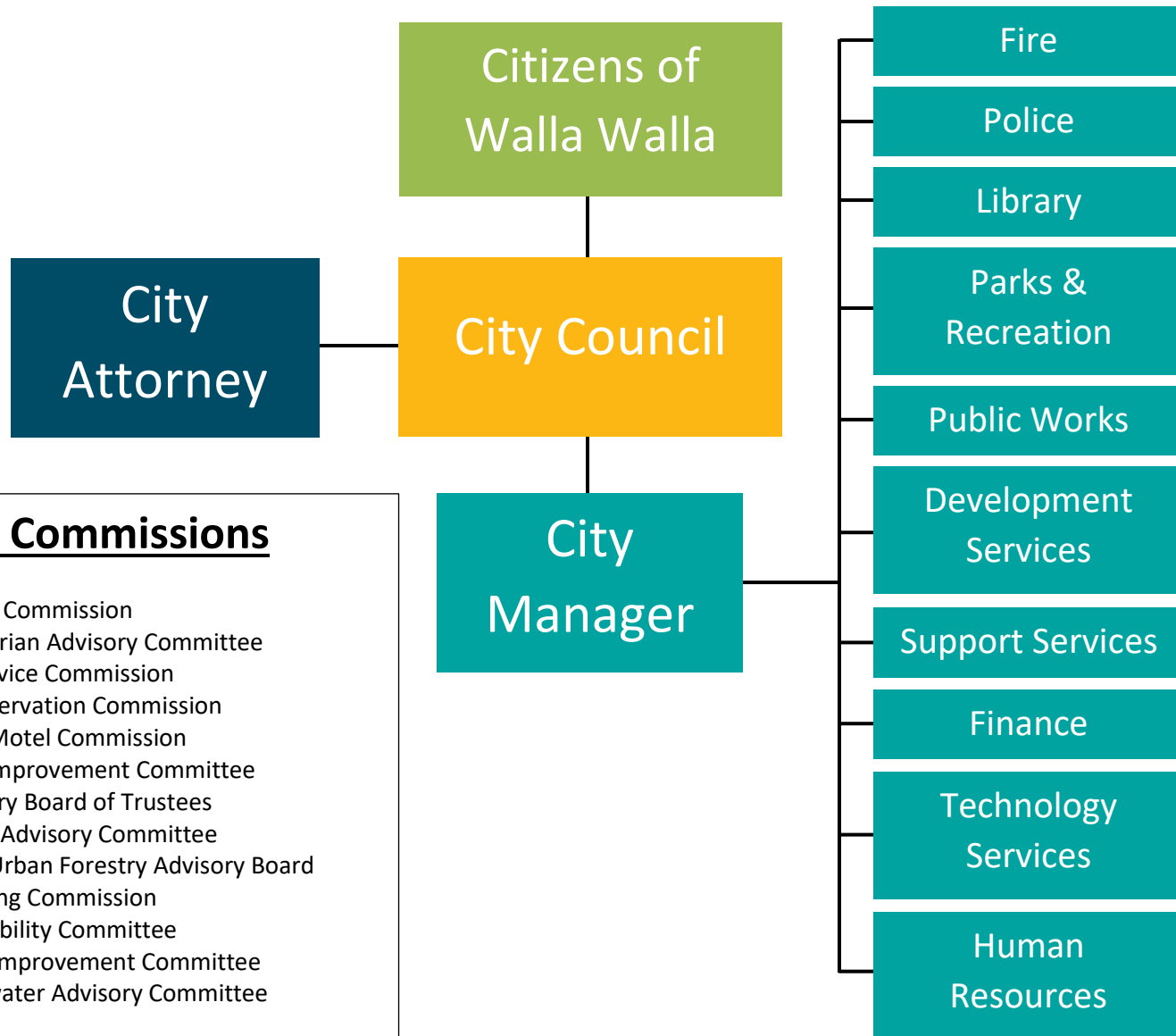
Nabil Shawa

Appointed October 2009

	Length in Position	Length of Employment
CITY ATTORNEY <i>Tim Donaldson</i>	24 years	24 years
CITY CLERK <i>Kammy Hill</i>	26 years	26 years
DEPUTY CITY MANAGER <i>Elizabeth Chamberlain</i>	6 months	6 years
DEVELOPMENT SERVICES DIRECTOR <i>Preston Fredrickson</i>	5 months	14 years
FINANCE DIRECTOR <i>Jean Teasdale</i>	11 years	11 years
FIRE CHIEF <i>Bob Yancey</i>	8 years	34 years
HUMAN RESOURCES DIRECTOR <i>Pam Taylor</i>	6 years	6 years
LIBRARY DIRECTOR <i>Erin Wells</i>	1 year	1 year
PARKS & RECREATION DIRECTOR <i>Andy Coleman</i>	3 years	21 years
POLICE CHIEF <i>Scott Bieber</i>	8 years	8 years
PUBLIC WORKS DIRECTOR <i>Ki Bealey</i>	10 years	10 years
TECHNOLOGY SERVICES DIRECTOR <i>Christopher Owen</i>	4 years	18 years

City of Walla Walla

Organizational Chart



Boards & Commissions

- Arts Commission
- Bicycle & Pedestrian Advisory Committee
- Civil Service Commission
- Historic Preservation Commission
- Hotel & Motel Commission
- Infrastructure Improvement Committee
- Public Library Board of Trustees
- Lodging Tax Advisory Committee
- Parks, Recreation & Urban Forestry Advisory Board
- Planning Commission
- Sustainability Committee
- Transportation Improvement Committee
- Water & Wastewater Advisory Committee

Auditor's Letter



INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

City of Walla Walla January 1, 2020 through December 31, 2020

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the compliance of the City of Walla Walla, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance

about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did

not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy, State Auditor Olympia, WA

August 23, 2021

Management's Discussion and Analysis



The City of Walla Walla's management is pleased to present this discussion and analysis of the 2020 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, 2020. 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

- The City of Walla Walla's assets and deferred outflows of resources exceeded its liabilities and deferred inflows at the end of the year by \$217,575 (net position). Of this amount, \$25,809 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. The restricted net position totals \$13,349 and includes amounts for capital improvements, pollution remediation, closure post-closure, and debt service.
- The City's total net position increased by \$15,815 over 2019. Business-type and governmental activities contributed \$7,688 and \$8,127 to the increase, respectively. The City's overall financial position improved during 2020, 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 \$16,177, an increase of \$4,064 compared to the prior year. Approximately 40.6% of this amount (\$6,572) is available for spending at the City's discretion (unassigned fund balance).
- Total unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$7,290, or approximately 20.5% of the total 2020 General Fund expenditures.
- The City of Walla Walla's total outstanding long-term debt decreased by \$1,853. The City's regularly scheduled principal reductions on existing long-term outstanding debt were less than its new debt issuance. The City issued \$4,161 of refunding series LTGO bonds in 2020 to refund \$1,830 of the 2010 outstanding LTGO bond. The remaining amount issue reduced four interfund loans between the General and the Vehicle Replacement Fund.

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. Business-type activities, in comparison, are services the City provides for a fee. Customers pay based on their actual usage. The funds include 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. The City of Walla Walla, like other state and local governments, uses fund accounting to ensure and show compliance with finance-related legal requirements. All of the City'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 20 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 2020. Data from the remaining 18 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining 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, landfill, and ambulance, which are presented as major funds. Data from the other two enterprise funds, stormwater, golf course, 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

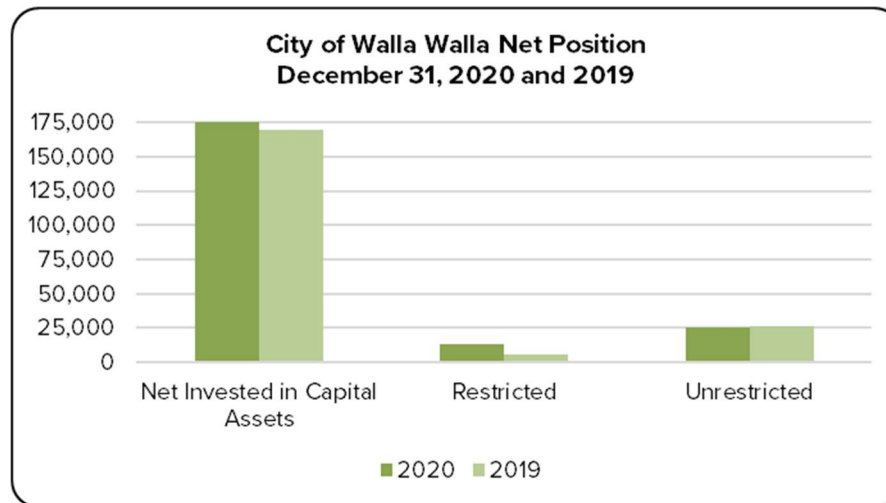
As stated earlier, net position over time may serve as a useful indicator of a government's financial position. The analysis that follows provides information on the amount and activities presented in the summarized Government-Wide statements, compared to the prior year, including significant events and transactions that impact the City's financial activity during 2020.

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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$30,173	\$27,362	\$50,751	\$51,079	\$80,923	\$78,441
Capital assets	89,136	85,035	146,044	142,471	235,180	227,506
Total assets	119,309	112,397	196,794	193,551	316,103	305,947
Total deferred outflows of resources	2,996	2,573	773	598	3,769	3,172
Other liabilities	3,501	3,926	2,664	4,980	6,166	8,906
Noncurrent liabilities	41,853	40,611	50,905	50,761	92,758	91,372
Total liabilities	45,354	44,537	53,569	55,741	98,923	100,278
Total deferred inflows of resources	2,616	4,225	757	1,214	3,373	5,439
Net position:						
Net investment in capital assets	73,397	70,312	105,020	98,896	178,417	169,208
Restricted	7,175	5,406	6,174	621	13,349	6,027
Unrestricted	(6,238)	(9,510)	32,047	36,035	25,809	26,525
Total net position	\$74,334	\$66,208	\$143,241	\$135,553	\$217,575	\$201,760

The largest portion of the City of Walla Walla's net position, \$178,417 (82.0%), 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 and are not available to fund the City's day-to-day activities.

The restricted net position totaled \$13,349 (6.1%) on December 31, 2020. These resources are subject to external restrictions on how they are used. The restricted net position includes taxes and grants collected in the various capital projects, special revenue, and debt service funds. The remaining balance of \$25,810 (11.9%) is unrestricted and will be used to meet the government's ongoing obligations to its citizens and creditors. At the end of 2020, the City 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 \$15,815 (7.8%) from 2019. The following sections will explain the details about the increase.

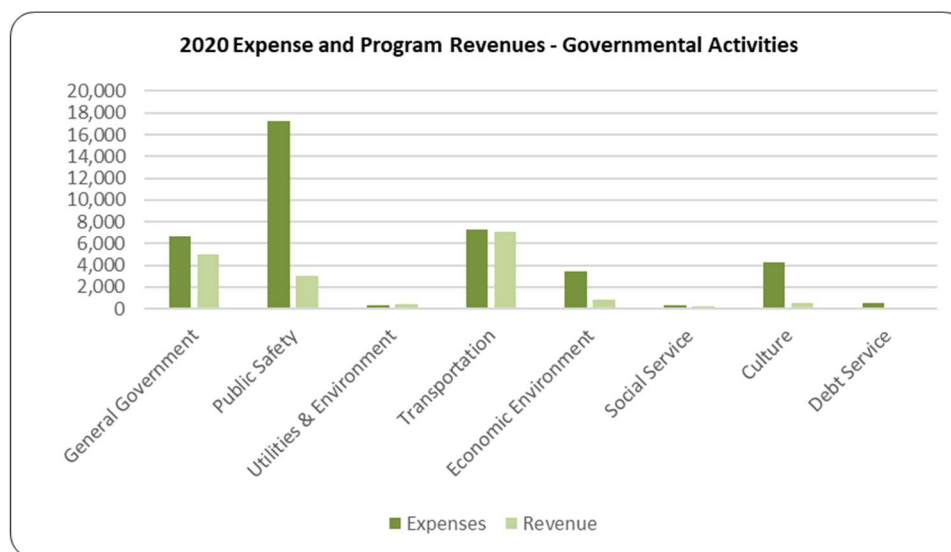
Governmental Activities. During the current fiscal year, the net position for governmental activities increased by \$8,127 (12.3%), compared to the 2019 net position of \$66,208, for an ending balance of \$74,334. Total assets and deferred outflows of resources from governmental activities increased by \$7,334 (6.4%) over 2019. Current and other assets increased by \$2,810 (10.3%), mainly due to an increase in newly acquired infrastructure assets and construction projects in process. Capital assets increased by \$4,101 (4.8%). Total governmental activities liabilities and deferred inflows of resources decreased \$792 (1.6%) from 2019. Other liabilities decreased by \$425 (10.8%), and noncurrent liabilities increased by 1,242 (3.1%). The main sources of the increase was the addition of new 2020 LTGO Refunding Series bonds that were more than the regularly scheduled principal payments.

Business-type Activities. The City of Walla Walla’s business-type activities during the 2020 fiscal year was positive, in that overall net position increased to an ending fund balance of \$143,241. The total increase in net position for business-type activities was \$7,688 (5.7%), higher than the prior fiscal year. The increase, in large part, is attributed to an average 2.67% rate increase throughout all utility funds. As a result of these increases, revenues from utility funds charges for services increased by \$2,198 (5.6%) over 2019. Other liabilities for business-type activities decreased by \$2,315 (46.5%) over 2019. During 2020, noncurrent liabilities increased by \$144 (0.3%). The business-type noncurrent liabilities increased due to an increase in OPEB liabilities compared to 2019.

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

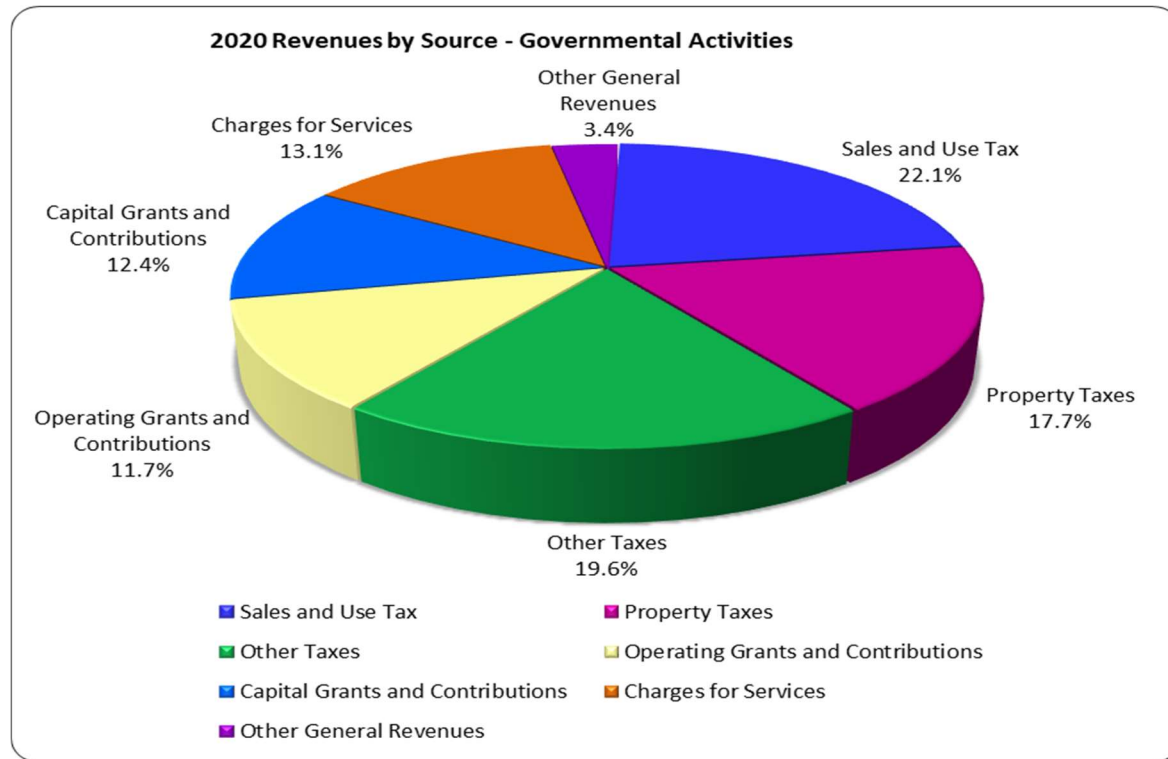
City of Walla Walla's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for service	\$6,007	\$6,523	42,691	41,129	\$48,698	\$47,652
Operating grants/contributions	5,397	3,731	2,333	2,621	7,730	6,352
Capital grants/contributions	5,711	3,056	1,101	1,290	6,812	4,346
General revenues:						
Property tax general	6,590	6,380	-	-	6,590	6,380
Property tax debt service	1,558	1,505	-	-	1,558	1,505
Sales tax	10,159	10,424	-	-	10,159	10,424
Other taxes	9,035	8,785	-	-	9,035	8,785
Grants and contributions not restricted to specific programs	694	664	-	-	694	664
Other Revenues	867	1,169	452	458	1,320	1,627
Total revenues	46,018	42,237	46,577	45,498	92,596	87,735
Expenses:						
General government	6,635	4,718	-	-	6,635	4,718
Public safety	17,220	16,321	-	-	17,220	16,321
Utilities and environment	373	2,595	-	-	373	2,595
Transportation	7,248	6,411	-	-	7,248	6,411
Economic environment	3,454	2,084	-	-	3,454	2,084
Culture and recreation	4,286	4,885	-	-	4,286	4,885
Social Services	343	229	-	-	343	229
Interest on long term debt	523	538	-	-	523	538
Ambulance	-	-	4,323	3,393	4,323	3,393
Golf course	-	-	135	149	135	149
Landfill	-	-	4,345	5,555	4,345	5,555
Sanitation	-	-	6,111	5,985	6,111	5,985
Stormwater	-	-	2,257	2,257	2,257	2,257
Water/Wastewater	-	-	19,527	21,605	19,527	21,605
Total expenses	40,083	37,781	36,698	38,945	76,781	76,726
Increase in net position before transfers	5,935	4,456	9,879	6,553	15,814	11,009
Transfers	2,191	769	(2,191)	(769)	0	0
Increase in net position	8,126	5,225	7,688	5,785	15,814	11,010
Net position- beginning, restated	66,208	60,983	135,553	129,767	201,761	190,751
Net position - ending	\$74,334	\$66,208	\$143,241	\$135,553	\$217,575	\$201,761

Governmental Activity Analysis. Government-wide activities expenses totaled \$40,083 in 2020 against program generated revenue (excluding taxes and other general revenue) of \$17,115. Program revenue supports 42.7% of the governmental program costs, while general revenue (taxes and other general revenue) cover the remaining 57.3% of program costs. Governmental activities program generated revenues increased by 28.6% and, expenses increased by 6.1% from 2019. Program revenues increase mainly due to Coronavirus Cares Act payments to the City and private capital contributions.

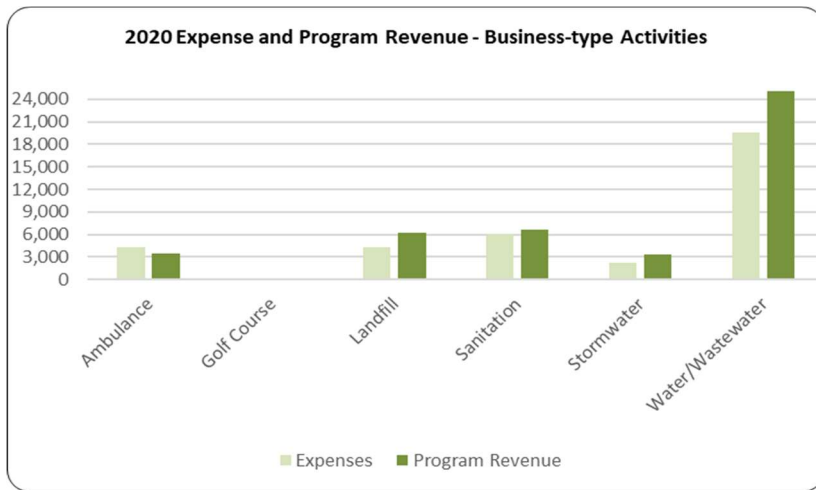


The chart above displays the extent that the City’s programs are supported by generated revenue (fees, intergovernmental, and contributions specifically related to that program). For example, public safety comprises 43% of the total expenses for governmental activities but generated 17.7% of program 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 59.4% of the total governmental revenue activity is taxes. The largest governmental revenue source is sales and use tax 22.1%, and the second-largest source is other taxes 19.6%, property taxes account for the remaining 17.7% of the City’s revenue. Program-specific charges for services, grants, and contributions generate 35.8% of the total revenue for general governmental activity. The remaining 3.4% 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 activities 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).

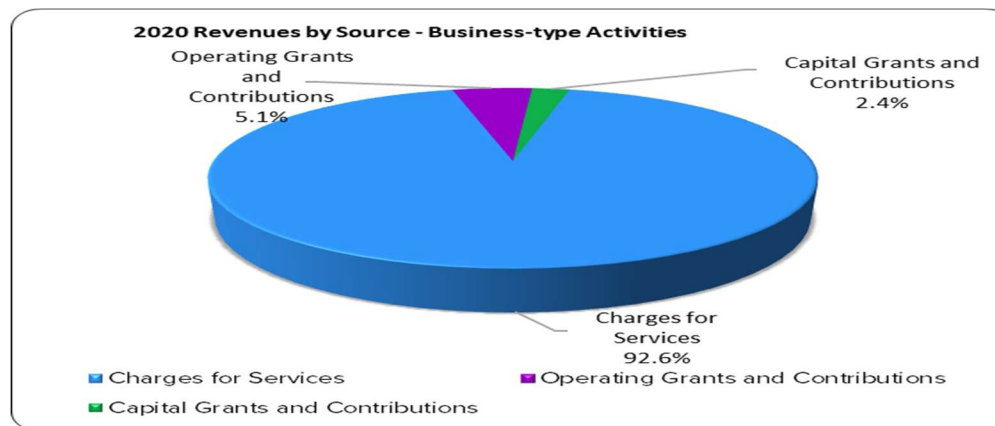


- The water/wastewater Fund generated \$25,682 in charges for services; its program expenses were \$19,527 and also received \$563 in grants, operating contributions, and capital contributions from developers. All utility revenues increased due to rate

adjustments. Program expenses increased due to employee costs, project costs, supplies, and services.

- The stormwater fund generated \$3,392 in program revenues and \$2,257 of program expenses.
- The sanitation fund generated \$6,686 in program revenues and \$6,111 of program expenses. The City Council approved an additional recycling fee to cover the increase in recycling expenses in 2020.
- The landfill fund generated \$6,195 in program revenues and \$4,345 of program expenses.
- The golf course fund generated \$103 in program revenue and \$135 in program expenses.
- The ambulance fund generated program revenues of \$3,505, and program expenses were \$4,323. Federal and State mandated Medicare and Medicaid write-offs significantly reduced ambulance revenues each year.

The following chart displays the source breakdown for program revenues that fund business-type activities. Approximately 92.6% of the total business-type activity is charges for services. Program-specific grants and contributions generate 7.4% of total revenue for business-type activities.



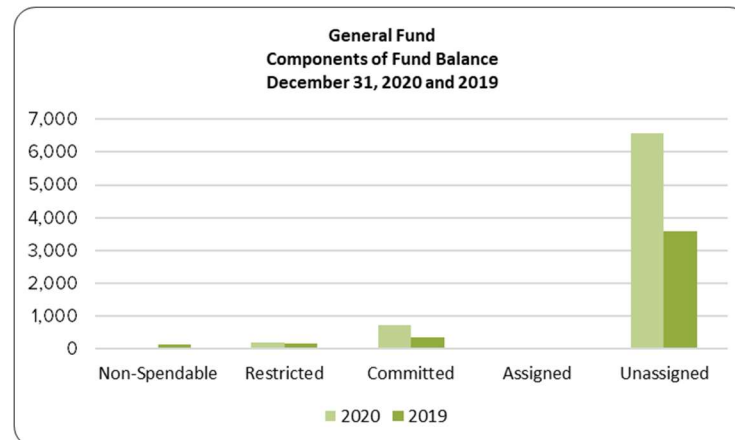
FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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.

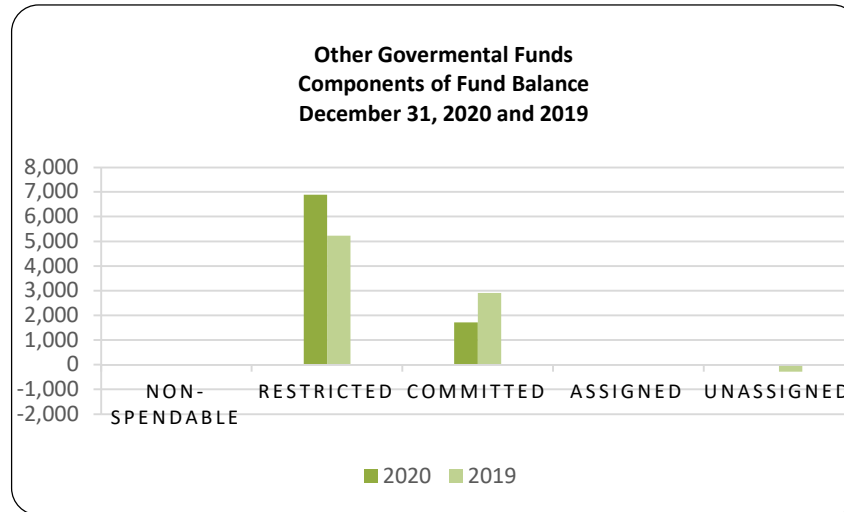
Governmental Funds. The focus of the City of Walla Walla’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Walla Walla’s financing requirements. In particular, unassigned fund balance 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.

On December 31, 2020, the City of Walla Walla’s governmental funds reported combined ending fund balances of \$16,177, an increase of \$4,064 (33.6%) in comparison with the prior year. A decrease in interfund loans of \$2,306 and the corresponding LTGO issuance makes up a significant portion of this increase. Approximately 40.6% of ending governmental fund balance (\$6,573) 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 (\$70), 2) restricted for specific purposes (\$7,092), 3) committed for purposes (\$2,430), or 4) assigned for purposes (\$12).

The General Fund is the chief operating fund of the City of Walla Walla. At the end of 2020, unassigned and committed fund balances of the General Fund were \$6,578 and \$712, respectively. The total fund balance increased to \$7,542 in 2020. 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 18.5% of the total expenditures, while total fund balance represents 21.2% of that same amount.



The City’s General Fund balance increased by \$3,309 (78.2%) during the 2020 fiscal year. Key factors include a reduction in expenditures due to the Covid-19 pandemic and an increase of \$1,344 in total revenue. Charges for services revenue decreased by \$221 (2.3%). Covid-19 closure had a impact on Parks and Recreation many programs were canceled in 2020, and the pool did not open to full capacity. The General Fund’s investment income was reduced by \$474 (46.1%) during 2020 investment rates fell by over 2.5%. Intergovernmental revenue increased by \$2,101 (94.4%) the City received Coronavirus funding and awards of over \$2,300 in 2020. Overall revenues increased by 3.6% while total expenditures increased by 1.3%.



Other governmental funds have an overall unassigned deficit fund balance of \$5 because the LID bond fund had a deficit fund balance of \$5. The fund deficit includes an outstanding capital construction interfund loan payable balance.

The committed fund balance for other non-major governmental funds is \$1,461 due to the City’s established Cemetery Reserve Fund, Code Enforcement Fund, and committed cash in the Street Fund for maintenance. The restricted fund balance was \$6,412 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 \$12.

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 the end of the year are as follows: Landfill \$798, Sanitation \$2,285, and Water/Wastewater \$20,597. The total change in these major proprietary funds' net position was \$1,822, \$560, and \$4,662, respectively. As noted earlier in the discussion of business-type activities, the increases in landfill, sanitation, and water/wastewater rates resulted in the growth of the unrestricted 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. Fiscal year 2020 was the second year of the 2019-2020 biennium. In 2020, the City needed significant amendments to the original estimated budget in the General Fund for the following revenues due to the COVID-19 pandemic:

- Decreased Sales Tax revenue by \$850,000, predicted revenue loss due to Covid-19 closures in 2020.
- Reduced Telephone (landlines) B&O tax by \$150,000 because cell phone usage has increased compared to landlines.
- Reduced Parks and Recreation revenue, including Memorial pool fees by \$557,500, due to Washington State Covid-19 protocols.
- Reduced investment interest by \$100,000, resulting from interest rate decreases due to COVID-19 impact on the economy.
- Increase intergovernmental grant funding by \$1,540,800 in Coronavirus CARES funding.

To address the budgetary issues related to the COVID-19 pandemic, the City of Walla Walla decreased the expenditure budget in the General Fund by \$2,780,360. The City responded to the pandemic and its impact on the economy by freezing vacant positions and travel, reducing non-critical programs, and using CARES funding to offset the cost of COVID-19 and support the local economy through grants to businesses.

Final Budget Compared to Actual Results. The most substantial differences between estimated General Fund revenues and actual revenues for the fiscal year 2020 were as follows:

Revenue Source	Estimated Revenues	Actual Revenues	Difference
Taxes	\$ 22,467,990	\$ 22,755,312	\$ 287,322
Intergovernmental Revenue	4,053,577	4,272,228	218,651
Licenses and permits	864,440	626,298	(238,142)
Goods & Services	9,196,390	9,352,158	155,768
Total	\$ 36,582,397	\$ 37,005,996	\$ 423,599

Sales tax revenue decreased from the 2020 projection due to the COVID-19 pandemic. Several new commercial construction projects and investment in local businesses helped reduce the deficit related to the Covid-19 pandemic. The 2021 property tax levy calculation saw an increase in assessed \$44,398,820 because of the new construction. Licenses and permit revenue were slightly lower due to a reduction of residential construction permits.

Increases in charges for services can be attributed, in part to state fire mobilization and increased plan review fees. Overall, General Fund revenues, excluding transfers-in, were \$40,648 (1.2%) over final budget estimates after adjustments for the impact of Covid-19.

General Fund departmental expenditures compared to the final 2020 budgeted appropriation were lower than originally budgeted due the impact of COVID-19 on sales tax and other revenues. The General Fund expenditures, excluding transfers-out, were \$2,874 (8.1%) 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, 2020 amounts to \$178,417 (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 \$9,315 (4.1%).

	City of Walla Walla's Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$4,657	\$4,615	\$3,375	\$2,602	\$8,033	\$7,218
Construction in progress	2,114	1,112	4,206	5,273	\$6,320	6,384
Intangibles	-	-	225	225	\$225	225
Buildings	17,637	18,265	22,334	22,625	\$39,971	40,889
Improvements	7,804	8,073	5,558	5,859	\$13,362	13,931
Equipment	1,860	2,023	16,410	13,894	\$18,271	15,917
Infrastructure	54,980	50,947	93,672	90,325	\$148,652	141,273
Intangibles	83	-	264	28	\$347	28
Total Capital Assets	\$89,137	\$85,035	\$146,044	\$140,830	\$235,180	\$225,865

Governmental construction-in-process increased by \$1,002 (90.2%), because the City began several new street construction projects. Business-type activities construction-in-progress decreased by \$1,067 (20.2%). The largest portion of the decrease is related to the acquisition of the improvements to the Landfill entrance and scale house. Additional Capital Asset information is in Note 6.

Debt Administration. At the end of 2020, the City of Walla Walla had a total outstanding bonded debt of \$29,654, of which \$23,479 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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 15,251	\$ 14,221	\$ 8,228	\$ 8,991	\$ 23,479	\$ 23,213
Revenue bonds			\$ 6,175	\$ 6,390	\$ 6,175	\$ 6,390
Capital lease	-	-	85	125	85	125
Construction loans	-	-	25,356	27,164	25,356	27,164
Special assessment IF loan	6	62	-	-	6	62
Total	\$ 15,257	\$ 14,283	\$ 39,843	\$ 42,670	\$ 55,100	\$ 56,954

The City of Walla Walla's total debt decreased by \$1,853 (3.3%) during 2020. In 2020 the City issued \$4,161 in 2020 Refunding Servies LTGO bond. The new debt issuance was less 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 \$199,978,562, 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.

In spite of the COVID-19 pandemic, the local economy experienced construction growth in residential and commercial properties that continued 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 changed the financial outlook for 2020. The City is reviewed its revenue projections and the impact of COVID-19 on key revenues. The City is anticipating reimbursement under FEMA and other federal programs for COVID-19 and flood related expenditures, but it also reduced expenditure budgets to meet the projected loss of revenue.

In 2021, there will be a 1% increase in property taxes. Based on current information from the County Assessor's Office, the 2021 general property tax levy of \$6,581,557 on a 2020 assessed valuation of \$2,858,709,920 includes an increase of \$44,398,820 from new construction over 2019.

As of January 1, 2021, water, wastewater, and stormwater base rates will increase by 2.5%, 2.45%, and 3.1%, respectively. Landfill municipal rates will increase by 2.3%, and sanitation rates are budgeted to increase by 3.4%. Ambulance base rates will not increase in 2021, for the ninth 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. 3rd Avenue, Walla Walla, WA 99362.



Basic Financial Statements



BASIC FINANCIAL STATEMENTS

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Government-wide Statements

Government-wide statements include the statement of net position and statement of activities.

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Governmental Funds

Governmental funds account for the General Fund, special revenue funds, debt service funds, and permanent funds.

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Proprietary Funds

Proprietary funds account for enterprise funds and internal service funds.

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City of Walla Walla
Statement of Net Position
December 31, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and equivalents	\$ 15,222,614	\$ 28,902,359	\$ 44,124,973
Investments	3,722,210	14,424,205	18,146,415
Taxes receivable (net)	2,698,179	-	2,698,179
Other receivables (net)	577,319	3,315,639	3,892,958
Due from other governments	767,934	416,055	1,183,989
Prepays	53,832	2,229	56,061
Inventories	-	908,541	908,541
Interfund loans receivable (payable)	(344,961)	344,961	-
Internal balances receivable (payable)	1,813,291	(1,813,291)	-
Noncurrent assets:			
Restricted cash	16,545	2,741,287	2,757,832
Net pension asset	5,645,554	1,508,618	7,154,172
Land	4,657,326	3,375,182	8,032,508
Construction in progress	2,113,608	4,205,864	6,319,472
Right of way	-	225,307	225,307
Buildings and structures	17,636,771	22,333,846	39,970,617
Other improvements	7,804,317	5,557,708	13,362,025
Machinery and equipment	1,860,460	16,410,052	18,270,512
Infrastructure	54,980,340	93,671,942	148,652,282
Intangibles	83,466	263,663	347,129
Total assets	119,308,805	196,794,166	316,102,972
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows on Pensions	2,337,889	747,492	3,085,381
Deferred Outflow OPEB	218,096	24,868	242,964
Deferred Outflow Debt Refunding	439,716	-	439,716
Total deferred outflows of resources	2,995,701	772,360	3,768,061
Total assets and deferred outflows of resources	122,304,506	197,566,526	319,871,033

LIABILITIES

Current liabilities:

Accounts Payable	1,097,625	1,391,956	2,489,581
Other Accrued Liabilities	1,815,787	990,137	2,805,924
Interest Payable	33,395	193,345	226,740
Unearned Revenue	554,500	88,815	643,315
Total current liabilities	<u>3,501,307</u>	<u>2,664,253</u>	<u>6,165,560</u>

Noncurrent liabilities:

Noncurrent Liabilities-Due Within One Year	3,856,453	4,430,566	8,287,019
Noncurrent Liabilities-Due in More Than One Year	37,996,177	46,474,441	84,470,618
Total noncurrent liabilities	<u>41,852,630</u>	<u>50,905,007</u>	<u>92,757,637</u>
Total liabilities	<u>45,353,937</u>	<u>53,569,260</u>	<u>98,923,197</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows on Pensions	1,936,112	628,405	2,564,517
Deferred Inflow OPEB	669,436	128,567	798,003
Deferred Inflow Special Assessments	10,609	-	10,609
Total deferred inflows of resources	<u>2,616,157</u>	<u>756,972</u>	<u>3,373,129</u>
Total liabilities and deferred inflows of resources	<u>47,970,094</u>	<u>54,326,232</u>	<u>102,296,326</u>

NET POSITION

Net investment in capital assets	73,397,171	105,019,760	178,416,931
Restricted for:			
Prepays	53,832	-	53,832
Community Services	1,642,008	-	1,642,008
Capital projects	4,791,639	-	4,791,639
Debt Service	658,408	578,720	1,237,128
Library trusts	16,545	-	16,545
Expendable	12,373	-	12,373
Closure/Post Closure	-	4,365,725	4,365,725
Remediation	-	1,229,384	1,229,384
Unrestricted	(6,237,566)	32,046,705	25,809,139
Total net position	<u>\$ 74,334,410</u>	<u>\$ 143,240,294</u>	<u>\$ 217,574,704</u>

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

City of Walla Walla
Statement of Activities
For the Year Ended December 31, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General Government	\$ 6,635,318	\$ 2,504,960	\$ 2,533,788		\$ (1,596,570)	\$ -	\$ (1,596,570)
Public Safety	17,220,039	1,469,781	1,556,536	-	(14,193,722)	-	(14,193,722)
Utilities and Environment	373,425	359,234	36,558	23,182	45,549	-	45,549
Transportation	7,248,252	586,618	807,332	5,675,131	(179,171)	-	(179,171)
Economic Development	3,454,018	756,830	73,965	-	(2,623,223)	-	(2,623,223)
Social Services	343,200	-	248,465	-	(94,735)	-	(94,735)
Culture and Rec	4,286,255	329,337	140,787	12,500	(3,803,631)	-	(3,803,631)
Interest Expense	522,798	-	-	-	(522,798)	-	(522,798)
Total governmental activities	<u>40,083,305</u>	<u>6,006,760</u>	<u>5,397,431</u>	<u>5,710,813</u>	<u>(22,968,301)</u>	<u>-</u>	<u>(22,968,301)</u>
Business-type activities:							
Ambulance Fund	4,323,094	1,259,428	2,245,204	-	-	(818,462)	(818,462)
Golf Course Fund	135,116	102,863	-	-	-	(32,253)	(32,253)
Landfill Fund	4,345,332	6,106,828	87,677	-	-	1,849,173	1,849,173
Sanitation Fund	6,111,332	6,686,020	-	-	-	574,688	574,688
Stormwater Fund	2,256,666	2,853,325	-	538,707	-	1,135,366	1,135,366
Water/Wastewater Fund	19,526,978	25,682,335	-	562,535	-	6,717,892	6,717,892
Total business-type activities	<u>36,698,518</u>	<u>42,690,799</u>	<u>2,332,881</u>	<u>1,101,242</u>	<u>-</u>	<u>9,426,404</u>	<u>9,426,404</u>
Total primary government	<u>\$ 76,781,823</u>	<u>\$ 48,697,559</u>	<u>\$ 7,730,312</u>	<u>\$ 6,812,055</u>	<u>(22,968,301)</u>	<u>9,426,404</u>	<u>(13,541,897)</u>
General revenues:							
Property Tax, levied for general purposes					6,589,808	-	6,589,808
Property Tax, levied for debt service					1,558,190	-	1,558,190
Sale and use tax					10,159,291	-	10,159,291
Business and occupation taxes					2,877,233	-	2,877,233
Utility Excise Tax					5,225,316	-	5,225,316
Other Taxes					931,987	-	931,987
Grants and contributions not restricted to specific programs					694,332	-	694,332
Unrestricted investment earnings					639,203	182,452	821,655
Extraordinary Item					-	187,410	187,410
Gain on sale of capital assets					227,999	82,480	310,479
Transfers					2,191,096	(2,191,096)	-
Total general revenues, special items, and transfers					<u>31,094,455</u>	<u>(1,738,754)</u>	<u>29,355,701</u>
Change in net position					8,126,154	7,687,650	15,813,804
Net position - beginning					66,208,256	135,552,644	201,760,900
Net position - ending					<u>\$ 74,334,410</u>	<u>\$ 143,240,294</u>	<u>\$ 217,574,704</u>

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

City of Walla Walla
Balance Sheet
Governmental Funds
December 31, 2020

	General Fund	Street Construction	Total Nonmajor	Total Governmental
ASSETS				
Cash and equivalents	\$ 5,253,401	\$ 725,074	\$ 6,919,165	\$ 12,897,640
Investments	1,806,949	-	1,217,625	3,024,574
Taxes receivables (net)	2,063,833	-	634,347	2,698,180
Other receivable (net)	437,309	-	110,452	547,761
Special assessments receivable	-	-	10,609	10,609
Due from other governments	376,765	264,704	83,711	725,180
Interfund loans receivable	245,346	-	-	245,346
Prepays	53,832	-	-	53,832
Total assets	<u>\$ 10,237,435</u>	<u>\$ 989,778</u>	<u>\$ 8,975,909</u>	<u>\$ 20,203,122</u>
LIABILITIES				
Accounts payable	\$ 476,907	\$ 159,941	\$ 329,926	\$ 966,774
Other accrued liabilities	1,526,634	91,561	84,878	1,703,073
Interfund loans payable	186,586	-	403,722	590,308
Unearned revenue	342,263	-	212,236	554,499
Total liabilities	<u>2,532,390</u>	<u>251,502</u>	<u>1,030,762</u>	<u>3,814,654</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	163,104	-	37,491	200,595
Special assesments	-	-	10,609	10,609
Total deferred inflow of resources	<u>163,104</u>	<u>-</u>	<u>48,100</u>	<u>211,204</u>
Total liabilities and deferred inflows of resources	<u>2,695,494</u>	<u>251,502</u>	<u>1,078,862</u>	<u>4,025,858</u>
FUND BALANCES (DEFICITS)				
Nonspendable	53,832	-	16,545	70,377
Restricted	198,534	480,682	6,412,840	7,092,056
Committed	711,509	257,594	1,460,518	2,429,621
Assigned	-	-	12,373	12,373
Unassigned	6,578,066	-	(5,228)	6,572,838
Total fund balances (deficits)	<u>\$ 7,541,941</u>	<u>\$ 738,276</u>	<u>\$ 7,897,048</u>	<u>\$ 16,177,265</u>
Total liabilities and fund balances (deficits)	<u>\$ 10,237,435</u>	<u>\$ 989,778</u>	<u>\$ 8,975,910</u>	<u>\$ 20,203,123</u>

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

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

Total fund balances - governmental funds	\$	16,177,265
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		86,627,975
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(37,651,735)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		200,595
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.		6,086,092
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.		2,894,218
Net position of governmental activities	<u>\$</u>	<u>74,334,410</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, 2020

	General Fund	Street Construction	Total Nonmajor	Total Governmental
REVENUES				
Taxes	\$ 22,755,312	\$ -	\$ 4,295,605	\$ 27,050,917
Licenses and permits	626,298	-	294,191	920,489
Intergovernmental revenues	4,326,608	-	807,332	5,133,940
Charges for goods and services	9,352,158	-	495,667	9,847,825
Fines and forfeitures	71,460	-	-	71,460
Miscellaneous revenues	1,030,680	-	235,062	1,265,742
Capital contributions	-	4,161,556	-	4,161,556
Total revenues	<u>38,162,516</u>	<u>4,161,556</u>	<u>6,127,857</u>	<u>48,451,929</u>
EXPENDITURES				
Current:				
General Government	12,516,212	-	1,857	12,518,069
Public Safety	15,583,814	-	28,492	15,612,306
Utilities and Environment	555,146	-	-	555,146
Transportation	-	262,986	3,781,789	4,044,775
Economic Development	2,364,561	-	1,127,310	3,491,871
Social Services	335,130	-	-	335,130
Culture and Rec	3,962,443	-	-	3,962,443
Debt service:				
Principal retirement	-	-	1,560,423	1,560,423
Interest	56,283	-	441,083	497,366
Administrative charges	27,012	-	4,335	31,347
Capital outlay:				
Capital General	109,710	-	-	109,710
Capital Public Safety	-	-	10,270	10,270
Capital Transportation	-	6,648,213	360,335	7,008,548
Total expenditures	<u>35,510,311</u>	<u>6,911,199</u>	<u>7,315,894</u>	<u>49,737,404</u>
Excess (deficiency) of revenues over expenditures	<u>2,652,205</u>	<u>(2,749,643)</u>	<u>(1,188,037)</u>	<u>(1,285,475)</u>
OTHER FINANCING SOURCES (USES)				
Insurance Recoveries	13,387	-	-	13,387
Gain(loss) on disposal of capital	227,999	-	-	227,999
Proceeds from refunding bond	2,306,265	-	283,753	2,590,018
Transfers in	980,160	2,597,334	2,491,562	6,069,056
Transfers out	<u>(2,871,086)</u>	<u>(349,285)</u>	<u>(330,483)</u>	<u>(3,550,854)</u>
Total other financing sources and uses	<u>656,725</u>	<u>2,248,049</u>	<u>2,444,832</u>	<u>5,349,606</u>
Net change in fund balances	3,308,930	(501,594)	1,256,795	4,064,131
Fund balances - beginning	4,233,011	1,239,870	6,640,253	12,113,134
Fund balances - ending	<u>\$ 7,541,941</u>	<u>\$ 738,276</u>	<u>\$ 7,897,048</u>	<u>\$ 16,177,265</u>

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

Net change in fund balances - total governmental funds (above)	\$ 4,064,131
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.	3,013,184
The net effect of various miscellaneous transaction involving capital asses (i.e., sales and donations) is to increase net assets.	1,275,233
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.	(1,023,678)
Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	41,531
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.	278,134
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.	477,619
Change in net position of governmental activities.	<u><u>\$ 8,126,154</u></u>

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

City of Walla Walla
Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-type Activities				Total Nonmajor Funds	Total Enterprise Funds	Governmental Activities
	Sanitation	Water/Wastewater	Landfill	Ambulance			Internal Service Funds
ASSETS							
Current assets:							
Cash and equivalents	\$ 1,200,974	\$ 16,462,979	\$ 2,885,869	\$ 187,944	\$ 1,941,030	\$ 22,678,796	\$ 8,565,082
Investments	1,027,418	3,868,781	5,936,160	-	355,141	11,187,500	3,934,343
Other receivable (net)	499,694	1,841,878	492,179	272,634	209,254	3,315,639	18,948
Due from other governments	-	83,181	25,282	155,124	152,468	416,055	42,753
Interfund loans receivable	-	-	-	-	-	-	1,494,384
Inventories	-	857,171	-	-	-	857,171	51,370
Prepays	-	-	-	2,229	-	2,229	-
Restricted net pension asset	-	-	-	1,508,618	-	1,508,618	-
Total current assets	<u>2,728,086</u>	<u>23,113,990</u>	<u>9,339,490</u>	<u>2,126,549</u>	<u>2,657,893</u>	<u>39,966,008</u>	<u>14,106,880</u>
Noncurrent assets:							
Restricted cash			2,741,287			2,741,287	
Land	-	2,070,590	1,249,177	-	55,415	3,375,182	135,600
Constructon in progress	-	2,616,246	1,410,039	-	179,580	4,205,865	-
Right of way	-	225,307	-	-	-	225,307	-
Buildings and structures (net)	-	21,314,694	673,838	-	345,314	22,333,846	2,289,266
Other improvements (net)	-	1,269,858	3,426,508	-	861,341	5,557,707	-
Machinery and equipment (net)	2,267	8,020,020	482,616	869	11,510	8,517,282	7,920,986
Infrastructure (net)	-	85,199,451	991,087	-	7,481,404	93,671,942	55,229
Intangibles (net)	-	49,189	191,438	-	-	240,627	23,035
Total noncurrent assets	<u>2,267</u>	<u>120,765,355</u>	<u>11,165,990</u>	<u>869</u>	<u>8,934,564</u>	<u>140,869,045</u>	<u>10,424,116</u>
Total assets	<u>2,730,353</u>	<u>143,879,345</u>	<u>20,505,480</u>	<u>2,127,418</u>	<u>11,592,457</u>	<u>180,835,053</u>	<u>24,530,996</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows on pensions	82,663	176,768	80,977	327,099	37,866	705,373	171,945
Deferred outflows on OPEB	-	-	-	24,868	-	24,868	-
Total deferred outflows of resources	<u>82,663</u>	<u>176,768</u>	<u>80,977</u>	<u>351,967</u>	<u>37,866</u>	<u>730,241</u>	<u>171,945</u>
Total assets and deferred outflows of resources	<u>\$ 2,813,016</u>	<u>\$ 144,056,113</u>	<u>\$ 20,586,457</u>	<u>\$ 2,479,385</u>	<u>\$ 11,630,323</u>	<u>\$ 181,565,294</u>	<u>\$ 24,702,941</u>

LIABILITIES							
Current liabilities:							
Accounts payable	54,947	809,924	408,219	13,667	84,815	1,371,572	151,235
Other accrued liabilities	86,000	638,155	222,465	228,370	63,367	1,238,357	146,655
Interfund loans payable	-	91,647	-	218,491	47,707	357,845	-
Due to other governments	-	1,915,532	117,547	-	-	2,033,079	-
Industrial insurance claims	-	-	-	-	-	-	74,937
Pollution remediation	-	-	761,671	-	-	761,671	-
Current portion long term debt	-	631,708	453,742	-	21,725	1,107,175	-
Compensated absences	52,756	138,943	48,172	61,582	27,375	328,828	-
Current OPEB liability	-	-	-	172,579	-	172,579	-
Total current liabilities	<u>193,703</u>	<u>4,225,909</u>	<u>2,011,816</u>	<u>694,689</u>	<u>244,989</u>	<u>7,371,106</u>	<u>372,827</u>
Noncurrent liabilities:							
Due to other governments	-	21,324,766	1,998,294	-	-	23,323,060	-
Long term debt	-	11,002,187	3,104,728	-	67,461	14,174,376	-
Interfund loans payable	-	-	-	626,855	164,724	791,579	-
LF pollution remediation and closure	-	-	4,107,694	-	-	4,107,694	-
Industrial insurance claims	-	-	-	-	-	-	499,581
Compensated absences	2,971	8,126	-	100,000	15,752	126,849	171,587
OPEB liability	-	-	-	3,169,722	-	3,169,722	-
Net pension liability	<u>254,772</u>	<u>544,811</u>	<u>249,576</u>	<u>264,059</u>	<u>116,704</u>	<u>1,429,922</u>	<u>529,946</u>
Total noncurrent liabilities	<u>257,743</u>	<u>32,879,890</u>	<u>9,460,292</u>	<u>4,160,636</u>	<u>364,641</u>	<u>47,123,202</u>	<u>1,201,114</u>
Total liabilities	<u>451,446</u>	<u>37,105,799</u>	<u>11,472,108</u>	<u>4,855,325</u>	<u>609,630</u>	<u>54,494,308</u>	<u>1,573,941</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows on pensions	74,258	158,795	72,744	250,755	34,016	590,568	154,463
Deferred inflows on OPEB	-	-	-	128,567	-	128,567	-
Total deferred inflows of resources	<u>74,258</u>	<u>158,795</u>	<u>72,744</u>	<u>379,322</u>	<u>34,016</u>	<u>719,135</u>	<u>154,463</u>
Total liabilities and deferred inflows of resources	<u>525,704</u>	<u>37,264,594</u>	<u>11,544,852</u>	<u>5,234,647</u>	<u>643,646</u>	<u>55,213,443</u>	<u>1,728,404</u>
NET POSITION							
Net investment in capital assets	2,267	85,660,553	2,606,189	869	8,834,076	97,103,954	10,424,115
Restricted for:							
Closure/Post Closure	-	-	4,365,725	-	-	4,365,725	-
Debt Service	-	534,241	42,515	-	1,964	578,720	-
Remediation	-	-	1,229,384	-	-	1,229,384	-
Unrestricted	<u>2,285,045</u>	<u>20,596,725</u>	<u>797,790</u>	<u>(2,756,131)</u>	<u>2,150,637</u>	<u>23,074,066</u>	<u>12,550,424</u>
Total net position	<u>\$ 2,287,312</u>	<u>\$ 106,791,519</u>	<u>\$ 9,041,603</u>	<u>\$ (2,755,262)</u>	<u>\$ 10,986,677</u>	<u>\$ 126,351,846</u>	<u>\$ 22,974,539</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						16,888,448	
Net position of business-type activities						<u>\$ 143,240,294</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, 2020

	Business-type Activities				Total Nonmajor	Total	Internal Service
	Sanitation	Water/Wastewater	Landfill	Ambulance	Enterprise		
OPERATING REVENUES							
Licenses and permits	\$ -	\$ 53,500	\$ -	\$ -	\$ -	\$ 53,500	\$ -
Intergovernmental revenues	-	-	87,677	2,245,204	-	2,332,881	665,324
Charges for goods and services	6,685,540	25,294,335	6,033,467	1,238,605	2,881,634	42,133,581	660,020
Fines and forfeitures	-	233,100	-	-	-	233,100	-
Interfund charges	-	-	-	-	-	-	11,545,071
Miscellaneous revenues	-	4,103	39	1,163	74,554	79,859	14,233
Total operating revenues	<u>6,685,540</u>	<u>25,585,038</u>	<u>6,121,183</u>	<u>3,484,972</u>	<u>2,956,188</u>	<u>44,832,921</u>	<u>12,884,648</u>
OPERATING EXPENSES							
Depreciation	523	3,587,302	308,739	1,438	200,043	4,098,045	1,104,490
Salaries and wages	759,359	1,593,648	737,322	2,214,689	344,740	5,649,758	1,547,668
Personnel benefits	349,153	657,701	286,360	1,277,188	157,967	2,728,369	690,628
Supplies	52,837	561,810	68,914	142,495	38,547	864,603	841,881
Services and charges	4,983,961	12,176,454	2,959,982	678,043	1,682,416	22,480,856	8,378,459
Total operating expense	<u>6,145,833</u>	<u>18,576,915</u>	<u>4,361,317</u>	<u>4,313,853</u>	<u>2,423,713</u>	<u>35,821,631</u>	<u>12,563,126</u>
Operating income (loss)	\$ 539,707	\$ 7,008,123	\$ 1,759,866	\$ (828,881)	\$ 532,475	\$ 9,011,290	\$ 321,522
NONOPERATING REVENUES (EXPENSES)							
Miscellaneous revenues	8,756	151,519	126,336	19,660	4,290	310,561	136,223
Gain(loss) on disposal of capital	-	(369,525)	-	-	-	(369,525)	72,126
Adjustment to landfill liability	-	-	(247,247)	-	-	(247,247)	-
Pollution Remediation	-	-	312,377	-	-	312,377	-
Debt service - interest	-	(596,285)	(140,789)	(6,380)	(12,960)	(756,414)	-
Total nonoperating expenses	<u>8,756</u>	<u>(814,291)</u>	<u>50,677</u>	<u>13,280</u>	<u>(8,670)</u>	<u>(750,248)</u>	<u>208,349</u>
Income (loss) before contributions and transfers	\$ 548,463	\$ 6,193,832	\$ 1,810,543	\$ (815,601)	\$ 523,805	\$ 8,261,042	\$ 529,871
Capital contributions	-	562,535	-	-	538,707	1,101,242	-
Extraordinary Items	-	187,410	-	-	-	187,410	-
Transfers in	11,331	29,621	11,032	76,460	80,711	209,155	23,803
Transfers out	-	(2,311,747)	-	-	-	(2,311,747)	(439,414)
Change in net position	559,794	4,661,651	1,821,575	(739,141)	1,143,223	7,447,102	114,260
Total net position - beginning	1,727,518	102,129,867	7,220,028	(2,016,123)	9,843,454	118,904,744	22,860,277
Total net position - ending	<u>\$ 2,287,312</u>	<u>\$ 106,791,519</u>	<u>\$ 9,041,603</u>	<u>\$ (2,755,262)</u>	<u>\$ 10,986,677</u>	<u>\$ 126,351,846</u>	<u>\$ 22,974,537</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, 2020

	Business-type Activities - Enterprise Funds						Governmental Activities
					Total Nonmajor Enterprises	Total Enterprise Funds	Internal Service Funds
	Sanitation	Water/Wastewater	Landfill	Ambulance	Funds	Funds	Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash receipts from customers	\$ 6,572,915	\$ 25,162,209	\$ 5,918,364	\$ 1,240,799	\$ 2,931,950	\$ 41,826,237	\$ 718,340
Cash from interfund services	-	-	-	-	-	-	11,545,071
Cash from other	-	4,103	87,717	2,245,204	-	2,337,024	665,781
Payments to employees	(1,132,361)	(2,392,270)	(1,125,616)	(3,463,669)	(522,478)	(8,636,394)	(2,359,885)
Payment to suppliers	(3,693,146)	(8,133,556)	(1,628,776)	13,869	(813,597)	(14,255,206)	(8,551,562)
Payments to others	-	-	-	-	-	-	215,937
Payments due to other funds	(1,412,150)	(4,351,499)	(1,393,563)	(507,070)	(914,819)	(8,579,101)	(612,247)
Net cash provided (used) by operating activities	<u>335,258</u>	<u>10,288,987</u>	<u>1,858,126</u>	<u>(470,867)</u>	<u>681,056</u>	<u>12,692,560</u>	<u>1,621,435</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Proceeds from grants and contributions	480	730,616	64,003	(123,374)	(28,008)	643,717	(42,636)
Proceeds (repayments) from interfund loans	-	-	-	494,533	(45,651)	448,882	-
Transfer in and out of other funds	11,331	(2,282,127)	11,032	64,370	80,711	(2,114,683)	(415,611)
Net cash provided (used) by noncapital financing activities	<u>11,811</u>	<u>(1,551,511)</u>	<u>75,035</u>	<u>435,529</u>	<u>7,052</u>	<u>(1,022,084)</u>	<u>(458,247)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds of capital grants and contributions	-	749,946	-	-	538,707	1,288,653	-
Proceeds of capital debt	-	-	-	-	-	-	-
Proceeds of sale of capital assets	-	-	-	-	-	-	75,344
Purchase of capital assets	-	(6,777,534)	(2,346,374)	-	(867,668)	(9,991,576)	(558,995)
Construction retainage paid	-	2,910	71,144	-	(1,413)	72,641	-
Principal paid on capital debt	-	(2,405,942)	(518,436)	-	(20,251)	(2,944,629)	-
Interest paid on capital debt	-	(616,658)	(146,290)	-	(12,995)	(775,943)	-
Landfill closure, post-closure and remediation	-	-	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(9,047,278)</u>	<u>(2,939,956)</u>	<u>-</u>	<u>(363,620)</u>	<u>(12,350,854)</u>	<u>(483,651)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase and sale of investments	245,776	1,606,500	1,116,919	-	46,942	3,016,137	991,568
Interfund loan issuance	-	-	-	-	-	-	(997,874)
Interfund loan repayment	-	-	-	-	-	-	2,989,181
Interest	8,278	54,226	53,015	-	4,290	119,809	135,793
Net cash provided (used) by investing activities	<u>254,054</u>	<u>1,660,726</u>	<u>1,169,934</u>	<u>-</u>	<u>51,232</u>	<u>3,135,946</u>	<u>3,118,668</u>
Net increase (decrease) in cash and equivalents	601,123	1,350,924	163,139	(35,338)	375,720	2,455,568	3,798,205
Cash - January 1	599,851	15,112,055	5,464,018	223,282	1,565,310	22,964,516	4,766,994
Cash - December 31	<u>\$ 1,200,974</u>	<u>\$ 16,462,979</u>	<u>\$ 5,627,157</u>	<u>\$ 187,944</u>	<u>\$ 1,941,030</u>	<u>\$ 25,420,084</u>	<u>\$ 8,565,199</u>

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

Operating income (loss)	\$	539,707	\$	7,008,123	\$	1,759,866	\$	(828,881)	\$	532,476	\$	9,011,291	\$	321,522
Adjustments to reconcile operating income to net cash provided (used) by operating activities														
Depreciation expense		523		3,587,302		308,739		1,438		200,043		4,098,045		1,104,490
Changes in assets and liabilities:														
(Increase) decrease in accounts receivable		(112,625)		(349,958)		(123,522)		1,030		(37,208)		(622,283)		-
(Increase) decrease in inventory		-		68,310		-		-		-		68,310		44,543
(Increase) decrease in due from other governments		-		-		8,419		-		14,229		22,648		22,599
Increase (decrease) in accounts payable		(68,497)		168,581		10,496		(1,193)		(8,712)		100,675		61,651
Increase (decrease) in payroll payable		24,031		(32,845)		(3,989)		(5,176)		9,591		(8,388)		(19,129)
Increase (decrease) in other payables		-		-		-		-		-		-		215,937
Increase (decrease) in compensated absences payable		4,894		7,392		(14,524)		(9,762)		10,204		(1,796)		18,008
Increase (decrease) in pension adjustment		(52,773)		(167,919)		(87,357)		371,676		(39,567)		24,060		(148,191)
Net cash provided by operating activities	\$	<u>335,258</u>	\$	<u>10,288,987</u>	\$	<u>1,858,126</u>	\$	<u>(470,867)</u>	\$	<u>681,056</u>	\$	<u>12,692,562</u>	\$	<u>1,621,430</u>
Noncash investing, capital and financing activities increase (decrease) in fair value of investments		-		-		-		-		-		-		-

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

January 1, 2020 through December 31, 2020

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City of Walla Walla was incorporated in 1862 and operates under the laws of the state of Washington applicable to non-chartered code cities, council-manager form of government. Walla Walla is served by a full-time City Manager appointed by a part-time Council of seven members who are elected with four positions being elected in wards and three positions elected at-large. The elections are staggered with alternating four-year terms, including the Mayor, 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, is a separate municipal corporation. 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 of 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of the interfund activity has been eliminated for the government-wide financial statements. Exceptions to this general rule are interfund charges for governmental services, including utilities and certain internal services, 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 enterprise funds:

The Sanitation Fund is responsible for the collection and disposal of solid waste throughout the City and administers the contract for the City’s recycling program.

The Water/Wastewater Fund accounts for 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.

The Ambulance Fund accounts for activities related to emergency medical services.

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 revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

D. Budgetary Information

The City 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 and special revenue funds on the modified accrual basis of accounting. Proprietary funds are adopted on the accrual basis of accounting. Budgets for debt service and capital project funds are adopted at the level of the individual debt issue or project and for the fiscal periods which correspond to the lives of debt issues or projects.

The appropriated budget is prepared by fund, function, and department. The fund level is the legal level for budgetary control. 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 are transfers between funds or 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 particular fund, it may do so by ordinance approved by one more than the majority after holding public hearing(s).

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

3. Excess of Expenditures over Appropriations

For the year ended December 31, 2020, 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 (\$5,228) at December 31, 2020. 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 \$5,848 and will be redeemed with annual assessment proceeds.

The Ambulance Fund showed a deficit fund balance of (\$2,755,262) at December 31, 2020. This resulted from the City adopting GASB 75 - Other Post-Employment Benefits (OPEB) and from interfund loans. 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, 2020, the State LGIP was holding \$44,070,511 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 2020 was \$4,750,853.

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

Special assessments are recorded when levied. Special assessments receivable consists of current and delinquent assessments and related interest and penalties. As of December 31, 2020, there are no delinquent special assessments receivable.

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 and Advances Receivable

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund loans receivable/payable or advances to/from other funds. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide

financial statements as internal balances. A separate schedule of interfund loans receivable and payable is furnished in Note 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 received or 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	\$5,595,109
Debt service	578,720
Total	\$6,173,829

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 or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation, except for donated historical treasures not capitalized because they meet the exemption from capitalization per GASB Statement 34, paragraph 27.

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

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

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

See Note 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 absences for which employees will be paid, such as vacation and sick leave. All vacation and sick pay is accrued when incurred in the government-wide, 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 or asset, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as 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, 2020, unearned revenue reported in the governmental funds were as follow:

Cemetery Pread Services	\$320,527
Drug Seizure and Evidence Funds	212,236
Engineering Deposits	19,469
Parks Gift Certificates Outstanding	2,176
Police Funds	91
Total Unearned Revenue	<u>\$554,499</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.

Nonspendable	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.
Restricted	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.
Committed	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.
Assigned	Constraints imposed for specific purposes by the City Manager, who is authorized to assign unexpended funds per Walla Walla Municipal Code 3.03.050.
Unassigned	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	General Fund	Street Construction	Non-Major Governmental	Total Governmental
Nonspendable:				
Prepays	\$ 53,832	\$ -	\$ -	\$ 53,832
Library trusts	-	-	16,545	16,545
Restricted for:				
Community services	198,534	-	1,443,475	1,642,008
Debt service	-	-	658,408	658,408
Capital projects	-	480,682	4,310,957	4,791,639
Committed to:				
Community enforcement and development	711,509	-	299,045	1,010,554
Cemetery	-	-	373,563	373,563
Debt service	-	-	38,107	38,107
Streets	-	257,594	749,803	1,007,397
Assigned to:				
Cemetery and library	-	-	12,373	12,373
Unassigned:				
	6,578,066		(5,228)	6,572,838
Total fund balances:	\$ 7,541,941	\$ 738,276	\$ 7,897,048	\$ 16,177,265

16. Minimum Fund Balance

In 2010, the City Council passed Resolution 2010-028 General Fund Reserve Policy to establish a minimum unassigned fund balance for the General Fund. The policy requires an annual review of the General Fund reserve level and sets the minimum reserve level at 5%. In addition, the policy sets a higher target of 15% for the General Fund reserve level. If at any time, the level of the reserves is projected to drop below the 5% minimum, the City Council will institute budgetary actions to bring the reserve up to the minimum level.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position

The governmental funds' balance sheet includes 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	\$ 4,521,726
Construction in progress	2,113,609
Buildings	23,557,840
Less: accumulated depreciation-buildings	(8,210,337)
Other improvements	10,373,237
Less: accumulated depreciation-other improvements	(2,568,921)
Equipment	3,737,083
Less: accumulated depreciation-equipment	(1,904,840)
Intangibles	791,886
Less: accumulated depreciation-intangibles	(708,420)
Infrastructure	100,480,628
Less: accumulated depreciation-infrastructure	(45,555,517)

Net adjustment to increase fund balance - total governmental funds
to arrive at net position - governmental activities

\$ 86,627,975

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	\$ (15,251,033)
Bond premiums	(837,777)
Interest payable	(33,395)
Debt refunding	439,716
Compensated absences	(1,786,714)
OPEB deferred outflows/inflows	(451,340)
OPEB liability	(17,403,014)
Firemens' pension liability	(2,328,178)

Net adjustment to reduce *fund balance - total government funds*
to arrive at *net position - governmental activities*

\$ (37,651,735)

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	\$ 7,128,527
Depreciation expense	(4,115,343)
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>	\$ 3,013,184

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:

Gain/(loss) on disposals	\$ (187,053)
Donations	1,462,286
Net adjustment to increase total governmental funds to arrive at changes in net position of governmental activities	\$ 1,275,233

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 Issuance	\$ (2,590,017)
Debt principal repayments	\$ 1,560,423
Debt service interest	(33,395)
Amortization of bond premiums	88,168
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	\$ (1,023,678)

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	\$(248,133)
Net OPEB liability	(360,031)
Net firemens’ pension liability	(195,421)
Net State pension obligations	1,081,719
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	\$ 278,134

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, 2020, was \$4,416,196. The City of Walla Walla does not have certificates of deposit, thus no carrying value is reported. The bank balance was \$4,407,526.

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 12/31/2020
Baker Boyer Bank	\$4,407,526
Total FDIC Insured or PFCP Bank Deposits	\$4,407,526

B. Investments

It is the City's policy to invest all temporary cash surpluses. Investments are subject to the following risks.

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

Maturities Investment Type	Fair Value	Maturity (in years)	
		Less than 1 year	1-5 year
US Treasury	\$6,609,570	\$5,055,840	\$1,553,730
Government Sponsored Enterprise (GSE's)	\$9,936,739	\$4,559,160	\$5,377,580
Municipal Bonds	\$1,600,106		\$1,600,106
Total	\$18,146,415	\$9,615,000	\$8,531,416

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, 2020, the City's investments had the following credit quality distribution for securities with credit exposure:

Credit Risk	Ratings		Fair Value
	Moody's	S&P	
U.S Treasury Notes	Aaa	AA+	\$6,609,570
Government Sponsored Enterprises			
Federal Farm Credit Bank	Aaa	AA+	\$2,549,397
Federal Home Loan Bank	Aaa	AA+	\$6,636,543
Federal Home Loan Mortgage Corporation	Aaa	AA+	\$750,799
Municipal Bonds	Aa1	AA+	\$1,600,106

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		\$6,609,570
Government Sponsored Enterprises		
Federal Home Loan Bank		\$6,636,543
Federal Farm Credit Bank		\$2,549,397
Federal Home Loan Mortgage Corporation		\$750,799
Municipal Bonds		\$1,600,106
Total Investments		\$18,146,415

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, 2020, there were no investments in any one type that represents 35% or more of the City's investments.

Investments in Local Government Investment Pool (LGIP)

The City is a voluntary participant in the Local Government Investment Pool that 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 for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at <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 City's custodial bank uses matrix pricing for the valuation of Level 2 investments.

The fair values and levels noted in the following table have been provided by the City's investment advisor Government Portfolio Advisors (GPA). At December 31, 2020, the City had the following investments measured at fair value:

Investments by Fair Value	12/31/2020	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)
Investments by Fair Value Level				
US Treasury	\$6,609,570	\$6,609,570	-	-
Government Sponsored Enterprise (GSE's)	\$9,936,739	-	\$9,936,739	-
Municipal Bonds	\$1,600,106	-	\$1,600,106	-
Total Investments measured at fair value	<u>\$18,146,415</u>	<u>\$6,609,570</u>	<u>\$11,536,845</u>	-
Investments measured at amortized cost				
State Local Government Investment Pool (LGIP)	\$44,070,511			
Total Investments measured at cost	<u>\$44,070,511</u>			

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect deposits or investments. 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, 2020.

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 becomes 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 regular levy for 2020 was \$2.302282 per \$1,000 on a 2019 assessed valuation of \$2,858,709,920 for a total regular levy of \$6,581,557. 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 2020 voted levy was \$0.551753 per \$1,000 on a 2019 assessed valuation of \$2,822,497,638 for a total debt service levy of \$1,557,324.

NOTE 6 – CAPITAL ASSETS

A. Capital Assets – Governmental Activities

Capital asset activity for the year ending December 31, 2020 was as follows:

Governmental Activities	Beginning Balance 01/01/2020	Increase	Decrease	Ending Balance 12/31/2020
Capital assets not being depreciated:				
Land	\$4,615,278	\$42,048	\$ -	\$4,657,326
Construction in progress	1,111,671	2,056,120	1,054,182	2,113,608
Total capital assets not being depreciated	5,726,949	2,098,167	1,054,182	6,770,935
Capital assets being depreciated:				
Buildings	27,823,580	-	11,999	27,811,581
Improvements other than buildings	10,414,362	-	41,125	10,373,237
Machinery and equipment	3,797,713	28,091	32,755	3,793,049
Intangibles – computer software	699,996	91,889	-	791,886
Infrastructure	93,707,188	7,177,656	308,029	100,576,815
Total depreciated capital assets	136,442,840	7,297,636	393,908	143,346,568
Less accumulated depreciation for:				
Buildings	9,559,002	627,808	11,999	10,174,812
Improvements other than buildings	2,341,798	268,247	41,125	2,568,921
Machinery and equipment	1,774,568	188,574	30,552	1,932,590
Intangibles – computer software	699,996	8,423	-	708,420
Infrastructure	42,759,722	3,110,417	273,663	45,596,476
Total accumulated depreciation	57,135,087	4,203,470	357,339	60,981,218
Capital assets being depreciated, net	79,307,753	3,094,166	36,568	82,365,351
Governmental activities capital, net	85,034,702	5,192,334	1,090,750	89,136,285

B. Capital Assets – Business-Type Activities

Business-type Activities	Beginning Balance	Reclassifications And Adjustments	Increase	Decrease	Ending Balance
	01/01/2020				12/31/2020
Capital assets not being depreciated:					
Land	\$2,602,324	-	\$772,858	\$ -	\$3,375,182
Construction in progress	5,272,513	-	3,335,713	4,402,362	4,205,864
Intangibles – water rights	225,307	-	-	-	225,307
Total capital assets not being depreciated	8,100,144	-	4,108,571	4,402,362	7,806,353
Business-type assets being depreciated:					
Buildings	40,422,635	-	504,696	32,096	40,895,235
Improvements other than buildings	10,439,062	-	-	-	10,439,062
Machinery and equipment	27,897,115	-	4,075,830	527,206	31,445,739
Intangibles – computer software	103,898	-	301,559	80,130	325,327
Infrastructure	129,326,003	-	6,212,429	654,843	134,883,588
Total depreciated capital assets	208,188,712	-	11,094,514	1,294,275	217,988,951
Less accumulated depreciation for:					
Buildings	17,797,981	-	795,504	32,096	18,561,389
Improvements other than buildings	4,580,329	-	316,843	15,818	4,881,354
Machinery and equipment	14,003,094	55,610	1,500,971	523,988	15,035,687
Intangibles – computer software	76,376	-	15,396	30,107	61,665
Infrastructure	39,000,928	-	2,485,694	274,976	41,211,647
Total accumulated depreciation	75,458,707	55,610	5,114,409	876,984	79,751,741
Capital assets being depreciated, net	132,730,005	(55,610)	5,980,105	417,290	138,237,210
Business-type activities capital, net	\$140,830,149	(55,610)	10,088,676	\$4,819,652	146,043,563

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

Governmental Activities:

General government	\$143,229
Public safety	401,756
Utilities & environment	1,857
Transportation	3,118,692
Social services	2,581
Culture & recreational environment	535,355
Total depreciation - governmental activities	<u>\$4,203,470</u>

Business-Type Activities:

Golf course	\$59,818
Sanitation	523
Water	1,678,443
Stormwater	140,225
Wastewater	1,908,859
Landfill	308,739
Ambulance	1,438
Fleet services	8,100
Vehicle replacement	1,008,263
Total depreciation - business-type activities	<u>\$5,114,409</u>

Business-type Activities: The City reclassified \$15,818 from improvements other than buildings accumulated depreciation to machinery and equipment accumulated depreciation in the Wastewater Fund. This reclass is reflected above as a decrease to improvements other than buildings accumulated depreciation and an increase to machinery and equipment accumulated depreciation in the reclassification and adjustments column. The City reversed a partial building disposal within the Wastewater Fund, which increased the building accumulated depreciation account by \$39,792. Depreciation expense was recorded in prior years; therefore, no depreciation expense was recorded in 2020. Cumulatively, business-type accumulated depreciation was higher than depreciation expense by \$55,610.

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, 2020:

<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 has active construction projects as of December 31, 2020. The projects include improvements to the Water Treatment Plant, the infrastructure repair and replacement program (IRRP), landfill site improvements, two bridge replacements, and a sewer pump station upgrade and improvements at the Wastewater Treatment Plant.

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

Project	Spent to Date	Remaining Commitment
Street fund	101,215	21,396
Street construction	6,498,945	395,734
TBD street construction	428,913	546,817
Water construction	2,997,619	622,895
Stormwater construction	779,660	69,564
Wastewater construction	2,739,122	3,827,819
Landfill construction	2,394,327	301,542
Total:	\$15,939,801	\$5,785,767

NOTE 8 – PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the year 2020:

Aggregate Pension Amounts	State Sponsored Plans	Fireman's Pension	Total
Pension liabilities	\$ (4,866,967)	\$ (2,560,996)	\$ (7,427,963)
Pension assets	\$ 7,154,172	\$ -	\$ 7,154,172
Deferred outflows of resources	\$ 3,079,837	\$ 5,544	\$ 3,085,381
Deferred inflows of resources	\$ (2,564,517)	\$ -	\$ (2,564,517)
Pension expense/expenditures	\$ 354,502	\$ 306,483	\$ 660,985

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, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

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

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

Or the DRS comprehensive financial report may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

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

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

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

PERS Plan 1		
Actual Contribution Rates	Employer	Employee*
January – August 2020		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Total	12.86%	6.00%
September – December 2020		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Total	12.97%	6.00%

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

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as 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 2020 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	Employer 2/3	Employee 2*
January – August 2020		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.86%	7.90%

September – December 2020		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.97%	7.90%

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

The City's actual PERS plan contributions were \$682,828 to PERS Plan 1 and \$1,104,588 to PERS Plan 2/3 for the year ended December 31, 2020.

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 1 had no required employer or employee contributions for fiscal year 2020. 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% in 2020.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	Employer	Employee
January – December 2020		
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	
Total	5.33%	8.59%
Ports and Universities	8.59%	8.59%
Administrative Fee	0.18%	
Total	8.77%	8.59%

The City's actual contributions to the plan were \$531,482 for the year ended December 31, 2020.

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, 2020, the state contributed \$76,297,643 to LEOFF Plan 2. The amount recognized by the city as its proportionate share of this amount is \$5,231,348.

Actuarial Assumptions

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

Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2020. Plan liabilities were rolled forward from June 30, 2019, to June 30, 2020, 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 developed using the Society of Actuaries' Pub. H-2020 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

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

- OSA updated its demographic assumptions based on the results of its latest demographic experience study. See OSA's 2013-2018 Demographic Experience Study at leg.wa.gov/osa.
- OSA updated the Early Retirement Factors and Joint-and-Survivor factors used in its model to match the ones implemented by DRS on October 1, 2020. These factors are used to value benefits for members who elect to retire early and for survivors of members that die prior to retirement.
- The valuation includes liabilities and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determining contribution rates and funded status.
- OSA simplified its modeling of medical premium reimbursements for survivors of duty-related deaths in LEOFF 2.
- OSA changed its method of updating certain data items that change annually, including the public safety duty-related death lump sum and Washington state average wage. OSA set these values at 2018 and will project them into the future using assumptions until the next Demographic Experience Study in 2025. See leg.wa.gov/osa for more information on this method change.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's 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 (CMA's) and simulated expected investment returns provided by the

Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, 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%
	100%	

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.4 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	\$ 4,181,104	\$ 3,338,055	\$ 2,602,830
PERS 2/3	\$ 9,513,303	\$ 1,528,912	\$ (5,046,237)
LEOFF 1	\$ (1,565,080)	\$ (1,922,823)	\$ (2,232,332)
LEOFF 2	\$ (103,565)	\$ (5,231,348)	\$ (9,429,980)

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, 2020, the City reported a total pension liability of \$4,866,967 for its proportionate share of the net pension liabilities as follows:

	Liability
PERS 1	\$ 3,338,055
PERS 2/3	\$ 1,528,912

At June 30, 2020, the City reported a total pension asset of \$7,154,172 for its proportionate share of the net pension liabilities as follows:

	Asset
LEOFF 1	\$ 1,922,823
LEOFF 2	\$ 5,231,348

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	\$ (1,922,823)	\$ (5,231,348)
State's proportionate share of the net pension asset associated with the employer	\$ (13,005,928)	\$ (3,345,051)
TOTAL	\$ (14,928,752)	\$ (8,576,399)

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

	Proportionate Share 6/30/19	Proportionate Share 6/30/20	Change in Proportion
PERS 1	.097637%	.094548%	(.003089)%
PERS 2/3	.123261%	.119545%	(.003716)%
LEOFF 1	.102666%	.101817%	(.000849)%
LEOFF 2	.269990%	.256457%	(.013533)%

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

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2020. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2020, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded, and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2020, the state of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 61 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2020, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2019, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2020, the City recognized pension expense as follows:

	Pension Expense
PERS 1	\$ 36,551
PERS 2/3	\$ 164,081
LEOFF 1	\$ (83,781)
LEOFF 2	\$ 237,651
TOTAL	\$354,502

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

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	\$ -	\$(18,585)
Changes of assumptions	\$ -	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ -
Contributions subsequent to the measurement date	\$345,631	\$ -
TOTAL	\$345,631	\$(18,585)

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$547,328	\$(191,609)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$(77,647)
Changes of assumptions	\$21,776	\$(1,044,379)
Changes in proportion and differences between contributions and proportionate share of contributions	\$107,957	\$ (86,347)
Contributions subsequent to the measurement date	\$556,437	\$ -
TOTAL	\$1,233,498	\$(1,399,982)

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	\$ -	\$(20,113)
Changes of assumptions	\$ -	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ -
Contributions subsequent to the measurement date	\$ -	\$ -
TOTAL	\$ -	\$(20,113)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$723,843	\$(92,783)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$(58,308)
Changes of assumptions	\$7,579	\$(810,045)
Changes in proportion and differences between contributions and proportionate share of contributions	\$501,839	\$(164,702)
Contributions subsequent to the measurement date	\$267,447	\$ -
TOTAL	\$1,500,708	\$(1,125,837)

TOTAL OF ALL PLANS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,271,172	\$(284,392)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$(174,652)
Changes of assumptions	\$29,355	\$(1,854,424)
Changes in proportion and differences between contributions and proportionate share of contributions	\$609,796	\$(251,049)
Contributions subsequent to the measurement date	\$1,169,515	\$ -
TOTAL	\$3,079,837	\$(2,564,517)

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, 2021. 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
2021	(84,339)
2022	(2,653)
2023	25,734
2024	42,673
2025	
Thereafter	
TOTAL	(18,585)

Year Ended December 31	PERS 2/3
2021	(623,172)
2022	(140,410)
2023	38,410
2024	143,199
2025	(56,835)
Thereafter	(84,112)
TOTAL	(722,921)

Year Ended December 31	LEOFF 1
2021	(71,796)
2022	(3,743)
2023	20,410
2024	35,016
2025	
Thereafter	
TOTAL	(20,113)

Year Ended December 31	LEOFF 2
2021	(347,653)
2022	(16,188)
2023	112,998
2024	210,605
2025	411
Thereafter	147,251
TOTAL	107,424

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) 41.16 and 41.18 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.

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, 2020, 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	3
Survivors of firefighters retired after March 1, 1970	<u>4</u>
Total	22

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, 2020, the state contributed \$53,780, and the City contributed \$155,510, 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, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increase	3.25%
Investment Rate of Return	2.00%
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 2.00%. 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, 2020 is 2.12%. Rounding this to the nearest 1/4 percent results in the discount rate of 2.00%.

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 2.12% as of December 31, 2020—rounding this to the nearest 1/4 percent results in a discount rate of 2.00%. 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, 2020, 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 2.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.00%) or one percentage point higher (3.00%) than the current rate:

	1% Decrease 1.00%	Current Discount Rate 2.00%	1% Increase 3.00%
Total pension liability	\$2,896,448	\$2,646,771	\$2,430,414
Fiduciary net position	85,775	85,775	85,775
Net pension liability	<u>\$2,810,673</u>	<u>\$2,560,996</u>	<u>\$2,344,639</u>

Changes in the Net Position Liability. The changes in net position liability for the period ending December 31, 2020, is as follows:

City of Walla Walla Firefighters' Pension Changes in Net Pension Liability			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of December 31, 2019	\$2,493,341	\$82,398	\$2,410,943
Service cost (Entry Age Normal)	-	-	-
Interest on total pension liability	65,482	-	65,482
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	116,687	-	116,687
Effect of assumptions changes or inputs	165,074	-	165,074
Benefit payments	(193,813)	(193,813)	-
Medical payments from fund	-	-	-
Employer contributions	-	155,510	(155,510)
Contributions from state fire insurance premium tax	-	53,780	(53,780)
Net investment income	-	-	-
Administrative expenses	-	(12,100)	12,100
Balance as of December 31, 2020	\$ 2,646,771	\$ 85,775	\$ 2,560,996

Measurement Date. The Valuation Date is January 1, 2020. This is the date as of which the actuarial valuation is performed. The Measurement Date is December 31, 2020. This is the date as of which the net pension liability is determined. The Reporting Date is December 31, 2020. 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, 2020, the City's fire pension expense was as follows:

GASB Statement No. 68 Pension Expense		
Pension Expense	January 1, 2019 to December 31, 2019	January 1, 2020 to December 31, 2020
Service cost	\$ -	\$ -
Interest on total pension liability	89,419	65,482
Effect of plan changes	-	-
Administrative expenses	3,300	12,100
Medical payments from fund	-	-
Contributions from state fire insurance premium tax	(50,375)	(53,780)
Expected investment return net of investment expenses	(3,404)	(1,874)
Recognition of deferred inflows/outflows of resources		
Recognition of economic/demographic gains or losses	-	116,687
Recognition of assumption changes or inputs	235,220	165,074
Recognition of investment gains or losses	3,169	2,794
Pension Expense	\$ 277,329	\$ 306,483

At December 31, 2020, 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	-	5,544
Contributions made subsequent to the measurement date	-	-
Total	\$-	\$5,544

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*	
2021	\$2,374
2022	1,741
2023	1,055
2024	374
2025	-
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, 2020 were as follows:

Total Pension Liability	\$ 2,646,771
Plan Fiduciary Net Position	<u>85,775</u>
City's Net Pension Liability	<u>\$ 2,560,996</u>

Plan fiduciary net position as a percentage of the total pension liability 3.24%

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, 2020:

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

Rate of Return. For the year ended December 31, 2020, 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 162 members.

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

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$21 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$25 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

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

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

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

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

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, 2020, 262 cities/towns/non-city entities participate in the AWC Trust HCP.

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

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation,

intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2020, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an individual stop loss (ISL) of \$1.5 million through Commencement Bay Risk Management, and Kaiser ISL at \$1 million with Companion Life through 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, 2020 is \$574,518 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 2020 was \$116,543.73. 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 12/31/2019	Year Ended 12/31/2020
Unpaid claims, beginning of the fiscal year	\$138,001	\$358,581
Incurred claims (including IBNRs)	43,864	348,598
Changes in estimate for claims, prior period	347,652	293,559
Payments on claims	(170,937)	(426,219)
Unpaid claims, end of fiscal year	<u>\$358,581</u>	<u>\$574,518</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 into (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 currently outstanding are as follows:

	Issue Date	Maturity Date	Interest Rate	Original	Outstanding
2013 UTGO Refunding Bond	10/15/2013	12/1/2023	2.72%	2,840,000	960,000
2015 LTGO Bond Street Construction	5/7/2015	12/1/2024	3.125%-4.50%	188,789	72,904
2015 LTGO Bond Library	5/7/2015	12/1/2024	3.125%-4.50%	756,202	353,111
2015 UTGO Bond Pool	10/15/2015	12/1/2034	2.50%-4.00%	5,560,000	4,665,000
2015 LTGO Bond Landfill Liner	5/7/2015	12/1/2024	3.13%	1,366,359	62,697
2015 LTGO Bond Golf Course	5/7/2015	12/1/2024	3.13%	230,951	89,186
2016 LTGO Water AMI	8/31/2016	12/1/2031	2.00%-3.00%	5,960,000	4,580,000
2016 UTGO Refunding Police Station	9/15/2016	12/1/2029	3.00%	7,745,000	6,610,000
2017 LTGO Bond Landfill	10/18/2017	12/1/2027	2.18%	2,660,000	1,925,000
2020 Refunding Bond	11/23/2020	12/1/2035	0.85%	4,160,790	4,160,790
				\$31,468,091	\$23,478,688

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

Year Ending 12/31/2020	Governmental Activities		Business-Type Activities	
	Interest	Principal	Interest	Principal
2021	\$400,742	1,585,875	172,785	\$840,467
2022	363,509	1,661,265	153,954	856,950
2023	322,143	1,700,002	134,714	879,789
2024	279,690	1,411,744	114,902	899,346
2025	242,169	1,253,236	94,616	822,354
2026-2030	658,751	5,772,811	234,537	3,265,979
2031-2035	124,438	1,866,100	16,115	662,770
Total	\$2,391,442	\$15,251,033	\$921,623	\$8,227,655

Refunded Debt: The City issued \$4,160,790 in unlimited tax general obligation bonds with interest rate of 0.85%. A portion of the proceeds \$2,279,253 was used to repay and reduce four interfund loans between the General Fund and the Vehicle Replacement Fund. The remaining proceeds were used to refund \$1,830,000 of 2010 unlimited tax general obligation bonds which had interest rates ranging from 3% to 5%. The net proceeds of \$1,853,865 (less a payment of \$21,204 in underwriting and other issuance costs) was deposited and used to purchase SLGS which on December 1, 2021 will be used to refund the \$1,830,000 in non-callable bonds and related interest expense. As a result, the 2010 unlimited tax general obligation bonds are considered legally defeased and the liability for those bonds has been removed from the statement of net position. The reacquisition price did not exceed the net carrying amount of the old debt.

Revenue Bonds: The City has pledged future wastewater revenue, net of (e.g., specified operating expenses, etc.), to repay \$6,390,000 in revenue bonds issued in, 2018. Proceeds from the bonds provided financing for improvements for capital construction on the wastewater treatment plant and other capital projects. The bonds are payable solely from wastewater revenue and are payable through 2038. Annual principal and interest payments on the bonds are expected to require less than percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$8,980,950 . Principal and interest paid for the current year and total (identify pledged revenue) were \$215,000 and \$285,900 , respectively. Revenue bonds currently outstanding are as follows:

Purpose	Issue Date	Maturity Date	Interest Rate	Original	Outstanding
2018 Water/Wastewater Series	8/28/2018	8/1/2038	4.00%-5.00%	\$6,390,000	\$6,175,000

Revenue bond debt service requirements to maturity are as follows:

Year Ending 12/31/2020	Interest	Principal
2021	275,150	225,000
2022	263,900	235,000
2023	252,150	245,000
2024	239,900	260,000
2025	226,900	275,000
2026-2030	915,750	1,575,000
2031-2035	520,000	1,975,000
2036 and beyond	112,200	1,385,000
Total	\$2,805,950	\$6,175,000

In proprietary funds, bonds are displayed net of premium or discount; annual interest expense is decreased by amortization of debt premium and increased by the amortization of debt issue costs and discount.

At December 31, 2020, the City has \$1,213,341 available in debt service funds to service the general bonded debt.

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, 2020, 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 2021.

Special assessment bonds currently outstanding 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	\$5,848

Special Assessment bond debt service requirement to maturity in the year 2021 are as follows:

Year Ending 12/31/2020	Special Assessment Interest	Principal
2021	257	5,848
Total	\$257	\$5,848

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 \$25,356,138. One loan has an interest rate of 0.5%, four loans have an interest rate of 1.0%, and the final loan is 1.16%. In 2001, 2002, 2006, 2007, and 2013, 2015 and 2019, the City Council authorized all six 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 currently outstanding are as follows:

Title	Purpose	Interest Rate	Original	Outstanding
DM13-952-183 Loan Water	Capital construction	1.00%	12,120,000	10,671,114
DM15-952-027 Loan Water	Capital construction	1.00%	9,682,527	9,324,924
PC18-96103-010 Loan Landfill	Capital construction	1.16%	2,233,388	2,115,841
PW-02-691-060 Loan Wastewater	Capital construction	0.50%	5,159,197	556,348
PW-06-962-PRE-103 Loan Wastewater	Capital construction	1.00%	531,399	167,810
PW-07-962-018 Loan Wastewater	Capital construction	1.00%	6,823,104	2,520,101
Total PWTFL:			\$36,549,615	\$25,356,138

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

Year Ending 12/31/2020	Business-Type Activities	
	Interest	Principal
2021	254,165	2,033,078
2022	235,037	2,033,078
2023	215,909	1,754,904
2024	198,172	1,754,904
2025	180,435	1,754,904
2026-2030	648,596	7,582,602
2031-2035	291,084	6,834,605
2036 and beyond	27,013	1,608,065
Total	\$2,050,411	\$25,356,138

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 comprehensive financial annual report 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 2020.

NOTE 11 – LEASES**A. Operating Leases**

The City leases land, a building, and office equipment under noncancelable operating leases. Total costs for such leases were \$79,852 for the year ended December 31, 2020. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2021	67,240
2022	33,978
2023	19,191
2024	12,054
2025-2029	22,438
Total	\$ 154,901

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	(168,099)
Total	\$ 78,905

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2020 were as follows:

Year Ending 31-Dec	Business-Type Activities
2021	44,185
2022	44,185
2023	2
Total minimum lease payments	88,372
Less: interest	3,735
Total	\$84,636

NOTE 12 – CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2020, the following changes occurred in long-term liabilities:

	Beginning Balance 1/1/2020	Additions	Reductions	Ending Balance 12/31/2020	Due Within One Year
<u>Governmental Activities</u>					
Bonds payable:					
General obligation bonds	\$14,221,437	\$2,590,018	\$1,560,423	\$15,251,033	\$1,585,875
Bond premiums	925,945	-	88,168	837,777	-
Total bonds payable	15,147,382	2,590,018	1,648,591	16,088,810	1,585,875
Special assessment bonds	60,848	-	55,000	5,848	5,848
Compensated absences	1,657,717	1,558,885	1,298,541	1,918,061	1,297,040
Worker's compensation claims	358,580	642,157	426,219	574,518	74,937
Firemens' pension liability	2,132,757	196,099	678	2,328,178	-
Total OPEB liability	17,678,403	377,160	652,549	17,403,014	898,601
State pension	3,635,946	4,594	100,492	3,540,048	-
Governmental activity long-term liabilities	\$40,671,633	\$5,368,913	\$4,182,070	\$41,858,477	\$3,862,301
<u>Business-Type Activities</u>					
Bonds payable:					
General obligation bonds	8,991,371	1,570,773	2,334,488	8,227,655	840,467
Revenue Bonds	6,390,000	-	215,000	6,175,000	225,000
Premiums	858,889	-	64,631	794,258	-
Total bonds payable	16,240,260	1,570,773	2,614,119	15,196,913	1,065,467
PW loans wastewater	4,422,345	-	1,178,081	3,244,264	666,157
Capital leases	125,163	-	40,527	84,636	41,708
Landfill closure	2,573,243	252,247	5,000	2,820,490	-
DM loans water	20,507,984	713,716	1,225,662	19,996,038	1,249,374
PW loan landfill	2,233,388	-	117,547	2,115,841	117,547
Pollution remediation	2,361,252	51,170	363,547	2,048,875	761,671
Compensated absences	491,916	387,038	383,037	495,917	356,063
Pension liability	1,315,825	11,093	-	1,326,918	-
Firemens' pension liability	278,186	242	45,610	232,818	-
Total OPEB liability	2,711,412	741,528	110,639	3,342,301	172,579
Business-type activity long-term liabilities	\$53,260,974	3,727,807	\$6,083,769	\$50,905,011	\$4,430,566

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 \$701,533 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 87.8%, 3.7%, 8.3%, and 0.2% 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 matter is currently set for trial on March 21, 2022. 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 U.S. District Court granted summary judgment in favor of the City on June 11, 2020 dismissing Mr. Haworth's claims against the City and its employees, but claims remain pending against a co-defendant, and the City expects Mr. Haworth to appeal the dismissal of his claims against the City of Walla Walla once the remaining claims against co-defendants are fully adjudicated. 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 Southern District of California case number 20-cv-1447-W-LL on July 28, 2020 in an action brought by Michael Torrescano 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 U.S. District Court transferred the case to the Eastern District of Washington by order entered on March 30, 2021, and the claims against the City of Walla Walla remain pending. 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 \$399,738 which is due within one year and \$1,379,092 which is due in more than one year from the date of the financial statements.

A. Interfund Balances

Interfund balances at December 31, 2020 are as follows:

Receivable Fund	Amount	Payable Fund	Amount
General	\$245,346	General	\$186,586
Equipment Replacement	1,494,384	Non-Major Government	403,722
	-	Major Enterprise	936,993
	-	Non-Major Enterprise	212,431
Total	\$1,739,731	Total	\$1,739,731

B. Interfund Transfers

Interfund transfers at December 31, 2020, are as follows:

Transfers From:	Transfers To:						Totals From:
	General Fund	Streets Construction	Non-Major Gov't	Water/Wastewater	Other Enterprise	Internal Service	
General Fund	\$340,388	\$206,000	\$2,197,482	\$ -	\$127,216	\$ -	\$2,871,086
Streets CIP	171,191	-	172,526	5,568	-	-	349,285
Non-Major Gov't	139,573	79,586	111,324	-	-	-	330,483
Water/Wastewater	-	2,311,747	-	-	-	-	2,311,747
Internal Services	329,009	-	10,231	24,053	52,318	23,803	439,414
Total Transfers:	\$980,160	\$2,597,334	\$2,491,562	\$29,621	\$179,534	\$23,803	\$6,302,016

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

Receivable 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.

A. Receivables

Receivables at December 31, 2020, were as follows:

	Governmental Activities	Business-type Activities	Total
Taxes Receivable			
Property taxes	\$ 215,807	\$ -	\$ 215,807
Sales and B&O taxes	2,482,372	-	2,482,372
Total Taxes Receivable	\$ 2,698,179	\$ -	\$ 2,698,179
Other Receivables (net of allowance for uncollectible)			
Accounts receivable	\$ 497,420	\$ 3,237,400	\$ 3,734,821
Employee receivable	79,898	78,239	158,137
Total Other Receivables	\$ 577,319	\$ 3,315,639	\$ 3,892,958

Receivables for the Ambulance Fund are reported net of allowance for uncollectible accounts. Using historical collection rates, it is estimated that 53% of the receivables or \$261,932 on December 31, 2020, will ultimately prove uncollectible for the Ambulance Fund.

B. Payables

Other liabilities include use tax payable and customer prepayments. Payables at December 31, 2020, were as follows:

	Governmental Activities	Business-type Activities	Total
Other Accrued Liabilities			
Employee Wages and Benefits	\$ 1,649,075	\$ 599,483	\$ 2,248,558
Retainage	94,449	374,942	469,390
Other Liabilities	72,264	15,712	87,976
Total	\$ 1,815,787	\$ 990,137	\$ 2,805,924

NOTE 16 -DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year 2020.

Aggregate OPEB Amounts – LEOFF 1 Medical	
OPEB liabilities	\$20,745,315
Deferred outflows of resources	\$242,964
Deferred inflows of resources	\$798,003
OPEB expenses/expenditures	\$1,491,930

The City elected to use the Alternative Measurement Method (AMM) to calculate the 2020 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, 2020, the City had 45 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, 2019, the number of members who are eligible for benefits has decreased by two. 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. As of December 31, 2020, the City paid \$410,890 out of the General Fund and \$47,278 out of the Ambulance fund for medical insurance and other qualifying expenses. The amounts paid subsequent to the measurement date were \$218,096 from the General Fund and \$24,868 from the Ambulance fund. The City of Walla Walla's OPEB financial reports are included in the 2020 comprehensive financial annual report.

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, 2020. 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	6/30/2020
Actuarial Measurement Date	6/30/2020
Actuarial Cost Method	Entry Age
Amortization Method	Recognized Immediately
Asset Valuation Method	N/A (No Assets)

Assumptions:

Assumptions	
Discount Rate	
Beginning of Measurement Year	3.5%
End of Measurement Year	2.21%
Healthcare Trend Rates	
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.
Mortality Rates (assume 100% male population)	
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
Medicare Participation Rate	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%) than the current rate.

	1% Decrease 5%	Current Healthcare Cost Trend Rate 6%	1% Increase 7%
Total OPEB Liability	\$18,904,729	\$20,745,315	\$22,848,930

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%) than the current rate.

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	\$23,024,970	\$20,745,315	\$18,800,231

Changes in the Total OPEB Liability.

LEOFF 1 Medical	
OPEB Liability at 01/01/2020	\$20,389,815
Service cost	-
Interest	693,927
Changes of benefit terms	-
*Differences between expected and actual experience and changes of assumptions	798,003
Estimated Benefit payments	(1,136,430)
Other changes	-
OPEB Liability at 12/31/2020	\$20,745,315

Deferred outflows of resources of \$242,964 and deferred inflows of resources of \$798,003 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, 2020.

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$798,003	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings	-	-
Contributions made subsequent to the measurement date	-	242,964
Total	\$798,003	\$242,964

Deferred outflows of resources of \$242,964 resulting from payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources of \$798,003 related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2021	\$159,603
2022	\$159,600
2023	\$159,600
2024	\$159,600
2025	\$159,600
Thereafter	\$0

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); and 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 IIWL/Burdine property) is permitted as an inert waste disposal site and is used and monitored by the City. The IIWL is at capacity, so in 2019 a project was completed, 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 6/18/2020, Area 7 is approximately 62% 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 \$4,395,797 (in 2020 dollars). However, when adjusted for estimated capacity used between the survey date and December 31, 2020, the estimated capacity filled is 64%, and the amount of the liability for closure is \$875,314, and post-closure is \$1,940,176. As of December 31, 2020, cash and investments of \$4,365,725 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 December 2020, a consultant for the City and the Public Works Department of the City estimated the cost of closure for the IIWL/Burdine property. Closure costs were estimated at \$5,000 for 2020. The City has recorded a liability in the amount of \$5,000 costs associated with the IIWL/Burdine property.

As part of its budget process, the City reviews the closure and post-closure cost estimate from the landfill consultant 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 2020.

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 2021.

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 \$761,671 in current liability and \$1,287,204 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 started implementing a new Enterprise Resource Planning (ERP) that included moving from Tyler Eden to Tyler Munis. The first component of this project was to install the financial modules which included revising the City's chart of accounts to improve the financial processes of the City and streamline reporting. July 1, 2020 was the go-live date for the financial modules including the general ledger, accounts payable, fixed assets, and budget preparation. General accounts receivable was implemented in December 2020 and the go-live date was January 1, 2021. Human resources and payroll had a go-live date of January 1, 2021, utility billing will not be fully implemented until 2022 and permitting will go-live in 2023.

Some of the accounting and reporting changes that were made include: 1) updating the accounting numbers to match the State of Washington's chart of accounts; 2) combine divisions or funds as necessary (such as construction funds for General Government capital project expenditures and revenues); and consolidate cash and other categories in the financial statements.

NOTE 21 – COVID-19 PANDEMIC

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 met on a weekly basis since that date. The City Manager directed that all City buildings remain closed to the public, that department directors should reduce the number of people working in City buildings and should 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. Employees are expected to return to work within a thirty-minute notification.

City Leadership anticipated 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 were 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 limited expenses to mission-critical and job essential and kept all vacancies open until the impact could be determined. All nonessential costs are on hold until the effect of COVID-19 is determined for 2021.

The length of time these measures will be in place, and the full extent of the financial impact on the City is still unknown. As more people are vaccinated and the number of COVID-19 cases continues to decrease, we expect the State to provide further guidance on reopening the City.

NOTE 22 – EXTRAORDINARY EVENTS

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. The total City expenses for the flood were \$783,130 and the City received a \$187,410 payment from WCIA and expects to receive an additional \$389,000 in 2021.

NOTE 23- SUBSEQUENT EVENTS

On March 11, 2021, President Biden signed the funding bill for the American Rescue Plan Act (ARPA). Included in the bill was funding for the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). As a result of the bill, the City of Walla Walla is scheduled to receive \$9,974,964 in two payments over the next two years. The first payment of \$4,982,982 was received in May 2021 and a second payment in the same amount is expected to be received in May of 2022. The deadline for committing the funds is December 31, 2024 and the deadline for spending the funds in December

31, 2026. The City is allowed to pay for the provision of government services to the extent of the reduction of revenue collected due to COVID-19. At this time, the City has not finalized its calculations for the revenue loss and has not finalized its plan for the use of the CSLFRF funds.

On March 24, 2021, the City Council approved a project in the amount of \$4,000,598 a construction project on Park Street. The project includes the replacement of the water and sewer utilities, reconstruction of the roadway, upgrades to the stormwater collection system, the addition of bike lanes, and installation/enhancement of on-street parking. Project funding sources include the Infrastructure Repair and Replacement Program (IRRP), the Transportation Benefit District (TBD), Real Estate Excise Tax (REET), and a Department of Ecology Grant.

On April 14, 2021, the City Council approved a project for an amount not to exceed \$4,535,080 for the construction of the Rose Street Bridge. The project began construction in July, 2021 with an anticipated completion in November, 2021. Funding sources include a federal Bridge Program Grant, a Transportation Alternatives Program grant, and City funding.



Required Supplemental Information



REQUIRED SUPPLEMENTAL INFORMATION

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

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**City of Walla Walla
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020**

	2019-20 Biennial Budgeted Amounts		2019-20 Actuals	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 46,163,470	\$ 44,990,660	\$ 44,899,330	\$ (91,330)
Licenses and permits	2,398,880	1,600,000	1,360,690	(239,310)
Intergovernmental revenues	3,146,040	5,962,310	6,552,660	590,350
Charges for goods and services	19,742,480	18,948,980	18,925,170	(23,810)
Fines and forfeits	365,700	256,760	201,210	(55,550)
Miscellaneous revenues	2,070,370	2,989,070	3,027,990	38,900
Total revenues	<u>73,886,940</u>	<u>74,747,780</u>	<u>74,967,050</u>	<u>219,250</u>
EXPENDITURES				
Current:				
General government	18,487,910	25,366,250	25,036,030	(330,220)
Public safety	32,676,320	31,375,310	31,757,940	382,610
Utilities and environment	6,604,740	1,152,790	1,149,150	(3,600)
Economic environment	1,449,460	3,353,190	3,080,790	(272,400)
Social services	249,480	764,990	560,420	(204,570)
Culture and recreation	8,854,470	8,558,890	8,533,570	(25,220)
Debt service:				
Administrative charges		27,010	27,010	-
Interest	24,000	80,830	68,410	(12,420)
Principal payments	240,220	2,508,680	-	(2,508,680)
Capital outlay:				
General government	16,360	192,190	109,710	(82,480)
Public safety	149,170	79,030	30,870	(48,160)
Culture and recreation	-	16,880	16,480	(400)
Social services	-	-	208,320	208,320
Total expenditures	<u>68,752,130</u>	<u>73,476,040</u>	<u>70,578,700</u>	<u>(2,897,220)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,134,810</u>	<u>1,271,740</u>	<u>4,388,350</u>	<u>3,116,610</u>
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	14,100	14,110	10
Transfers in	592,470	1,405,780	1,182,760	(223,020)
Transfers out	(6,845,880)	(7,225,510)	(6,739,770)	485,740
Gain(loss) on disposal of capital		230,740	243,400	12,660
Proceeds from refunding bond		2,306,270	2,306,270	-
Total other financing sources, uses and special items	<u>(6,253,410)</u>	<u>(5,805,630)</u>	<u>(2,993,230)</u>	<u>275,390</u>
Net change in fund balances	(1,118,600)	(4,533,890)	1,395,120	3,392,000
Restated fund balances -- beginning	<u>6,146,820</u>	<u>6,146,820</u>	<u>6,146,820</u>	<u>-</u>
Fund balances -- ending	<u>\$ 5,028,220</u>	<u>\$ 1,612,930</u>	<u>\$ 7,541,940</u>	<u>\$ 3,392,000</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 , 2020
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
<u>Employer's proportion of the net pension liability (asset)</u>	0.094548%	0.097637%	0.096921%	0.095323%	0.094658%	0.092117%
<u>Employer's proportionate share of the net pension liability (asset)</u>	\$ 3,338,055	\$ 3,754,489	\$ 4,328,525	\$ 4,523,151	\$ 5,083,581	\$ 4,818,576
TOTAL	\$ 3,338,055	\$ 3,754,489	\$ 4,328,525	\$ 4,523,151	\$ 5,083,581	\$ 4,818,576
<u>Covered payroll</u>	\$ 14,134,064	\$ 13,529,785	\$ 12,755,063	\$ 11,870,367	\$ 11,277,102	\$ 10,430,823
<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	23.62%	27.75%	33.94%	38.10%	45.08%	46.20%
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%

Notes to Schedule:

Valuation Date: June 30, 2019

Cost method: Entry Age Normal

Inflation: 2.75%

Salary Increase: 3.5%

Investment Rate of Return: 7.40 %

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates

** 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 , 2020
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
<u>Employer's proportion of the net pension liability (asset)</u>	0.119545%	0.123261%	0.120879%	0.119835%	0.118477%	0.116406%
<u>Employer's proportionate share of the net pension liability (asset)</u>	\$ 1,528,912	\$ 1,197,283	\$ 2,063,901	\$ 4,163,693	\$ 5,965,223	\$ 4,159,253
TOTAL	\$ 1,528,912	\$ 1,197,283	\$ 2,063,901	\$ 4,163,693	\$ 5,965,223	\$ 4,159,253
<u>Covered payroll</u>	<u>\$ 14,007,427</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>	10.92%	8.93%	16.34%	35.43%	53.41%	40.26%
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%

Notes to Schedule:

Valuation Date: June 30, 2019

Cost method: Entry Age Normal

Inflation: 2.75%

Salary Increase: 3.5%

Investment Rate of Return: 7.40 %

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates

** 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 , 2020
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
<u>Employer's proportion of the net pension liability (asset)</u>	0.101817%	0.102666%	0.102813%	0.101943%	0.104522%	0.105656%
<u>Employer's proportionate share of the net pension liability (asset)</u>	\$ (1,922,823)	\$ (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>	\$ (13,005,928)	\$ (13,726,185)	\$ (12,625,447)	\$ (10,461,838)	\$ (7,283,959)	\$ (8,613,165)
TOTAL	\$ (14,928,752)	\$ (15,755,492)	\$ (14,492,019)	\$ (12,008,538)	\$ (8,360,834)	\$ (9,886,553)
<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%	0.00%
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	146.88%	148.78%	144.42%	135.96%	123.74%	127.36%

Notes to Schedule:

Valuation Date: June 30, 2019

Cost method: Entry Age Normal

Inflation: 2.75%

Salary Increase: 3.5%

Investment Rate of Return: 7.40 %

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates

** 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 , 2020
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
<u>Employer's proportion of the net pension liability (asset)</u>	0.256457%	0.269990%	0.276442%	0.303723%	0.273693%	0.277581%
<u>Employer's proportionate share of the net pension liability (asset)</u>	\$ (5,231,348)	\$ (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>	\$ (3,345,051)	\$ (4,096,082)	\$ (3,633,907)	\$ (2,733,991)	\$ (1,037,790)	\$ (137,841)
TOTAL	\$ (8,576,399)	\$ (10,350,921)	\$ (9,246,282)	\$ (6,948,682)	\$ (2,629,671)	\$ (2,990,819)
<u>Covered payroll</u>	\$ 9,773,514	\$ 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%	0.00%
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	115.83%	119.43%	118.50%	113.36%	106.04%	111.67%

Notes to Schedule:

Valuation Date: June 30, 2019

Cost method: Entry Age Normal

Inflation: 2.75%

Salary Increase: 3.5%

Investment Rate of Return: 7.40 %

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates

** 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, 2020
Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Statutorily or contractually required contributions</u>	\$ 685,612	\$ 700,787	\$ 675,228	\$ 611,015	\$ 555,681	\$ 480,611	\$ 404,980	\$ 303,071	\$ 119,317	\$ 12,615
<u>Contributions in relation to the statutorily or contractually required contributions</u>	\$ (685,612)	\$ (700,787)	\$ (675,228)	\$ (611,015)	\$ (555,681)	\$ (480,611)	\$ (404,980)	\$ (303,071)	\$ (119,317)	\$ (12,615)
<u>Contribution deficiency (excess)</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Covered payroll</u>	\$ 14,099,397	\$ 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
<u>Contributions as a percentage of covered payroll</u>	4.86%	5.04%	5.13%	4.95%	4.83%	4.36%	4.09%	3.21%	1.30%	0.14%

Notes to Schedule:

Valuation Date: June 30, 2019

Cost method: Entry Age Normal

Inflation: 2.75%

Salary Increase: 3.5%

Investment Rate of Return: 7.40 %

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates

City of Walla Walla
Schedule of Employer Contributions
PERS 2/3
As of December 31, 2020
Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Statutorily or contractually required contributions</u>	\$ 1,107,034	\$ 1,058,819	\$ 978,142	\$ 827,402	\$ 709,084	\$ 602,117	\$ 488,418	\$ 440,889	\$ 528,487	\$ 526,811
<u>Contributions in relation to the statutorily or contractually required contributions</u>	\$ (1,107,034)	\$ (1,058,819)	\$ (978,142)	\$ (827,402)	\$ (709,084)	\$ (602,117)	\$ (488,418)	\$ (440,889)	\$ (528,487)	\$ (516,811)
<u>Contribution deficiency (excess)</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Covered payroll</u>	\$ 13,980,010	\$ 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
<u>Contributions as a percentage of covered payroll</u>	7.92%	7.69%	7.50%	6.77%	6.23%	5.52%	4.99%	4.75%	5.85%	5.93%

Notes to Schedule:

Valuation Date: June 30, 2019

Cost method: Entry Age Normal

Inflation: 2.75%

Salary Increase: 3.5%

Investment Rate of Return: 7.40 %

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates

City of Walla Walla
Schedule of Employer Contributions
LEOFF 2
As of December 31, 2020
Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Statutorily or contractually required contributions</u>	\$ 526,768	\$ 477,230	\$ 496,212	\$ 476,302	\$ 454,340	\$ 413,118	\$ 397,591	\$ 369,799	\$ 377,328	\$ 372,667
<u>Contributions in relation to the statutorily or contractually required contributions</u>	\$ (526,768)	\$ (477,230)	\$ (496,212)	\$ (476,302)	\$ (454,340)	\$ (413,118)	\$ (397,591)	\$ (369,799)	\$ (377,328)	\$ (372,667)
<u>Contribution deficiency (excess)</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Covered payroll</u>	\$ 10,200,330	\$ 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
<u>Contributions as a percentage of covered payroll</u>	5.16%	5.21%	5.28%	5.14%	5.05%	5.04%	5.05%	5.07%	5.08%	5.08%

Notes to Schedule:

Valuation Date: June 30, 2019

Cost method: Entry Age Normal

Inflation: 2.75%

Salary Increase: 3.5%

Investment Rate of Return: 7.40 %

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total pension liability										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A
Interest	65	89	84	87	87	89	N/A	N/A	N/A	N/A
Effect of plan changes	-	-	-	-	-	-	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	117	-	-	117	-	-	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	165	235	(97)	53	(55)	-	N/A	N/A	N/A	N/A
Benefit payments, including refunds of contributions	(194)	(132)	(180)	(185)	(173)	(167)	N/A	N/A	N/A	N/A
Net change in total pension liability	153	192	(193)	73	(141)	(78)	N/A	N/A	N/A	N/A
Total pension liability - beginning	2,493	2,301	2,494	2,421	2,562	2,640	N/A	N/A	N/A	N/A
Total pension liability - ending (a)	<u>\$ 2,647</u>	<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>
Plan fiduciary net position										
Contributions - employer	\$ 156	\$ 80	\$ 122	\$ 185	\$ 140	\$ 27	N/A	N/A	N/A	N/A
Contributions - state fire insurance premium tax	54	50	50	49	47	45	N/A	N/A	N/A	N/A
Investment income net of investment expense	-	-	-	-	-	-	N/A	N/A	N/A	N/A
Benefit payments, including refunds of contributions	(194)	(132)	(180)	(185)	(173)	(167)	N/A	N/A	N/A	N/A
Administrative expense	(12)	(3)	(12)	(3)	(12)	-	N/A	N/A	N/A	N/A
Net change in plan fiduciary net position	3	(5)	(20)	47	2	(95)	N/A	N/A	N/A	N/A
Plan fiduciary net position - beginning	82	88	108	61	59	154	N/A	N/A	N/A	N/A
Plan fiduciary net position - ending (b)	<u>86</u>	<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>
Net pension liability ending (a) - (b)	<u>\$ 2,561</u>	<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>
Plan fiduciary net position as a % of total pension liability (b)/(a)	3.24%	3.30%	3.81%	4.32%	2.53%	2.31%	N/A	N/A	N/A	N/A
Covered payroll	-	-	-	-	-	-	N/A	N/A	N/A	N/A
Net pension liability as a % of covered employee payroll	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, 2020

Measurement Date: December 31, 2020

Actuarial Cost Method: Entry Age Normal

Inflation: 2.25%

Salary Increases: 3.25%

Investment Rate of Return: 2.00%

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially/statutorily/contractually determined contribution	\$ 155,510	\$ 79,811	\$ 122,045	\$ 184,705	\$ 172,713
Actual contribution in relation to the above	\$ (155,510)	\$ (79,811)	\$ (122,045)	\$ (184,705)	\$ (172,713)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a % of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Valuation Date: January 1, 2020

Measurement Date: December 31, 2020

Actuarial Cost Method: Entry Age Normal

Inflation: 2.25%

Salary Increases: 3.25%

Investment Rate of Return: 2.00%

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)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Annual money-weighted rate of return, net of investment expense</u>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Valuation Date: January 1, 2020

Measurement Date: December 31, 2020

Actuarial Cost Method: Entry Age Normal

Inflation: 2.25%

Salary Increases: 3.25%

Investment Rate of Return: 2.00%

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, 2020
Last 10 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability - beginning	\$ 20,389,815	\$ 20,797,992	\$ 21,676,292
Service cost	-	-	-
Interest	693,927	784,605	757,571
Changes in benefit terms	-	-	-
Differences between expected and actual experience	798,003	(134,815)	(596,534)
Changes of assumptions	-	-	-
Benefit payments	(1,136,430)	(1,057,967)	(1,039,337)
Other changes	-	-	-
Total OPEB liability - ending	<u>\$ 20,745,315</u>	<u>\$ 20,389,815</u>	<u>\$ 20,797,992</u>
Covered payroll	-	-	-
Total OPEB liability as a % of covered payroll	-	-	-

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, 2020

Measurement Date: June 30, 2020

Actuarial Cost Method: Entry Age Normal

Medical Costs: Initial rate is about 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

Combining Financial Statements



NON-MAJOR GOVERNMENTAL FUNDS

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

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City of Walla Walla
Combining Governmental Balance Sheet
Nonmajor Governmental Funds
Summary by Fund Type
December 31, 2020

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental
ASSETS					
Cash and equivalents	\$ 2,655,704	\$ 670,554	\$ 3,563,987	\$ 28,918	\$ 6,919,165
Investments	608,813	-	608,813	-	1,217,625
Taxes receivables (net)	324,755	40,390	269,202	-	634,347
Other receivable (net)	85,993	23,682	777	-	110,452
Special assessments receivable	-	10,609	-	-	10,609
Due from other governments	83,711	-	-	-	83,711
Total assets	<u>\$ 3,758,976</u>	<u>\$ 745,235</u>	<u>\$ 4,442,779</u>	<u>\$ 28,918</u>	<u>\$ 8,975,909</u>
LIABILITIES					
Accounts payable	\$ 198,104	\$ -	\$ 131,822	\$ -	\$ 329,926
Other accrued liabilities	84,878	-	-	-	84,878
Interfund loans payable	397,874	5,848	-	-	403,722
Unearned revenue	212,236	-	-	-	212,236
Total liabilities	<u>893,092</u>	<u>5,848</u>	<u>131,822</u>	<u>-</u>	<u>1,030,762</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes	-	37,491	-	-	37,491
Special assessments	-	10,609	-	-	10,609
Total deferred inflow of resources	<u>-</u>	<u>48,100</u>	<u>-</u>	<u>-</u>	<u>48,100</u>
Total liabilities and deferred inflows of resources	<u>893,092</u>	<u>53,948</u>	<u>131,822</u>	<u>-</u>	<u>1,078,862</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	16,545	16,545
Restricted	1,443,475	658,408	4,310,957	-	6,412,840
Committed	1,422,411	38,107	-	-	1,460,518
Assigned	-	-	-	12,373	12,373
Unassigned	-	(5,228)	-	-	(5,228)
Total fund balances (deficits)	<u>\$ 2,865,886</u>	<u>\$ 691,287</u>	<u>\$ 4,310,957</u>	<u>\$ 28,918</u>	<u>\$ 7,897,048</u>
Total liabilities and fund balances (deficits)	<u>\$ 3,758,978</u>	<u>\$ 745,235</u>	<u>\$ 4,442,779</u>	<u>\$ 28,918</u>	<u>\$ 8,975,910</u>

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

City of Walla Walla
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Summary by Fund Type
For the Year Ended December 31, 2020

	Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental
REVENUES					
Taxes	\$ 1,275,552	\$ 1,550,763	\$ 1,469,290	\$ -	\$ 4,295,605
Licenses and permits	294,191	-	-	-	294,191
Intergovernmental revenues	807,332	-	-	-	807,332
Charges for goods and services	495,667	-	-	-	495,667
Miscellaneous revenues	160,960	27,764	46,180	158	235,062
Total revenues	<u>3,033,702</u>	<u>1,578,527</u>	<u>1,515,470</u>	<u>158</u>	<u>6,127,857</u>
EXPENDITURES					
Current:					
General Government	-	-	1,857	-	1,857
Public Safety	28,492	-	-	-	28,492
Transportation	3,599,828	-	181,961	-	3,781,789
Economic Development	1,127,310	-	-	-	1,127,310
Debt service:					
Administrative charges	-	4,335	-	-	4,335
Interest	1,628	430,455	9,000	-	441,083
Principal retirement	-	1,560,423	-	-	1,560,423
Capital outlay:					
Capital Public Safety	10,270	-	-	-	10,270
Capital Transportation	-	-	360,335	-	360,335
Total expenditures	<u>4,767,528</u>	<u>1,995,213</u>	<u>553,153</u>	<u>-</u>	<u>7,315,894</u>
Excess (deficiency) of revenues over expenditures	<u>(1,733,826)</u>	<u>(416,686)</u>	<u>962,317</u>	<u>158</u>	<u>(1,188,037)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from refunding bond	-	283,753	-	-	283,753
Transfers in	2,033,994	189,111	268,457	-	2,491,562
Transfers out	(315,591)	-	(14,892)	-	(330,483)
Total other financing sources (uses)	<u>1,718,403</u>	<u>472,864</u>	<u>253,565</u>	<u>-</u>	<u>2,444,832</u>
Net change in fund balances	(15,423)	56,178	1,215,882	158	1,256,795
Fund balances - beginning	2,881,309	635,109	3,095,075	28,760	6,640,253
Fund balances - ending	<u>\$ 2,865,886</u>	<u>\$ 691,287</u>	<u>\$ 4,310,957</u>	<u>\$ 28,918</u>	<u>\$ 7,897,048</u>

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

City of Walla Walla
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020

	Streets	REET	Housing	Lodging Tax	Tourism Promotion	Drug & Forfeitures	Code Enforcement	Cemetery	Total Nonmajor Special Revenue
ASSETS									
Cash and equivalents	\$ 873,562	\$ 905,096	\$ 62,338	\$ 115,723	\$ 31,893	\$ 425,257	\$ 175,694	\$ 66,141	\$ 2,655,704
Investments	152,203	-	-	-	-	101,486	50,751	304,373	608,813
Other receivable (net)	71,924	-	-	-	-	758	10,262	3,049	85,993
Taxes receivables (net)	92,989	122,416	-	76,441	32,909	-	-	-	324,755
Due from other governments	83,711	-	-	-	-	-	-	-	83,711
Total assets	<u>\$ 1,274,389</u>	<u>\$ 1,027,512</u>	<u>\$ 62,338</u>	<u>\$ 192,164</u>	<u>\$ 64,802</u>	<u>\$ 527,501</u>	<u>\$ 236,707</u>	<u>\$ 373,563</u>	<u>\$ 3,758,976</u>
LIABILITIES									
Accounts payable	\$ 41,836	\$ -	\$ -	\$ 83,378	\$ 64,802	\$ 8,089	\$ -	\$ -	\$ 198,104
Other accrued liabilities	84,878	-	-	-	-	-	-	-	84,878
Interfund loans payable	397,874	-	-	-	-	-	-	-	397,874
Unearned revenue	-	-	-	-	-	212,236	-	-	212,236
Total liabilities	<u>524,588</u>	<u>-</u>	<u>-</u>	<u>83,378</u>	<u>64,802</u>	<u>220,325</u>	<u>-</u>	<u>-</u>	<u>893,092</u>
DEFERRED INFLOWS OF RESOURCES									
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>524,588</u>	<u>-</u>	<u>-</u>	<u>83,378</u>	<u>64,802</u>	<u>220,325</u>	<u>-</u>	<u>-</u>	<u>893,092</u>
FUND BALANCES (DEFICITS)									
Restricted	-	1,027,513	-	108,786	-	307,176	-	-	1,443,475
Committed	749,803	-	62,338	-	-	-	236,707	373,563	1,422,411
Total fund balances (deficits)	<u>\$ 749,803</u>	<u>\$ 1,027,513</u>	<u>\$ 62,338</u>	<u>\$ 108,786</u>	<u>\$ -</u>	<u>\$ 307,176</u>	<u>\$ 236,707</u>	<u>\$ 373,563</u>	<u>\$ 2,865,886</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,274,391</u>	<u>\$ 1,027,513</u>	<u>\$ 62,338</u>	<u>\$ 192,164</u>	<u>\$ 64,802</u>	<u>\$ 527,501</u>	<u>\$ 236,707</u>	<u>\$ 373,563</u>	<u>\$ 3,758,978</u>

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

City of Walla Walla
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020

	Streets	REET	Housing	Lodging Tax	Tourism Promotion	Drug & Forfeitures	Code Enforcement	Cemetery	Total Nonmajor Special Revenue
REVENUES									
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	-	620,954	-	654,598	-	-	-	-	1,275,552
Licenses and permits	294,191	-	-	-	-	-	-	-	294,191
Intergovernmental revenues	807,332	-	-	-	-	-	-	-	807,332
Charges for goods and services	246,293	-	-	-	249,374	-	-	-	495,667
Miscellaneous revenues	51,304	2,651	340	1,089	243	93,397	2,420	9,516	160,960
Total revenues	<u>1,399,120</u>	<u>623,605</u>	<u>340</u>	<u>655,687</u>	<u>249,617</u>	<u>93,397</u>	<u>2,420</u>	<u>9,516</u>	<u>3,033,702</u>
EXPENDITURES									
Current:									
Public Safety	-	-	-	-	-	26,128	2,364	-	28,492
Transportation	3,599,828	-	-	-	-	-	-	-	3,599,828
Economic Development	-	-	-	877,693	249,617	-	-	-	1,127,310
Debt service:									
Interest	1,628	-	-	-	-	-	-	-	1,628
Capital outlay:									
Capital Public Safety	-	-	-	-	-	10,270	-	-	10,270
Total expenditures	<u>3,601,456</u>	<u>-</u>	<u>-</u>	<u>877,693</u>	<u>249,617</u>	<u>36,398</u>	<u>2,364</u>	<u>-</u>	<u>4,767,528</u>
Excess (deficiency) of revenues over expenditures	<u>(2,202,336)</u>	<u>623,605</u>	<u>340</u>	<u>(222,006)</u>	<u>-</u>	<u>56,999</u>	<u>56</u>	<u>9,516</u>	<u>(1,733,826)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	1,918,436	115,558	-	-	-	-	-	-	2,033,994
Transfers out	(52,898)	(127,693)	-	-	-	-	-	(135,000)	(315,591)
Total other financing sources (uses)	<u>1,865,538</u>	<u>(12,135)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(135,000)</u>	<u>1,718,403</u>
Net change in fund balances	(336,798)	611,470	340	(222,006)	-	56,999	56	(125,484)	(15,423)
Fund balances - beginning	1,086,601	416,043	61,998	330,792	-	250,177	236,651	499,047	2,881,309
Fund balances - ending	<u>\$ 749,803</u>	<u>\$ 1,027,513</u>	<u>\$ 62,338</u>	<u>\$ 108,786</u>	<u>\$ -</u>	<u>\$ 307,176</u>	<u>\$ 236,707</u>	<u>\$ 373,563</u>	<u>\$ 2,865,886</u>

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

City of Walla Walla
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2020

	Governmental Bonds	Govt Bonds - Voted Fire	Govt Bonds - Voted Police	Govt Bonds - Voted Pool	Abadie Street LID	LID Guaranty	Total Nonmajor Debt Service
ASSETS							
Cash and equivalents	\$ 2,794	\$ 193,846	\$ 362,225	\$ 75,756	\$ 620	\$ 35,313	\$ 670,554
Other receivable (net)	-	5,262	12,135	6,285	-	-	23,682
Taxes receivables (net)	-	9,203	20,910	10,277	-	-	40,390
Special assesments receivable	-	-	-	-	10,609	-	10,609
Total assets	<u>\$ 2,794</u>	<u>\$ 208,311</u>	<u>\$ 395,270</u>	<u>\$ 92,318</u>	<u>\$ 11,229</u>	<u>\$ 35,313</u>	<u>\$ 745,235</u>
LIABILITIES							
Interfund loans payable	\$ -	\$ -	\$ -	\$ -	\$ 5,848	\$ -	\$ 5,848
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,848</u>	<u>-</u>	<u>5,848</u>
DEFERRED INFLOWS OF RESOURCES							
Property taxes	-	8,558	19,420	9,512	-	-	37,491
Special assesments	-	-	-	-	10,609	-	10,609
Total deferred inflow of resources	<u>-</u>	<u>8,558</u>	<u>19,420</u>	<u>9,512</u>	<u>10,609</u>	<u>-</u>	<u>48,100</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>8,558</u>	<u>19,420</u>	<u>9,512</u>	<u>16,457</u>	<u>-</u>	<u>53,948</u>
FUND BALANCES (DEFICITS)							
Restricted	-	199,753	375,849	82,806	-	-	658,408
Committed	2,794	-	-	-	-	35,313	38,107
Unassigned	-	-	-	-	(5,228)	-	(5,228)
Total fund balances (deficits)	<u>\$ 2,794</u>	<u>\$ 199,753</u>	<u>\$ 375,849</u>	<u>\$ 82,806</u>	<u>\$ (5,228)</u>	<u>\$ 35,313</u>	<u>\$ 691,287</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,794</u>	<u>\$ 208,311</u>	<u>\$ 395,269</u>	<u>\$ 92,318</u>	<u>\$ 11,229</u>	<u>\$ 35,313</u>	<u>\$ 745,235</u>

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

City of Walla Walla
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2020

	Governmental Bonds	Govt Bonds - Voted Fire	Govt Bonds - Voted Police	Govt Bonds - Voted Pool	Abadie Street LID	LID Guaranty	Total Nonmajor Debt Service
REVENUES							
Taxes	\$ -	\$ 344,707	\$ 793,127	\$ 412,931	\$ -	\$ -	\$ 1,550,763
Miscellaneous revenues	-	1,293	2,655	634	23,182	-	27,764
Total revenues	<u>-</u>	<u>346,000</u>	<u>795,782</u>	<u>413,565</u>	<u>23,182</u>	<u>-</u>	<u>1,578,527</u>
EXPENDITURES							
Current:							
Debt service:							
Administrative charges	3,565	300	170	300	-	-	4,335
Interest	23,202	34,136	215,700	154,740	2,677	-	430,455
Principal retirement	445,423	295,000	580,000	240,000	-	-	1,560,423
Capital outlay:							
Total expenditures	<u>472,190</u>	<u>329,436</u>	<u>795,870</u>	<u>395,040</u>	<u>2,677</u>	<u>-</u>	<u>1,995,213</u>
Excess (deficiency) of revenues over expenditures	<u>(472,190)</u>	<u>16,564</u>	<u>(88)</u>	<u>18,525</u>	<u>20,505</u>	<u>-</u>	<u>(416,686)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	189,111	-	-	-	-	-	189,111
Proceeds from refunding bond	283,753	-	-	-	-	-	283,753
Total other financing sources (uses)	<u>472,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>472,864</u>
Net change in fund balances	674	16,564	(88)	18,525	20,505	-	56,178
Fund balances - beginning	2,120	183,190	375,937	64,281	(25,732)	35,313	635,109
Fund balances - ending	<u>\$ 2,794</u>	<u>\$ 199,753</u>	<u>\$ 375,849</u>	<u>\$ 82,806</u>	<u>\$ (5,228)</u>	<u>\$ 35,313</u>	<u>\$ 691,287</u>

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

City of Walla Walla
Combining Balance Sheet
Nonmajor Capital projects funds
December 31, 2020

	<u>General Construction</u>	<u>TBD Construction</u>	<u>Total Nonmajor Capital projects funds</u>
ASSETS			
Cash and equivalents	\$ -	\$ 3,563,987	\$ 3,563,987
Investments	-	608,813	608,813
Other receivable (net)	-	777	777
Taxes receivables (net)	-	269,202	269,202
Total assets	<u>\$ -</u>	<u>\$ 4,442,779</u>	<u>\$ 4,442,779</u>
LIABILITIES			
Accounts payable	\$ -	\$ 131,822	\$ 131,822
Total liabilities	<u>-</u>	<u>131,822</u>	<u>131,822</u>
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>131,822</u>	<u>131,822</u>
FUND BALANCES (DEFICITS)			
Restricted	-	4,310,957	4,310,957
Total fund balances (deficits)	<u>\$ -</u>	<u>\$ 4,310,957</u>	<u>\$ 4,310,957</u>
Total liabilities and fund balances (deficits)	<u>\$ -</u>	<u>\$ 4,442,779</u>	<u>\$ 4,442,779</u>

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

City of Walla Walla
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020

	General Construction	TBD Construction	Total Nonmajor Capital Projects
REVENUES			
Unassigned	\$ -	\$ -	\$ -
Taxes	-	1,469,290	1,469,290
Miscellaneous revenues	12,500	33,680	46,180
Total revenues	<u>12,500</u>	<u>1,502,970</u>	<u>1,515,470</u>
EXPENDITURES			
Current:			
General Government	1,857	-	1,857
Transportation	-	181,961	181,961
Debt service:			
Interest	9,000	-	9,000
Capital outlay:			
Capital Transportation	-	360,335	360,335
Total expenditures	<u>10,857</u>	<u>542,296</u>	<u>553,153</u>
Excess (deficiency) of revenues over expenditures	<u>1,643</u>	<u>960,674</u>	<u>962,317</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	254,000	14,457	268,457
Transfers out	(4,573)	(10,319)	(14,892)
Total other financing sources (uses)	<u>249,427</u>	<u>4,138</u>	<u>253,565</u>
Net change in fund balances	251,070	964,812	1,215,882
Fund balances - beginning	(251,070)	3,346,145	3,095,075
Fund balances - ending	<u>\$ -</u>	<u>\$ 4,310,956</u>	<u>\$ 4,310,957</u>

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

City of Walla Walla
Combining Balance Sheet
Nonmajor Permanent funds
December 31, 2020

	<u>Esther Eyrud Trust</u>	<u>Sherwood Library Trust</u>	<u>Total Nonmajor Permanent funds</u>
ASSETS			
Cash and equivalents	\$ 13,775	\$ 15,143	\$ 28,918
Total assets	<u>\$ 13,775</u>	<u>\$ 15,143</u>	<u>\$ 28,918</u>
LIABILITIES			
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable	3,000	13,545	16,545
Assigned	10,775	1,598	12,373
Total fund balances (deficits)	<u>\$ 13,775</u>	<u>\$ 15,143</u>	<u>\$ 28,918</u>
Total liabilities and fund balances (deficits)	<u>\$ 13,775</u>	<u>\$ 15,143</u>	<u>\$ 28,918</u>

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

City of Walla Walla
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
For the Year Ended December 31, 2020

	Esther Eyruad Trust	Sherwood Library Trust	Total Nonmajor Permanent
REVENUES			
Miscellaneous revenues	\$ 75	\$ 83	\$ 158
Total revenues	<u>75</u>	<u>83</u>	<u>158</u>
EXPENDITURES			
Current:			
Debt service:			
Capital outlay:			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>75</u>	<u>83</u>	<u>158</u>
OTHER FINANCING SOURCES (USES)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	75	83	158
Fund balances - beginning	13,700	15,060	28,760
Fund balances - ending	<u>\$ 13,775</u>	<u>\$ 15,143</u>	<u>\$ 28,918</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, 2020**

	2019-20 Biennial Budgeted Amounts		2019-20 Actuals	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Licenses and permits	\$ 630,400	\$ 618,500	\$ 598,910	\$ 19,590
Intergovernmental revenues*	1,595,280	1,743,100	1,746,730	\$ (3,630)
Charges for goods and services	509,600	627,790	604,560	\$ 23,230
Miscellaneous revenues	4,000	60,390	64,670	\$ (4,280)
Total revenues	<u>2,739,280</u>	<u>3,049,780</u>	<u>3,014,870</u>	<u>34,910</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Utilities and environment	-	-	-	-
Transportation	5,968,370	7,061,230	6,779,170	(282,060)
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Social services	-	-	-	-
Debt service:				
Interest	5,110	11,230	3,540	(7,690)
Total expenditures	<u>5,973,480</u>	<u>7,072,460</u>	<u>6,782,710</u>	<u>(289,750)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,234,200)</u>	<u>(4,022,680)</u>	<u>(3,767,840)</u>	<u>324,660</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,177,020	3,632,220	3,620,980	(11,240)
Transfers out	(432,000)	(377,580)	(350,180)	-
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>3,277,390</u>	<u>3,293,550</u>	<u>(11,240)</u>
Net change in fund balances	<u>(489,180)</u>	<u>(745,290)</u>	<u>(474,290)</u>	<u>313,420</u>
Fund balances -- beginning	<u>1,224,090</u>	<u>1,224,090</u>	<u>1,224,090</u>	<u>-</u>
Fund balances -- ending	<u>\$ 734,910</u>	<u>\$ 478,800</u>	<u>\$ 749,800</u>	<u>\$ 313,420</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, 2020

	2019-20 Biennial Budgeted Amounts		2019-20 Actuals	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Other tax	\$ 900,000	\$ 1,023,500	\$ 1,133,510	\$ 110,010
Miscellaneous revenues	4,000	5,600	7,060	1,460
Total revenues	<u>904,000</u>	<u>1,029,100</u>	<u>1,140,570</u>	<u>111,470</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>904,000</u>	<u>1,029,100</u>	<u>1,140,570</u>	<u>111,470</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	115,560	115,560	-
Transfers out	(772,700)	(412,700)	(412,700)	-
Proceeds from disposal of capital assets	-	-	-	-
Total other financing sources, uses and special items	<u>(772,700)</u>	<u>(297,140)</u>	<u>(297,140)</u>	<u>-</u>
Net change in fund balances	131,300	731,960	843,430	111,470
Fund balances -- beginning	<u>184,080</u>	<u>184,080</u>	<u>184,080</u>	<u>-</u>
Fund balances -- ending	<u>\$ 315,380</u>	<u>\$ 916,040</u>	<u>\$ 1,027,510</u>	<u>\$ 111,470</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, 2020

	2019-20 Biennial Budgeted Amounts		2019-20 Actuals	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Miscellaneous revenues	\$ 2,000	\$ 2,000	\$ 1,810	\$ (190)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>1,810</u>	<u>(190)</u>
EXPENDITURES				
Current:				
Economic environment	200	28,130	25,060	(3,070)
Total expenditures	<u>200</u>	<u>28,130</u>	<u>25,060</u>	<u>(3,070)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,800</u>	<u>(26,130)</u>	<u>(23,250)</u>	<u>2,880</u>
Net change in fund balances	1,800	(26,130)	(23,250)	2,880
Fund balances -- beginning	<u>85,590</u>	<u>85,590</u>	<u>85,590</u>	<u>-</u>
Fund balances -- ending	<u><u>\$ 87,390</u></u>	<u><u>\$ 59,460</u></u>	<u><u>\$ 62,340</u></u>	<u><u>\$ 2,880</u></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, 2020**

	2019-20 Biennial Budgeted Amounts		2019-20 Actuals	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Sales tax*	\$ 2,091,000	\$ 1,849,040	\$ 1,737,130	\$ (111,910)
Miscellaneous revenues	2,300	3,300	4,010	710
Total revenues	<u>2,093,300</u>	<u>1,852,340</u>	<u>1,741,140</u>	<u>(111,200)</u>
EXPENDITURES				
Current:				
Economic environment	2,032,000	1,932,530	1,905,480	(27,050)
Culture and recreation	-	-	-	-
Total expenditures	<u>2,032,000</u>	<u>1,932,530</u>	<u>1,905,480</u>	<u>(27,050)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>61,300</u>	<u>(80,190)</u>	<u>(164,340)</u>	<u>(84,150)</u>
Net change in fund balances	61,300	(80,190)	(164,340)	(84,150)
Fund balances -- beginning	<u>273,120</u>	<u>273,120</u>	<u>273,120</u>	<u>-</u>
Fund balances -- ending	<u>\$ 334,420</u>	<u>\$ 192,930</u>	<u>\$ 108,780</u>	<u>\$ (84,150)</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, 2020

	2019-20 Biennial Budgeted Amounts		2019-20 Actuals	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Other tax*	\$ 720,000	\$ 620,000	\$ 607,510	\$ (12,490)
Miscellaneous revenues*	120	120	820	700
Total revenues	<u>720,120</u>	<u>620,120</u>	<u>608,330</u>	<u>(11,790)</u>
EXPENDITURES				
Current:				
Economic environment*	704,520	605,770	608,330	2,560
Total expenditures	<u>704,520</u>	<u>605,770</u>	<u>608,330</u>	<u>2,560</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,600</u>	<u>14,350</u>	<u>-</u>	<u>(14,350)</u>
Net change in fund balances	15,600	14,350	-	(14,350)
Fund balances -- beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances -- ending	<u>\$ 15,600</u>	<u>\$ 14,350</u>	<u>\$ -</u>	<u>\$ (14,350)</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, 2020**

	2019-20 Biennial Budgeted Amounts		2019-20 Actuals	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Fines and forfeits	\$ 18,000	\$ 64,000	\$ 78,640	\$ 14,640
Miscellaneous revenues	62,200	64,200	36,230	(27,970)
Total revenues	<u>80,200</u>	<u>128,200</u>	<u>114,870</u>	<u>(13,330)</u>
EXPENDITURES				
Current:				
Public safety	63,470	60,850	47,160	(13,690)
Capital outlay:				
Public safety	32,000	25,270	10,270	(15,000)
Total expenditures	<u>95,470</u>	<u>86,120</u>	<u>57,430</u>	<u>(28,690)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,270)</u>	<u>42,080</u>	<u>57,440</u>	<u>15,360</u>
OTHER FINANCING SOURCES (USES)				
Custodial Activities	-	-	8,530	8,530
Total other financing sources, uses and special items	-	-	8,530	8,530
Net change in fund balances	(15,270)	42,080	65,970	23,890
Fund balances -- beginning	<u>241,210</u>	<u>241,210</u>	<u>241,210</u>	<u>-</u>
Fund balances -- ending	<u>\$ 225,940</u>	<u>\$ 283,290</u>	<u>\$ 307,180</u>	<u>\$ 23,890</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, 2020

	2019-20 Biennial Budgeted Amounts		2019-20 Actuals	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Miscellaneous revenues	\$ 600	\$ 3,660	\$ (8,950)	\$ (12,610)
Total revenues	<u>600</u>	<u>3,660</u>	<u>(8,950)</u>	<u>(12,610)</u>
EXPENDITURES				
Current:				
Public safety	16,040	16,040	4,920	(11,120)
Utilities and environment	-	-	-	-
Total expenditures	<u>16,040</u>	<u>16,040</u>	<u>4,920</u>	<u>(11,120)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,440)</u>	<u>(12,380)</u>	<u>(13,870)</u>	<u>1,490</u>
OTHER FINANCING SOURCES (USES)				
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)	(13,870)	(1,490)
Fund balances -- beginning	<u>250,570</u>	<u>250,570</u>	<u>250,570</u>	<u>-</u>
Fund balances -- ending	<u><u>\$ 235,130</u></u>	<u><u>\$ 238,190</u></u>	<u><u>\$ 236,700</u></u>	<u><u>\$ (1,490)</u></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, 2020**

	2019-20 Biennial Budgeted Amounts		2019-20 Actuals	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for goods and services	-	-	(150)	\$ (150)
Fines and forfeits	-	-	-	-
Miscellaneous revenues	2,000	18,160	25,290	7,130
Total revenues	<u>2,000</u>	<u>18,160</u>	<u>25,140</u>	<u>6,980</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>2,000</u>	<u>18,160</u>	<u>25,140</u>	<u>6,980</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(270,000)	(270,000)	(270,000)	-
Total other financing sources, uses and special items	<u>(270,000)</u>	<u>(270,000)</u>	<u>(270,000)</u>	<u>-</u>
Net change in fund balances	(268,000)	(251,840)	(244,860)	6,980
Fund balances -- beginning	618,420	618,420	618,420	-
Fund balances -- ending	<u>\$ 350,420</u>	<u>\$ 366,580</u>	<u>\$ 373,560</u>	<u>\$ 6,980</u>

Figures are rounded to the nearest ten dollars.

NON-MAJOR ENTERPRISE FUNDS

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

CONTENTS

Enterprise Funds

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

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Internal Service Funds

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

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City of Walla Walla
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2020

	Golf Course	Stormwater	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Cash and equivalents	\$ 22,621	\$ 1,918,409	\$ 1,941,030
Investments	-	355,141	355,141
Other receivable (net)	5,399	203,855	209,254
Due from other governments	-	152,468	152,468
Total current assets	<u>28,020</u>	<u>2,629,873</u>	<u>2,657,893</u>
Noncurrent assets:			
Land	38,508	16,907	55,415
Construction in progress	-	179,580	179,580
Buildings and structures (net)	345,314	-	345,314
Other improvements (net)	735,341	126,001	861,341
Machinery and equipment (net)	4,971	6,539	11,510
Infrastructure (net)	<u>245,599</u>	<u>7,235,805</u>	<u>7,481,404</u>
Total noncurrent assets	<u>1,369,733</u>	<u>7,564,832</u>	<u>8,934,564</u>
Total assets	<u>1,397,753</u>	<u>10,194,705</u>	<u>11,592,457</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on pensions	-	37,866	37,866
Total deferred outflows of resources	-	<u>37,866</u>	<u>37,866</u>
Total assets and deferred outflows of resources	<u>\$ 1,397,753</u>	<u>\$ 10,232,571</u>	<u>\$ 11,630,323</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,977	82,837	84,815
Other accrued liabilities	153	63,214	63,367
Interfund loans payable	47,707	-	47,707
Compensated absences	-	27,375	27,375
Current portion long term debt	21,725	-	21,725
Total current liabilities	<u>71,562</u>	<u>173,426</u>	<u>244,989</u>
Noncurrent liabilities:			
Compensated absences	-	15,752	15,752
Net pension liability	-	116,704	116,704
Long term debt	67,461	-	67,461
Interfund loans payable	<u>164,724</u>	<u>-</u>	<u>164,724</u>
Total noncurrent liabilities	<u>232,185</u>	<u>132,456</u>	<u>364,641</u>
Total liabilities	<u>303,747</u>	<u>305,882</u>	<u>609,630</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on pensions	-	34,016	34,016
Total deferred inflows of resources	-	<u>34,016</u>	<u>34,016</u>
Total liabilities and deferred inflows of resources	<u>303,747</u>	<u>339,898</u>	<u>643,646</u>
NET POSITION			
Net investment in capital assets	1,280,546	7,553,529	8,834,076
Restricted for:			
Debt Service	1,964	-	1,964
Unrestricted	<u>(188,505)</u>	<u>2,339,143</u>	<u>2,150,637</u>
Total net position	<u>\$ 1,094,005</u>	<u>\$ 9,892,672</u>	<u>\$ 10,986,677</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 Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2020

	Golf Course	Stormwater	Total Nonmajor Enterprise
OPERATING REVENUES			
Charges for goods and services	\$ 28,309	\$ 2,853,325	\$ 2,881,634
Miscellaneous revenues	74,554	-	74,554
Total operating revenues	<u>102,863</u>	<u>2,853,325</u>	<u>2,956,188</u>
OPERATING EXPENSES			
Depreciation	59,818	140,225	200,043
Salaries and wages	-	344,740	344,740
Personnel benefits	-	157,967	157,967
Supplies	-	38,547	38,547
Services and charges	86,459	1,595,957	1,682,416
Total operating expenses	<u>146,277</u>	<u>2,277,436</u>	<u>2,423,713</u>
Operating income (loss)	<u>(43,414)</u>	<u>575,889</u>	<u>532,475</u>
NONOPERATING REVENUES (EXPENSES)			
Miscellaneous revenues	-	4,290	4,290
Debt service - interest	(12,960)	-	(12,960)
Total nonoperating revenues (expenses)	<u>(12,960)</u>	<u>4,290</u>	<u>(8,670)</u>
Income (loss) before contributions and transfers	<u>(56,374)</u>	<u>580,179</u>	<u>523,805</u>
Capital contributions	-	538,707	538,707
Transfers in	75,000	5,711	80,711
Change in net position	<u>18,626</u>	<u>1,124,597</u>	<u>1,143,223</u>
Total net position - beginning	<u>1,075,379</u>	<u>8,768,075</u>	<u>9,843,454</u>
Total net position - ending	<u>\$ 1,094,005</u>	<u>\$ 9,892,672</u>	<u>\$ 10,986,677</u>

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

City of Walla Walla
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2020

	Golf Course	Stormwater	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ 102,863	\$ 2,829,087	\$ 2,931,950
Payments to employees	-	(522,478)	(522,478)
Payments to suppliers	(7,851)	(805,746)	(813,597)
Payments due to other funds	(79,132)	(835,687)	(914,819)
Net cash provided (used) by operating activities	<u>15,880</u>	<u>665,175</u>	<u>681,056</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds from grants and contributions	-	(28,008)	(28,008)
Proceeds (repayments) from interfund loan	(45,651)	-	(45,651)
Transfers in and out of other funds	75,000	5,711	80,711
Net cash provided (used) by noncapital financing activities	<u>29,349</u>	<u>(22,297)</u>	<u>7,052</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital grants and contributions	-	538,707	538,707
Purchase of capital assets	-	(867,668)	(867,668)
Construction retainage paid	-	(1,413)	(1,413)
Principal paid on capital debt	(20,251)	-	(20,251)
Interest paid on capital debt	(12,995)	-	(12,995)
Net cash provided (used) by capital and related financing activities	<u>(33,246)</u>	<u>(330,374)</u>	<u>(363,620)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase and sale of investments	-	46,942	46,942
Interest	-	4,290	4,290
Net cash provided (used) by investing activities	<u>-</u>	<u>51,232</u>	<u>51,232</u>
Net increase (decrease) in cash and equivalents	11,983	363,736	375,720
Cash - January 1	10,638	1,554,672	1,565,310
Cash - December 31	<u>\$ 22,621</u>	<u>\$ 1,918,409</u>	<u>\$ 1,941,030</u>

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

Operating income (loss)	\$ (43,414)	\$ 575,889	\$ 532,475
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	59,818	140,225	200,043
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	(37,208)	(37,208)
(Increase) decrease in due from other governments	-	14,229	14,229
Increase (decrease) in accounts payable	(524)	(8,188)	(8,712)
Increase (decrease) in payroll payable	-	9,591	9,591
Increase (decrease) in compensated absences payable	-	10,204	10,204
Increase (decrease) in pension adjustment	-	(39,567)	(39,567)
Net cash provided (used) by operating activities	<u>\$ 15,880</u>	<u>\$ 665,175</u>	<u>\$ 681,056</u>

Noncash investing, capital and financing activities increase (decrease) in fair value of investments

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

City of Walla Walla
Combining Statement of Net Position
Internal Service Funds
December 31, 2020

	Fleet Services	Vehicle Replacement	Emergency Communication	Service Center	Health Insurance	Industrial Insurance	Total Nonmajor Internal Service
ASSETS							
Current assets:							
Cash and equivalents	\$ 161,523	\$ 6,062,039	\$ 1,278,547	\$ 222,365	\$ 659,258	\$ 181,350	\$ 8,565,082
Investments	-	3,236,707	596,167	101,469	-	-	3,934,343
Other receivable (net)	-	-	18,948	-	-	-	18,948
Due from other governments	-	-	42,753	-	-	-	42,753
Interfund loans receivable	-	1,494,384	-	-	-	-	1,494,384
Inventories	51,370	-	-	-	-	-	51,370
Total current assets	<u>212,893</u>	<u>10,793,130</u>	<u>1,936,415</u>	<u>323,834</u>	<u>659,258</u>	<u>181,350</u>	<u>14,106,880</u>
Noncurrent assets:							
Land	-	-	-	135,600	-	-	135,600
Buildings and structures (net)	-	-	-	2,289,266	-	-	2,289,266
Machinery and equipment (net)	90,223	7,802,547	-	28,216	-	-	7,920,986
Infrastructure (net)	-	-	-	55,229	-	-	55,229
Intangibles (net)	-	23,035	-	-	-	-	23,035
Total noncurrent assets	<u>90,223</u>	<u>7,825,582</u>	<u>-</u>	<u>2,508,311</u>	<u>-</u>	<u>-</u>	<u>10,424,116</u>
Total assets	<u>303,116</u>	<u>18,618,712</u>	<u>1,936,415</u>	<u>2,832,145</u>	<u>659,258</u>	<u>181,350</u>	<u>24,530,996</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows on pensions	34,815	7,304	122,619	7,207	-	-	171,945
Total deferred outflows of resources	<u>34,815</u>	<u>7,304</u>	<u>122,619</u>	<u>7,207</u>	<u>-</u>	<u>-</u>	<u>171,945</u>
Total assets and deferred outflows of resources	<u>\$ 337,931</u>	<u>\$ 18,626,016</u>	<u>\$ 2,059,034</u>	<u>\$ 2,839,352</u>	<u>\$ 659,258</u>	<u>\$ 181,350</u>	<u>\$ 24,702,941</u>
LIABILITIES							
Current liabilities:							
Accounts payable	20,383	-	12,219	12,391	24,560	81,682	151,235
Other accrued liabilities	28,317	5,623	105,952	6,763	-	-	146,655
Industrial insurance claims	-	-	-	-	-	74,937	74,937
Total current liabilities	<u>48,700</u>	<u>5,623</u>	<u>118,171</u>	<u>19,154</u>	<u>24,560</u>	<u>156,619</u>	<u>372,827</u>
Noncurrent liabilities:							
Industrial insurance claims	-	-	-	-	-	499,581	499,581
Compensated absences	34,538	5,702	128,865	2,482	-	-	171,587
Net pension liability	107,301	22,512	377,920	22,213	-	-	529,946
Total noncurrent liabilities	<u>141,839</u>	<u>28,214</u>	<u>506,785</u>	<u>24,695</u>	<u>-</u>	<u>499,581</u>	<u>1,201,114</u>
Total liabilities	<u>190,539</u>	<u>33,837</u>	<u>624,956</u>	<u>43,849</u>	<u>24,560</u>	<u>656,200</u>	<u>1,573,941</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows on pensions	31,275	6,562	110,152	6,474	-	-	154,463
Total deferred inflows of resources	<u>31,275</u>	<u>6,562</u>	<u>110,152</u>	<u>6,474</u>	<u>-</u>	<u>-</u>	<u>154,463</u>
Total liabilities and deferred inflows of resources	<u>221,814</u>	<u>40,399</u>	<u>735,108</u>	<u>50,323</u>	<u>24,560</u>	<u>656,200</u>	<u>1,728,404</u>
NET POSITION							
Net investment in capital assets	90,223	7,825,582	-	2,508,310	-	-	10,424,115
Restricted for:							
Unrestricted	25,895	10,760,036	1,323,926	280,718	634,698	(474,849)	12,550,424
Total net position	<u>\$ 116,118</u>	<u>\$ 18,585,618</u>	<u>\$ 1,323,926</u>	<u>\$ 2,789,028</u>	<u>\$ 634,698</u>	<u>\$ (474,849)</u>	<u>\$ 22,974,539</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, 2020

	Fleet Services	Vehicle Replacement	Emergency Communication	Service Center	Health Insurance	Industrial Insurance	Total Nonmajor Internal Service
OPERATING REVENUES							
Intergovernmental revenues	\$ -	\$ -	\$ 665,324	\$ -	\$ -	\$ -	\$ 665,324
Charges for goods and services	-	-	660,020	-	-	-	660,020
Miscellaneous revenues	148	-	13,799	-	286	-	14,233
Interfund charges	1,447,966	1,892,465	1,101,254	298,714	6,222,478	582,194	11,545,071
Total operating revenues	<u>1,448,114</u>	<u>1,892,465</u>	<u>2,440,397</u>	<u>298,714</u>	<u>6,222,764</u>	<u>582,194</u>	<u>12,884,648</u>
OPERATING EXPENSES							
Depreciation	8,100	1,008,263	-	88,127	-	-	1,104,490
Salaries and wages	313,156	65,201	1,104,976	64,335	-	-	1,547,668
Personnel benefits	140,964	18,441	504,541	26,682	-	-	690,628
Supplies	809,963	5,487	14,403	9,692	2,336	-	841,881
Services and charges	302,373	115,310	539,064	343,156	6,206,957	871,599	8,378,459
Total operating expenses	<u>1,574,556</u>	<u>1,212,702</u>	<u>2,162,984</u>	<u>531,992</u>	<u>6,209,293</u>	<u>871,599</u>	<u>12,563,126</u>
Operating income (loss)	<u>(126,442)</u>	<u>679,763</u>	<u>277,413</u>	<u>(233,278)</u>	<u>13,471</u>	<u>(289,405)</u>	<u>321,522</u>
NONOPERATING REVENUES (EXPENSES)							
Miscellaneous revenues	-	109,900	25,374	949	-	-	136,223
Gain(loss) on disposal of capital	-	72,126	-	-	-	-	72,126
Total nonoperating revenues (expenses)	<u>-</u>	<u>182,026</u>	<u>25,374</u>	<u>949</u>	<u>-</u>	<u>-</u>	<u>208,349</u>
Income (loss) before contributions and transfers	<u>(126,442)</u>	<u>861,789</u>	<u>302,787</u>	<u>(232,329)</u>	<u>13,471</u>	<u>(289,405)</u>	<u>529,871</u>
Transfers in	3,966	-	18,766	1,071	-	-	23,803
Transfers out	-	(92,470)	-	(22,585)	(324,359)	-	(439,414)
Change in net position	<u>(122,476)</u>	<u>769,319</u>	<u>321,553</u>	<u>(253,843)</u>	<u>(310,888)</u>	<u>(289,405)</u>	<u>114,260</u>
Total net position - beginning	238,594	17,816,299	1,002,373	3,042,870	945,586	(185,445)	22,860,277
Total net position - ending	<u>\$ 116,118</u>	<u>\$ 18,585,618</u>	<u>\$ 1,323,926</u>	<u>\$ 2,789,028</u>	<u>\$ 634,698</u>	<u>\$ (474,849)</u>	<u>\$ 22,974,537</u>

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

City of Walla Walla
Statement of Cash Flows
Internal service funds
For the Year Ended December 31, 2020

	Dispatch	Service Center	Fleet Services	Vehicle Replacement	Health Insurance	Industrial Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash receipts from customers	\$ 718,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 718,340
Cash from interfund services	1,101,254	298,714	1,447,966	1,892,465	6,222,478	582,194	11,545,071
Cash from other	665,347	-	148	-	286	-	665,781
Payments to employees	(1,701,076)	(97,665)	(474,281)	(86,863)	-	-	(2,359,885)
Payments to suppliers	(316,355)	(303,658)	(894,415)	(6,941)	(6,207,848)	(822,345)	(8,551,562)
Payments to others	-	-	-	-	-	215,937	215,937
Payments due to other funds	(247,659)	(65,217)	(184,061)	(115,310)	-	-	(612,247)
Net cash provided (used) by operating activities	219,850	(167,826)	(104,643)	1,683,351	14,916	(24,214)	1,621,435
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Proceeds from grants and contributions	(42,636)	-	-	-	-	-	(42,636)
Transfers in and out of other funds	18,766	(21,514)	3,966	(92,470)	(324,359)	-	(415,611)
Net cash provided (used) by noncapital financing activities	(23,870)	(21,514)	3,966	(92,470)	(324,359)	-	(458,247)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds of sale of capital assets	-	-	-	75,344	-	-	75,344
Purchase of capital assets	-	149,996	-	(708,991)	-	-	(558,995)
Net cash provided (used) by capital and related financing activities	-	149,996	-	(633,647)	-	-	(483,651)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase and sale of investments	207,997	-	-	783,571	-	-	991,568
Interfund loans issuance	-	-	-	(997,874)	-	-	(997,874)
Interfund loan repayment	-	-	-	2,989,181	-	-	2,989,181
Interest	25,893	-	-	109,900	-	-	135,793
Net cash provided (used) by investing activities	233,890	-	-	2,884,778	-	-	3,118,668
Net increase (decrease) in cash and equivalents	429,870	(39,344)	(100,677)	3,842,012	(309,443)	(24,214)	3,798,205
Cash - January 1	848,794	261,707	262,200	2,220,027	968,702	205,564	4,766,994
Cash - December 31	\$ 1,278,664	\$ 222,363	\$ 161,523	\$ 6,062,039	\$ 659,259	\$ 181,350	\$ 8,565,199
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 277,413	\$ (233,278)	\$ (126,442)	\$ 679,763	\$ 13,471	\$ (289,405)	\$ 321,522
	\$ -						
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	-	88,127	8,100	1,008,263	-	-	1,104,490
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	44,543	-	-	-	-	-	44,543
(Increase) decrease in inventory	-	-	22,599	-	-	-	22,599
Increase (decrease) in accounts payable	(10,178)	(16,027)	13,744	(1,454)	1,444	74,122	61,651
Increase (decrease) in payroll payable	4,484	484	271	501	-	(24,869)	(19,129)
Increase (decrease) in other payables	-	-	-	-	-	215,937	215,937
Increase (decrease) in compensated absences payable	12,698	(487)	3,774	2,023	-	-	18,008
Increase (decrease) in pension adjustment	(109,111)	(6,645)	(26,690)	(5,745)	-	-	(148,191)
Net cash provided (used) by operating activities	\$ 219,850	\$ (167,826)	\$ (104,643)	\$ 1,683,351	\$ 14,915	\$ (24,215)	\$ 1,621,430

No noncash investing, capital and financing activities increase (decrease) in fair value of investments

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



Statistical Information



STATISTICAL SECTION

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

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Financial Trends	144
<i>These schedules contain trend information to help the reader understand how the government’s financial performance and well being have changed over time.</i>	
Revenue Capacity	147
<i>These schedules contain information to help the reader assess the government’s most significant local revenue sources: sales tax, property tax, and utility fees.</i>	
Debt Capacity	152
<i>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information	154
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	
Operating Information	155
<i>These schedules offer operating data to help the reader understand how the information in the government’s financial report relates to the services it provides and the activities it performs.</i>	

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017⁽³⁾</u>	<u>2016⁽²⁾</u>	<u>2014⁽¹⁾</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities:									
Net investment in capital assets	\$ 73,397,171	\$ 70,312,287	\$ 67,026,138	\$ 64,520,591	\$ 60,448,138	\$ 50,450,335	\$ 48,599,279	\$ 43,184,306	\$ 42,962,010
Restricted	7,174,805	5,405,550	4,108,715	2,913,694	2,439,934	4,817,377	1,099,874	916,071	185,616
Unrestricted	(6,237,566)	(9,509,581)	(10,586,468)	(14,599,555)	(3,832,806)	(248,231)	10,367,238	10,560,920	9,513,398
Total governmental activities net position	<u>\$ 74,334,410</u>	<u>\$ 66,208,256</u>	<u>\$ 60,548,385</u>	<u>\$ 52,834,730</u>	<u>\$ 59,055,266</u>	<u>\$ 55,019,481</u>	<u>\$ 60,066,391</u>	<u>\$ 54,661,297</u>	<u>\$ 52,661,024</u>
Business-type activities:									
Net investment in capital assets	\$ 105,019,760	\$ 98,896,348	\$ 97,877,415	\$ 98,684,992	\$ 97,729,792	\$ 77,617,386	\$ 69,213,933	\$ 60,384,997	\$ 58,492,182
Restricted	6,173,829	621,356	599,311	-	487,285	964,209	-	-	-
Unrestricted	32,046,705	36,034,938	31,290,468	19,649,752	17,622,292	19,655,037	24,575,368	27,147,834	25,650,225
Total business-type activities net position	<u>\$ 143,240,294</u>	<u>\$ 135,552,642</u>	<u>\$ 129,767,194</u>	<u>\$ 118,334,744</u>	<u>\$ 115,839,369</u>	<u>\$ 98,236,632</u>	<u>\$ 93,789,301</u>	<u>\$ 87,532,831</u>	<u>\$ 84,142,407</u>
Primary government:									
Net investment in capital assets	\$ 178,416,931	\$ 169,208,635	\$ 164,903,553	\$ 163,205,583	\$ 158,177,930	\$ 128,067,721	\$ 117,813,212	\$ 103,569,303	\$ 101,454,192
Restricted	13,348,634	6,026,906	4,708,026	2,913,694	2,927,219	5,781,586	1,099,874	916,071	185,616
Unrestricted	25,809,139	26,525,357	20,704,000	5,050,197	13,789,486	19,406,806	34,942,606	37,708,754	35,163,623
Total primary government net position	<u>\$ 217,574,704</u>	<u>\$ 201,760,898</u>	<u>\$ 190,315,579</u>	<u>\$ 171,169,474</u>	<u>\$ 174,894,635</u>	<u>\$ 153,256,113</u>	<u>\$ 153,855,692</u>	<u>\$ 142,194,128</u>	<u>\$ 136,803,431</u>

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

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

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

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
General government	\$ 6,635,318	\$ 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
Public safety	17,220,039	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
Utilities and environment	373,425	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
Transportation	7,248,252	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
Economic environment	3,454,018	2,084,013	2,145,950	2,085,639	956,150	903,984	1,124,963	1,078,669	42,813	556,503
Culture and recreation	4,286,255	4,335,497	4,600,347	4,618,624	4,775,959	4,527,730	4,079,993	4,044,217	3,328,714	3,746,226
Social services	343,200	228,767	149,626	155,435	4,438.00	-	-	-	-	-
Interest on long term debt	522,798	538,006	533,032	553,079	1,395,231	764,303	730,005	803,031	794,914	805,229
Total governmental activities:	\$ 40,083,305	\$ 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
Business-type activities:										
Ambulance	4,323,094	\$ 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
Golf course	135,116	149,187	132,487	154,029	139,180	132,078	147,287	512,335	110,774	120,667
Landfill	4,345,332	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
Sanitation	6,111,332	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
Stormwater	19,526,978	2,257,118	1,974,405	2,052,231	1,660,551	1,386,959	1,429,072	1,289,337	929,937	992,083
Water/Wastewater	2,256,666	4,335,497	4,600,347	4,618,624	4,775,959	4,527,730	4,079,993	4,044,217	3,328,714	3,746,226
Total business-type activities	\$ 36,698,518	\$ 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
Total primary government expenses	\$ 76,781,823	\$ 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
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,504,960	\$ 788,167	\$ 773,343	\$ 870,356	\$ 808,410	\$ 781,841	\$ 806,195	\$ 682,342	\$ 343,963	\$ 337,511
Public safety	1,469,781	919,738	606,831	566,867	440,910	479,993	505,368	393,438	555,043	392,982
Utilities and environment	359,234	2,358,620	2,378,726	2,133,538	1,914,108	1,895,266	1,672,321	1,476,872	1,154,359	1,271,038
Transportation	596,618	376,306	308,820	244,820	222,892	290,863	301,418	333,424	423,855	372,657
Economic environment	756,830	1,075,630	1,371,647	1,174,266	1,017,476	1,144,181	845,115	750,045	603,117	706,241
Culture and recreation	329,337	1,004,994	858,236	720,504	317,856	462,868	345,820	324,117	327,561	322,203
Operating grants and contributions	5,397,431	3,730,982	4,212,541	3,334,437	987,587	1,075,661	372,574	772,500	1,001,284	634,047
Capital grants and contributions	5,710,813	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
Total governmental activities program revenue	\$ 17,115,004	\$ 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
Business-type activities:										
Charges for services:										
Ambulance	\$ 1,259,428	\$ 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
Golf course	102,863	98,437	78,690	73,948	75,304	104,306	90,736	270,250	76,060	73,510
Landfill	6,106,828	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
Sanitation	6,686,020	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
Stormwater	2,853,325	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
Water/Wastewater	25,882,335	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
Operating grants and contributions	2,332,881	2,621,037	2,197,410	2,235,345	1,840,497	377,681	285,584	600,771	1,066,141	2,126,404
Capital grants and contributions	1,101,242	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
Total business-type activities program revenue	\$ 46,124,922	\$ 45,040,778	\$ 43,405,124	\$ 41,632,034	\$ 40,088,846	\$ 36,295,528	\$ 33,836,816	\$ 32,874,452	\$ 31,990,891	\$ 32,034,943
Total primary government program revenue	\$ 63,239,926	\$ 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
Net (expense)/revenue:										
Governmental activities	\$ (22,968,301)	\$ (24,470,331)	\$ (22,157,599)	\$ (24,119,756)	\$ (23,828,792)	\$ (23,190,480)	\$ (21,903,109)	\$ (17,569,779)	\$ (20,314,094)	\$ (18,894,725)
Business-type activities	9,426,404	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
Total primary government net expense	\$ (13,541,897)	\$ (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)
General Revenues and Other Changes										
Governmental activities:										
Taxes										
Property tax	\$ 8,147,998	\$ 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
Sales tax	10,159,291	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
Other taxes	9,034,536	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
Grants and Contributions - not restricted	694,332	664,047	683,242	607,280	3,159,854	2,742,463	2,568,803	1,782,724	2,199,495	2,121,393
Unrestricted investment earnings	639,203	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
Gain on sale of assets	227,999	(57,291)	-	-	-	-	-	5,990	-	33,521
Transfers	2,191,096	768,649	1,561,063	1,813,555	2,030,510	1,686,605	543,344	817,637	577,962	1,375,181
Total governmental activities general revenue	\$ 31,094,455	\$ 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
Business-type activities:										
Intergovernmental	-	-	-	\$ 39,206	\$ 1,450,850	\$ 1,389,746	\$ 1,273,873	\$ 1,258,535	\$ 1,240,450	\$ 1,251,569
Unrestricted investment earnings	182,452	386,733	168,747.00	12,665	56,033	118,034	218,234	266,256	294,668	353,819
Miscellaneous general revenue	187,410	20,925	12,665	236,280	236,280	236,280	236,280	236,280	236,280	236,280
Gain on sale of assets	82,480	50,629	47,367	45,399	301,372	63,620	57,304	11,528	3,156	10,352
Transfers	(2,191,096)	(768,649)	(1,561,063)	(1,813,555)	(2,030,510)	(1,686,605)	(543,344)	(817,637)	(577,962)	(1,375,181)
Total business-type activities general revenue	\$ (1,738,754)	\$ (310,361)	\$ (1,332,284)	\$ (1,492,670)	\$ (222,255)	\$ (115,205)	\$ 1,006,067	\$ 718,783	\$ 960,312	\$ 240,559
Total primary government	\$ 29,355,701	\$ 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
Change in net position										
Governmental activities	\$ 8,126,154	\$ 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
Business-type activities	7,687,650	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
Total primary government	\$ 15,813,804	\$ 11,010,217	\$ 19,146,105	\$ 8,659,021	\$ 15,620,441	\$ 11,850,328	\$ 8,259,685	\$ 11,661,564	\$ 5,390,967	\$ 11,302,024
Prior Period Adjustment - Government	-	-	(9,371,628)	(6,865,038)	-	-	(6,998,243)	-	-	-
Prior Period Adjustment - Business	-	-	(3,012,554)	832,761	-	-	(1,861,019)	-	-	-
Total adjusted primary government	-	-	\$ (12,384,182)	\$ (5,832,247)	-	-	\$ (599,579)	-	-	-

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

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

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

City of Walla Walla Fund Balances of Governmental Funds Last Ten Fiscal Years (Modified accrual basis of accounting)										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund (Per GASB 54)⁽¹⁾										
Nond spendable	\$ 53,832	\$ 128,778	\$ 50,719	\$ 107,272	\$ 47,043	\$ 43,623	\$ 55,428	\$ 56,714	\$ 48,844	\$ 34,638
Restricted	198,534	163,486	127,503	207,807	148,145	209,535	901,919	1,072,404	888,642	158,239
Committed	711,509	340,410	534,017	529,558	524,938	521,183	18,303	15,058	11,052	7,377
Unassigned	6,578,066	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
General Fund (Prior GASB 54)⁽¹⁾										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total general fund	\$ 7,541,941	\$ 4,233,011	\$ 5,711,718	\$ 4,406,937	\$ 5,345,269	\$ 5,612,093	\$ 5,479,538	\$ 5,061,821	\$ 4,247,402	\$ 3,240,196
All Other Governmental Funds (Per GASB 54)⁽¹⁾										
Nond spendable	\$ 16,545	\$ 16,545	\$ 16,545	\$ 16,545	\$ 16,545	\$ 16,545	\$ 16,545	\$ 16,545	\$ 17,790	\$ 32,146
Restricted	6,412,840	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	1,460,518	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	12,373	14,136	20,715	29,144	13,370	23,730	28,677	69,939	104,902	130,434
Unassigned	(5,228)	(283,232)	(652,027)	(1,084,869)	(510,725)	(682,715)	(985,685)	(1,107,746)	(358,833)	(488,292)
Total other governmental funds	\$ 7,897,048	\$ 7,880,122	\$ 6,566,448	\$ 4,207,854	\$ 3,995,569	\$ 8,742,304	\$ 3,426,451	\$ 3,004,358	\$ 3,606,147	\$ 4,209,517

⁽¹⁾ Prior to 2011 and the implementation of GASB 54, fund balances were classified as Reserved or Unreserved.

Under GASB 54 fund balances are classified as Nond spendable, 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)										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes	\$ 27,050,917	\$ 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
Licenses and permits	920,489	1,039,106	1,557,543	1,140,558	1,219,756	1,301,815	986,234	888,301	759,407	833,201
Intergovernmental	5,133,940	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
Charges for goods and services	9,847,825	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
Fines and forfeits	71,460	136,273	190,933	196,270	205,949	207,984	197,036	259,895	278,038	282,355
Miscellaneous revenues	1,265,742	2,211,426	1,460,376	1,819,477	894,276	681,044	517,559	1,019,057	1,295,681	550,889
Other income (expenses)	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 44,290,373	\$ 46,365,335	\$ 43,716,328	\$ 40,715,293	\$ 37,187,341	\$ 36,652,874	\$ 32,312,721	\$ 34,575,925	\$ 30,776,178	\$ 28,974,561
Expenditures										
Current:										
General government	\$ 12,518,069	\$ 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
Public safety	15,612,306	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
Utilities and environment	555,146	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
Transportation	4,044,775	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
Economic environment	3,491,871	2,127,792	2,160,763	2,101,562	950,080	884,540	1,138,245	1,080,826	42,813	556,503
Social services	335,130	225,287	149,626	155,435	4,438	-	-	-	-	-
Culture and recreation	3,962,443	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
Debt service:										
Principal retirement	1,560,423	1,222,401	1,135,806	1,073,539	8,801,570	1,053,481	829,594	3,594,594	754,595	752,973
Interest	497,366	494,872	528,498	544,262	1,350,861	515,940	566,370	616,826	644,259	650,653
Administrative charges	31,347	1,951	1,137	2,421	134,690	100,073	67	28,652	1,382	1,381
Capital outlay:										
General government	109,710	87,038	57,645	265,656	36,265	20,940	87,169	74,354	81,389	109,424
Public safety	10,270	30,868	85,487	24,968	43,089	106,358	133,376	66,685	362,577	7,672,849
Utilities and environment	-	-	-	-	-	-	212,495	19,428	-	-
Transportation	7,008,548	5,576,959	4,029,456	3,912,289	3,549,000	5,330,846	2,716,616	7,207,154	2,520,211	2,432,470
Economic environment	-	-	-	-	-	-	18,731	-	-	16,936
Culture and recreation	-	22,953	74,310	1,597,947	6,334,034	1,682,816	15,790	-	-	24,320
Social Services	-	208,327	5,224	-	-	-	-	-	-	-
Total expenditures	\$ 49,737,404	\$ 47,758,127	\$ 43,071,002	\$ 43,131,319	\$ 52,833,916	\$ 39,647,284	\$ 31,975,949	\$ 37,971,708	\$ 30,866,279	\$ 37,945,226
Excess revenues over (under) expenditures	\$ (1,285,475)	\$ (1,392,792)	\$ 645,326	\$ (2,416,026)	\$ (15,646,575)	\$ (2,994,410)	\$ 336,772	\$ (3,395,783)	\$ (90,101)	\$ (8,970,665)
Other financing sources (uses)										
Transfers in	\$ 6,069,056	\$ 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
Transfers out	(3,550,854)	(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)
Insurance recoveries	13,387	23,462	214	5,059	8,536	-	19,874	18,453	9,198	50,828
Custodial activities	-	541	-	-	-	-	-	-	-	-
Bonds issued	-	-	-	-	-	6,310,000	-	-	-	-
Premium on bonds issued	-	-	-	-	904,351	366,297	-	-	-	-
Proceeds from debt/refunding debt	2,590,018	-	-	-	7,745,000	194,991	-	2,840,000	-	-
Proceeds from disposal of capital assets	227,999	-	-	-	-	-	-	5,990	-	33,521
Total other financing sources (uses)	\$ 5,349,606	\$ 792,653	\$ 1,255,292	\$ 1,689,979	\$ 10,633,016	\$ 8,442,818	\$ 503,036	\$ 3,608,413	\$ 517,565	\$ 1,383,200
Net change in fund balances	\$ 4,064,131	\$ (600,137)	\$ 1,900,618	\$ (726,047)	\$ (5,013,559)	\$ 5,448,408	\$ 839,808	\$ 212,630	\$ 427,464	\$ (7,587,465)
Debt service as a percentage of noncapital expenditures	4.83%	4.11%	4.29%	4.33%	23.68%	4.83%	4.85%	13.76%	5.01%	5.07%

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Property tax	\$ 8,147,998	\$ 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
Sales tax	10,159,291	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
Business and occupation tax	2,877,233	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
Utility excise tax	5,225,316	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
Gambling tax	14,911	(3,580)	53,634	71,829	102,573	(187,170)	52,726	210,821	25,691	88,872
Real estate excise tax	620,954	512,552	548,502	452,590	396,849	346,043	290,807	240,983	225,353	181,063
Leasehold tax	46,748	47,364	43,731	37,702	41,976	42,545	35,498	36,791	30,839	31,009
E911 access tax*	-	-	-	-	-	-	-	-	596,200	417,874
Tourism promotion area tax	249,374	358,136	355,706	336,316	344,197	278,329	230,361	211,886	213,602	215,571
Total taxes	\$ 27,341,825	\$ 27,093,739	\$ 26,826,117	\$ 24,474,847	\$ 24,597,446	\$ 23,209,726	\$ 20,695,867	\$ 20,317,437	\$ 19,532,212	\$ 18,381,948

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

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

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

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

Fiscal Year	Real Property	Personal Property	State Assessed	Less: Open Space	Less: Senior	Less: Exempt Loss ⁽²⁾	Less: Head of Household Loss	Less: Minimum Value Loss	Total Taxable Assessed Value	Direct Tax Rate
	Value	Value	Value	Loss	Loss	Loss			Value	
2021	\$ 3,311,250,399	\$ 92,187,680	\$ 52,531,523	\$ 5,863,890	\$ 45,624,637	\$ 588,136,060	\$ 484,600	\$ 16,080	2,815,844,335	2.8540
2020	3,238,041,751	92,559,830	49,559,275	5,665,550	46,214,032	469,071,930	485,400	14,024	2,858,709,920	3.0092
2019	2,500,803,244	84,693,230	49,310,578	5,685,510	47,402,927	460,853,870	572,930	13,400	2,634,807,052	3.0092
2018	2,739,106,872	81,967,040	48,038,171	5,653,480	46,122,638	353,588,590	582,950	19,720	2,463,144,705	3.2509
2017	2,579,778,378	87,068,060	44,297,980	5,881,331	46,284,448	321,027,980	552,000	7,140	2,337,391,519	3.1783
2016	2,412,557,034	120,067,212	45,833,173	1,999,939	47,192,431	345,801,828	884,870	7,560	2,182,570,791	3.3323
2015	2,314,569,479	76,540,480	45,110,156	31,044,750	38,616,960	267,668,220	962,090	15,265	2,097,912,830	2.9399
2014	1,949,365,400	76,206,477	42,487,527	2,063,700	57,391,000	-	1,007,627	13,269	2,007,583,808	3.1649
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

Source: Walla Walla County Assessor's Office

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

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

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

City Taxpayers	2020		2011*	
	Assessed Value	Rank	Assessed Value	Rank
Providence Health & Services	\$ 22,503,900	1		
Zelman Walla Walla LLC	17,319,200	2		
Adventist Health System	13,837,100	3		
Pacificorp	11,134,308	4	655,910	5
Key Technology Inc	10,930,000	5		
Baker Boyer	10,156,000	6		
Whitman College Board of Trustees	8,299,010	7		
Lions Gate Apartments LLC	8,017,120	8		
Banner Bank	7,819,250	9		
Lodge Apartments LLC	7,701,700	10		
Boise Cascade			2,561,819	1
Gas Transmission Northwest			922,503	2
Ralph & Cheryl Broetje (Broetje Orchards)			897,833	3
FPL Energy Vansycle LLC			887,095	4
Union F Union Pacific Railroad C.O.			471,970	6
I.B.P. Inc (Tyson Fresh Meats)			430,193	7
J.R. Simplot Company			327,642	8
Raillex			293,025	9
Qwest Corp			205,630	10

Source: 2020 data provided by the Walla Walla County Assessor Office.

*2011 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
2020	\$ 6,579,891	\$ 6,470,761	98.3%	\$ -	6,470,761	98.34%
2019	7,907,008	7,807,808	98.7%	63,595	7,871,403	99.55%
2018	7,899,015	7,777,311	98.5%	103,436	7,880,747	99.77%
2017	7,407,689	7,052,747	95.2%	348,984	7,401,731	99.92%
2016	7,253,414	7,110,707	98.0%	139,208	7,249,915	99.95%
2015	6,157,923	6,029,512	97.9%	127,353	6,156,865	99.98%
2014	6,336,964	5,977,960	94.3%	357,650	6,335,610	99.98%
2013	6,254,026	5,908,411	94.5%	344,728	6,253,139	99.99%
2012	5,964,834	5,642,366	94.6%	322,314	5,964,680	100.00%
2011	4,737,642	4,359,015	92.0%	378,012	4,737,027	99.99%

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

NAICS	Last Ten Fiscal Years ⁽¹⁾									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
11 Agriculture, Forestry, Fishing and Hunting	\$ 500,606	\$ 416,016	\$ 402,799	\$ 374,095	\$ 304,373	\$ 378,657	\$ 295,499	\$ 152,267	\$ 998,635	\$ 440,249
21 Mining	-	-	-	60,294	15,940	28,407	-	-	20,076	8,263
22 Utilities	2,336,389	2,368,110	3,757,994	2,567,870	2,376,129	1,502,411	1,447,044	847,080	247,597	146,413
23 Construction	105,705,594	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
31-33 Manufacturing	23,903,514	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
42 Wholesale Trade	50,311,630	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
44-45 Retail Trade	296,050,405	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
48-49 Transportation and Warehousing	2,319,234	1,769,626	1,112,636	1,552,074	1,444,933	1,482,946	908,487	983,032	810,522	1,071,859
51 Information	24,461,265	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
52 Finance and Insurance	10,280,897	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
53 Real Estate and Rental and Leasing	13,417,999	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
54 Professional, Scientific, and Technical Services	13,977,804	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
55-62 Management, Education & Health Services	32,815,339	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
71 Arts, Entertainment, and Recreation	4,778,224	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
72 Accommodation and Food Services	114,318,342	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
81 Other Services (except Public Administration)	21,530,268	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
92 Public Administration	2,232,208	2,901,067	2,407,463	2,453,323	2,022,705	1,677,339	1,379,723	565,693	445,152	367,979
Total Local Sales and Use Taxable Retail Sales	\$ 719,038,718	\$ 709,159,182	\$ 615,081,539	\$ 615,037,930	\$ 568,876,827	\$ 519,323,632	\$ 504,711,796	\$ 506,210,576	\$ 482,119,800	\$ 459,582,603

City of Walla Walla Sales & Use Tax Rates											
Local Basic	0.425%	3,055,915	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
Local Optional	0.425%	3,055,915	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
Criminal Justice	0.100%	719,039	709,159	615,082	615,038	568,877	519,324	504,712	506,211	482,120	459,583
Public Safety	0.090%	647,135	638,243	553,573	553,534	511,989	467,391	454,241	455,590	433,908	413,624
Transportation Benefit District ⁽²⁾	0.200%	1,438,077	1,418,318	1,230,163	1,230,076	1,137,754	1,038,647	1,009,424	1,012,421	-	-
Total City of Walla Walla Sales & Use Tax ⁽³⁾	1.240%	\$ 8,916,081	\$ 8,793,574	\$ 7,627,012	\$ 7,626,470	\$ 7,054,074	\$ 6,439,612	\$ 6,258,427	\$ 6,277,012	\$ 5,014,046	\$ 4,779,659
State Sales & Use Tax Rate	6.500%	-	-	-	-	-	-	-	-	-	-
Valley Transit	0.600%	-	-	-	-	-	-	-	-	-	-
Walla Walla County Sales & Use Tax Rates:											
Local Basic	0.075%	-	-	-	-	-	-	-	-	-	-
Local Optional	0.075%	-	-	-	-	-	-	-	-	-	-
Public Safety	0.310%	-	-	-	-	-	-	-	-	-	-
Juvenile Justice/Detention	0.100%	-	-	-	-	-	-	-	-	-	-
Total Walla Walla County Sales & Use Tax Rate	0.560%	-	-	-	-	-	-	-	-	-	-
Total Local Sales & Use Tax Rate	8.900%	-	-	-	-	-	-	-	-	-	-

Source: WA State Department of Revenue.

⁽¹⁾ 2019 is the latest annual data available.

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

⁽³⁾ Calculated sales and use tax rates 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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues ⁽¹⁾										
Charges for Water Services	\$ 13,857,008	\$ 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
Charges for Wastewater Services	11,437,327	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
Miscellaneous	14,170	451,108	253,840	196,548	98,052	81,808	173,731	270,275	486,447	267,547
Miscellaneous	111,954	316,703	139,590	153,935	88,064	29,590	23,243	100,733	290,251	53,118
Interest Income	29,395	134,405	114,250	42,613	9,988	52,218	150,488	169,542	196,196	214,429
Capital Contributions	562,535	948,971	1,328,347	1,325,595	1,868,870	1,268,748	915,102	857,105	387,834	873,109
Total Revenues	\$ 25,871,040	\$ 25,849,546	\$ 25,546,454	\$ 24,031,343	\$ 23,749,308	\$ 22,924,622	\$ 20,859,855	\$ 19,621,076	\$ 19,628,412	\$ 18,733,438
Expenses ⁽²⁾										
Personnel Services	\$ 2,251,349	\$ 2,239,881	\$ 1,967,691	\$ 2,147,720	\$ 1,934,568	\$ 1,751,623	\$ 1,727,725	\$ 1,595,970	\$ 1,509,860	\$ 1,410,031
Supplies	561,810	650,814	541,766	732,177	582,771	651,756	565,671	466,341	427,014	53,998
Services/Charges	12,176,454	14,708,344	3,148,911	6,317,323	4,562,365	2,993,484	2,863,729	2,871,338	3,070,387	2,680,107
Governmental Charges	-	-	7,726,961	7,566,260	7,358,681	6,895,866	6,108,966	5,516,941	5,260,635	4,889,174
Bad Debt Expense	-	2,144	-	-	-	-	-	28,958	-	-
Total Expenses	\$ 14,989,613	\$ 17,601,183	\$ 13,385,329	\$ 16,763,480	\$ 14,438,385	\$ 12,292,729	\$ 11,266,091	\$ 10,479,548	\$ 10,267,896	\$ 9,033,310
Net Revenue of System	\$ 10,881,427	\$ 8,248,363	\$ 12,161,125	\$ 7,267,863	\$ 9,310,923	\$ 10,631,893	\$ 9,593,764	\$ 9,141,528	\$ 9,360,516	\$ 9,700,128

⁽¹⁾ Excludes transfers-in/out.

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

City of Walla Walla
System Historical Operating Results and Debt Service Coverage

	Year Ending December 31									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues of the System:										
Operating Income	\$ 25,372,716	\$ 24,449,467	\$ 24,042,648	\$ 22,509,200	\$ 21,782,386	\$ 21,574,056	\$ 19,771,022	\$ 18,483,696	\$ 18,754,131	\$ 17,592,682
Other Income	492,324	1,400,079	1,503,806	1,523,143	1,866,922	1,350,556	1,088,833	1,327,380	874,281	1,340,746
Total Revenues	\$ 25,871,040	\$ 25,849,546	\$ 25,546,454	\$ 24,031,343	\$ 23,749,308	\$ 22,924,622	\$ 20,859,855	\$ 19,621,076	\$ 19,628,412	\$ 18,733,438
Costs of Maintenance and Operation	\$ 14,989,613	\$ 17,601,183	\$ 13,385,329	\$ 16,763,480	\$ 14,438,385	\$ 12,292,729	\$ 11,266,091	\$ 10,479,548	\$ 10,267,896	\$ 9,033,310
Net Revenue Available for Debt Service	\$ 10,881,427	\$ 8,248,363	\$ 12,161,125	\$ 7,267,863	\$ 9,310,923	\$ 10,631,893	\$ 9,593,764	\$ 9,141,528	\$ 9,360,516	\$ 9,700,128
Maximum Annual Debt Service ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,586,488	\$ 2,586,488	\$ 3,036,339	\$ 3,036,339
Debt Ratio	N/A	N/A	N/A	N/A	N/A	N/A	3.71	3.53	3.08	3.19

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

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

Water Utility Monthly Meter Charges

Meter Size (inches)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
3/4	\$ 40.30	\$ 39.40	\$ 37.90	\$ 36.50	\$ 35.10	\$ 32.90	\$ 27.80	\$ 25.70	\$ 23.80	\$ 22.20	\$ 20.40
1	80.30	78.40	75.40	72.60	69.90	65.50	55.30	51.20	47.40	44.30	40.60
1 1/2	160.80	157.00	151.00	145.30	139.90	131.10	110.70	102.50	94.90	88.70	81.40
2	257.10	251.10	241.60	232.50	223.80	209.80	177.20	164.10	151.90	142.00	130.30
3	481.20	469.90	452.00	435.00	418.80	392.60	331.60	307.00	284.30	265.70	243.80
4	802.80	784.00	754.20	725.80	698.80	655.00	553.20	512.20	474.30	443.30	406.70
6	1,614.30	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	2,408.40	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	3,211.30	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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Residential	\$ 2.20	\$ 2.10	\$ 2.00	\$ 1.90	\$ 1.80	\$ 1.70	\$ 1.58	\$ 1.46	\$ 1.35	\$ 1.26	\$ 1.16
Commercial	1.70	1.70	1.60	1.50	1.40	1.30	1.17	1.08	1.00	0.93	0.85
Industrial	1.70	1.70	1.60	1.50	1.40	1.30	1.21	1.12	1.04	0.97	0.89
Public	1.70	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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Meter Installation Fee-3/4"	\$ 280.00	\$ 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	290.00	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 ⁽¹⁾	3,090.00	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 ⁽²⁾	4,900.00	4,790.00	4,610.00	4,440.00	4,278.00	-	-	-	-	-	-
Service connection charge-larger than 2" service line	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost

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

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

Water Capital Facilities Charges

Meter Size (inches)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
5/8 & 3/4	\$ 4,260.00	\$ 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	7,100.00	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	14,220.00	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	22,740.00	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	45,480.00	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	71,050.00	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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Side Sewer Charge	\$ 1,813.00	\$ 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 ⁽¹⁾	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Residential	\$ 57.20	\$ 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)	34.30	33.50	32.70	31.90	31.20	31.20	31.20	29.20	27.50	26.20	23.80
Commercial	56.00	54.70	53.40	52.20	51.00	51.00	51.00	47.70	45.00	42.90	39.00
Public	67.50	65.90	64.40	62.90	61.50	61.50	61.50	57.50	54.20	51.60	46.90
Industrial	71.70	70.00	68.40	66.80	65.30	65.30	65.30	61.00	57.50	54.80	49.80
City of Walla Walla	16.80	16.40	16.00	15.60	15.20	15.20	15.20	14.20	13.40	12.80	11.60

⁽¹⁾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

	2020		2019		2018		2017		2016		2015		2014		2013		2012		2011		2010					
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%				
Water																										
Residential	9,566	88.6%	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	149	1.4%	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%		
Commercial	856	7.9%	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%		
Industrial	14	0.1%	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%		
Public	105	1.0%	105	1.0%	105	1.0%	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%		
Total	10,795	100%	10,821	100%	10,821	100%	10,702	100%	10,431	100%	10,542	100%	10,455	100%	10,400	100%	10,309	100%	10,255	100%	10,210	100%	10,210	100%		
Wastewater																										
Residential	8,800	88.7%	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%	8,381	89.4%	8,381	89.4%	8,381	89.4%
Multifamily	148	1.5%	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	1.5%	145	1.5%	145	1.5%	145	1.5%
Commercial	775	8.0%	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%	773	42.7%	766	8.2%	766	8.2%
Industrial	7	0.1%	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%	155	8.6%	6	0.1%		
Public	93	0.9%	79	0.8%	79	0.8%	92	0.9%	80	0.8%	64	0.7%	78	0.8%	77	0.8%	77	0.8%	83	4.6%	83	4.6%	78	0.8%	78	0.8%
Total	9,916	100%	9,684	100%	9,684	100%	10,110	100%	9,424	100%	9,233	100%	9,245	100%	9,172	100%	9,373	100%	1,812	100%	9,376	100%	9,376	100%	9,376	100%
Water/Wastewater																										
Residential	9,566	81.8%	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//Multifamily	1,005	8.6%	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%		
Industrial	14	0.1%	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%	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%
Total	11,695	100%	11,858	100%	11,858	100%	11,655	100%	10,431	100%	10,542	100%	10,455	100%	10,400	100%	10,309	100%	10,255	100%	10,210	100%	10,210	100%	10,210	100%

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

Water Customers

Customer Name	2020			2010		
	Amount (In Gallons)	Rank	% of Total	Amount (In Gallons)	Rank	% of Total
CITY OF WALLA WALLA	214,358,103	1	17.58%	101,212,628	2	12.18%
DEPARTMENT OF CORRECTIONS	137,277,789	2	11.26%	134,560,712	1	16.19%
SCHOOL DIST #140	81,440,309	3	6.68%	54,208,308	3	6.52%
EARLY - REPASS GOLF LLC	53,730,638	4	4.41%			
WHITMAN COLLEGE	39,867,073	5	3.27%	45,331,792	5	5.46%
PROVIDENCE HEALTH SYSTEMS	29,517,736	6	2.42%			
COTT BEVERAGE/CLIFFSTAR LLC	27,242,300	7	2.23%	52,659,200	4	6.34%
RANCHO VILLA	26,476,330	8	2.17%	28,360,420	6	3.41%
ECOVA	24,035,476	9	1.97%			
CALDWELL BANKER	20,095,852	10	1.65%	23,705,616	7	2.85%
WW COMMUNITY COLLEGE				22,662,156	8	2.73%
GOLDEN WEST ESTATES				12,330,780	9	1.48%
DESALES SCHOOLS				9,548,220	10	1.16%

Wastewater Customers

Customer Name	2020			2010		
	Amount (In Gallons)	Rank	% of Total	Amount (In Gallons)	Rank	% of Total
DEPARTMENT OF CORRECTIONS	137,277,789	1	28.68%	134,560,712	1	21.95%
COTT BEVERAGE/CLIFFSTAR LLC	27,242,300	2	5.69%	52,659,200	2	8.59%
WHITMAN COLLEGE	26,227,962	3	5.48%	26,154,568	5	4.27%
CITY OF WALLA WALLA	20,389,537	4	4.26%	34,942,072	3	5.70%
ECOVA	15,700,899	5	3.28%			
PROVIDENCE HEALTH SYSTEMS	12,548,036	6	2.62%			
WHEATLAND VILLAGE	10,279,850	7	2.15%	8,620,700	10	1.41%
KEY TECHNOLOGY INC	7,613,628	8	1.59%			
MARCUS WHITMAN HOTEL	7,448,750	9	1.56%			
WASH ODD FELLOWS HOME	6,265,283	10	1.31%			
RANCHO VILLA				28,360,420	4	4.63%
CALDWELL BANKER				23,462,516	6	3.83%
WW COMMUNITY COLLEGE				18,928,140	7	3.09%
GOLDEN WEST ESTATES				12,330,780	8	2.01%
JACOBS				8,866,044	9	1.45%

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General governmental activities:										
General obligation bonds	\$16,088,810	\$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
Special assessment bonds	5,848	60,848	81,848	106,848	141,847	241,311	288,689	477,749	515,163	551,000
Business-type activities										
Water bonds	4,580,000	5,091,468	5,487,007	5,842,545	6,193,085	-	7,709,800	10,529,442	13,228,200	16,097,400
Wastewater bonds	6,175,000	7,049,995	7,086,662	-	-	-	1,600,200	2,578,561	3,496,800	4,672,600
Water/Wastewater bonds	10,755,000	12,141,463	12,573,669	5,842,545	6,193,085	-	9,310,000	13,108,003	16,725,000	20,770,000
Water loans	19,996,037	20,507,984	106,026	166,475	228,421	162,632	216,842	271,052	325,263	379,473
Wastewater loans	3,244,265	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
Water/Wastewater loans	23,240,302	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
Landfill bonds	3,558,470	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
Landfill loans	2,115,841	2,233,388	-	-	-	-	-	-	-	-
Golf course bonds	89,186	109,437	134,179	158,998	183,032	206,605	224,168	242,022	259,876	277,730
Capital lease	84,637	125,163	164,545	202,818	-	-	-	-	-	-
Total primary government	\$55,938,094	\$56,473,976	\$40,576,793	\$37,846,361	\$39,041,100	\$35,447,599	\$41,267,911	\$48,434,741	\$55,147,841	\$62,259,512
Percentage of personal income ⁽¹⁾	1.90%	2.01%	1.56%	1.44%	1.64%	1.54%	1.82%	2.10%	2.43%	2.81%
Per capita	\$ 1,626	\$ 1,649	\$ 1,193	\$ 1,118	\$ 1,162	\$ 1,048	\$ 1,292	\$ 1,517	\$ 1,737	\$ 1,966

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
⁽¹⁾ See the schedule of Demographics and Economic Statistics for personal income and population data.
 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General obligation bonds	\$24,316,466	\$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
Less: Amounts available in debt service fund	631,827	0	589,614	458,900	425,454	356,481	774,070	226,982	176,494	115,906
Net total	\$23,684,239	\$23,684,239	\$25,300,766	\$28,463,965	\$27,843,197	\$22,366,594	\$25,784,301	\$18,297,101	\$24,749,471	\$27,540,051
Percentage of estimated actual taxable value of property	0.83%	0.90%	1.03%	1.22%	1.03%	1.07%	1.28%	0.91%	1.24%	1.38%
Per capita	\$688	\$692	\$744	\$ 841	\$ 648	\$ 656	\$ 799	\$ 573	\$ 780	\$ 870

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.

\$23,938,194,565

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			\$ 16,088,810
School District	56,670,000	100.0%	56,670,000
Subtotal overlapping debt	\$ 56,670,000		\$ 56,670,000
Total direct and overlapping debt			\$ 72,758,810

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**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt limit	\$218,686,074	\$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
Total net debt applicable to limit	14,424,683	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
Legal debt margin	\$204,261,391	\$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
Total net debt applicable to the limit as a percentage of debt margin	7.1%	6.3%	8.2%	10.3%	9.0%	8.2%	12.7%	15.4%	15.4%	17.5%

Legal debt margin calculation for fiscal year 2020:

Total assessed value January 2020	\$2,915,814,335
2.5% general purposes limit is allocated between	72,895,358
Up to 1.5% debt without a vote (councilmanic)	43,737,215
Less: outstanding debt	(11,243,689)
Less: contracts payable	-
Less: excess of debt with a vote	-
Add: available assets	8,422,179
Equals remaining debt capacity without a vote	40,915,704
1% general purpose debt with a vote	29,158,143
Less: outstanding debt	(12,235,000)
Less: contracts payable	-
Add: available assets	631,827
Equals remaining debt capacity with a vote	17,554,970
2.5% utility purpose limit, voted	72,895,358
Less: outstanding debt	-
Less: contracts payable	-
Add: available assets	-
Equals remaining debt capacity- utility purpose, voted	72,895,358
2.5% utility purpose limit, open space park and capital facilities, voted	72,895,358
Less: outstanding debt	-
Less: contracts payable	-
Add: available assets	-
Equals remaining debt capacity- park & facilities, voted	72,895,358
Total legal debt margin	\$204,261,390

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

11,495,896.00

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Water Bonds										
Charges for services and other	\$ 13,980,212	\$ 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
Less: Operating expenses	7,615,684	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
Net available revenue	\$ 6,364,528	\$ 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
Debt service:										
Principal	\$ 1,772,789	\$ 1,772,789	\$ 490,567	\$ 487,067	\$ 54,211	\$ 7,709,800	\$ 2,740,411	\$ 2,886,411	\$ 2,923,411	\$ 2,697,211
Interest	\$ 411,176	\$ 411,176	197,733	163,700	45,117	159,740	424,477	539,022	613,817	722,672
Payment	\$ 2,183,965	\$ 2,183,965	\$ 688,300	\$ 650,767	\$ 99,328	\$ 7,869,540	\$ 3,164,888	\$ 3,425,433	\$ 3,537,228	\$ 3,419,883
Coverage	2.91	2.91	11.20	5.31	49.08	0.88	1.72	1.46	1.63	1.73
Wastewater Bonds										
Charges for services and other	\$ 11,872,855	\$ 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
Less: Operating expenses	4,000,869	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
Net available revenue	\$ 7,871,986	\$ 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
Debt service:										
Principal	\$ 2,032,258	\$ 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
Interest	76,119	76,119	199,356	185,747	236,420	63,461	436,707	528,919	595,008	669,701
Payment	\$ 2,108,377	\$ 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
Coverage	3.73	3.73	3.38	3.06	3.20	3.74	1.91	1.77	1.48	1.51
Water/Wastewater Revenue Bonds										
Charges for services and other	\$ 25,853,067	\$ 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
Less: Operating expenses	11,616,553	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
Net available revenue	\$ 14,236,514	\$ 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
Debt service:										
Principal	\$ - ⁽¹⁾	\$ - ⁽¹⁾	\$ (1)	\$ -	\$ -	\$ 9,310,000	\$ 5,424,055	\$ 5,766,808	\$ 5,885,843	\$ 5,531,110
Interest	264,458	264,458	-	-	-	223,201	861,184	1,067,941	1,208,825	1,392,373
Payment	\$ 264,457	\$ 264,457	\$ -	\$ -	\$ -	\$ 9,533,201	\$ 6,285,239	\$ 6,834,749	\$ 7,094,668	\$ 6,923,483
Coverage	53.83	53.83	-	-	-	1.38	1.82	1.61	1.55	1.62
Special Assessment Bonds										
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	\$ -
Coverage	1.04	0.91	1.44	0.60	0.96	0.31	1.77	2.61	1.00	-

⁽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**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1 Population - City	34,400	34,240	34,000	33,840	33,340	33,390	32,260	31,930	31,740	31,670
1 Population - County	62,580	62,200	61,800	61,400	60,730	60,650	60,150	59,500	59,100	58,800
City as percent of County	55%	55%	55%	55%	55%	55%	54%	54%	54%	54%
2 County personal income (in 1,000s)	\$ 2,943,477	N/A	N/A	\$ 2,602,735	\$ 2,622,346	\$ 2,528,898	\$ 2,372,702	\$ 2,301,633	\$ 2,269,926	\$ 2,215,788
2 County per capita personal income	48,444	N/A	N/A	42,973	43,459	41,912	39,648	38,663	38,214	37,231
4 County median family income projection	50,550	N/A	N/A	52,630	52,094	49,619	50,835	47,238	46,147	44,606
3 County median age	39.4	N/A	N/A	39.01	37.58	37.58	37.33	37.33	38	37.01
4 Percent with high school degree or higher	88.3%	N/A	N/A	88.5%	N/A	N/A	N/A	N/A	N/A	N/A
5 School enrollment	5,689	5,690	5,735	5,854	5,959	6,074	6,214	6,119	6,211	6,308
6 County unemployment rate	4.2%	4.8%	5.3%	6.3%	7.1%	7.1%	6.7%	6.9%	7.2%	7.3%

Sources:

- 1 Port of Walla Walla
- 2 Bureau of Economic Analysis - 2019 is the most current data available
- 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
2019 and Ten Years Prior**

Employer within the City	2019*			2009		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Providence St. Mary Medical Center	1173	1	7.6%	999	2	7.1%
Washington State Penitentiary	1,080	2	7.0%	1,245	1	8.9%
Walla Walla School District #140	833	3	5.4%	784	3	5.6%
Whitman College	609	4	3.9%	529	6	3.8%
U.S. Dept. of Veterans Affairs	558	6	3.6%	399	8	2.8%
Walla Walla Community College	597	5	3.8%	607	5	4.3%
City of Walla Walla	445	7	2.9%		N/A	N/A
Key Technology, Inc.	405	8	2.6%	467	7	3.3%
U.S. Army Corps of Engineers	358	9	2.3%	676	4	4.8%
Walla Walla County	312	10	2.0%	376	10	2.7%
Walla Walla General Hospital				391	9	2.8%

Source: Port of Walla Walla

*2019 is the most current data.

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

FUNCTION	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
General government	36.8	42.8	38.5	38	34	33	34	34	34	35
Public safety										
Police										
Officers	45	42	46	45	44	43	42	41	41	42
Civilians	11.8	12.8	13.5	14	12	13	8	9	9	11
Fire										
Officers	27.5	28	31	31	31	30	29	29	29	29
Civilians	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1	1
Emergency dispatch	16	17	17	17	15	17	17	17	17	18
Utilities and environment	23.4	25	24	25	23	22	23	20	22	19
Transportation	13.6	14	13	13	13	11	12	11	12	14
Economic environment ⁽¹⁾	8	8	9	9	8	6	1	0	0	0
Culture and recreation	22.5	25	24	23	21	20	18	18	19	20
Total governmental activities	<u>205</u>	<u>214.0</u>	<u>216.5</u>	<u>214.5</u>	<u>201.5</u>	<u>195.5</u>	<u>184.5</u>	<u>179.5</u>	<u>184</u>	<u>189</u>
Business-type activities:										
Ambulance	20.0	20.5	17.5	17.5	16.5	18.5	17.5	17.5	19	20
Golf course	0	0	0	0	0	0	0	0	0	0
Landfill	10.6	11	11	10	11	12	11	10	9	10
Sanitation	11.9	12	11	11	11	10	11	10	10	13
Stormwater	6.7	7	7	6	6	4	4	4	5	5
Wastewater	3.7	4	5	5	5	2	4	4	4	4
Water	21	20	20	17	19	14	19	18	16	17
Total business-type activities	<u>73.9</u>	<u>73.0</u>	<u>71.5</u>	<u>66.5</u>	<u>68.5</u>	<u>60.5</u>	<u>66.5</u>	<u>63.5</u>	<u>63</u>	<u>69</u>
Total primary government	<u>278.9</u>	<u>287</u>	<u>288</u>	<u>281</u>	<u>270</u>	<u>256</u>	<u>251</u>	<u>243</u>	<u>246</u>	<u>258</u>

Source: City of Walla Walla Finance Department, positions filled as of 12/31/20.

⁽¹⁾ 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
City Attorney										
Requests for legal service	3.33	353	329	310	330	286	266	243	163	174
Total Walla Walla District Court hearings	7,095	8,538	8,029	7,275	6,144	4,958	4,760	3,847	4,183	4,476
Development Services*										
Permits processed for building and development	1,266	1,359	1,413	1,152	1,235	2,208	1,466	882	867	895
Construction value of permits completed	\$81,598,035	\$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
Library										
Questions answered	3,817	43,014	45,874	48,989	38,664	42,728	47,145	44,989	50,231	45,201
Items checked out	235,791	309,694	317,767	307,259	308,891	302,829	321,512	318,803	351,943	322,811
Children's storytime and program attendance	24,292	18,007	14,463	13,034	14,047	14,716	14,663	14,846	15,591	13,912
Adult program attendance	388	1,663	2,599	2,023	1,641	1,420	2,275	1,758	951	250
Parks and Recreation Department										
Meals served during the summer	0	26,552	22,178	26,543	26,254	25,044	24,911	26,563	28,718	29,227
Special event permits issued	1	48	31	45	59	46	40	29	41	29
Visits to City pools	15,336	79,648	75,324	78,223	3,057	2,979	3,775	4,620	5,897	5,058
Attendance for City recreation programs	35,884	206,521	184,215	181,941	97,229	96,862	99,622	94,988	106,500	105,000
Burial services at Mountain View Cemetery	160	171	166	177	190	197	179	172	163	174
Picnic area reservations	1	326	279	206	252	226	224	199	188	169
Fire Department										
Fire responses	119	745	102	117	107	115	116	129	88	92
Hazardous incident responses	5	81	78	138	85	91	87	109	73	74
Ambulance responses	5,114	5,222	5,609	5,979	5,718	5,670	5,624	5,268	5,289	5,040
Ambulance transported patients	2,931	3,001	3,208	3,591	3,490	3,493	3,516	3,464	3,285	3,325
Property fire loss	\$473,060	\$824,100	\$641,230	\$1,023,800	\$1,094,940	\$1,399,125	\$928,811	\$769,530	\$267,370	\$732,800
Safety Always Matters (SAM) program # students	0	3,922	3,868	3,817	3,921	3,785	3,894	3,711	3,929	3,660
Police Department										
Code compliance complaints resolved**	1,570	997	1,576	875	1,207	980	260	600	497	285
Requests for service	16,722	19,844	20,342	19,549	19,128	20,911	18,820	20,355	19,701	18,537
Death investigations and attempted suicides	91	82	73	80	N/A	63	78	74	72	64
Other calls	5,030	6,979	8,270	8,969	N/A	10,676	9,891	10,478	10,219	9,273
Accidents	700	977	897	1,044	N/A	903	889	857	901	885
Animal calls	1,534	1,810	1,678	1,689	N/A	2,109	1,913	1,950	2,114	1,968
Volunteer hours	212	706	678	988	N/A	1,142	1,155	2,005	978	1,165
Walla Walla Emergency Services Communications										
Total calls	79,063	85,681	84,185	90,228	N/A	94,622	100,537	101,340	110,965	100,399
9-1-1 calls	22,264	22,633	22,527	23,635	N/A	24,664	25,750	24,320	24,286	23,126
Water										
Linear feet of lines replaced	10,672	7,579	11,655	5,345	9,603	6,026	10,166	8,707	5,765	7,476
Linear feet of lines added to system	2,642	3,400	4,045	3,819	5,905	4,077	-	3,124	260	5,301
Million gallons of water to customers	3,028	3,087	3,257	3,105	3,170	3,439	3,474	3,458	3,441	3,367
Meters installed	73	290	375	10,989	304	367	302	268	344	421
Leaks repaired to mains and services	64	102	153	85	72	143	152	176	123	162
Wastewater										
Linear feet of lines replaced	9,124	19,287	14,307	5,827	9,852	11,376	8,068	6,239	4,004	6,149
Linear feet of lines added to system	2,126	1,204	4,261	2,884	6,806	4,493	35	2,172	1,102	1,958
Feet of sanitary sewer lines cleaned	346,426	387,835	274,529	370,003	489,124	470,017	847,165	475,331	618,294	552,358
Stormwater										
Feet of storm lines cleaned	25,888	27,858	9,038	10,667	27,584	27,978	39,554	20,762	18,401	20,599
Streets										
Linear feet of new streets added to subdivisions	4,554	1,060	3,623	1,702	2,787	4,420	-	1,641	252	336
Utility street cuts patched	185	200	231	138	157	326	249	337	383	350
Sanitation										
Pounds of curbside recycling collected	3,000,060	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
Million pounds of waste collected	45	46	51	44	43	43	42	41	41	41
Landfill										
Tons of solid waste collected	63,616	59,890	60,969	57,802	59,249	55,976	53,051	50,099	53,304	48,671
Pounds of hazardous waste collected	88,176	100,196	104,040	93,982	96,374	86,984	84,204	106,915	98,278	101,391
Landfill courtesy passes used	1,691	860	796	745	761	841	806	925	1,443	1,503
Pounds of metal recycled at the Landfill	60,160	56,540	90,640	42,480	50,760	47,980	54,780	42,220	83,340	98,660
Tons of leaves collected and recycled	1,813	1,711	2,100	2,104	1,764	1,871	1,359	1,324	1,452	1,098
Equipment Repair										
Fleet service repairs performed	2,894	3,464	2,566	3,329	3,334	3,755	3,448	4,529	3,745	3,644
Number of equipment repair parts used	10,799	11,614	11,419	10,827	10,375	10,565	10,444	11,659	10,729	9,495

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 (WWJCDA).

**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**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government											
City Hall	1	1	1	1	1	1	1	1	1	1	1
Public Safety											
Police											
Police station	1	1	1	1	1	1	1	1	1	1	1
Patrol vehicles	21	21	21	18	16	15	15	14	12	12	14
Vans/SWAT vehicles	3	3	3	3	3	6	5	3	3	3	3
Animal control vehicle	1	1	1	1	1	1	1	1	1	1	1
Parking control vehicle	1	1	1	1	1	1	1	1	1	1	1
Fire											
Stations	2	2	2	2	2	2	2	2	2	2	2
Pumpers/ladders	4	4	4	2	2	2	3	3	4	4	4
Other vehicles	10	10	10	9	9	8	8	8	9	9	9
Backup generator	1	1	1	1	1	1	1	1	1	1	1
Burn trailer	1	1	1	1	1	1	1	1	1	1	1
Utilities and Environment											
Service Center building	1	1	1	1	1	1	1	1	1	1	1
Transportation											
Square yards of streets	1,736,592	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
Culture and Recreation											
Library building	1	1	1	1	1	1	1	1	1	1	1
Carnegie Art Center	1	1	1	1	1	1	1	1	1	1	1
Parks department											
Museum buildings	1	1	1	1	1	1	1	1	1	1	1
Complex w/concessions	1	1	1	1	1	1	1	1	1	1	1
Pool buildings	2	2	2	2	2	2	2	2	2	2	2
Other parks buildings	28	28	28	28	28	28	28	28	28	28	28
Parks	14	14	14	14	14	14	14	14	14	14	14
Sportsplex	1	1	1	1	1	1	1	1	1	1	1
Cemetery	1	1	1	1	1	1	1	1	1	1	1
Mausoleum	2	2	2	2	2	2	2	2	2	2	2
Ambulance											
Ambulances	5	5	5	5	6	6	6	6	6	6	6
Other vehicle	1	1	1	1	1	1	1	1	1	1	1
Defibrillators	9	9	9	9	9	9	9	15	9	9	9
IV pumps	6	6	6	6	6	6	6	6	6	6	6
Sanitation											
Refuse collection vehicles	13	13	13	13	13	15	13	13	12	12	12
Leaf loaders	0	0	0	0	1	1	1	1	2	2	2
Other vehicles	4	4	4	2	2	2	2	2	3	3	3
Water/Wastewater											
Miles of water mains	185	185	185	184	183	182	181	182	182	191	190
Miles of wastewater mains	148	148	147	147	146	144	143	144	144	147	147
Landfill⁽¹⁾											
Active landfills (available acres)	829	829	829	829	829	829	924	923	923	923	924
Closed landfills (acres)	117	117	117	117	117	117	117	117	117	117	117
Composting facility	1	1	1	1	1	1	1	1	1	1	1
Other Business-type Assets											
Golf course	1	1	1	1	1	1	1	1	1	1	1

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

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

