



City of Battle Ground, Washington



Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2015

CITY OF BATTLE GROUND, WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015



**Prepared by the Department of Finance
109 SW 1st Street, Suite 217
Battle Ground, Washington 98604**

**City of Battle Ground
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2015**

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INTRODUCTORY SECTION

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City of Battle Ground

109 S.W. 1st Street, Suite 122 Battle Ground, WA. 98604
(360) 342-5000 Fax (360) 342-5057

June 6, 2016

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

We are pleased to submit the City of Battle Ground's (city) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015. This report includes all funds and all financial activities that are considered to be part of the city.

This report meets the requirements of RCW 43.09.230, which requires a financial report covering each fiscal year and is prepared in accordance with Generally Accepted Accounting Principles (GAAP).

The finance department is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the data as presented herein is accurate in all material respects and is reported in a manner designed to fairly state the financial position and the results of operations of the city's various funds. In addition, all disclosures necessary to enable the reader to gain an understanding of the city's financial activities have been included.

City management is responsible for establishing and maintaining a structure of internal control. Internal controls are designed to provide reasonable, but not absolute assurances, that assets of the city are protected from loss, theft, or misuse, and to ensure accounting records are adequate and reliable in order to prepare the financial statements. The concept of reasonable assurance recognizes the cost of control does not exceed the benefit and the evaluation of costs and benefits requires estimates and judgments by management.

State law requires an annual audit of the city's financial statements and records by the Washington State Auditor's Office. The State Auditor conducts its audit in accordance with Generally Accepted Auditing Standards (GAAS) as established by the American Institute of Certified Public Accountants (AICPA) and provides an independent opinion on the city's financial position, results of operations, and the cash flows of its proprietary fund types. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Battle Ground for the fiscal year ended December 31, 2015 are free of material misstatement.

This report is divided into three major sections: Introductory Section, Financial Section, and the Statistical Section.

1. Introductory Section: This section, which is not audited, introduces the reader to the report and includes the city's organizational chart, elected and appointed city officials, and this letter of transmittal.

2. Financial Section: This section contains the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the Basic Financial Statements, Notes to the Financial Statements, and Combining and Individual Fund Statements.

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

The Notes to the Financial Statements are an integral part of this Comprehensive Financial Report and should be read for a fuller understanding of the statements and the information presented within.

3. Statistical Section: Although this section contains substantial financial information, these tables differ from the financial statements in that they present non-accounting information covering more than one year and are designed to reflect social and economic data, financial trends, and the fiscal capacity of the city.

Profile of the City of Battle Ground

The City of Battle Ground is located just west of the Cascade Mountains in the center of Clark County, Washington. The area was founded in 1855 and formally incorporated on June 18, 1951. The city changed from a mayor/council form of government to council/manager form of government following a vote of the public on November 5, 1996. The city operates as an optional code city under the Revised Code of Washington (RCW) Chapter 35A.

Council members are elected to staggered four year terms. Biennially, at the first meeting of the new council, the members elect a presiding officer who serves as mayor. Philip Johnson currently serves as the mayor of the city and Steven Phelps serves as deputy mayor.

City council is responsible for establishing policies, passing ordinances, adopting the budget, appointing committees, and hiring the city manager. The city manager is responsible for carrying out the policies and ordinances of the council, managing the daily operations of the city, and appointing the directors of the city's departments.

The city provides a full range of municipal services including public safety (police protection, contracted services for fire protection, and court services), parks and recreation, utilities, community planning and development, zoning, and general administrative services. In the area of utilities, the city provides water, sewer collections, and stormwater drainage for its citizens. The city participates in regional sewer treatment through the Discovery Clean Water Alliance.

Accounting and Budgeting

The diverse nature of city government and the necessity of assuring legal compliance preclude the recording and summarizing of all city financial transactions and balances in a single accounting entity. Therefore, from an accounting and financial management viewpoint, the city is a combination of several distinctly different fiscal and accounting entities, each having a separate set of accounts and functioning

independently of each other. Each accounting entity is accounted for in a separate “fund.” A fund is defined as a fiscal accounting entity with a self-balancing set of accounts, recording cash and other financial resources, together with all related liabilities and residual equities or fund balance, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The city’s accounting records for the general governmental operations are maintained on a modified accrual basis with revenues being recorded when they become both measurable and available to finance expenditures in the current period. Expenditures are recorded when the related fund liability is incurred. The accounting records for the city’s proprietary funds are maintained on the accrual basis with revenues recorded when they are earned and expenses recorded when they are incurred.

The government-wide financial statements incorporate all the city’s governmental and business-type activities. These statements are presented using an economic resources measurement focus and employ the full accrual basis of accounting. Revenues are recognized as soon as the liability is incurred, regardless of the timing of related cash flow. As a result, the government-wide financial statements are similar to, and more closely resemble, financial statements of private sector businesses.

The city prepares a biennial budget in accordance with the Revised Code of Washington (RCW) 35A.34. The city’s biennial budget serves as the foundation for financial planning and control. All governmental fund type budgets are prepared on the modified accrual basis of accounting. The legal level of budgetary control where expenditures cannot exceed appropriations is at the individual fund level. Biennial budgets established for debt service, capital projects, and the proprietary funds are for management controls, and therefore, are not reported.

The city structures its investments to provide necessary liquidity and to minimize risk, while achieving reasonable yields on its portfolio. The city invests temporarily idle cash in investments authorized by state law, including U.S. agency issues, the Washington State Local Government Investment Pool, and the Clark County Investment Pool.

Local Economy

The City of Battle Ground continues to be a shopping hub for north Clark County. As a result, sales tax is the city’s second largest (after property taxes) source of revenue within its governmental funds. The city has two major retail centers, Millcreek Town Center and the Fred Meyer Center. Battle Ground’s retail sales activity has been relatively strong in recent years. In 2015 the city experienced an increase of 11.4 percent in its sales tax receipts after increases of 14.7 percent and 12 percent in 2014 and 2013, respectively. A significant factor in the city’s recent sales tax trends has been the sales tax generated from construction activity.

The city’s 2015 assessed valuation for its 2016 property tax levy was approximately \$1.61 billion, a 9.6 percent growth over 2014. This was due to overall assessed valuations increases as well as new construction added to property tax rolls of approximately \$21.6 million. In 2015, the city issued 256 single-family residential and 11 multi-family building permits and as compared to 230 single-family residential permits only in 2014.

Economic trends for the city and the Clark County region as a whole continued to be positive with in 2015. Regional unemployment continued to decline from a high of 15.2 percent in 2010 to an average of

6.5 percent in 2015. Most sectors added jobs in the region. Public education and retail businesses continue to be the largest employers in the city. The 2015 population of approximately 19,250 in the City of Battle Ground increased at an annual rate of 3 percent as compared to 3.1 percent in 2014 and 1.2 percent in 2013. This population growth places the City of Battle Ground as the third largest city in Clark County.

Long-term Financial Planning

The city's primary ongoing financial challenge is the "structural deficit" between general fund revenues and the costs of funding and maintaining programs and service levels for its citizens. Unfunded mandates from both the state and federal governments and the ongoing impacts of voter initiatives have significantly contributed to this deficit. Although the economy is showing improvement from what has been termed the "great recession," the city continues to operate with a "lean" structure. The city will continue this strategy of constraining costs within existing revenues until permanent solutions to shortfalls are found. The focus of the financial model for the 2015-2016 biennial budget is on providing core services and maintaining existing infrastructure.

The city maintains a policy that targets an estimated ending fund balance of 15 percent of estimated annual revenues for general government funds. This arrangement is disclosed as committed fund balance within the general fund and is approximately 18 percent of estimated annual revenues for 2015. In addition, the city continues to maintain a cash reserve fund for revenue stabilization and other unanticipated needs. This fund balance as of December 31, 2015 is \$622,435.

Relevant Financial Policies

The city has established financial management policies to ensure the city maintains a financial foundation into the future. These policies include:

- A six year financial planning horizon to assess future potential challenges and opportunities
- Establishing and maintaining required reserves for contingencies
- Establishing and funding repair and replacement funds for vehicles and technology
- Maintaining manageable levels of debt while maintain quality bond ratings; debt is not used for current operations
- Unexpected one-time revenues are used for one-time costs or reserves

Major Initiatives

Battle Ground Transportation Benefit District

A transportation benefit district (TBD) was established October 6, 2014. Funding is generated from a \$20 vehicle registration fee as of July 1, 2015. Approximately \$250,000 will be generated annually to be used to fund transportation improvements that construct, reconstruct, preserve, maintain and operate the city's existing transportation infrastructure.

Discovery Clean Water Alliance (Alliance)

The city continues as a member in the consortium of local governments including Clark County, Clark Regional Waste Water District, and the City of Ridgefield for sewer transmission and treatment. These entities formed a joint utility partnership called the Discovery Clean Water Alliance (Alliance). As of January 1, 2015 the city transferred its sewer Public Works Trust Funds Loans and sewer force main to the Alliance.

Water Meter Replacement Project

The city replaced approximately 5400 residential and commercial water meters in 2015 with radio read meter technology at a cost of \$2.77 million. The city utilized the Washington's Department of Enterprise Services' Energy Performance Contracting Program and issued a water revenue bond with energy and operational cost savings generated from the project to fund bond payments.

Financial Statement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Battle Ground for its *Comprehensive Annual Financial Report* of the fiscal year ended December 31, 2014. This was the city's thirteenth year it received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized *Comprehensive Annual Financial Report*. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current *Comprehensive Annual Financial Report* continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

Preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the finance department staff, especially Brian Wolf, accounting manager, and other employees throughout the city who assisted in and contributed to its preparation. Further appreciation is extended to the mayor and the city council for their direction and support of sound fiscal management.

Respectfully submitted,



Jeffrey R. Swanson
City Manager



Maggie Smith, CPA
Finance and Information Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

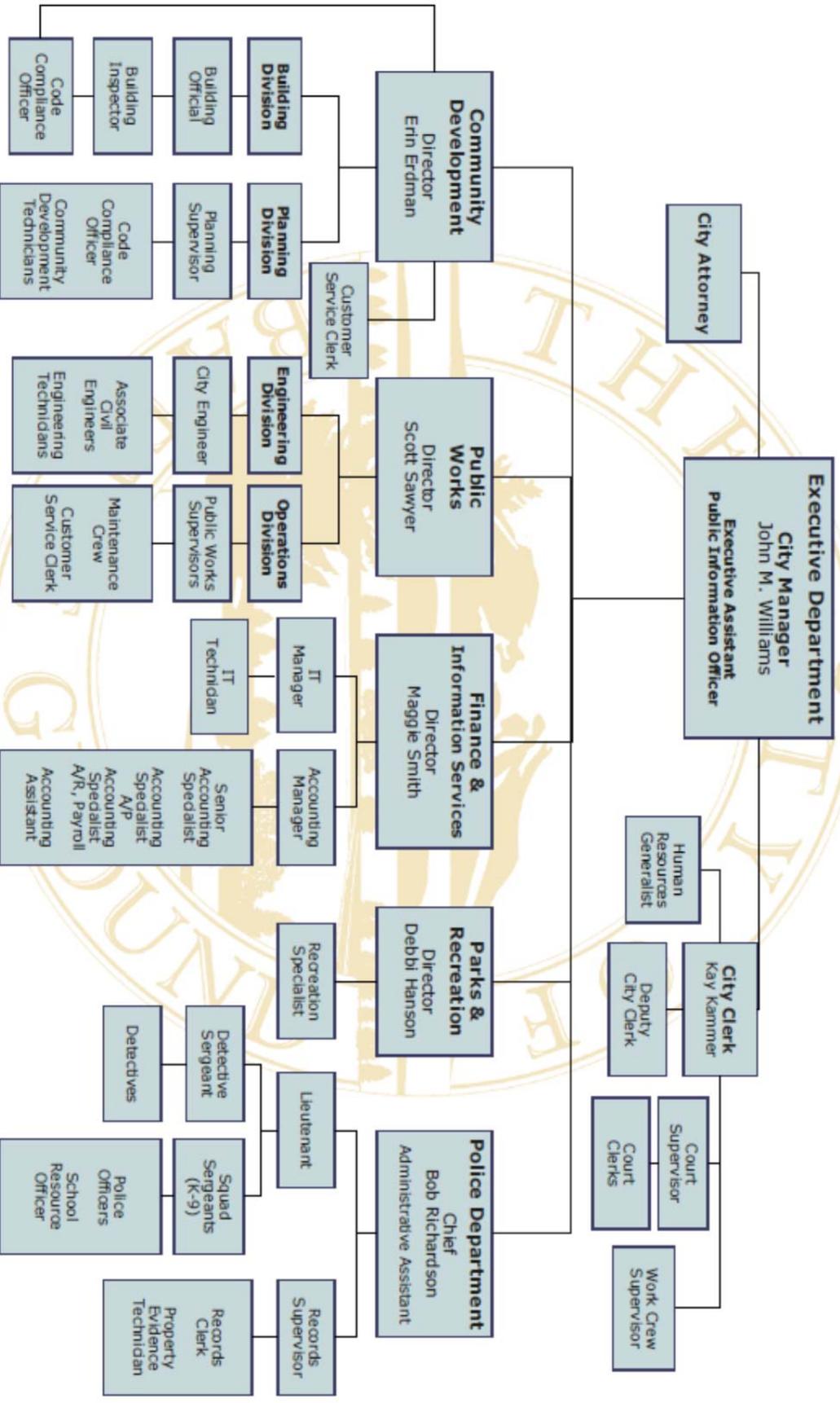
Presented to

**City of Battle Ground
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO



CITY OF BATTLE GROUND
List of Elected & Appointed Officials
2015

ELECTED OFFICIALS
CITY COUNCIL



Mayor
Shane Bowman



Deputy Mayor
Philip Johnson



Councilmember
Adrian Cortes



Councilmember
Mike Dalesandro



Councilmember
Bill Ganley



Councilmember
Lyle Lamb



Councilmember
Chris Regan

APPOINTED OFFICIALS
CITY STAFF

City Manager
John M. Williams

Finance & Information Services Director
Maggie Smith

Chief of Police
Bob Richardson

Public Works Director/City Engineer
Scott Sawyer

Community Development Director
Erin Erdman

Parks & Recreation Director
Debbi Hanson

FINANCIAL SECTION

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Washington State Auditor's Office

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

June 1, 2016

Mayor and City Council
City of Battle Ground
Battle Ground, Washington

REPORT ON THE FINANCIAL STATEMENTS

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Matters of Emphasis

As described in Note 16, during the year ended December 31, 2015, the City has implemented the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 through 25, information on postemployment benefits other than pensions on page 75 and pension plan information on pages 76 through 84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as Nonmajor Combining and Individual Fund Statements and Schedules on pages 87 through 112 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

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

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 1, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in cursive script that reads "Troy X. Kelley". The signature is written in black ink and is positioned above the printed name.

TROY KELLEY

STATE AUDITOR

OLYMPIA, WA

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Battle Ground's (city) discussion and analysis is a narrative overview of the city's financial activities for the fiscal year ending December 31, 2015. The information presented here should be read in conjunction with the letter of transmittal, the financial statements, and the notes to the financial statements that follow.

FINANCIAL HIGHLIGHTS

The city's overall financial position improved in 2015 as compared to 2014 as evidenced by an increase of 6.5% in the change in total net position. However, net position for governmental activities decreased by \$1.0 million, primarily due to GASB 68 reporting for pensions.

The assets of the city exceeded its liabilities at December 31, 2015 by \$112.5 million. Of this net position amount, net investment in capital assets is \$90.9 million. Restricted net position is \$4.8 million and is earmarked for debt service and capital projects. Unrestricted net position is \$16.8 million and may be used to meet the city's ongoing obligations to citizens and creditors.

As of December 31, 2015, the city's governmental funds reported combined ending fund balances of \$8.3 million. \$4.5 million is restricted to specific purposes such as capital, drug investigation, and tourist promotion. \$3.8 million is unrestricted (includes committed, assigned, and unassigned). The unrestricted fund balance is available for spending at the city's discretion.

Unrestricted fund balance in the general fund was \$3.7 million at December 31, 2015. This unrestricted fund balance increased \$766,173 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the city's basic financial statements and is intended to assist users in interpretation of the basic financial statements. The basic 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 includes supplementary information intended to furnish additional detail to support the basic financial statements.

Government-wide Financial Statements

Government-wide financial statements present the city's financial condition in a manner similar to private sector statements. The statements distinguish functions of the city that are primarily supported by taxes and intergovernmental revenues ("governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges ("business-type activities").

The governmental activities of the city include a full range of local government services provided to the public, such as law enforcement and public safety; fire protection; road construction and maintenance; community planning and development; parks and recreation facilities; and other community services. These activities are primarily supported by taxes, licenses and permits, fines and forfeitures, and charges for general governmental services.

Business-type activities of the city are mainly supported by user fees and charges. The business-type activities of the city include storm water drainage, water, and sewer utilities and internal services for fleet administration and technology.

Statement of Net Position

This statement presents financial information on all of the city's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the city is improving or deteriorating.

Statement of Activities

This statement provides information designed on how the city's net position changed during the fiscal year. This statement distinguishes revenue generated by specific functions from revenue provided by taxes and other sources not related to a specific function. The revenue generated by the specific functions (charges for services, grants, and contributions) is compared to the expenses for those functions to show the degree to which each function supports itself or relies on taxes and other general funding sources for support. All changes in net position are reported using the accrual basis of accounting, requiring that revenues are reported when they are earned and expenses are reported when they are incurred, regardless of the timing of related cash flows. Items such as (but not limited to) uncollected taxes, unpaid vendor invoices for goods or services received during the year, and earned but unused vacation leave are included in the statement of activities as revenue and expenses, even though no cash has changed hands.

Fund Financial Statements

A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities or meet certain objectives. Funds are often set up in accordance with special regulations, restrictions, or limitations. The city, 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 or proprietary funds.

Governmental Funds

The *Governmental Fund Balance Sheet* and the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* present separate columns of financial data for the general fund. The general fund is considered a major fund. The general fund is the primary operating fund of the city through which all receipts and payments of ordinary city operations are processed, unless they are required to be accounted for in another fund. Data from the remaining governmental funds are combined into a single, aggregated presentation.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at year end. Such information is useful in evaluating a government's near-term financing requirements in comparison to resources available.

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This gives readers a better understanding of the long-term impact of the government's financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to the governmental activities column in the government-wide statements, facilitating this comparison.

The city maintains budgetary controls over its operating funds through the adoption of a biennial budget. Budgets are adopted at the fund level for all funds in accordance with state law. All budgetary comparison schedules are included following the other governmental funds' combining statements in this report.

Proprietary Funds

Proprietary funds are used by the city to account for business-type activities. Business-type activities provide specific goods or services to a group of customers that are paid for by fees charged to those customers. The city has two types of proprietary fund: enterprise funds and internal service funds. Enterprise funds are used to account for goods and services provided to citizens and the community. Internal service funds are used to account for goods and services provided internally to various city departments. The same basis of accounting is used for proprietary funds in both the government-wide statements and the individual fund statements.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, with the fund statements providing more detail than is reported in the government-wide statements. The city uses enterprise funds to account for its storm water drainage, water, and sewer utilities.

Internal service funds are used to report activities that provide supplies and services for city programs. The internal service funds account for fleet administration and technology. Given that these services benefit governmental operations more than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are located immediately following the basic financial statements.

Other Information

This report also presents certain required supplementary information regarding pension related data, and postemployment medical benefits to uniformed personnel hired before October 1, 1977. Required supplementary information may be found immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

The *Statement of Net Position* can serve as a useful indicator of the city's financial position. The city's total net position was \$112.5 million at December 31, 2015 as compared to \$105.8 at December 31, 2014. The following is a condensed version of the *Government-wide Statement of Net Position*.

The largest portion (80%) of the city's net position reflects its investment in capital, less any related debt used to acquire those assets that is still outstanding. The city's capital assets are used to provide services to citizens. Consequently, these assets are not available for future spending. At the end of the fiscal year, the city had \$4,603,779 in net position restricted for capital or capital related debt. \$299,804 of these restricted assets are accounted for in the Sewer Fund for debt service. \$3,099,173 are accounted for in the Traffic Impact Fund, \$436,320 in the Park Impact Fund, \$622,743 in the Real Estate Tax Fund, and \$145,739 in the Fire Impact Fund and must be used for capital purposes in the respective funds. In addition, the city had \$63,090 for drug investigations and \$144,631 for tourist promotion in restricted funds. The remaining unrestricted balance of \$16,819,941 represents the amount that may be used to meet the city's ongoing obligations.

At December 31, 2015, the city reports positive balances in all three categories of net position, for the government as a whole, as well as for separate governmental and business-type activities.

City of Battle Ground Net Position

	Governmental activities		Business-Type activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 10,628,516	\$ 9,000,522	\$ 16,505,709	\$ 13,797,666	\$ 27,134,225	\$ 22,798,188
Capital assets (net of depr)	52,338,100	53,539,903	60,167,440	60,370,987	112,505,540	113,910,890
Total assets	62,966,616	62,540,425	76,673,149	74,168,653	139,639,765	136,709,078
Deferred Outflows Pensions	389,889		76,127		466,016	
Long-term liabilities	15,307,438	13,572,161	10,368,263	15,714,830	25,675,701	29,286,991
Other liabilities	878,306	1,431,051	279,399	202,614	1,157,705	1,633,665
Total Liabilities	16,185,744	15,003,212	10,647,662	15,917,444	26,833,406	30,920,656
Deferred Inflows Pensions	590,888		98,103		688,991	
Net investment in capital assets	40,356,369	40,834,702	50,677,199	44,773,066	91,033,568	85,607,768
Restricted for:						
Capital	4,303,975	3,996,454			4,303,975	3,996,454
Debt Services			299,804	298,336	299,804	298,336
Drug Investigations	63,090	61,756			63,090	61,756
Tourist Promotion	144,631	130,359			144,631	130,359
Unrestricted	1,661,667	2,513,942	15,026,508	13,179,807	16,688,175	15,693,749
Total net position	\$ 46,529,732	\$ 47,537,213	\$ 66,003,511	\$ 58,251,209	\$ 112,533,243	\$ 105,788,422

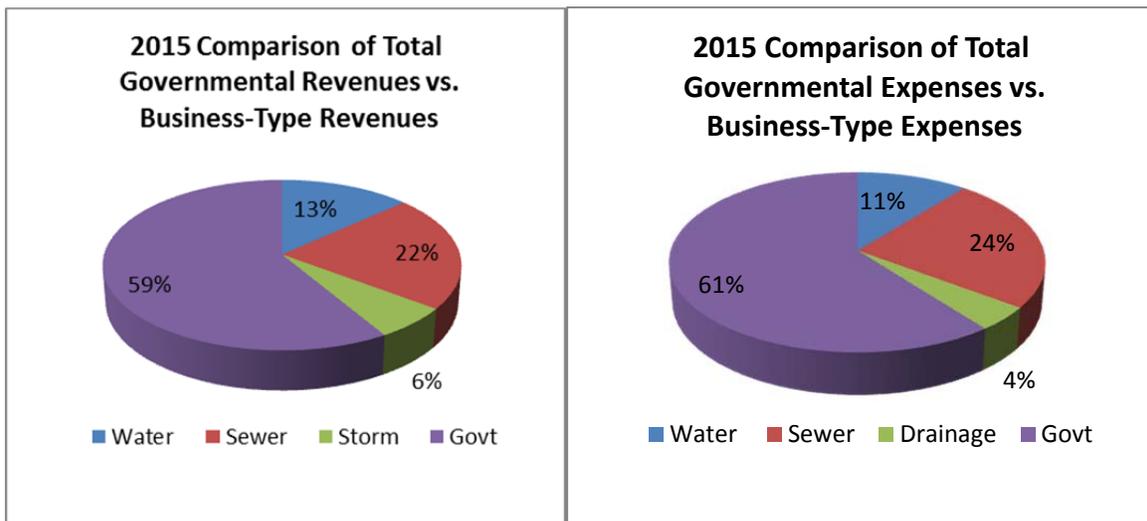
Analysis of Changes in Net Position

The *Statement of Activities* reports the change in net position for the fiscal year. At December 31, 2015 the city's total ending net position increased by \$6.74 million. The business-type funds increased by \$7.75 primarily due to the transfer of sewer Public Works Trust Fund loans to the Discovery Clean Water Alliance. Net position decreased by \$1.01 million in the governmental funds due to GASB 68 reporting of pension costs.

The full statement is a tabular depiction of the relationship of revenues and expenses for the city's governmental activities and proprietary funds. The graphs that follow illustrate the sources of revenue and the balance of governmental versus business type expenses for 2015.

City of Battle Ground Statement of Activities

	Governmental activities		Business-Type activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues						
Charges for services	\$ 2,935,524	\$ 2,074,052	\$ 6,494,724	\$ 6,255,970	\$ 9,430,248	\$ 8,330,022
Operating Grants and Contributions	891,157	742,824	115	51,915	891,272	794,739
Capital Grants and Contributions	1,409,148	1,129,275	3,821,847	2,153,715	5,230,995	3,282,990
General revenues:						
Property taxes	2,752,356	2,601,477	-	-	2,752,356	2,601,477
Sales taxes	2,553,298	2,214,953	-	-	2,553,298	2,214,953
Other taxes	3,887,303	3,675,168	-	-	3,887,303	3,675,168
Interest income	50,427	57,522	91,804	60,640	142,231	118,162
Other revenues	389,546	204,787	195,043	117,810	584,589	322,597
Total Revenues	14,868,759	12,700,058	10,603,533	8,640,050	25,472,292	21,340,108
Expenses						
General government	1,955,510	1,835,205	-	-	1,955,510	1,835,205
Judicial	587,230	518,954	-	-	587,230	518,954
Public Safety	4,014,769	3,995,788	-	-	4,014,769	3,995,788
Physical environment	2,332,297	2,038,449	-	-	2,332,297	2,038,449
Transportation	2,959,111	2,452,138	-	-	2,959,111	2,452,138
Economic environment	838,813	797,619	-	-	838,813	797,619
Culture and recreation	866,175	1,022,673	-	-	866,175	1,022,673
Storm Drainage	-	-	1,013,546	1,062,553	1,013,546	1,062,553
Water	-	-	2,524,181	2,103,010	2,524,181	2,103,010
Sewer	-	-	5,639,263	4,077,452	5,639,263	4,077,452
interest on long term debt	504,353	523,450	-	-	504,353	523,450
Total Expenses	14,058,258	13,184,276	9,176,990	7,243,015	23,235,248	20,427,291
Excess (deficiency) before contributions, and transfers.						
	810,501	(484,218)	1,426,543	1,397,035	2,237,044	912,817
Contributions	-	262,642	-	-	-	262,642
Special Item - Gain on Sale of Capital Asset	-	-	(1,578,801)	-	(1,578,801)	-
Special Item - Gain on Transfer of Debt	-	-	8,598,091	-	8,598,091	-
Changes in Net Position	810,501	(221,576)	8,445,833	1,397,035	9,256,334	1,175,459
Net Position - beginning	47,537,213	47,912,256	58,251,209	56,700,707	105,788,422	104,612,963
Change in Accounting Principle	(1,817,982)	(153,467)	(693,531)	153,467	(2,511,513)	-
Net Position as of January 1 restated	45,719,231	-	57,557,678	-	103,276,909	-
Net Position - ending	\$ 46,529,732	\$ 47,537,213	\$ 66,003,511	\$ 58,251,209	\$ 112,533,243	\$ 105,788,422

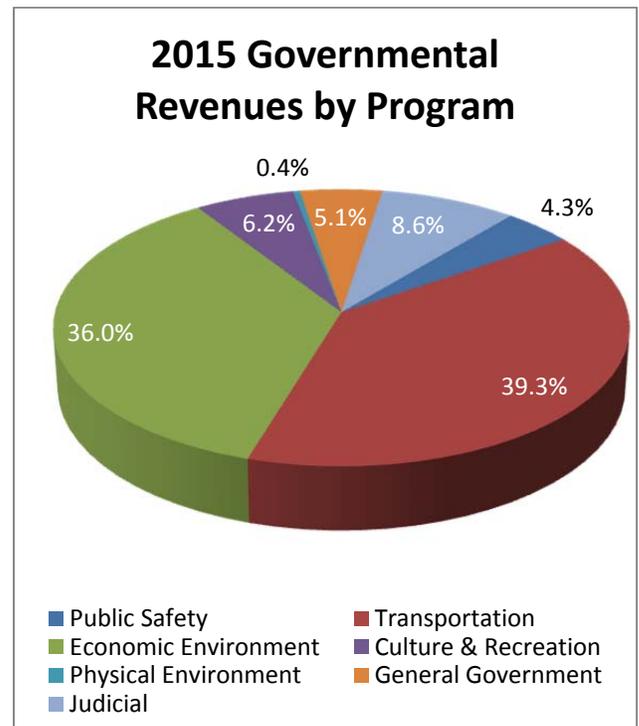
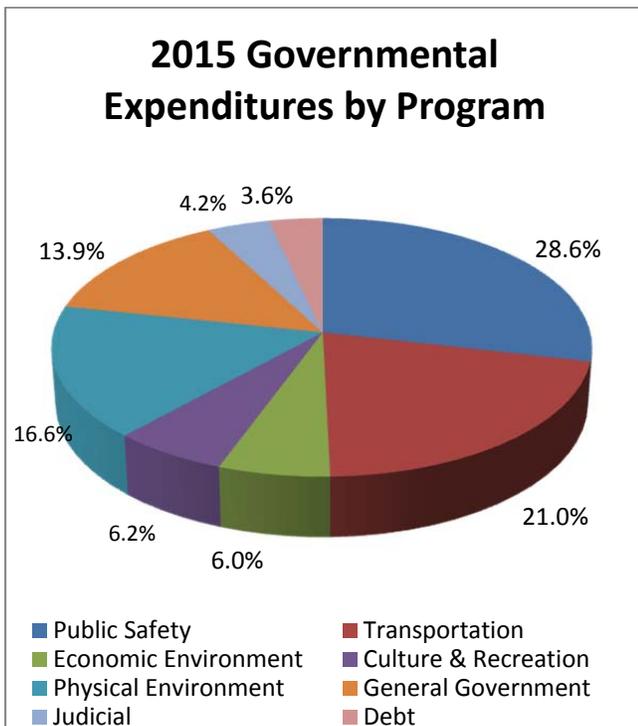


Governmental Activity Analysis

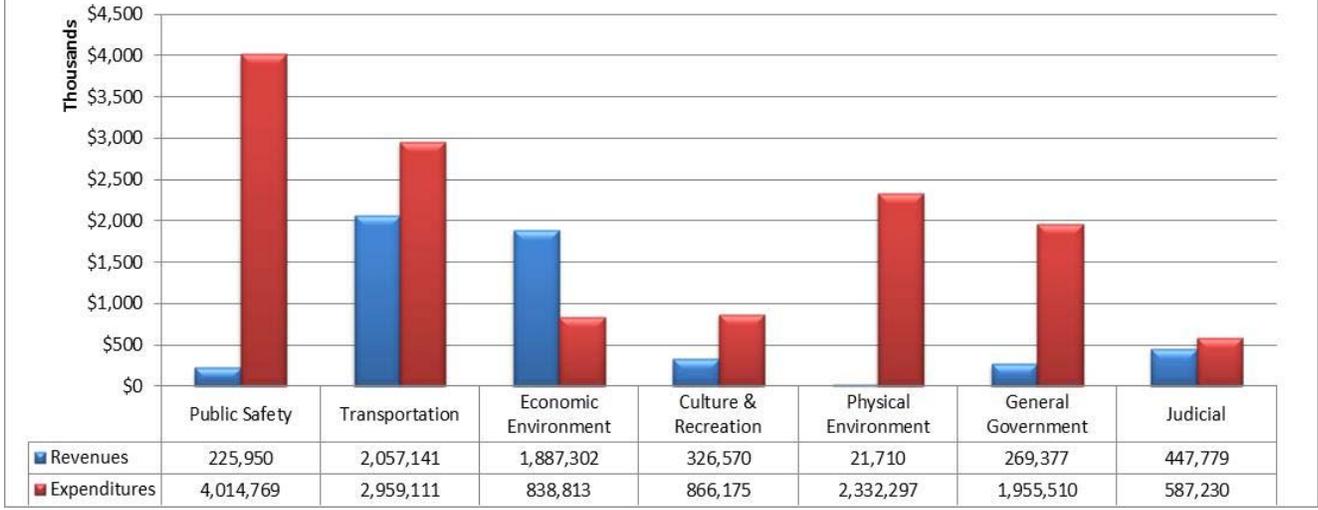
The City of Battle Ground’s property tax rate decreased slightly due to increasing assessed valuations. Property taxes collected in fiscal year 2015 increased \$150,879 due to new construction in residential and commercial properties. Sales tax collected increased \$338,345 (15.3%) from the prior year due to continuing improvement in the local economy.

Revenues tied to construction continue showed improvement in 2015. Transportation impact fees increased from \$267,522 in 2014 to \$503,444 to 2015, primarily due to construction of multi-family residential units and commercial growth. Real estate excise taxes increased by \$59,319 (9.6%) from the prior year, primarily due to improvements in the residential housing sector.

Governmental activities expenses increased \$873,982 (6.6%) over the prior year. After many years of cost reductions and deferral of street, parks, and facility maintenance, efforts are underway to prioritize and implement maintenance strategies.

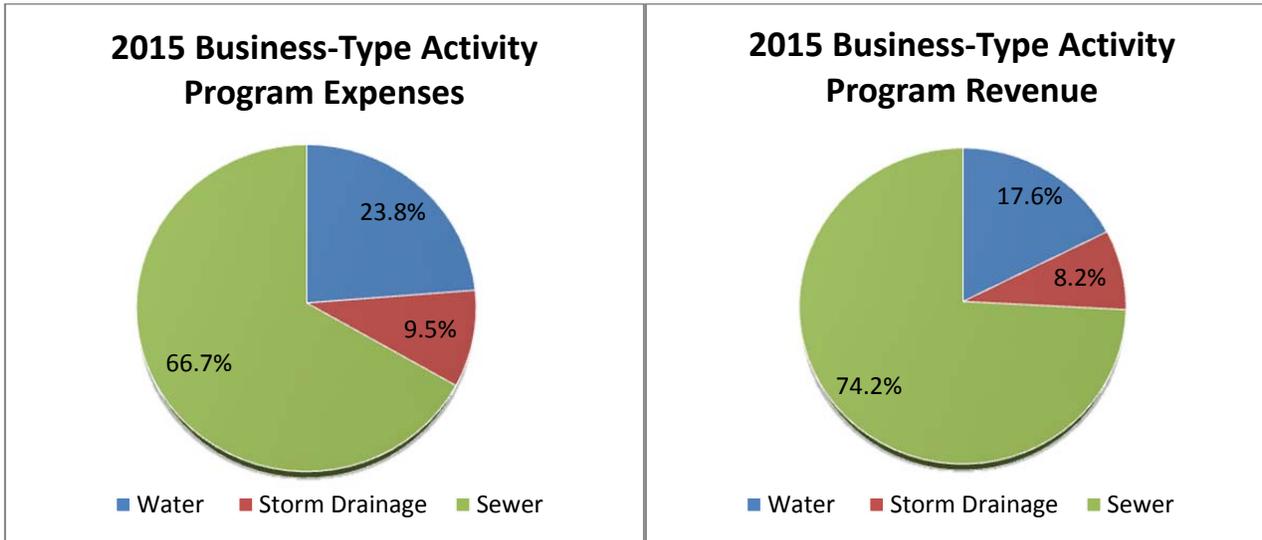


2015 Governmental Revenues and Expenditures by Program



Business-Type Activities Analysis

The financial position of the city's business-type funds consists of the storm drainage, water and sewer funds. The storm drainage fund had an overall increase in net position of \$549,708 (5.6%) primarily due to capital contributions of \$679,312 as compared to \$558,331 in 2014. The sewer fund had an overall increase in net position of \$6.96 million (27%) due to transferring assets and debt to the Discovery Clean Water Alliance. The water fund had an increase in net position of \$845,943 (3.9%) due to capital contributions of \$936,068 from \$677,646 in 2014. The following graphs illustrate the revenues and expenses of the city's enterprise funds.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds Analysis

As noted earlier, the City of Battle Ground uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the city's governmental funds is to provide information on near-term inflow, outflows, and balances of spendable resources. Such information is useful in assessing the city's financing requirements. Unassigned fund balance may serve as a useful measure of the city's net resources available for discretionary use as these resources represent the portion of fund balance which has not yet been limited as to use for a particular purpose by either an external party, the city itself, or a group or individual that has been delegated authority to assign resources for specific purposes by city council.

At December 31, 2015, the city's governmental funds reported combined fund balances of \$8.31 million, an increase of \$1.0 million over 2014. \$1,121,241 (13.5%) of this amount constitutes unassigned fund balance, which is available for spending at the city's discretion. The remainder of the fund balance is either: 1) restricted for particular purposes (\$4,511,696), 2) committed for particular purposes (\$2,159,935), or 3) assigned for particular purposes (\$517,490).

The general fund is the chief operating fund of the City of Battle Ground. At the end of the fiscal year, unassigned fund balance of the general fund was \$1,121,241, while total fund balance increased to \$3,677,291. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to general fund expenditures. Unassigned fund balance represents approximately 10.3% of total general fund expenditures, while total fund balance represents approximately 33.8% of that same amount.

The fund balance of the general fund increased by \$766,173 during the current fiscal year. The increase was primarily due to an increase in total assets of \$733,342 over the prior year.

Business-Type Funds Analysis

The city's proprietary fund financial statements provide the same type of information found in the government-wide financial statements for business-type activities, although in more detail. Internal service funds, although proprietary, are not included within business-type activities.

Proprietary funds are those funds that account for government operations where the intent is for the costs to be primarily paid for by user charges. Enterprise funds are those funds that provide services primarily to external users, and internal service funds provide their services primarily within the city, or to other governmental units. The city has three business-type funds, all of which are enterprise funds.

The water fund and the sewer fund are the two largest enterprise funds of the city. The water fund accounts for 34%, the sewer fund 50%, and the storm drainage fund 16% of the total net position for enterprise funds. The water fund had total net position at year-end of \$22.2 million, the sewer fund \$33.2 million, and the storm drainage fund \$10.3 million. The utility funds each showed an operating loss, primarily for depreciation expense. After capital contributions and interest earnings all enterprise funds reported an increase in net position.

Total water fund operating revenues for 2015 were \$2.39 million as compared to \$2.22 million in 2014. Total operating expenses were \$2.46 million as compared to \$2.11 million in 2014. Increases were due to purchases for equipment and supplies and taxes.

Total sewer fund operating revenues for 2015 were \$3.33 million as compared to \$3.23 million in 2014. Total operating expenses were \$5.44 million as compared to \$3.84 million in 2014. The increase in operating expenses was due to the first year of intergovernmental services for wastewater treatment through an agreement with the Discovery Clean Water Alliance.

Total storm drainage operating revenues for 2015 were \$872,188 as compared to \$884,133 in 2014. Total operating expenses were \$1.01 million as compared to \$1.07 million in 2014.

GENERAL FUND BUDGETARY HIGHLIGHTS

In 2015, the city appropriated funds through the adoption of the 2015-2016 biennial budget. The following table shows the changes between the original and the final biennial general fund budget (includes reserve funds), and the variances between the final budget to actual revenues and expenditures:

	Original 2015-2016 budget	Final 2015-2016 Budget	Change Positive/ Negative	Actual Biennium- To- Date	Variance Positive / (Negative)	Percentage of Actual to Budget
Revenues:						
Taxes	\$ 16,790,545	\$ 16,790,545	\$ -	\$ 8,489,952	\$ (8,300,593)	51%
License and permits	1,419,916	1,419,916	-	826,011	(593,905)	58%
Intergovernmental	954,950	954,950	-	629,617	(325,333)	66%
Charges for services	3,105,688	3,105,688	-	1,475,441	(1,630,247)	48%
Other revenues	<u>1,055,865</u>	<u>1,055,865</u>	-	<u>529,839</u>	<u>(526,026)</u>	50%
Total revenues	23,326,964	23,326,964	-	11,950,860	(11,376,104)	51%
Expenditures:						
General government	6,112,629	6,112,629	-	2,658,785	3,453,844	43%
Security/Persons and property	7,968,627	7,985,463	(16,836)	3,878,972	4,106,491	49%
All other expenditures	<u>7,851,173</u>	<u>7,851,173</u>	-	<u>3,712,240</u>	<u>4,138,933</u>	47%
Total Expenditures	21,932,429	21,949,265	(16,836)	10,249,997	11,699,268	47%
Excess (Deficiency of Revenues)						
Over (under) expenditures	1,394,535	1,377,699	(16,836)	1,700,863	323,164	123%
Other financing sources	-	-	-	-	-	-
Interfund transfers	<u>(2,273,163)</u>	<u>(2,273,163)</u>	-	<u>(922,989)</u>	<u>1,350,174</u>	41%
Net change in fund balance	(878,628)	(895,464)	(16,836)	777,874	1,673,338	-87%
Fund balance as of January 1	<u>1,880,867</u>	<u>1,880,867</u>	-	<u>1,880,867</u>	-	100%
Fund balance as of December 31	<u>\$ 1,002,239</u>	<u>\$ 985,403</u>	<u>\$ (16,836)</u>	<u>\$ 2,658,741</u>	<u>\$ 1,673,338</u>	270%

The difference between the original general fund budget expenditures and the final amended budget was an increase of \$16,836. This change reflects an increase in the law enforcement department budget. On an annual basis for 2015 for the general fund, actual revenues were 106% of budget and actual expenditures were 95% of budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The city's investment in capital assets, including construction in progress, totals \$112,505,540 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, infrastructural improvements, intangible assets, machinery and equipment, park facilities, and construction in progress. This reflects a decrease in net capital assets of \$1,405,350 in 2015.

	Governmental Activities		Business-Type Activities		Total Activities	
	2015	2014	2015	2014	2015	2014
Land	\$ 15,996,830	\$ 15,992,391	\$ 2,982,132	\$ 2,823,126	\$ 18,978,962	\$ 18,815,517
Construction in progress	333,601	234,612	207,966	113,206	541,567	347,818
Buildings	10,644,114	11,019,931	989,167	1,023,106	11,633,281	12,043,037
Machinery and equipment	1,029,117	1,097,876	67,723	72,956	1,096,840	1,170,832
Infrastructure	23,666,725	24,675,093	40,147,558	39,506,909	63,814,283	64,182,002
Improvements other than buildings	667,713	520,000	31,240	-	698,953	520,000
Intangible assets	-	-	15,741,654	16,831,684	15,741,654	16,831,684
Total	<u>\$ 52,338,100</u>	<u>\$ 53,539,903</u>	<u>\$ 60,167,440</u>	<u>\$ 60,370,987</u>	<u>\$ 112,505,540</u>	<u>\$ 113,910,890</u>

Major capital assets events during the 2015 fiscal year included the following:

- Transfer of the sewer force main transmission line to the Discovery Clean Water Alliance which was a loss of \$1,578,801
- Developer contributions to city streets valued at \$1,324,019
- Developer contributions to sewer valued at \$581,633
- Developer contributions to water valued at \$344,190
- Completion of the exchange of over 5,000 water meters to advanced automated meter reading (AMR)

Additional information on the city's capital assets can be found in Note 4 in the notes to the financial statement in this report.

Long-term Debt

At December 31, 2015 the city had total long-term debt outstanding of \$21,486,901. Of this amount, \$10,485,000 is general obligation debt. General obligation bonds are direct obligations and pledge the full faith and credit of the city. The city's remaining capacity for non-voted long-term general obligation debt is approximately \$13.6 million. Standard and Poor's last affirmed the city's rating of "AA-" for its general obligation debt in September 2014 citing strong budgetary flexibility and management.

In 2015, the city entered into a capital lease in the amount of \$263,000 to purchase three police vehicles, a work crew van, and two utility fund vehicles. In 2014 the city entered into a capital lease in the amount of \$46,806 for technology storage equipment. In 2013 the city entered into a capital lease in the amount of \$665,660 for the purchase of three police vehicles and a fire truck. Outstanding capital lease obligations at December 31, 2015 are \$579,894.

At December 31, 2015 there were also outstanding government long-term loans made by the State of Washington under the Public Works Trust Fund Loan Program of \$1,069,992 and sewer revenues bonds of \$9,352,014.

The table below is a comparison of the summary for outstanding debt at December 31, 2014 and 2015.

City of Battle Ground's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total Activities	
	2015	2014	2015	2014	2015	2014
General obligation bond	\$ 10,485,000	\$ 11,205,000	\$ -	\$ -	\$ 10,485,000	\$ 11,205,000
Capital leases	579,894	467,635	-	-	579,894	467,635
Government loans	800,000	900,000	269,993	8,922,081	1,069,993	9,822,081
Revenue bonds	-	-	9,352,014	6,675,840	9,352,014	6,675,840
Total	\$ 11,864,894	\$ 12,572,635	\$ 9,622,007	\$ 15,597,921	\$ 21,486,901	\$ 28,170,556

Additional information on the city’s long-term debt can be found in Note 7 in the notes to the financial statement in this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The city serves as an economic and social hub for about 80,000 people living in and around Battle Ground. Although the “great recession” has been a challenge to the city’s budget and level of services, recovery continued in 2015 with increased construction in residential and commercial properties. The broader regional economy also continued with increased employment and economic development.

The city’s adopted financial policies continue to guide the financial operations and budget process. The city operates under a biennial budget. Pursuant to the Revised Code of Washington (RCW) 34A.34.130, city council provides for a mid-biennial review and modification of biennial budgets. The 2015-2016 mid-biennial review did not result in any significant changes to the 2015 or 2016 budget.

The city continues to address aspects of the ongoing structural deficit while focusing on core services identified by city council: public safety, improving city streets, maintaining contingency reserves, and continuing the existing level of service to its citizens. The following economic and financial factors are monitored throughout the biennial budget:

- Utility rate increases are consistent and support adopted master plans
- Continued increase in permits for residential and commercial development projects
- A Transportation Benefit District formed in 2015 with a \$20 license fee approved to fund deferred street maintenance
- Significant state funding has been received to reconstruct South Parkway, a major city street
- Completion of State Route 502 from Interstate 5 into the city. This state project formed a divided highway and increased both east and west lanes from one to two.

Requests for Information

This financial report is designed to provide a general overview of City of Battle Ground’s finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Finance Department, City of Battle Ground, 109 SW 1st Street, Suite 217, Battle Ground, WA, 98604.

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BASIC FINANCIAL STATEMENTS

City of Battle Ground
Statement of Net Position
December 31, 2015

	Governmental Activities	Business-type Activities	Total Primary Government
Assets			
Cash and Cash Equivalents	\$ 4,879,014	\$ 8,754,742	\$ 13,633,756
Investments	3,332,180	5,991,130	9,323,310
Receivables	1,493,211	861,438	2,354,649
Internal Balances	(273,704)	273,704	-
Restricted Assets			
Cash and Cash Equivalents	396,366	624,695	1,021,061
Capital Assets (not being depreciated)			
Land	15,996,830	2,982,132	18,978,962
Construction Work in Progress	333,601	207,966	541,567
Capital Assets (net of accumulated depreciation)			
Buildings	10,644,114	989,167	11,633,281
Improvements Other than Buildings	667,713	31,240	698,953
Intangible Assets	-	15,741,654	15,741,654
Machinery and Equipment	1,029,117	67,723	1,096,840
Infrastructure	23,666,725	40,147,558	63,814,283
Net Pension Asset	801,449	-	801,449
Total Assets	<u>62,966,616</u>	<u>76,673,149</u>	<u>139,639,765</u>
Deferred Outflows of Resources			
Related to Pensions	389,889	76,127	466,016
Total Deferred Outflows of Resources	<u>389,889</u>	<u>76,127</u>	<u>466,016</u>
Liabilities			
Accounts Payable	375,731	107,711	483,442
Other Current Liabilities	143,688	23,269	166,957
Accrued Interest Payable	50,141	147,487	197,628
Unearned Revenue	9,000	932	9,932
Custodial Deposits	349,887	-	349,887
Noncurrent Liabilities			
Due within One Year	1,035,489	252,050	1,287,539
Due in More than One Year	12,028,882	9,480,000	21,508,882
Net Pension Liability	2,243,067	636,213	2,879,280
Total Liabilities	<u>16,235,885</u>	<u>10,647,662</u>	<u>26,883,547</u>
Deferred Inflows of Resources			
Related to Pensions	590,888	98,103	688,991
Total Deferred Inflows of Resources	<u>590,888</u>	<u>98,103</u>	<u>688,991</u>
Net Position			
Net Investment in Capital Assets	40,356,369	50,545,433	90,901,802
Restricted for			
Capital	4,303,975	-	4,303,975
Debt Service	-	299,804	299,804
Drug Investigation	63,090	-	63,090
Tourist Promotion	144,631	-	144,631
Unrestricted	1,661,667	15,158,274	16,819,941
Total Net Position	<u>\$ 46,529,732</u>	<u>\$ 66,003,511</u>	<u>\$ 112,533,243</u>

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

City of Battle Ground
Statement of Activities
For the year ended December 31, 2015

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Indirect Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT								
Governmental Activities:								
General Government	\$ 2,937,933	\$ (982,423)	\$ 268,480	\$ 897	\$ -	\$ (1,686,133)	\$ -	\$ (1,686,133)
Judicial	587,230	-	447,779	-	-	(139,451)	-	(139,451)
Public Safety	4,014,769	-	82,400	143,550	-	(3,788,819)	-	(3,788,819)
Physical Environment	2,332,297	-	21,710	-	-	(2,310,587)	-	(2,310,587)
Transportation	2,959,111	-	-	724,066	1,333,075	(901,970)	-	(901,970)
Economic Environment	838,813	-	1,887,302	-	-	1,048,489	-	1,048,489
Culture and Recreation	866,175	-	227,853	22,644	76,073	(539,605)	-	(539,605)
Interest Expense	504,353	-	-	-	-	(504,353)	-	(504,353)
TOTAL GOVERNMENTAL ACTIVITIES	15,040,681	(982,423)	2,935,524	891,157	1,409,148	(8,822,429)	-	(8,822,429)
Business Type Activities:								
Storm Drainage	735,736	277,810	865,854	115	679,312	-	531,735	531,735
Water	2,214,301	309,880	2,390,158	-	936,068	-	802,045	802,045
Sewer	5,244,530	394,733	3,238,712	-	2,206,467	-	(194,084)	(194,084)
TOTAL BUSINESS-TYPE ACTIVITIES	8,194,567	982,423	6,494,724	115	3,821,847	-	1,139,696	1,139,696
Total Primary Government	\$ 23,235,248	\$ -	\$ 9,430,248	\$ 891,272	\$ 5,230,995	\$ (8,822,429)	\$ 1,139,696	\$ (7,682,733)
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes						2,752,356	-	2,752,356
Sales and Use Taxes						2,553,298	-	2,553,298
Business and Occupation Taxes						3,196,511	-	3,196,511
Excise Taxes						690,792	-	690,792
Grants and Contributions not Restricted to Specific Programs						297,154	-	297,154
Unrestricted Investment Earnings						50,427	91,804	142,231
Miscellaneous						92,392	195,043	287,435
Special Item - Gain or (loss) on Transfer of Capital Asset						-	(1,578,801)	(1,578,801)
Special Item - Gain or (loss) of Transfer of Debt						-	8,598,091	8,598,091
Total General Revenues and Special Items						9,632,930	7,306,137	16,939,067
Change in Net Position						810,501	8,445,833	9,256,334
Net Position - Beginning						47,537,213	58,251,209	105,788,422
Change in Accounting Principle						(1,817,982)	(693,531)	(2,511,513)
Net Position as of January 1 - restated						45,719,231	57,557,678	103,276,909
Net Position - Ending						\$ 46,529,732	\$ 66,003,511	\$ 112,533,243

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

City of Battle Ground
Governmental Funds
Balance Sheet
December 31, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 1,932,184	\$ 2,726,329	\$ 4,658,513
Investments	1,316,634	1,864,733	3,181,367
Restricted Cash and Cash Equivalents	-	140,366	140,366
Property Taxes Receivables	63,713	-	63,713
Utility Tax Receivable	119,702	-	119,702
Accounts Receivable	979,642	83,432	1,063,074
Interest Receivable	4,886	9,359	14,245
Municipal Court Receivable	231,689	-	231,689
Total Assets	4,648,450	4,824,219	9,472,669
Liabilities			
Accounts Payable	334,849	40,719	375,568
Due to Other Governmental Units	8,636	-	8,636
Other Accrued Liabilities	124,989	10,063	135,052
Custodial Deposits	209,521	140,366	349,887
Total Liabilities	677,995	191,148	869,143
Deferred Inflows of Resources			
Unavailable revenue-property taxes	52,475	-	52,475
Unavailable revenue-municipal court	231,689	-	231,689
Grants received in advance	9,000	-	9,000
Total Deferred Inflows of Resources	293,164	-	293,164
Fund Balances			
Restricted for:			
Capital	-	4,303,975	4,303,975
Drug Investigation	-	63,090	63,090
Tourist Promotion	-	144,631	144,631
Committed to:			
Economic Stabilization	622,435	-	622,435
Revenue Stabilization	1,537,500	-	1,537,500
Assigned to:			
LEOFF 1	29,191	-	29,191
Parks	350,092	-	350,092
Insurance Reserve	16,832	-	16,832
Street	-	121,375	121,375
Unassigned	1,121,241	-	1,121,241
Total Fund Balances	3,677,291	4,633,071	\$ 8,310,362
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 4,648,450	\$ 4,824,219	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (excludes internal service funds)	51,343,054
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds (see note 2A)	884,614
Long-term liabilities that are not due and payable in the current period and are not reported in the funds (see note 2A)	(14,775,818)
Net position of internal service funds - governmental activities (see note 2A)	767,520
Net position of governmental activities	\$46,529,732

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

City of Battle Ground
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2015

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Property Taxes	\$ 2,758,389	\$ -	\$ 2,758,389
Sales and Use Taxes	2,553,298	-	2,553,298
Other Taxes	3,178,265	801,663	3,979,928
License and Permits	826,011	-	826,011
Intergovernmental	643,261	419,611	1,062,872
Charges for Services	1,397,778	1,055,078	2,452,856
Fines and Forfeits	262,732	-	262,732
Interest Earnings	16,712	31,044	47,756
Rents and Royalties	295,559	-	295,559
Contributions/Donations	9,000	130,191	139,191
Miscellaneous	80,880	11,511	92,391
Total Revenues	<u>12,021,885</u>	<u>2,449,098</u>	<u>14,470,983</u>
Expenditures			
Current			
General Government	2,717,508	15,270	2,732,778
Judicial	587,723	-	587,723
Security/Persons and Property	3,878,972	8,811	3,887,783
Physical Environment	2,282,573	-	2,282,573
Transportation	-	1,046,103	1,046,103
Economic Environment	829,749	-	829,749
Culture and Recreation	585,329	-	585,329
Capital Expenditures			
Transportation	-	95,466	95,466
Debt Service			
Principal Retirement	11,761	820,000	831,761
Interest/Fiscal Charges	434	502,725	503,159
Total Expenditures	<u>10,894,049</u>	<u>2,488,375</u>	<u>13,382,424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,127,836	(39,277)	1,088,559
Other Financing Sources (Uses)			
Transfers In	5,000	1,647,267	1,652,267
Transfers Out	<u>(366,663)</u>	<u>(1,365,519)</u>	<u>(1,732,182)</u>
Total Other Financing Sources and Uses	<u>(361,663)</u>	<u>281,748</u>	<u>(79,915)</u>
Net Change in Fund Balance	766,173	242,471	1,008,644
Fund Balance at Beginning of Year	<u>2,911,118</u>	<u>4,390,600</u>	<u>7,301,718</u>
Fund Balance at End of Year	<u>\$ 3,677,291</u>	<u>\$ 4,633,071</u>	<u>\$ 8,310,362</u>

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

City of Battle Ground

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities For the year ended December 31, 2015

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

Net changes in fund balance - total governmental funds:	\$ 1,008,644
 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 expenses. This is the amount by which capital outlays exceeded depreciation in the current period.	 (2,540,776)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	 1,384,184
 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 issuance premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	 831,761
 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 governmental funds.	 105,509
 Internal service funds are used by management to charge the costs of vehicle and technology replacement to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	 21,179
 Change in Net Position of Governmental Activities	 <hr/> <u>\$ 810,501</u>

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

City of Battle Ground
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended December 31, 2015

	Budget Amounts		Actual Year-To- Date Thru 12/31/15	Variance Thru 12/31/15
	Original 2015-2016 Biennium	Final 2015-2016 Biennium		
Revenues				
Property Taxes	\$ 5,549,980	\$ 5,549,980	\$ 2,758,389	\$ (2,791,591)
Sales and Use Taxes	5,451,690	5,451,690	2,553,298	(2,898,392)
Other Taxes	5,788,875	5,788,875	3,178,265	(2,610,610)
License and Permits	1,419,916	1,419,916	826,011	(593,905)
Intergovernmental	954,950	954,950	629,617	(325,333)
Charges for Services	3,105,688	3,105,688	1,475,441	(1,630,247)
Fines and Forfeits	560,975	560,975	262,732	(298,243)
Interest Earnings	22,700	22,700	9,762	(12,938)
Rents and Royalties	401,490	401,490	194,259	(207,231)
Miscellaneous	70,700	70,700	63,086	(7,614)
Total Revenues	<u>23,326,964</u>	<u>23,326,964</u>	<u>11,950,860</u>	<u>(11,376,104)</u>
Expenditures				
Current				
General Government	6,112,629	6,112,629	2,658,785	3,453,844
Judicial	1,321,685	1,321,685	587,723	733,962
Security/Persons and Property	7,968,627	7,985,463	3,878,972	4,106,491
Physical Environment	4,683,400	4,683,400	2,282,573	2,400,827
Economic Environment	1,821,070	1,821,070	829,749	991,321
Debt Service				
Principal Retirement	24,522	24,522	11,761	12,761
Interest/Fiscal Charges	496	496	434	62
Total Expenditures	<u>21,932,429</u>	<u>21,949,265</u>	<u>10,249,997</u>	<u>11,699,268</u>
Excess (Deficiency) of Revenues				
Over (under) Expenditures	1,394,535	1,377,699	1,700,863	323,164
Other Financing Sources (Uses)				
Transfers In	85,000	85,000	80,000	(5,000)
Transfers Out	(2,358,163)	(2,358,163)	(1,002,989)	1,355,174
Total Other Financing Sources and Uses	<u>(2,273,163)</u>	<u>(2,273,163)</u>	<u>(922,989)</u>	<u>1,350,174</u>
Net Change in Fund Balance	(878,628)	(895,464)	777,874	1,673,338
Fund Balance at Beginning of Year	1,880,867	1,880,867	1,880,867	-
Prior year adjustments	-	-	-	-
Fund Balance at End of Year	<u>\$ 1,002,239</u>	<u>\$ 985,403</u>	<u>\$ 2,658,741</u>	<u>\$ 1,673,338</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Parks Fund budgeted as separate fund			\$ 350,092	
Insurance Reserve Fund budgeted as separate fund			16,832	
LEOFF I Reserve Fund budgeted as separate fund			29,191	
Service Stabilization fund budgeted as separate fund			622,435	
Fund Balance GAAP basis:			<u>\$ 3,677,291</u>	

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

City of Battle Ground
Proprietary Funds
Statement of Net Position
December 31, 2015

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Storm Drainage	Water	Sewer		Internal Service Funds
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 1,004,474	\$ 3,825,951	\$ 3,924,317	\$ 8,754,742	\$ 220,501
Investments	687,391	2,618,212	2,685,527	5,991,130	150,813
Receivables (net)					
Accounts	94,449	320,479	419,629	834,557	-
Interest	3,440	11,883	11,558	26,881	788
Restricted Assets					
Cash and Cash Equivalents	-	-	-	-	256,000
Total Current Assets	<u>1,789,754</u>	<u>6,776,525</u>	<u>7,041,031</u>	<u>15,607,310</u>	<u>628,102</u>
Noncurrent Assets					
Restricted Cash and Cash Equivalents	-	324,891	299,804	624,695	-
Property, Plant and Equipment (Net)	8,718,849	18,323,122	33,125,469	60,167,440	995,046
Total Noncurrent Assets	<u>8,718,849</u>	<u>18,648,013</u>	<u>33,425,273</u>	<u>60,792,135</u>	<u>995,046</u>
Total Assets	<u>10,508,603</u>	<u>25,424,538</u>	<u>40,466,304</u>	<u>76,399,445</u>	<u>1,623,148</u>
Deferred Outflows of Resources					
Deferred Outflows Related to Pensions	20,764	33,810	21,553	76,127	-
Liabilities					
Current Liabilities					
Accounts Payable	25,874	29,214	52,623	107,711	163
Accrued Interest Payable	-	59,951	87,536	147,487	7,903
Other Accrued Liabilities	5,137	10,080	8,052	23,269	-
Unearned Revenues	-	932	-	932	-
Compensated Absences	2,888	13,134	8,466	24,488	-
Lease Payable	-	-	-	-	128,413
Bonds, Notes and Loans Payable	-	72,361	155,202	227,563	-
Total Current Liabilities	<u>33,899</u>	<u>185,672</u>	<u>311,879</u>	<u>531,450</u>	<u>136,479</u>
Noncurrent Liabilities					
Lease Payable	-	-	-	-	445,445
Bonds, Notes and Loan Payable	-	2,702,048	6,692,396	9,394,444	-
Compensated Absences	17,323	35,314	32,918	85,555	-
Net Pension Liability	173,532	282,559	180,122	636,213	-
Total Noncurrent Liabilities	<u>190,855</u>	<u>3,019,921</u>	<u>6,905,436</u>	<u>10,116,212</u>	<u>445,445</u>
Total Liabilities	<u>224,754</u>	<u>3,205,593</u>	<u>7,217,315</u>	<u>10,647,662</u>	<u>581,924</u>
Deferred Inflows of Resources					
Deferred Inflows Related to Pensions	26,759	43,570	27,774	98,103	-
Net Position					
Net Investment in Capital Assets	8,718,849	15,548,713	26,277,871	50,545,433	684,188
Restricted for Capital Purposes	-	-	-	-	-
Restricted for Debt Service	-	-	299,804	299,804	-
Unrestricted	1,559,005	6,660,472	6,665,093	14,884,570	357,036
Total Net Position	<u>\$ 10,277,854</u>	<u>\$ 22,209,185</u>	<u>\$ 33,242,768</u>	<u>\$ 65,729,807</u>	<u>\$ 1,041,224</u>
Adjustment to report cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time (see note 2C)				273,704	
Net Position of business-type activities				<u>\$ 66,003,511</u>	

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

City of Battle Ground
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the fiscal year ended December 31, 2015

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Storm Drainage	Water	Sewer		Internal Service Funds
Operating Revenues					
Charge for Services	\$ 865,854	\$ 2,390,158	\$ 3,238,712	\$ 6,494,724	\$ 260,891
Miscellaneous	6,334	2,911	91,838	101,083	-
Total Operating Revenues	<u>872,188</u>	<u>2,393,069</u>	<u>3,330,550</u>	<u>6,595,807</u>	<u>260,891</u>
Operating Expenses					
Personnel Services	281,952	445,053	305,457	1,032,462	-
Equipment and Supplies	10,833	445,255	17,068	473,156	37,365
Professional Services	75,676	107,406	89,308	272,390	-
Utilities	-	148,254	73,328	221,582	-
Repairs and Maintenance	7,649	13,301	79,437	100,387	-
Taxes	16,969	130,485	68,701	216,155	-
Intergovernmental services	-	-	2,623,679	2,623,679	-
Insurance claims and expenses	10,574	22,849	48,299	81,722	-
Allocated expenses	277,810	309,880	394,733	982,423	-
Other	59,009	134,915	76,910	270,834	-
Depreciation	273,074	706,832	1,661,157	2,641,063	172,000
Total Operating Expenses	<u>1,013,546</u>	<u>2,464,230</u>	<u>5,438,077</u>	<u>8,915,853</u>	<u>209,365</u>
Operating Income (loss)	(141,358)	(71,161)	(2,107,527)	(2,320,046)	51,526
Nonoperating Revenues (Expenses)					
Interest Earnings	11,639	40,987	39,178	91,804	2,671
State and Federal Grants	115			115	-
Interest and Fiscal Charges	-	(59,951)	(201,186)	(261,137)	(18,973)
Total Nonoperating Revenues (Expenses)	<u>11,754</u>	<u>(18,964)</u>	<u>(162,008)</u>	<u>(169,218)</u>	<u>(16,302)</u>
Income (Loss) before Contributions , Transfers, and Special Items	(129,604)	(90,125)	(2,269,535)	(2,489,264)	35,224
Capital Contributions	679,312	936,068	2,206,467	3,821,847	-
Transfers In	-	-	-	-	79,915
Special Items					
Gain/(Loss) on Transferred Capital Assets	-	-	(1,578,801)	(1,578,801)	-
Gain on Transfer of Debt	-	-	8,598,091	8,598,091	-
Change in Net Position	<u>549,708</u>	<u>845,943</u>	<u>6,956,222</u>	<u>8,351,873</u>	<u>115,139</u>
Total Net Position at Beginning of Year	9,918,494	21,656,398	26,496,573		926,085
Change in Accounting Principle	(190,348)	(293,156)	(210,027)		-
Total Net Position at End of Year	<u>\$ 10,277,854</u>	<u>\$ 22,209,185</u>	<u>\$ 33,242,768</u>		<u>\$ 1,041,224</u>

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds

Changes in net position of business-type activities

93,960
\$ 8,445,833

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

City of Battle Ground
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended December 31, 2015

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Storm Drainage	Water	Sewer		Internal Service Funds
Cash Flows from Operating Activities:					
Cash received from Customers	\$ 908,804	\$ 2,460,360	\$ 3,362,592	\$ 6,731,756	\$ -
Receipts from vehicle interfund charges	-	-	-	-	170,341
Receipts from technology interfund charges	-	-	-	-	90,550
Cash payments to Suppliers	(151,434)	(951,887)	(3,009,359)	(4,112,680)	(37,365)
Cash payments to Employees	(292,846)	(456,230)	(327,530)	(1,076,606)	-
Cash payments for Interfund Services Received	(294,303)	(356,311)	(437,437)	(1,088,051)	-
Net Cash Provided by Operating Activities	<u>170,221</u>	<u>695,932</u>	<u>(411,734)</u>	<u>454,419</u>	<u>223,526</u>
Cash Flows from Noncapital Financing Activities:					
Proceeds from Operating Grants	115	-	-	115	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>115</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(148,845)	(2,640,989)	(86,345)	(2,876,179)	(110,880)
Proceeds from Capital Lease	-	-	-	-	263,000
Proceeds from Revenue Bonds	-	2,774,409	-	2,774,409	-
Proceeds from Other Financing (Transfers)	-	-	-	-	79,915
Principal Paid on Capital Lease	-	-	-	-	(138,979)
Interest Paid on Capital Lease	-	-	-	-	(21,979)
Principal Paid on Current Debt	-	-	(152,233)	(152,233)	-
Interest Paid on Revenue Bonds and Other Long Term Debt	-	-	(224,009)	(224,009)	-
Capital Contributed-Paid in cash	97,680	591,878	1,992,150	2,681,708	-
Net Cash Provided for Capital and Related Financing Activities	<u>(51,165)</u>	<u>725,298</u>	<u>1,529,563</u>	<u>2,203,696</u>	<u>71,077</u>
Cash Flows from Investing Activities:					
Interest on Investments	13,617	45,322	45,516	104,455	2,866
Proceeds or Purchase of Investment Securities	169,091	294,728	307,325	771,144	30,388
Net Cash Used by Investing Activities	<u>182,708</u>	<u>340,050</u>	<u>352,841</u>	<u>875,599</u>	<u>33,254</u>
Net Increase (Decrease) in Cash and Cash Equivalents	301,879	1,761,280	1,470,670	3,533,830	327,857
Cash and Cash Equivalents at Beginning of Year	702,595	2,389,562	2,753,451	5,845,608	148,644
Cash and Cash Equivalents at End of Year	<u>\$ 1,004,474</u>	<u>\$ 4,150,842</u>	<u>\$ 4,224,121</u>	<u>\$ 9,379,437</u>	<u>\$ 476,501</u>

(Continued on next page)

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

City of Battle Ground
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended December 31, 2015

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Storm Drainage	Water	Sewer		Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:					
Net Operating Income (Loss)	\$ (141,358)	\$ (71,161)	\$ (2,107,527)	\$ (2,320,046)	\$ 51,526
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operations:					
Depreciation Expense	273,074	706,832	1,661,157	2,641,063	172,000
Pension Expense (GASB 68)	(10,821)	(837)	(23,684)	(35,342)	-
(Increase) Decrease in Receivables	36,617	67,291	32,041	135,949	-
Increase (Decrease) in Current Payables	14,081	4,146	24,664	42,891	-
Increase (Decrease) in Accrued Employee Benefits	(1,372)	(10,339)	1,615	(10,096)	-
Total Adjustments	<u>311,579</u>	<u>767,093</u>	<u>1,695,793</u>	<u>2,774,465</u>	<u>172,000</u>
Net Cash Provided by Operating Activities	<u>\$ 170,221</u>	<u>\$ 695,932</u>	<u>\$ (411,734)</u>	<u>\$ 454,419</u>	<u>\$ 223,526</u>
Noncash Investing, Financing and Capital Activities					
Capital Assets Contributed	581,632	344,190	214,317	1,140,139	
Net Change in Fair Value of Investments	1,125	4,185	4,271	9,582	

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

CITY OF BATTLE GROUND
Notes to Financial Statements
December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Battle Ground, Washington (city) have been prepared in conformity with generally accepted accounting principles (GAAP) 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 Battle Ground was incorporated in June 1951. It operates under the laws of the State of Washington applicable to non-charter code cities with a council/manager form of government. The city is a general-purpose government and provides public safety, street construction and maintenance, parks and recreation, judicial administration, planning, economic development, and general administrative services. The city owns and operates water, storm, and sewer utilities. The city contracts for fire services.

As required by generally accepted accounting principles, the financial statements present the City of Battle Ground as a primary government and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations. The city has one blended component unit, the *City of Battle Ground Transportation Benefit District* (TBD).

The TBD, established October 6, 2014, is a quasi-municipal organization created by City of Battle Ground Ordinance No. 14-15 under the authority of the Revised Code of Washington (RCW) 35.21.225. The TBD's boundaries are the same as the corporate limits of the city and is governed by the seven member city council acting in an ex-officio and independent capacity. The city, through an interlocal agreement with the TBD, provides administrative services and financial management. Resolution 002-04, approved December 14, 2014, imposed a \$20 vehicle registration fee within the district's boundaries, effective July 1, 2015. Funds generated are used for transportation improvements that construct, reconstruct, preserve, maintain and operate the existing transportation infrastructure of the City of Battle Ground consistent with RCW 36.73. The TBD is reported as a special revenue fund in the city's financial statements.

B. Basis of Presentation - Government-wide and Fund Financial Statements

The government-wide financial 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 blended component unit. 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. Our policy is to allocate indirect costs to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchases, 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 interfund activity has been eliminated for the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type column.

Indirect costs within governmental activities are eliminated for government-wide reporting purposes. During the year, the general fund allocated \$152,407 of indirect costs to the street fund. These amounts reported in the governmental fund total column were not included in the corresponding government-wide presentation.

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 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 to be accounted for in another fund.

The city reports the following major enterprise funds:

The **storm drainage** fund accounts for the activities of the city's storm water operations and capital facilities. The fund is responsible for the maintenance and operation of the city's storm drainage facilities, which consist of ponds, swales, roadside ditches, and pipe and conveyance systems.

The **water fund** accounts for the city's water utility operations. This fund comprises activity of the municipal water system that includes production, treatment, storage and distribution of domestic water. The system is comprised of eight production wells, six storage reservoirs and many miles of water lines. The city's operations division provides services, construction, and maintenance of the water system to provide for the reliable delivery of safe, high quality water for all water users.

The **sewer fund** accounts for the city's sewer utility operations. The fund provides services, construction, and maintenance of the city's sewer system, including the safe and clean collection and disposal of sewage. Nearly all of its operating revenue is from charges for services in the form of monthly sewer rates.

Additionally, the city reports the following fund types:

Debt service funds account for and report financial resources that are restricted, committed, or assigned to be used for payment of principal and interest on long-term debt.

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to finance specific activities or functions, as required by law or administrative regulations.

Capital project funds account for and report the resources that are restricted, committed, or assigned to be used for acquisition or construction of capital projects or other capital assets.

Internal service funds account for and report vehicle and technology rental services provided to other city departments on a cost reimbursement basis.

C. Measurement Focus, Basis of Accounting

1. Government-side 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 fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as 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 they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when 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 nonoperating 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 of the funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgetary information

1. Scope of Budget

The city prepares a biennial budget for all funds in accordance with the provisions of the Revised Code of Washington (RCW) Chapter 35A.34. Biennial appropriated budgets are adopted for the

general fund, special revenue funds, debt service funds not related to special assessments, and capital project funds on the modified accrual basis of accounting. Proprietary funds are budgeted on the full accrual basis for management purposes only.

The city's LEOFF 1 medical reserve, economic stabilization reserve, parks and recreation, and insurance reserve are included in the general fund for reporting purposes. From the budgetary prospective, each of these funds has its own legally adopted budget.

The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is adopted at the fund level. All appropriations lapse at the end of the biennium. 2015 is the first year of the 2015-2016 biennial budget.

2. Amending the Budget

The city manager is authorized to transfer budgeted amounts between departments within any fund. Any revisions that alter the total expenditures of a fund or that affect the number of authorized employee positions, salary ranges or other conditions of employment must be approved by the city council.

When the council determines that it is in the best interest of the city to increase or decrease the appropriations for a particular fund, it may do so by ordinance approved by one more than the majority.

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

E. Assets, Liabilities, Fund Balance and Net Position

1. Cash and Cash Equivalents - See Note 3

It is the city's policy to invest all temporary cash surpluses. At December 31, 2015, the treasurer was holding \$14,654,817 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 the various funds.

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 3

State statutes authorize the city to invest in obligations of the U.S. Treasury, commercial paper, banker's acceptances, certain other government agency obligations, and the state and county treasurer's investment pool. The city's investment policy does not further limit its investment choices. City policy dictates that all investment instruments, other than non-negotiable certificates of deposit and monies placed with the Washington State Local Government Investment Pool and similar money market accounts, be transacted on the delivery versus payment basis.

3. Internal Balances

Any residual balances between the governmental activities and business-type activities are reported in the governmental wide statements as "internal balances." The city reported internal

balances of \$273,704 which represents the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.

4. Receivables – See Note 12

Taxes receivable consists of property taxes and related interest and penalties (See note 9). Accrued interest receivable consists of amounts earned on investments and contracts at the end of the year.

Customer accounts receivable consist of amounts owed from private individuals or organizations for goods and services including amounts owed for which billings have not been prepared. Uncollectible amounts are considered immaterial and the direct write-off method is used.

5. Amounts Due to and from Other Funds and Governments, Interfund Loans and Advances Receivable – See Note 5

Activity 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*.

6. Inventories and Prepays

Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are purchased. Inventories in the proprietary funds are not material and not recorded.

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.

7. Restricted Assets and Liabilities

These accounts contain resources composed of pooled cash and cash equivalents \$1,021,061 as follows:

<u>Fund</u>	<u>Purpose</u>	<u>Amount</u>
Water	Proceeds of water revenue bond-meter exchange project	\$ 324,891
Sewer	Debt service reserve as required by bond covenant	\$ 299,804
Vehicle Repair/Replacement	Proceeds of vehicle lease agreement	\$ 256,000
Capital Projects	Provision of a transportation development agreement	\$ 140,366

8. Capital Assets – See Note 4

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 are defined by the city as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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 recorded in *Construction in Progress* as they are constructed, and capitalized upon completion.

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

Asset Category	Useful Life (years)
Buildings	40
Infrastructure	20-40
Intangible Assets	20-40
Utility Improvements	40
Public Work Equipment	8
Vehicles	5-8
Office and Electronic Equipment	5-10

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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(s) and so will not be recognized as an outflow of resources until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This section represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

10. Compensated Absences

Eligible employees can earn vacation leave, sick leave, and compensated time which, if unused, is paid upon termination of employment according to the terms of applicable collective bargaining agreements, personnel rules and regulations, and the employee's length of service. Vacation leave and compensated time generally qualify for 100% payout, whereas sick-time is limited to 33% upon retirement. Accumulative amounts of leave are accrued as expenses when incurred in the government-wide and proprietary fund financial statements.

Compensated absences reported for governmental activities are generally liquidated by the general fund and street fund. In proprietary funds, compensated absences are recorded as an expense and liability in the fund that will pay for them. As of December 31, 2015, the city's compensated absences payable amounted to \$554,074, with \$444,031 recorded in governmental activities and \$110,043 recorded in business-type activities.

11. Pensions

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

12. Other Accrued Liabilities

These accounts consist of accrued employee wages and benefits.

13. Long-Term Obligations - See Note 7

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the

applicable government activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Under GASB 65, bond issue costs are expenses as incurred. Long-term obligations used to finance proprietary fund operations and payable from revenue of the proprietary funds are accounted for in the applicable fund.

14. Unearned Revenues

This account includes developer credits which the city uses to offset future impact fee revenues and grant monies received in advance. The city levies impact fees on developers as a condition of issuance of a building permit or development approval. The developer may be entitled to a “credit” against the applicable impact fee component for the proportional fair market value of appropriate dedications of land, improvement or new construction of system improvements provided by the developer. In the event that the amount of the “credit” is calculated to be greater than the amount of the impact fee due, the developer may apply the excess “credit” toward impact fees assessed on other developments within the same service area. As of December 31, 2015, business-type activities had \$932 of water credits. The city had received \$9,000 of grant funding in advance for public defense improvements which is presented within governmental activities.

15. Custodial Deposits

Custodial deposits represent facility rental and developer deposits.

16. Fund Balance Classification

Assets in excess of liabilities are reported as fund balances, and are segregated into separate classifications indicating the extent to which the city is bound to honor constraints on the specific purposes for which those funds can be spent.

Nonspendable	Nonspendable fund balance is unavailable fund balance either because it is not in spendable form or is legally or contractually required to be maintained intact.
Restricted	Restricted fund balance is used to describe the portion of fund balance that reflects constraints placed on the use of resources externally imposed by creditors, grantors, or contributors; or imposed by law through constitutional provisions or enabling legislation.
Committed	Committed fund balance can only be used for specific purposes pursuant to constraints imposed by formal action of the city’s highest level of decision-making authority. The city council is the highest level of decision-making authority that can, by adoption of an ordinance, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.
Assigned	Assigned fund balance includes resources intended to be used by the city for specific purposes, but are neither restricted nor committed. The city has not established a policy regarding the assignment of funds, so this category of fund balance represents the residual amounts not otherwise reported as nonspendable, restricted, or committed.
Unassigned	Unassigned fund balance is the residual classification for the city’s general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification will be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Flow assumption: When expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the city’s policy to use restricted resources first. When expenditure is incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is

the city’s policy to spend committed resources first, then assigned, and unassigned, in that order. However, prior to the commencement of any project, the flow assumptions are reviewed to ensure that the proper resources are being used.

17. Revenue Stabilization

City council adopted Resolution 08-08 that targets an estimated ending fund balance of 15% of estimated annual revenues for general government funds. In the event that the fund balance drops below the established minimum level, the city’s governing body will develop a plan to replenish the fund balance to the established minimum level as economic conditions allow. This arrangement is disclosed as committed fund balance within the general fund and is approximately 18% of estimated annual revenues at December 31, 2015.

18. Stabilization Fund

City council adopted Resolution 12-08 to establish an economic stabilization fund. The goal of the city is to maintain sufficient resources to provided continuing level of service in years where projected revenue collection will fall below average. The targeted fund balance is five percent of the city’s total governmental budgeted revenues for the current year. One time revenues are placed in the fund and city council determines when to expend funds. This arrangement is disclosed as committed fund balance within the general fund. The economic stabilization fund balance is \$622,435 and is approximately 5.2% of projected annual revenue at December 31, 2015.

19. Use of Estimates

These financial statements have been prepared in conformity with generally accepted accounting principles (GAAP). GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates and assumptions

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

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

The governmental fund balance sheet includes reconciliation between fund balances - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of the reconciliation is “other long-term assets not available to pay for current-period expenditures and, therefore are deferred in the funds.” The details of this difference are as follows:

Earned but unavailable revenues	\$ 284,164
Net pension asset	801,449
Deferred outflows related to pensions	389,889
Deferred inflows related to pensions	<u>(590,888)</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 884,614</u>

Another element of that 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 details of this difference are as follows:

Bonds payable	\$ (10,485,000)
Plus: Issuance premium (to be amortized as interest expense)	(116,837)
Accrued interest payable	(42,238)
Due to other governments	(800,000)
Capital lease payable	(6,036)
Net OPEB obligation	(510,564)
Net pension obligation	(2,243,067)
Compensated absences	(444,031)
Impact fee credits	<u>(128,045)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (14,775,818)</u>

Another element of that reconciliation explains that “internal service funds related to governmental activities.” The assets and liabilities of internal service funds are included in governmental activities in the statement of net position. The details of this difference are as follows:

Net position of the internal service funds	\$ 1,041,224
Less: Internal payable representing charges in excess of cost to business-type activities – prior years	(179,744)
Less: Internal payable representing charges in excess of cost to business-type activities – current year	<u>(93,960)</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 767,520</u>

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

The governmental fund *Statement of Revenues, Expenditures and Changes in Fund Balance* includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

One element of that reconciliation explains that “governmental funds report capital outlays as expenditures.” However, in the *Statement of Activities* the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Capital Outlay	\$ 95,466
Depreciation expense	<u>(2,636,242)</u>
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (2,540,776)</u>

Another element of that reconciliation states that “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds”. The details of this difference are as follows:

Contribution from developers	\$ 1,400,093
Unearned revenue	(5,482)
Municipal court revenue - unavailable	(4,394)
Tax revenues - unavailable	<u>(6,033)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,384,184</u>

Another element of that reconciliation states that the “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while 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. The details of these differences are as follows:

Principal repayments:	
General obligation debt	\$ 720,000
Governmental loans	100,000
Capital leases	<u>11,761</u>
Net adjustment to increase net changes in fund balance-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 831,761</u>

Another element of that reconciliation states that “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 governmental funds.” These result from year-to-year changes in amounts on the Statement of Net Position. The details of this difference are as follows:

Compensated absences	\$ 34,458
Net OPEB obligation	(122,093)
Net pension liability	(535,148)
Net pension asset	(189,276)
Deferred outflow of resources – related to pensions	218,603
Deferred inflow of resources – related to pensions	681,186
Amortization of premium costs	15,729
Accrued interest	<u>2,050</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 105,509</u>

Another element of the reconciliation states “internal service funds used by management to charge the costs of vehicle and technology replacement to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.” The details of the \$21,179 difference are as follows:

Change in net position of the internal service funds	\$ 115,139
Less: gain from charges to business-type activities	<u>(93,960)</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 21,179</u>

C. Explanation of certain differences between the proprietary fund statement of net position and the government-wide statement of net position

The proprietary fund statement of net position includes reconciliation between net position – total enterprise funds and net position of business-type activities as reported in the government-wide statement of net position. The description of the sole element of that reconciliation is “adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.” The details of the \$273,704 difference are as follows:

Internal receivable representing charges in excess of cost to business-type activities – prior years	\$ 179,744
Internal receivable representing charges in excess of cost to business-type activities – current year	<u>93,960</u>
Net adjustment to increase net position – total enterprise funds to arrive at net position – business-type activities	<u>\$ 273,704</u>

NOTE 3 – DEPOSITS AND INVESTMENTS

The city maintains a cash and investment pool that is available for use by all funds. Cash and investments are presented on the balance sheet in the basic financial statements at fair value. The Local Government Investment Pool and the Clark County Investment Pool are reported on the balance sheet as cash and cash equivalents. In general, interest earned from pooled deposits and investments is allocated to each fund based on the average earnings and daily cash balance of each fund. Deposits and investments have no foreign currency risk. A reconciliation of cash, cash equivalents (including pooled investments) and investments as shown in the government-wide and fund financial statements is as follows:

Notes	
Deposits	
Cash in Bank	\$ 999,187
Petty Cash	5,250
Reserve and Escrow Accounts	1,025,561
Investments	
Local Government Investment Pool	216,195
Clark County Investment Pool	12,408,625
Agency Investments at Fair Value	<u>9,323,310</u>
	<u>\$ 23,978,127</u>
Financial Statements	
Cash and cash equivalents	\$ 13,633,756
Restricted cash and cash equivalents	1,021,061
Investments at FMV	<u>9,323,310</u>
	<u>\$ 23,978,127</u>

A. Deposits

The city’s deposits of \$2,024,126 in financial institutions at December 31, 2015 are entirely insured. The Federal Depository Insurance Commission (FDIC) insures the city’s deposits up to \$250,000 and the Washington Public Deposit Protection Commission (PDPC) insures amounts over \$250,000. Cash on hand, demand deposits, and short-term investments with original maturity of three months or less are classified as cash and cash equivalents.

B. Investments

All city investments are eligible securities as authorized by RCW 35.39.030. Investments are stated at fair value as of December 31, 2015. The fair value of the position in the Local Government Investment Pool (LGIP) and Clark County Investment Pool is the same as the value of the pool shares.

The LGIP was created by the Washington State Legislature in 1986 and is administered by the state treasurer under Chapter 43.250 RCW. The LGIP is managed in a manner generally consistent with the Securities and Exchange Commission (SEC) regulated Rule 2a-7 money market funds. Additionally, the state finance committee adopts and administers appropriate rules relating to the LGIP. The fair value of the position in the pool is the same as the value of the pool shares. The LGIP is reported on the balance sheet as cash and cash equivalents.

The Clark County Investment Pool is not SEC registered. Authority to manage the investment pool is derived from the Revised Code of Washington (RCW) in 36.29.022. Regulatory oversight is provided by the finance committee, which by statute consists of the county treasurer, the county auditor, and the chair of the Board of County Commissioners. The fair value of the position in the pool is the same as the value of the pool shares.

Custodial credit risk is the risk that in the event of a failure of the counterparty to an investment transaction the city would not be able to recover the value of the investment or collateral securities. All city deposits are covered by depository insurance. Investments in external investment pools are not exposed to custodial credit risk. All investment security transactions are conducted on a delivery-versus-payment (DVP) basis. Securities purchased by the city are held by a financial institution designated by the finance director as primary agent to serve as a custodian acting on the city's behalf. All transactions are evidenced by safekeeping receipts.

Credit rate risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To limit risk, state law does not allow general governments to invest in corporate equities. All debt securities in the city's investment portfolio are obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government and are not considered to have credit risk.

Concentration of credit risk - Safety of the principal is the foremost objective of the city's investment program. All investments securities of the city are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The city's policy requires that the portfolio be structured to diversify investments to reduce the risk of loss by over-concentration of assets in a specific maturity, a specific issuer, or a specific type of security. The city's investment policy states that no more than 90% of the total portfolio may be invested in U.S. treasuries or agencies. The state and local investment pools are not limited.

The city has investments in government sponsored agencies and external investment pools. Those securities and their percentage of the city's investment portfolio at fair value are disclosed below:

Issuer	Maturities	Fair Value (\$)	Percentage of Portfolio
Federal Home Loan Mortgage Corporation (FHLMC)	6/12/2018	831,785	8.31%
	7/30/2018	991,846	
Federal National Mortgage Association (FNMA)	2/21/2017	2,000,812	20.58%
	6/1/2017	1,023,642	
	11/27/2018	1,494,236	
Federal Farm Credit Bank	5/9/2017	1,000,028	13.58%
	5/16/2017	994,754	
	11/13/2019	986,207	
Local Government Investment Pool	NAV of \$1.00	216,195	0.99%
Clark County Investment Pool	NAV of \$1.00	12,408,625	56.54%

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the city manages exposure to declines in fair values from interest rates by limiting the weighted average maturity of its investment portfolio to maturities that will fulfill the cash flow needs of the city. The securities in the portfolio are structured in a manner that ensures sufficient cash is available to meet anticipated cash flow needs based on historical information.

The city's investment policy states the maximum average maturity of the city's portfolio will not exceed two years. However, the policy includes the state and local government investment pools as investments for the purpose of calculating the maximum average maturity of investments.

Investment Type	Fair Value	Average Maturity in Years
U.S. Government Agencies	9,323,310	2.14
LGIP	216,195	0.00
Clark County Pool	12,408,625	0.00
Weighted average maturity of all investments		0.90

NOTE 4 - CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION

A. Capital assets activity for the year ended December 31, 2015 is as follows:

	Beginning Balance <u>01/01/15</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance <u>12/31/15</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 15,992,391	\$ 7,962	\$ 3,523	\$ 15,996,830
Construction in progress	<u>234,612</u>	<u>98,989</u>	<u>-</u>	<u>333,601</u>
Total capital assets, not being depreciated	<u>16,227,003</u>	<u>106,951</u>	<u>3,523</u>	<u>16,330,431</u>
Capital assets, being depreciated/depleted:				
Buildings	15,047,394	-	-	15,047,394
Machinery & Equipment	4,254,400	127,960	45,928	4,336,432
Infrastructure	77,128,507	1,235,218	95,943	78,267,782
Improvements other than buildings	<u>800,000</u>	<u>200,801</u>	<u>-</u>	<u>1,000,801</u>
Total capital assets being depreciated	<u>97,230,301</u>	<u>1,563,979</u>	<u>141,871</u>	<u>98,652,409</u>
Less accumulated depreciation for:				
Buildings	4,027,463	375,817	-	4,403,280
Machinery & Equipment	3,156,524	196,719	45,928	3,307,315
Infrastructure	52,453,414	2,185,665	38,022	54,601,057
Improvements other than buildings	<u>280,000</u>	<u>53,088</u>	<u>-</u>	<u>333,088</u>
Total accumulated depreciation	<u>59,917,401</u>	<u>2,811,289</u>	<u>83,950</u>	<u>62,644,740</u>
Total capital assets, being depreciated, net	<u>37,312,900</u>	<u>(1,247,310)</u>	<u>57,921</u>	<u>36,007,669</u>
Governmental activities capital assets, net	<u>\$ 53,539,903</u>	<u>\$ (1,140,359)</u>	<u>\$ 61,444</u>	<u>\$ 52,338,100</u>

The city reclassified capital assets with a historical cost of \$60,969 and accumulative depreciation of \$3,048 from infrastructure to improvements other than buildings.

	Beginning Balance 01/01/15	Increases	Decreases	Ending Balance 12/31/15
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 2,823,126	\$ 159,006	\$ -	\$ 2,982,132
Construction in progress	113,206	255,926	161,166	207,966
Total capital assets, not being depreciated	<u>2,936,332</u>	<u>414,932</u>	<u>161,166</u>	<u>3,190,098</u>
Capital assets, being depreciated/depleted:				
Buildings	1,357,536	-	-	1,357,536
Machinery and equipment	378,695	11,656	-	390,351
Infrastructure	61,996,327	3,718,012	4,149,312	61,565,027
Improvements other than buildings	-	32,884	-	32,884
Intangible assets	<u>27,250,748</u>	-	-	<u>27,250,748</u>
Total capital assets being depreciated	<u>90,983,306</u>	<u>3,762,552</u>	<u>4,149,312</u>	<u>90,596,546</u>
Less accumulated depreciation for:				
Buildings	334,430	33,939	-	368,369
Machinery and equipment	305,739	16,889	-	322,628
Infrastructure	22,489,418	1,498,562	2,570,511	21,417,469
Improvements other than buildings	-	1,644	-	1,644
Intangible assets	<u>10,419,064</u>	<u>1,090,030</u>	-	<u>11,509,094</u>
Total accumulated depreciation	<u>33,548,651</u>	<u>2,641,064</u>	<u>2,570,511</u>	<u>33,619,204</u>
Total capital assets, being depreciated, net	<u>57,434,655</u>	<u>1,121,488</u>	<u>1,578,801</u>	<u>56,977,342</u>
Business-type activities capital assets, net	<u>\$ 60,370,987</u>	<u>\$ 1,536,420</u>	<u>\$ 1,739,967</u>	<u>\$ 60,167,440</u>

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

Governmental Activities:	
General Government	\$ 196,960
Public Safety	180,962
Physical Environment	64,956
Transportation	2,054,426
Culture and Recreation	<u>310,937</u>
Total Depreciation - Governmental Activities	<u>\$ 2,808,241</u>

Business-type Activities:	
Storm Drainage	\$ 273,074
Water	706,832
Sewer	<u>1,661,157</u>
Total Depreciation -Business-Type Activities	<u>\$ 2,641,063</u>

B. Intangible asset

The city recorded an intangible asset of \$27,250,748 upon completion of Phases III and IV of the Salmon Creek Wastewater Treatment Facility for increased treatment capacity. The city paid for 21% of the costs of the facility expansion and owns the increased treatment capacity. Amortization of the intangible asset is over 25 years. The physical plant is owned and recorded as a capital asset by Clark County.

NOTE 5 – INTERFUND TRANSACTIONS

Interfund transfers are the flow of assets without a reciprocal return of assets, goods or services. These are transfers to support other funds without a requirement for repayment and are classified with “other financing sources or uses” in the fund statements. During the year, transfers are used to 1) transfer revenues from the fund with collection authorization to funds responsible for debt service principal and interest payments, 2) transfer general fund resources to provide an annual subsidy to the Street Fund and Parks and Recreation Fund, and 3) transfer authorized special revenue funds to reimburse allowable general fund expenditures.

The interfund transfer activity for the year is as follows:

		Transfer Out			
		General Fund	Special Revenue Funds	Capital Funds	Total Transfers
Transfer In	General Fund		5,000		5,000
	Special Revenue Funds	366,663		1,209	367,872
	Debt Service Fund			1,195,046	1,195,046
	Capital Projects Fund			84,349	84,349
	Internal Service Funds			79,915	79,915
	Total	\$ 366,663	\$ 5,000	\$ 1,360,519	\$ 1,732,182

NOTE 6 – LEASES

A. Capital Leases

The city entered into lease agreements as lessee for financing the acquisition of three police vehicles, a fire engine, phone server, and additional storage area network for general government use. These lease agreements qualify as capital leases for accounting purposes and are 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	Governmental Activities
Fire engine	\$ 488,598
Police vehicles	217,396
Phone server	56,570
IT storage area network	46,806
Less: accumulated depreciation	(254,819)
Total	\$ 554,551

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2015, were as follows:

Year Ending December 31	Governmental Activities
2016	193,753
2017	171,379
2018	171,379
2019	79,916
Total Minimum Lease Payments	<u>616,427</u>
Less: Interest	(36,533)
Present Value of Minimum Lease Payments	<u>\$ 579,894</u>

B. Operating Leases

Operating lease obligations are for business machines under contractual agreements. Lease expenditures for the year ended December 31, 2015 were approximately \$11,234.

The future minimum lease payments for these leases are:

2016	10,267
2017	7,774
2018	1,887
	<u>\$ 19,928</u>

NOTE 7 – LONG-TERM LIABILITIES

A. General Obligation Bonds

The city issues general obligation bonds to provide funds for the acquisition and construction of major governmental activity capital facilities. The city had \$10,485,000 in general obligation bonds outstanding on December 31, 2015.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds are either created by 3/5 majority vote of the people and, therefore, financed by a special tax levy; or created by ordinance, adopted by the city council, and financed from general revenues.

Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer's tax exempt borrowing rates. The U.S. Treasury requires payment every five years. As of December 31, 2015, there was no liability for rebatable arbitrage on any of the city's bond issues.

General obligation bonds outstanding as of December 31, 2015 are as follows:

Description	Amount Outstanding
\$3,045,000 – 2010 Limited Tax General Obligation Refunding Bonds Due in annual installments of \$295,037 to \$301,688 with final payment due December 1, 2022; interest rate from 3% to 4%. Bonds were issued to defease and refund the city's outstanding 2003 Limited Tax General Obligation Bonds used for acquisition of city hall. Payment for outstanding debt provided by the general fund and real estate excise tax.	\$1,785,000
\$575,000 – 2010A Limited Tax General Obligation Bonds Due in annual installments of \$124,875 to \$133,125 with final payment due December 1, 2018; interest rate from 3% to 3.5%. Used to construct improvements to Scotton Way. Payment for outstanding debt provided by transportation impact fees.	\$365,000
\$4,280,000 – 2010B Limited Tax General Obligation Bonds (Taxable Recovery Zone Economic Development Bonds – Direct Payment) Due in annual installments of \$282,500 to \$577,500 with final payment due December 1, 2030; interest rate of 6.25% to 7%. Used to construct improvements to Scotton Way. Payment for outstanding debt provided by developer contributions, transportation impact fees, and a federal interest subsidy.	\$4,280,000
\$5,265,000 – 2011 Limited Tax General Obligation Refunding Bonds Due in annual installments of \$350,693 to \$516,187 with final payment due June 1, 2026; interest rate from 2.5% to 3.3%. Bonds were issued to prepay the city's outstanding 2006 Limited Tax General Obligation Bond used for construction of recreational and park facilities. Payment for outstanding debt provided by the general fund, real estate excise tax and park impact fees.	\$4,055,000

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

LTGO - Governmental Activities			
	Principal	Interest	Total Requirements
2016	730,000	477,000	1,207,000
2017	750,000	455,175	1,205,175
2018	750,000	429,725	1,179,725
2019	930,000	405,725	1,335,725
2020	940,000	367,181	1,307,181
2021-2025	4,040,000	1,249,505	5,289,505
2026-2030	2,345,000	436,193	2,781,193
	<u>\$ 10,485,000</u>	<u>\$ 3,820,504</u>	<u>\$ 14,305,504</u>

B. Government Loans

The city has also received government loans to provide for construction of capital projects in the governmental and business-type activity funds. Government loans outstanding at year-end are as follows:

Description	Amount Outstanding
\$1,260,000 – 2000 Public Works Trust Fund Loan Annual interest rate of 1.0% with final payment due June 1, 2020. Proceeds used to fund the city's sewer system lines. Payment for outstanding debt provided by the sewer fund.	\$269,993
\$2,000,000 – 2003 Public Works Trust Fund Loan Annual interest rate of 0.5% with final payment due June 1, 2023. Proceeds used to fund West Main Street. Payment for outstanding debt provided by transportation impact fees.	\$800,000

Government loan debt service requirements to maturity are as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2016	100,000	4,000	104,000	53,998	2,700	56,698
2017	100,000	3,500	103,500	53,998	2,160	56,158
2018	100,000	3,000	103,000	53,998	1,620	55,618
2019	100,000	2,500	102,500	53,999	1,080	55,079
2020	100,000	2,000	102,000	54,000	540	54,540
2021-2023	300,000	3,000	303,000			
	<u>\$ 800,000</u>	<u>\$ 18,000</u>	<u>\$ 818,000</u>	<u>\$ 269,993</u>	<u>\$ 8,100</u>	<u>\$ 278,093</u>

C. Revenue Bonds

The city also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds are created by ordinance, adopted by the city council and financed from dedicated revenues. Water and/or sewer revenue bonds are issued to finance capital projects. Restricted assets in the sewer fund contain an amount equal to the sum of one annual installment of the bond as required by bond indentures.

Revenue bonds outstanding at year-end are as follows:

Description	Amount Outstanding
\$ 6,909,000 - 2012 Sewer Revenue Bonds (United States Department of Agriculture) Annual interest rate of 3.0% with final payment due in 2052. Proceeds used for the improvement of sewer facility. Payment for outstanding debt provided by the sewer fund.	\$6,577,605
\$ 2,774,409 - 2014 Water Revenue Bonds Annual interest rate of 3.26% with final payment due May 7, 2030. Proceeds used for the replacement of city-wide water meters. Payment for outstanding debt provided by the water fund.	\$2,774,409

Annual debt service requirements to maturity for these bonds are as follows:

2012 Sewer Revenue Bonds				
	<u>Principal</u>	<u>Interest Rate</u>	<u>Total Interest</u>	<u>Requirements</u>
2016	101,203	3%	196,575	297,778
2017	104,262	3%	193,516	297,778
2018	107,413	3%	190,365	297,778
2019	110,660	3%	187,118	297,778
2020	114,005	3%	183,773	297,778
2021-2025	623,841	3%	865,049	1,488,890
2026-2030	723,993	3%	764,897	1,488,890
2031-2035	840,223	3%	648,667	1,488,890
2036-2040	975,114	3%	513,776	1,488,890
2041-2045	1,131,659	3%	357,231	1,488,890
2046-2050	1,313,337	3%	175,553	1,488,890
2051-2052	431,895	3%	12,995	444,890
	<u>\$ 6,577,605</u>		<u>\$ 4,289,515</u>	<u>\$ 10,867,120</u>

2015 Water Revenue Bonds				
	<u>Principal</u>	<u>Interest Rate</u>	<u>Total Interest</u>	<u>Requirements</u>
2016	72,361	3.26%	136,330	208,691
2017	124,967	3.26%	86,593	211,560
2018	134,978	3.26%	82,398	217,376
2019	145,483	3.26%	77,871	223,354
2020	156,503	3.26%	72,995	229,498
2021-2025	967,299	3.26%	278,401	1,245,700
2026-2030	1,172,818	3.26%	94,372	1,267,190
	<u>\$ 2,774,409</u>		<u>\$ 828,960</u>	<u>\$ 3,603,369</u>

D. Changes in Long-Term Liabilities

Long-term liability activity of the city for the year ended December 31, 2015 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
General obligation bonds	\$ 11,205,000	\$ -	\$ (720,000)	\$ 10,485,000	\$ 730,000
Less deferred amounts					
For issuance premiums (discounts)	<u>132,566</u>	<u>-</u>	<u>(15,729)</u>	<u>116,837</u>	<u>-</u>
Total bonds payable	11,337,566	-	(735,729)	10,601,837	730,000
Capital leases	467,635	263,000	(150,741)	579,894	177,480
Government loans	900,000	-	(100,000)	800,000	100,000
Compensated absences	478,489	291,174	(325,632)	444,031	28,009
Net OPEB Obligation	388,471	167,451	(45,358)	510,564	-
Net pension obligation	1,707,919	757,672	(222,524)	2,243,067	-
Impact fee credits	<u>122,563</u>	<u>201,853</u>	<u>(196,371)</u>	<u>128,045</u>	<u>-</u>
Long-term liabilities	<u>\$ 15,402,643</u>	<u>\$ 1,681,150</u>	<u>\$ (1,776,355)</u>	<u>\$ 15,307,438</u>	<u>\$ 1,035,489</u>
<u>Business-type Activities</u>					
Revenue Bonds	6,675,840	2,774,409	(98,235)	9,352,014	173,564
Government loans payable	8,922,081	-	(8,652,088)	269,993	53,998
Compensated absences	116,909	72,793	(79,659)	110,043	24,488
Net pension obligation	<u>504,035</u>	<u>207,774</u>	<u>(75,596)</u>	<u>636,213</u>	<u>-</u>
Long-term liabilities	<u>\$ 16,218,865</u>	<u>\$ 3,054,976</u>	<u>\$ (8,905,578)</u>	<u>\$ 10,368,263</u>	<u>\$ 252,050</u>

NOTE 8 – RISK MANAGEMENT

The City of Battle Ground 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 179 Members.

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

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

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property

insurance and auto physical damage are self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance. In-house services include risk management consultation, loss control field services, claims and litigation administration, and loss analyses. WCIA contracts for the claims investigation consultants for personnel issues and land use problems, insurance brokerage, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. As outlined in the interlocal, 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.

In the past three years, there have been no settlements that exceeded coverage.

NOTE 9 – PROPERTY TAXES

The Clark County Treasurer acts as an agent to collect property tax levied in the county for all taxing authorities.

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

Property tax is recorded as a receivable and revenue when levied. Property tax collected in advance of the fiscal year to which it applies is recorded as a deferred inflow and recognized as revenue of the period to which it applies. No allowance for uncollectible tax is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principal, and delinquent taxes are evaluated annually.

The city may levy up to \$3.60 per \$1,000 of assessed valuation for general governmental services, subject to limitations by the Washington State Constitution and the Revised Code of Washington 84.55.0410. The city's regular levy for 2015 was \$1.83 per \$1,000 on an assessed valuation of \$1,501,398,094 for a total regular levy of \$2,747,180.

NOTE 10 – PENSION PLANS

A. Employee Retirement Systems and Pension Plans

The following table represents the aggregate pension amounts for all plans subject to the requirements of GASB 68 for the year 2015:

Aggregate Pension Amounts – All Plans	
Pension liabilities	\$2,879,280
Pension assets	801,449
Deferred outflows of resources	466,017
Deferred inflows of resources	688,991
Pension expense/expenditures	305,673

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 (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

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

Or the DRS CAFR 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 2015 were as follows:

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

The city’s actual contributions to the plan were \$148,282 for the year ended December 31, 2015.

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

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

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

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

Contributions - The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and

employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2015 were as follows:

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

The city’s actual contributions to the plan were \$190,375 for the year ended December 31, 2015.

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

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

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

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

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

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

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

Contributions - The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF

Plan 2 Retirement Board. The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2015 were as follows:

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

The city’s actual contributions to the plan were \$104,689 for the year ended December 31, 2015.

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

Actuarial Assumptions

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

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

Inflation: 3% total economic inflation; 3.75% salary inflation

Salary increases: In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.

Investment rate of return: 7.5%

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

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

OSA updated demographic assumptions, consistent with the changes from the *2007-2012 Experience Study Report*, used when valuing the PERS 1 and TERS 1 Basic Minimum COLA.

OSA corrected how valuation software calculates a member’s entry age under the entry age normal actuarial cost method. Previously, the funding age was rounded, resulting in an entry age one year higher in some cases.

For purposes of calculating the Plan 2/3 Entry Age Normal Cost contribution rates, OSA now uses the current blend of Plan 2 and Plan 3 salaries rather than using a long-term membership assumption of two-thirds Plan 2 members and one-third Plan 3 members.

OSA changed the way it applies salary limits, as described in the *2007-2012 Experience Study Report*.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.5%.

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

Long-Term Expected Rate of Return

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

Estimated Rates of Return by Asset Class

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

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

Sensitivity of NPL

The table below presents the City of Battle Ground's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the city's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	\$1,862,327	\$1,529,629	\$1,243,539
PERS 2/3	3,946,449	1,349,651	(638,620)
LEOFF 1	(38,953)	(60,888)	(79,583)
LEOFF 2	741,624	(740,561)	(1,855,961)

Pension Plan Fiduciary Net Position

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

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

At June 30, 2015, the city reported a total pension liability of \$2,879,280 and a total pension asset of \$801,449 for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	\$1,529,629
PERS 2/3	1,349,651
LEOFF 1	(60,888)
LEOFF 2	(740,561)

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

	Liability (or Asset)
LEOFF 2 – employer's proportionate share	(740,561)
LEOFF 2 – State's proportionate share of the net pension liability/(asset) associated with the employer	(489,682)
TOTAL	(1,230,243)

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

	Proportionate Share 6/30/14	Proportionate Share 6/30/15	Change in Proportion
PERS 1	.028952%	.029242%	.000290%
PERS 2/3	.037276	.037773	.000497
LEOFF 1	.005011	.005052	.000041
LEOFF 2	.070077	.072053	.001976

Employer contribution transmittals received and processed by 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 DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2015. Historical data was

obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2015, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2015, the state of Washington contributed 39.80 percent of LEOFF 2 employer contributions pursuant to RCW 41.27.726 and all other employers contributed the remaining 60.20 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2015, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2014, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

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

	Pension Expense
PERS 1	\$111,498
PERS 2/3	165,805
LEOFF 1	(12,354)
LEOFF 2	40,724
TOTAL	305,673

Deferred Outflows of Resources and Deferred Inflows of Resources

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

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments		\$83,687
Contributions subsequent to the measurement date	\$79,416	
TOTAL	\$79,416	\$83,687

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$143,468	
Net difference between projected and actual investment earnings on pension plan investments		\$360,293
Changes of assumptions	2,174	
Changes in proportion and differences between contributions and proportionate share of contributions	16,015	
Contributions subsequent to the measurement date	103,453	
TOTAL	\$265,110	\$360,293

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$	\$10,279
TOTAL	\$	\$10,279

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$64,848	
Net difference between projected and actual investment earnings on pension plan investments		\$224,386
Changes of assumptions	1,953	
Changes in proportion and differences between contributions and proportionate share of contributions		10,346
Contributions subsequent to the measurement date	54,689	
TOTAL	\$121,490	\$234,732

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, 2016. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	PERS 1
2016	\$ (32,434)
2017	(32,434)
2018	(32,434)
2019	13,616

Year ended December 31	PERS 2/3
2016	\$ (93,141)
2017	(93,141)
2018	(93,141)
2019	80,789

Year ended December 31	LEOFF 1
2016	\$ (3,989)
2017	(3,989)
2018	(3,989)
2019	1,687

Year ended December 31	LEOFF 2
2016	\$ (76,872)
2017	(76,872)
2018	(76,872)
2019	49,607
2020	10,845
Thereafter	2,233

B. Postemployment Benefits

In addition to the pension benefits described, the City of Battle Ground administers a single-employer defined benefit healthcare plan. Public safety officers retired under the Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF plan 1) received health insurance benefits paid for by the city. These benefits are provided by the city in order to meet state statutory requirements under the LEOFF 1 system whereby the city will pay for their medical premiums and hospitalization costs incurred by eligible retirees for life. Amendments to the plan may be made through state statute.

Membership in this program includes Plan 1 participants of LEOFF who joined the system by September 30, 1977. Currently, three retirees meet those eligibility requirements. This is considered a closed group with no new members. There are no LEOFF 1 employees currently working for the city.

The City reimburses 100 percent of the amount of validated claims. State statute provides that the City’s responsibility for medical payments of LEOFF 1 retirees is secondary to any other coverage retirees receive or are eligible to receive. For the year ended December 31, 2015, three retired officers received medical insurance at a cost to the city of \$45,358. The payment for insurance is made from a combination of current budget funding authority and from a reserve within the general fund. The city has established the LEOFF Medical reserve to help mitigate the impact of this liability. The LEOFF I Medical reserve within the general fund, as of December 31, 2015 was \$29,191.

The city made the full required annual contribution of \$45,358 in 2015. This amount differs from the Annual Required Contribution (ARC) because the plan is financed on a pay-as-you-go basis. The ARC is the amount that, if contributed yearly, would fully fund the health subsidies by the end of the 15 year amortization. The ARC is made up of the normal yearly cost plus the amortization of the current unfunded actuarial accrued liability.

The City of Battle Ground used the alternative measurement method permitted under GASB Statement No. 45. A single retirement age of 55.3 was assumed for all active members for the purpose of determining the actuarial accrued liability (AAL) and normal cost. Retirement, disablement, termination, and mortality rates were assumed to follow the LEOFF 1 rates used in the June 30, 2011 actuarial valuation report issued by the Office of the State Actuary (OSA). Healthcare costs and trends were determined by Milliman and used by OSA in the state-wide LEOFF 1 medical study performed in 2013. The results were based on grouped data with 4 active groupings and 4 inactive groupings. The actuarial cost method used to determine the AAL was Projected Unit Credit. The AAL and net OPEB obligation (NOO) are amortized on an open basis as a level dollar over 15 years. These assumptions are individually and collectively reasonable for the purposes of this valuation.

The following table shows the components of the city’s annual OPEB cost for the fiscal year ending December 31, 2015, the amount actually contributed to the plan, and changes in the city’s net OPEB obligation.

Annual required contribution	\$	186,852
Interest on net OPEB obligation		15,539
Adjustments to the annual required contribution		<u>(34,940)</u>
Annual OPEB cost		167,451
Contributions		<u>(45,358)</u>
Increase in net OPEB obligation		122,093
Net OPEB obligation, beginning of year		<u>388,471</u>
NET OPEB obligation, ending of year	\$	<u><u>510,564</u></u>

The city’s annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year ending 12/31	Annual OPEB Cost	Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 167,451	\$ 45,358	27.1%	\$ 510,564
2014	\$ 110,571	\$ 44,070	39.9%	\$ 388,471
2013	129,440	45,546	35.2%	321,970

C. Health and Welfare

The City of Battle Ground 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, 2015, 261 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical insurance through Group Health, Regence BlueShield and Asuris Northwest Health, dental insurance through Delta Dental of Washington, and vision insurance through 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. The AWC Trust HCP purchases stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Life Map, and Group Health ISL at \$750,000 through Sun Life. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC 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 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 HCP. Similarly, the terminating member forfeits all rights and interest to the 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 Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). 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.

NOTE 11 – CONTINGENCIES AND LITIGATION

The City has recorded in its financial statements all material liabilities based on available information. In the opinion of management, the city's insurance policies are adequate to pay all known or pending claims.

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. City management believes that such disallowances, if any, will be immaterial.

NOTE 12 - RECEIVABLE BALANCES

Amounts are aggregated into a single accounts receivable line for governmental activities on the *Statement of Net Position*. Below is the detail of receivables for the general, nonmajor governmental funds and internal service funds in the aggregate:

Receivables	General	Nonmajor Governmental	Internal Service	Total Governmental Activities
Accounts	18,394	2,540	-	20,934
Property taxes	63,713	-	-	63,713
Sales taxes	505,951	-	-	505,951
Motor Vehicle Fuel Tax	-	65,373	-	65,373
Other taxes	497,119	-	-	497,119
Municipal court	231,689	-	-	231,689
State	77,880	5,031	-	82,911
Grants		10,488	-	10,488
Investment interest	4,886	9,359	788	15,033
	<u>\$ 1,399,632</u>	<u>\$ 92,791</u>	<u>\$ 788</u>	<u>\$ 1,493,211</u>

NOTE 13 - RELATED PARTY TRANSACTION

The Discovery Clean Water Alliance (Alliance) was formed under the Joint Municipal Utility Services Authority Act, Chapter 39.106 RCW. The purpose of the Alliance is to provide cooperative, environmentally sound, and cost-effective municipal wastewater transmission and treatment to participating members. The four Alliance members, Clark County, Clark Regional Wastewater District, City of Battle Ground, and the City of Ridgefield, signed an Interlocal Formation Agreement (IFA) on September 27, 2012. The Alliance was incorporated with the Washington Secretary of State on January 4, 2013. The Alliance is governed by a Board of Directors (Board) comprised of one elected official appointed from each of the participating members.

A two year transition work program was initiated and continued through 2014. During this period, operator agreements, franchise and asset transfer agreements, and 2015-2016 capital plans and operating budgets were adopted by the Board. The Alliance was fully operational as of January 1, 2015.

Annual regional service charges are paid by the City of Battle Ground to the Alliance. The city's responsibility for regional asset operating costs is based on actual use of regional services during the previous year (or years) as measured by average annual flow. Responsibility for capital costs is based on agreed-upon allocated capacity. The city paid the Alliance regional service charges of \$2,623,688 in 2015.

More information about the Alliance can be found on their website at www.discoverycwa.org.

NOTE 14 - SPECIAL ITEMS

The City of Battle Ground conveyed its wastewater force main transmission system and Public Works Trust Fund loans to the Alliance on January 1, 2015. The force main had an original cost of \$4,030,591 with accumulated depreciation of \$2,451,790 for a loss on transferred asset of \$1,578,801. Public Trust Fund principal loan amounts were transferred in the amount of \$8,598,091. The gain on the transfer of debt and the loss on the transferred asset are reported within the Sewer Fund on the *Proprietary Funds Statement of Revenues, Expenses and Changes in Fund Net Position* and under business-type activities on the government-wide *Statement of Activities*.

NOTE 15 - SUBSEQUENT EVENT

Washington state transportation funding bill 2ESSB 5987 became effective on July 15, 2015 which provided changes to transportation benefit districts (TBD). Changes provided by this legislation allow a city that has a

TBD with the same boundaries as the city to absorb the TBD and assume all the TBD's "rights, powers, functions, and obligations." City council approved Ordinance 16-03 on March 7, 2016 which assumed these rights, powers, functions, and obligations of the Battle Ground TBD.

NOTE 16 – ACCOUNTING AND REPORTING CHANGES

- A. Adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Issued in 2012, the objective of this statement is to improve accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts with certain characteristics. Implementation of this standard resulted in a negative adjustments to beginning net position of \$1,817,982 for governmental activities and \$693,531 for business-type activities. These adjustments can be found on the Statement of Activities.

- B. Adoption of GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Issued in 2013, the objective of this statement is to amend the issue relating to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

REQUIRED SUPPLEMENTARY INFORMATION

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Required Supplementary Information
 Other Post Employment Benefits Schedule of Funding Progress
 City of Battle Ground
 For the Year Ended December 31, 2015

LEOFF 1 Retiree Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability AAL Entry Age (b)	(UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2015	0	2,077,494	2,077,494	0	n/a	n/a
12/31/2014	0	1,408,153	1,408,153	0	n/a	n/a
12/31/2013	0	1,571,363	1,571,363	0	n/a	n/a

NOTE 1 - Alternative method used for valuation

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
City of Battle Ground
PERS 1
As of June 30, 2015
Last 2 Years

	<u>2014</u>	<u>2015</u>
<u>Employer's proportion of the net pension liability (asset)</u>	0.028952%	0.029242%
<u>Employer's proportionate share of the net pension liability</u>	\$ 1,458,471	1,529,629
TOTAL	1,458,471	1,529,629
<u>Employer's covered employee payroll</u>	0	0
<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	N/A	N/A
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	61.19%	59.10%

See notes to Required Supplementary Information

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
City of Battle Ground
PERS 2/3
As of June 30, 2015
Last 2 Years

	<u>2014</u>	<u>2015</u>
<u>Employer's proportion of the net pension liability (asset)</u>	0.037276%	0.037773%
<u>Employer's proportionate share of the net pension liability</u> \$	753,483	1,349,651
TOTAL	753,483	1,349,651
<u>Employer's covered employee payroll</u>	3,191,502	3,351,697
<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	23.61%	40.27%
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	93.29%	89.20%

See notes to Required Supplementary Information - Pension

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
City of Battle Ground
LEOFF 1
As of June 30, 2015
Last 2 Years

	<u>2014</u>	<u>2015</u>
<u>Employer's proportion of the net pension liability (asset)</u>	0.005011%	0.005052%
<u>Employer's proportionate share of the net pension liability (asset)</u> \$	(60,773)	(60,888)
TOTAL	(60,773)	(60,888)
<u>Employer's covered employee payroll</u>	0	0
<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	N/A	N/A
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	126.91%	127.36%

See notes to Required Supplementary Information - Pension

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
City of Battle Ground
LEOFF 2
As of June 30, 2015
Last 2 Years

	<u>2014</u>	<u>2015</u>
<u>Employer's proportion of the net pension liability (asset)</u>	0.070077%	0.072053%
<u>Employer's proportionate share of the net pension liability (asset)</u> \$	(929,952)	(740,561)
<u>State's proportionate share of the net pension liability (asset) associated with the employer</u>	(607,276)	(489,682)
TOTAL	(1,537,228)	(1,230,243)
<u>Employer's covered employee payroll</u>	1,950,149	2,091,273
<u>Employer's proportionate share of the net pension asset as a percentage of covered employee payroll</u>	78.83%	58.83%
<u>Plan fiduciary net position as a percentage of the total pension asset</u>	116.75%	111.67%

See notes to Required Supplementary Information - Pension

Required Supplementary Information
Schedule of Employer Contributions
City of Battle Ground
PERS 1
As of June 30, 2015
Last 2 Years

	2014	2015
Statutorily or contractually required contributions	\$ 132,646	148,282
Contributions in relation to the statutorily or contractually required contributions	(132,646)	(148,282)
Contribution deficiency (excess)	0	0
Covered employer payroll	0	0
Contributions as a percentage of covered employee payroll	N/A	N/A

See notes to Required Supplementary Information

Required Supplementary Information
Schedule of Employer Contributions
City of Battle Ground
PERS 2/3
As of June 30, 2015
Last 2 Years

	2014	2015
Statutorily or contractually required contributions	\$ 164,325	190,375
Contributions in relation to the statutorily or contractually required contributions	(164,325)	(190,375)
Contribution deficiency (excess)	0	0
Covered employer payroll	3,288,709	3,382,133
Contributions as a percentage of covered employee payroll	5.00%	5.63%

See notes to Required Supplementary Information - Pension

Required Supplementary Information
Schedule of Employer Contributions
City of Battle Ground
LEOFF 1
As of June 30, 2015
Last 2 Years

	2014	2015
Statutorily or contractually required contributions	\$ 0	0
Contributions in relation to the statutorily or contractually required contributions	0	0
Contribution deficiency (excess)	0	0
Covered employer payroll	0	0
Contributions as a percentage of covered employee payroll	0.00%	0.00%

See notes to Required Supplementary Information - Pension

Required Supplementary Information
Schedule of Employer Contributions
City of Battle Ground
LEOFF 2
As of June 30, 2015
Last 2 Years

	2014	2015
Statutorily or contractually required contributions	\$ 103,449	104,689
Contributions in relation to the statutorily or contractually required contributions	(103,449)	(104,689)
Contribution deficiency (excess)	0	0
Covered employer payroll	2,048,503	2,073,049
Contributions as a percentage of covered employee payroll	5.05%	5.05%

See notes to Required Supplementary Information - Pension

Notes to Required Supplementary Information - Pensions
City of Battle Ground
Year Ended December 31, 2015

Note 1 – Information provided

The City implemented GASB 68 for the year ended December 31, 2015, therefore there is no data available for years prior to 2014. There are no District employees participating in the PERS 1 or LEOFF 1 plans in 2014 or 2015; therefore, there is no covered payroll report under PERS 1 and LEOFF 1.

PERS 1 employer contributions include the PERS 1 employer contributions of PERS 2 and PERS 3, which are required to fund the unfunded actuarially accrued liability pursuant to RCW 41.45.060.

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.

Note 2 – Significant errors

There were no changes of benefit terms, significant changes in the employees covered under the benefit terms or in the use of different assumptions.

Note 3 – Employer contribution rate changes

The employer contribution rates for both PERS 1 and PERS 2/3 plans increased from 9.21% to 11.18% for pay periods beginning July 2015.

NONMAJOR GOVERNMENTAL FUNDS

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Nonmajor Governmental Funds

Special Revenue Funds

Street Fund – accounts for revenue from State motor vehicle fuel taxes and expenditures for street construction, maintenance and repair.

Transportation Benefit District – accounts for vehicle registration fees used for transportation improvements.

Drug Investigation Reserve Fund – accounts for funds that are restricted by state law for use in drug related policing activities.

Lodging Tax Reserve Fund – was established in 2007. It is funded by receipts for a 4% Hotel/Motel tax. Proceeds are to be used for promotion of tourism in the city.

Capital Project Funds

Scotton Way Fund – was established in 2010 to account for the design and construction of a segment of street funded with Recovery Zone Economic Development Bonds and general obligation bonds.

Capital Projects Fund – accounts for the acquisition or development of capital facilities for governmental activities. Major sources of revenues are from proceeds from general obligation bonds, loans, real estate excise tax, impact fees, grants from other agencies, and contributions from other funds.

Transportation Impact Fee Fund – accounts for traffic impact fees that are assessed and collected at the time of development and are expended to build or expand capacity that is required as a result of development.

Park Impact Fee Fund – accounts for revenue from the parks impact fees that are assessed and collected at the time of development and that are expended to build or expand park capacity that is required as a result of development.

Real Estate Excise Tax Fund – accounts for revenue from the real estate excise tax (REET) that is assessed on real property transactions within the City, which are used for the purchase of land and the development of parks.

Fire Impact Fee Fund – accounts for revenue from fire impact fees that are assessed and collected at the time of development and that are expended to build or expand physical facilities that are required as a result of development.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources, special assessment bond principal and interest from special assessment levies, and other debt when the government is obligated in some manner for the payments.

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

	Combined Special Revenue Funds	Combined Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 169,496	\$ 2,556,833	\$ -	\$ 2,726,329
Investments	115,877	1,748,856	-	1,864,733
Restricted Cash and Cash Equivalents:	-	140,366	-	140,366
Accounts Receivable	72,944	10,488	-	83,432
Interest Receivable	608	8,751	-	9,359
Total Assets	<u>358,925</u>	<u>4,465,294</u>	<u>-</u>	<u>4,824,219</u>
Liabilities				
Accounts Payable	21,575	19,144	-	40,719
Other Accrued Liabilities	8,254	1,809	-	10,063
Custodial Deposits	-	140,366	-	140,366
Total Liabilities	<u>29,829</u>	<u>161,319</u>	<u>-</u>	<u>191,148</u>
Fund Balances				
Restricted for:				
Capital	-	4,303,975	-	4,303,975
Drug Investigation	63,090	-	-	63,090
Tourist Promotion	144,631	-	-	144,631
Assigned to:				
Street	121,375	-	-	121,375
Total Fund Balances	<u>329,096</u>	<u>4,303,975</u>	<u>-</u>	<u>4,633,071</u>
Total Liabilities and Fund Balance	<u>\$ 358,925</u>	<u>\$ 4,465,294</u>	<u>\$ -</u>	<u>\$ 4,824,219</u>

City of Battle Ground
Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
For the fiscal year ended December 31, 2015

	Combined Special Revenue Funds	Combined Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues				
Other Taxes	\$ 126,218	\$ 675,445	\$ -	\$ 801,663
Intergovernmental	407,286	12,325	-	419,611
Charges for Services	92,625	962,453	-	1,055,078
Interest Earnings	2,109	28,935	-	31,044
Contributions/Donations	2,512	-	127,679	130,191
Miscellaneous	11,511	-	-	11,511
Total Revenues	<u>642,261</u>	<u>1,679,158</u>	<u>127,679</u>	<u>2,449,098</u>
Expenditures				
Current:				
General Government	15,270	-	-	15,270
Security/Persons and Property	8,811	-	-	8,811
Transportation	1,046,103	-	-	1,046,103
Capitalized Expenditures				
Transportation	-	95,466	-	95,466
Debt Service				
Principal Retirement	-	-	820,000	820,000
Interest/Fiscal Charges	-	-	502,725	502,725
Total Expenditures	<u>1,070,184</u>	<u>95,466</u>	<u>1,322,725</u>	<u>2,488,375</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(427,923)	1,583,692	(1,195,046)	(39,277)
Other Financing Sources (Uses)				
Transfers In	367,872	84,349	1,195,046	1,647,267
Transfers Out	(5,000)	(1,360,519)	-	(1,365,519)
Total Other Financing Sources and Uses	<u>362,872</u>	<u>(1,276,170)</u>	<u>1,195,046</u>	<u>281,748</u>
Net Change in Fund Balance	(65,051)	307,522	-	242,471
Fund Balance at Beginning of Year	394,147	3,996,453	-	4,390,600
Fund Balance at End of Year	<u>\$ 329,096</u>	<u>\$ 4,303,975</u>	<u>\$ -</u>	<u>\$ 4,633,071</u>

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

	Street Fund	Transportation Benefit District	Drug Investigation Fund	Lodging Tax Reserve	Total Nonmajor Special Revenue Funds
Assets					
Cash and Cash Equivalents	\$ 49,373	\$ -	\$ 37,390	\$ 82,733	\$ 169,496
Investments	33,718	-	25,573	56,586	115,877
Accounts Receivable (net)	67,913	-	-	5,031	72,944
Interest Receivable	200	-	127	281	608
Total Assets	151,204	-	63,090	144,631	358,925
Liabilities					
Accounts Payable	21,575	-	-	-	21,575
Other Accrued Liabilities	8,254	-	-	-	8,254
Total Liabilities	29,829	-	-	-	29,829
Fund Balances					
Restricted for:					
Drug Investigation	-	-	63,090	-	63,090
Tourist Promotion	-	-	-	144,631	144,631
Assigned to:					
Street	121,375	-	-	-	121,375
Total Fund Balances	121,375	-	63,090	144,631	329,096
Total Liabilities and Fund Balances	\$ 151,204	\$ -	\$ 63,090	\$ 144,631	\$ 358,925

City of Battle Ground
Nonmajor Special Revenue Funds
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
For the fiscal year ended December 31, 2015

	City Street Fund	Transportation Benefit District	Drug Investigation Reserve	Lodging Tax Reserve	Total Nonmajor Special Revenue Funds
Revenues					
Other Taxes	\$ -	\$ 92,625	\$ -	\$ 33,593	\$ 126,218
Intergovernmental	397,837	-	9,449	-	407,286
Charges for Services	92,625	-	-	-	92,625
Interest Earnings	764	-	396	949	2,109
Contributions/Donations	2,212	-	300	-	2,512
Miscellaneous	<u>11,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,511</u>
Total Revenues	<u>504,949</u>	<u>92,625</u>	<u>10,145</u>	<u>34,542</u>	<u>642,261</u>
Expenditures					
Current:					
General Government	-	-	-	15,270	15,270
Security/Persons and Property	-	-	8,811	-	8,811
Transportation	<u>953,478</u>	<u>92,625</u>	<u>-</u>	<u>-</u>	<u>1,046,103</u>
Total Expenditures	<u>953,478</u>	<u>92,625</u>	<u>8,811</u>	<u>15,270</u>	<u>1,070,184</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(448,529)	-	1,334	19,272	(427,923)
Other Financing Sources (Uses)					
Transfers In	367,872	-	-	-	367,872
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
Total Other Financing Sources (Uses)	<u>367,872</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>362,872</u>
Net Change in Fund Balance	(80,657)	-	1,334	14,272	(65,051)
Fund Balance at Beginning of Year	<u>202,032</u>	<u>-</u>	<u>61,756</u>	<u>130,359</u>	<u>394,147</u>
Fund Balance at End of Year	<u>\$ 121,375</u>	<u>\$ -</u>	<u>\$ 63,090</u>	<u>\$ 144,631</u>	<u>\$ 329,096</u>

City of Battle Ground
Nonmajor Capital Projects Funds
Combining Balance Sheet
December 31, 2015

	<u>Capital Projects Fund</u>	<u>Scotton Way Fund</u>	<u>Transportation Impact Fees</u>	<u>Park Impact Fee</u>
Assets				
Cash and Cash Equivalents	\$ 6,215	\$ -	\$ 1,836,503	\$ 258,616
Investments	4,250	-	1,256,184	176,881
Restricted: Cash and Cash Equivalents	-	140,366	-	-
Accounts Receivable (net)	10,488	-	-	-
Interest Receivable	-	-	6,486	823
Total Assets	<u>20,953</u>	<u>140,366</u>	<u>3,099,173</u>	<u>436,320</u>
Liabilities				
Accounts Payable	19,144	-	-	-
Other Accrued Liabilities	1,809	-	-	-
Custodial Deposits	-	140,366	-	-
Total Liabilities	<u>20,953</u>	<u>140,366</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted for:				
Capital	<u>-</u>	<u>-</u>	<u>3,099,173</u>	<u>436,320</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>3,099,173</u>	<u>436,320</u>
Total Liabilities and Fund Balances	<u>\$ 20,953</u>	<u>\$ 140,366</u>	<u>\$ 3,099,173</u>	<u>\$ 436,320</u>

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City of Battle Ground
Nonmajor Capital Projects Funds
Combining Balance Sheet
December 31, 2015

	Real Estate Excise Tax	Fire Impact Fee	Total Nonmajor Capital Projects Funds
Assets			
Cash and Cash Equivalents	\$ 369,106	\$ 86,393	\$ 2,556,833
Investments	252,452	59,089	1,748,856
Restricted: Cash and Cash Equivalents	-	-	140,366
Accounts Receivable (net)	-	-	10,488
Interest Receivable	1,185	257	8,751
Total Assets	<u>622,743</u>	<u>145,739</u>	<u>4,465,294</u>
Liabilities			
Accounts Payable	-	-	19,144
Other Accrued Liabilities	-	-	1,809
Custodial Deposits	-	-	140,366
Total Liabilities	<u>-</u>	<u>-</u>	<u>161,319</u>
Fund Balances			
Restricted for:			
Capital	<u>622,743</u>	<u>145,739</u>	<u>4,303,975</u>
Total Fund Balances	<u>622,743</u>	<u>145,739</u>	<u>4,303,975</u>
Total Liabilities and Fund Balances	\$ <u>622,743</u>	\$ <u>145,739</u>	\$ <u>4,465,294</u>

City of Battle Ground
Nonmajor Capital Projects Funds
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
For the fiscal year ended December 31, 2015

	<u>Capital Projects Fund</u>	<u>Scotton Way Fund</u>	<u>Transportation Impact Fees</u>	<u>Park Impact Fee</u>
Revenues				
Other Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	12,325	-	-	-
Charges for Services	-	-	503,444	363,200
Interest Earnings	-	-	21,619	2,726
Total Revenues	<u>12,325</u>	<u>-</u>	<u>525,063</u>	<u>365,926</u>
Expenditures				
Current:				
Capital Expenditures				
Transportation	95,466	-	-	-
Total Expenditures	<u>95,466</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(83,141)	-	525,063	365,926
Other Financing Sources (Uses)				
Transfers In	84,349	-	-	-
Transfers Out	(1,208)	-	(468,170)	(316,188)
Total Other Financing Sources (Uses)	<u>83,141</u>	<u>-</u>	<u>(468,170)</u>	<u>(316,188)</u>
Net Change in Fund Balance	-	-	56,893	49,738
Fund Balance at Beginning of Year	-	-	3,042,280	386,582
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,099,173</u>	<u>\$ 436,320</u>

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City of Battle Ground
Nonmajor Capital Projects Funds
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
For the fiscal year ended December 31, 2015

	Real Estate Excise Tax	Fire Impact Fee	Total Nonmajor Capital Project Funds
Revenues			
Other Taxes	\$ 675,445	\$ -	\$ 675,445
Intergovernmental	-	-	12,325
Charges for Services	-	95,809	962,453
Interest Earnings	<u>3,803</u>	<u>787</u>	<u>28,935</u>
Total Revenues	<u>679,248</u>	<u>96,596</u>	<u>1,679,158</u>
Expenditures			
Current:			
Capital Expenditures			
Transportation	<u>-</u>	<u>-</u>	<u>95,466</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>95,466</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	679,248	96,596	1,583,692
Other Financing Sources (Uses)			
Transfers In	-	-	84,349
Transfers Out	<u>(495,038)</u>	<u>(79,915)</u>	<u>(1,360,519)</u>
Total Other Financing Sources (Uses)	<u>(495,038)</u>	<u>(79,915)</u>	<u>(1,276,170)</u>
Net Change in Fund Balance	184,210	16,681	307,522
Fund Balance at Beginning of Year	<u>438,533</u>	<u>129,058</u>	<u>3,996,453</u>
Fund Balance at End of Year	\$ <u><u>622,743</u></u>	\$ <u><u>145,739</u></u>	\$ <u><u>4,303,975</u></u>

GOVERNMENTAL BUDGET AND ACTUAL SCHEDULES

City of Battle Ground
Street Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the fiscal year ended December 31, 2015

	Budget Amounts		Actual Year- To-Date Thru 12/31/15	Variance Thru 12/31/15
	Original 2015-2016 Biennium	Final 2015-2016 Biennium		
Revenues				
Intergovernmental	\$ 763,720	\$ 763,720	\$ 397,837	\$ (365,883)
Charges for Services	-	101,250	92,625	(8,625)
Interest Earnings	1,600	1,600	764	(836)
Contributions/Donations	-	-	2,212	2,212
Miscellaneous	-	-	11,511	11,511
Total Revenues	<u>765,320</u>	<u>866,570</u>	<u>504,949</u>	<u>(361,621)</u>
Expenditures				
Current:				
Transportation	<u>1,678,208</u>	<u>1,779,458</u>	<u>953,478</u>	<u>825,980</u>
Total Expenditures	<u>1,678,208</u>	<u>1,779,458</u>	<u>953,478</u>	<u>825,980</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(912,888)	(912,888)	(448,529)	464,359
Other Financing Sources (Uses)				
Transfers In	<u>825,000</u>	<u>825,000</u>	<u>367,872</u>	<u>(457,128)</u>
Total Other Financing Sources and Uses	<u>825,000</u>	<u>825,000</u>	<u>367,872</u>	<u>(457,128)</u>
Net Change in Fund Balance	(87,888)	(87,888)	(80,657)	7,231
Fund balance at beginning of year	<u>202,032</u>	<u>202,032</u>	<u>202,032</u>	<u>-</u>
Fund balance at end of year	<u>\$ 114,144</u>	<u>\$ 114,144</u>	<u>\$ 121,375</u>	<u>\$ 7,231</u>

City of Battle Ground
Transportation Benefit District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the fiscal year ended December 31, 2015

	Budget Amounts		Actual Year-To- Date Thru 12/31/15	Variance Thru 12/31/15
	Original 2015-2016 Biennium	Final 2015-2016 Biennium		
Revenues				
Other Taxes	-	115,000	92,625	(22,375)
Total Revenues	-	115,000	92,625	(22,375)
Expenditures				
Current:				
Transportation	-	101,250	92,625	8,625
Total Expenditures	-	101,250	92,625	8,625
Excess (Deficiency) of Revenues				
Over (under) Expenditures	-	13,750	-	(13,750)
Net Change in Fund Balance	-	13,750	-	(13,750)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	-	13,750	-	(13,750)

City of Battle Ground
Drug Investigation Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the fiscal year ended December 31, 2015

	<u>Budget Amounts</u>		Actual Year-To- Date Thru 12/31/15	Variance Thru 12/31/15
	Original 2015-2016 Biennium	Final 2015-2016 Biennium		
Revenues				
Intergovernmental	\$ 17,700	\$ 17,700	\$ 9,449	\$ (8,251)
Miscellaneous	-		300	300
Interest Earnings	145	145	396	251
Total Revenues	<u>17,845</u>	<u>17,845</u>	<u>10,145</u>	<u>(7,700)</u>
Expenditures				
Current:				
Security/Persons and Property	<u>24,000</u>	<u>24,000</u>	<u>8,811</u>	<u>15,189</u>
Total Expenditures	<u>24,000</u>	<u>24,000</u>	<u>8,811</u>	<u>15,189</u>
Excess (Deficiency) of Revenues				
Over (under) Expenditures	(6,155)	(6,155)	1,334	7,489
Net Change in Fund Balance	(6,155)	(6,155)	1,334	7,489
Fund Balance at Beginning of Year	<u>61,756</u>	<u>61,756</u>	<u>61,756</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 55,601</u>	<u>\$ 55,601</u>	<u>\$ 63,090</u>	<u>\$ 7,489</u>

City of Battle Ground
Lodging Tax Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the fiscal year ended December 31, 2015

	Budget Amounts		Actual Year-To- Date Thru 12/31/15	Variance Thru 12/31/15
	Original 2015-2016 Biennium	Final 2015-2016 Biennium		
Revenues				
Other Taxes	\$ 62,000	\$ 62,000	\$ 33,593	\$ (28,407)
Interest Earnings	1,150	1,150	949	(201)
Total Revenues	<u>63,150</u>	<u>63,150</u>	<u>34,542</u>	<u>(28,608)</u>
Expenditures				
Economic Environment	<u>37,500</u>	<u>37,500</u>	<u>15,270</u>	<u>22,230</u>
Total Expenditures	<u>37,500</u>	<u>37,500</u>	<u>15,270</u>	<u>22,230</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	25,650	25,650	19,272	(6,378)
Other Financing Sources (Uses)				
Transfers Out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(5,000)</u>	<u>5,000</u>
Total Other Financing Sources and Uses	<u>(10,000)</u>	<u>(10,000)</u>	<u>(5,000)</u>	<u>5,000</u>
Net Change in Fund Balance	15,650	15,650	14,272	(1,378)
Fund Balance at Beginning of Year	<u>130,359</u>	<u>130,359</u>	<u>130,359</u>	<u>-</u>
Fund Balance at End of Year	\$ <u><u>146,009</u></u>	\$ <u><u>146,009</u></u>	\$ <u><u>144,631</u></u>	\$ <u><u>(1,378)</u></u>

City of Battle Ground
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the fiscal year ended December 31, 2015

	<u>Budget Amounts</u>		Actual Year-To- Date Thru <u>12/31/15</u>	Variance Thru <u>12/31/15</u>
	<u>Original 2015-2016 Biennium</u>	<u>Final 2015-2016 Biennium</u>		
Revenues				
Intergovernmental	\$ 537,661	\$ 537,661	\$ 12,325	\$ (525,336)
Total Revenues	<u>537,661</u>	<u>537,661</u>	<u>12,325</u>	<u>(525,336)</u>
Expenditures				
Capitalized Expenditures				-
Debt service:				
Interest/Fiscal Charges	<u>1,347,000</u>	<u>1,347,000</u>	<u>95,466</u>	<u>1,251,534</u>
Total Expenditures	<u>1,347,000</u>	<u>1,347,000</u>	<u>95,466</u>	<u>1,251,534</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(809,339)	(809,339)	(83,141)	726,198
Other Financing Sources (Uses)				
Transfers In	809,339	809,339	84,349	(724,990)
Transfers Out			<u>(1,208)</u>	<u>(1,208)</u>
Total Other Financing Sources and Uses	<u>809,339</u>	<u>809,339</u>	<u>83,141</u>	<u>(726,198)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Battle Ground
Scotton Way Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the fiscal year ended December 31, 2015

	Budget Amounts		Actual Year-To- Date Thru 12/31/15	Variance Thru 12/31/15
	Original 2015-2016 Biennium	Final 2015-2016 Biennium		
Revenues				
Total Revenues	-	-	-	-
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

City of Battle Ground
Transportation Impact Fees Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the fiscal year ended December 31, 2015

	<u>Budget Amounts</u>		<u>Actual Year-To- Date Thru 12/31/15</u>	<u>Variance Thru 12/31/15</u>
	<u>Original 2015-2016 Biennium</u>	<u>Final 2015-2016 Biennium</u>		
Revenues				
Charges for Services	\$ 1,116,278	\$ 1,116,278	\$ 503,444	\$ (612,834)
Interest Earnings	<u>47,300</u>	<u>47,300</u>	<u>21,619</u>	<u>(25,681)</u>
Total Revenues	<u>1,163,578</u>	<u>1,163,578</u>	<u>525,063</u>	<u>(638,515)</u>
Expenditures				
Current:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	1,163,578	1,163,578	525,063	(638,515)
Other Financing Sources (Uses):				
Transfers Out	<u>(1,598,599)</u>	<u>(1,598,599)</u>	<u>(468,170)</u>	<u>1,130,429</u>
Total Other Financing Sources and Uses	<u>(1,598,599)</u>	<u>(1,598,599)</u>	<u>(468,170)</u>	<u>1,130,429</u>
Net Change in Fund Balance	(435,021)	(435,021)	56,893	491,914
Fund Balance at Beginning of Year	<u>3,042,280</u>	<u>3,042,280</u>	<u>3,042,280</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,607,259</u>	<u>\$ 2,607,259</u>	<u>\$ 3,099,173</u>	<u>\$ 491,914</u>

City of Battle Ground
Park Impact Fees Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the fiscal year ended December 31, 2015

	Budget Amounts		Actual Year-To- Date Thru 12/31/15	Variance Thru 12/31/15
	Original 2015-2016 Biennium	Final 2015-2016 Biennium		
Revenues				
Charges for Services	\$ 1,236,780	\$ 1,236,780	\$ 363,200	\$ (873,580)
Interest Earnings	2,800	2,800	2,726	(74)
Total Revenues	<u>1,239,580</u>	<u>1,239,580</u>	<u>365,926</u>	<u>(873,654)</u>
Expenditures				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	1,239,580	1,239,580	365,926	(873,654)
Other Financing Sources (Uses)				
Transfers Out	<u>(620,676)</u>	<u>(620,676)</u>	<u>(316,188)</u>	<u>304,488</u>
Total Other Financing Sources and Uses	<u>(620,676)</u>	<u>(620,676)</u>	<u>(316,188)</u>	<u>304,488</u>
Net Change in Fund Balance	618,904	618,904	49,738	(569,166)
Fund Balance at Beginning of Year	<u>386,582</u>	<u>386,582</u>	<u>386,582</u>	<u>-</u>
Fund Balance at End of Year	\$ <u><u>1,005,486</u></u>	\$ <u><u>1,005,486</u></u>	\$ <u><u>436,320</u></u>	\$ <u><u>(569,166)</u></u>

City of Battle Ground
Real Estate Excise Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the fiscal year ended December 31, 2015

	Budget Amounts		Actual Year- To-Date Thru 12/31/15	Variance Thru 12/31/15
	Original 2015-2016 Biennium	Final 2015-2016 Biennium		
Revenues				
Other Taxes	\$ 620,000	\$ 620,000	\$ 675,445	\$ 55,445
Interest Earnings	600	600	3,803	3,203
Total Revenues	<u>620,600</u>	<u>620,600</u>	<u>679,248</u>	<u>58,648</u>
Expenditures				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	620,600	620,600	679,248	58,648
Other Financing Sources (Uses)				
Transfers Out	<u>(875,038)</u>	<u>(875,038)</u>	<u>(495,038)</u>	<u>380,000</u>
Total Other Financing Sources and Uses	<u>(875,038)</u>	<u>(875,038)</u>	<u>(495,038)</u>	<u>380,000</u>
Net Change in Fund Balance	(254,438)	(254,438)	184,210	438,648
Fund Balance at Beginning of Year	<u>438,533</u>	<u>438,533</u>	<u>438,533</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 184,095</u>	<u>\$ 184,095</u>	<u>\$ 622,743</u>	<u>\$ 438,648</u>

City of Battle Ground
Fire Impact Fee Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the fiscal year ended December 31, 2015

	Budget Amounts		Actual Year-To- Date Thru 12/31/15	Variance Thru 12/31/15
	Original 2015-2016 Biennium	Final 2015-2016 Biennium		
Revenues				
Charges for Services	\$ 70,530	\$ 70,530	\$ 95,809	\$ 25,279
Interest Earnings	625	625	787	162
Total Revenues	<u>71,155</u>	<u>71,155</u>	<u>96,596</u>	<u>25,441</u>
Expenditures				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	71,155	71,155	96,596	25,441
Other Financing Sources (Uses)				
Transfers Out	<u>(159,832)</u>	<u>(159,832)</u>	<u>(79,915)</u>	<u>79,917</u>
Total Other Financing Sources and Uses	<u>(159,832)</u>	<u>(159,832)</u>	<u>(79,915)</u>	<u>79,917</u>
Net Change in Fund Balance	(88,677)	(88,677)	16,681	105,358
Fund Balance at Beginning of Year	<u>129,058</u>	<u>129,058</u>	<u>129,058</u>	<u>-</u>
Fund Balance at End of Year	\$ <u><u>40,381</u></u>	\$ <u><u>40,381</u></u>	\$ <u><u>145,739</u></u>	\$ <u><u>105,358</u></u>

City of Battle Ground
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the fiscal year ended December 31, 2015

	Budget Amounts		Actual Year-To- Date Thru 12/31/15	Variance Thru 12/31/15
	Original 2015-2016 Biennium	Final 2015-2016 Biennium		
Revenues				
Contributions/Donations	\$ 235,690	\$ 235,690	\$ 127,679	\$ (108,011)
Total Revenues	<u>235,690</u>	<u>235,690</u>	<u>127,679</u>	<u>(108,011)</u>
Expenditures				
Debt service:				
Principal Retirement	1,650,000	1,650,000	820,000	830,000
Interest/Fiscal Charges	<u>984,100</u>	<u>984,100</u>	<u>502,725</u>	<u>481,375</u>
Total Expenditures	<u>2,634,100</u>	<u>2,634,100</u>	<u>1,322,725</u>	<u>1,311,375</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(2,398,410)	(2,398,410)	(1,195,046)	1,203,364
Other Financing Sources (Uses)				
Transfers In	<u>2,398,410</u>	<u>2,398,410</u>	<u>1,195,046</u>	<u>(1,203,364)</u>
Total Other Financing Sources and Uses	<u>2,398,410</u>	<u>2,398,410</u>	<u>1,195,046</u>	<u>(1,203,364)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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INTERNAL SERVICE FUNDS

The internal service funds in the City of Battle Ground are service funds for the departments within the city. The services provided are reimbursed by transfers from the budget appropriations of the departments served. An internal service fund must recover its complete cost of operations without producing any significant profit.

Though the operations of the internal service funds do not theoretically require budgeting, budgets are prepared to assure proper expense control. The city has the following internal service funds:

Vehicle Rental and Replacement Fund – A fund to finance vehicles used by city departments.

Technology Rental and Replacement Fund – A fund to finance information technology such as computers, servers and storage.

City of Battle Ground
Internal Service Funds
Combining Statement of Net Position
December 31, 2015

	Vehicle Rental and Replacement	Technology Rental and Replacement	Total Internal Service Funds
Assets			
Cash and Cash Equivalents	\$ 197,010	\$ 23,491	\$ 220,501
Investments	134,747	16,066	150,813
Receivables			
Interest Receivable	696	92	788
Restricted Assets			
Cash and Cash Equivalents	256,000	-	256,000
Total Current Assets	588,453	39,649	628,102
Noncurrent Assets			
Property, Plant and Equipment (Net)	779,189	215,857	995,046
Total Noncurrent Assets	779,189	215,857	995,046
Total Assets	1,367,642	255,506	1,623,148
Liabilities			
Current Liabilities			
Accounts Payable	-	163	163
Accrued Interest Payable	7,388	515	7,903
Leases Payable	112,821	15,592	128,413
Total Current Liabilities	120,209	16,270	136,479
Noncurrent Liabilities			
Leases Payable	445,445	-	445,445
Total Noncurrent Liabilities	445,445	-	445,445
Total Liabilities	565,654	16,270	581,924
Net Position			
Net Investment in Capital Assets	483,923	200,265	684,188
Unrestricted	318,065	38,971	357,036
Total Net Position	\$ 801,988	\$ 239,236	\$ 1,041,224

City of Battle Ground
Internal Service Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
For the fiscal year ended December 31, 2015

	Vehicle Rental and Replacement	Technology Rental and Replacement	Total Internal Service Funds
Operating Revenues			
Charge for Services			
Vehicle Rental	\$ 170,341	\$ -	\$ 170,341
Technology Rental	-	90,550	90,550
Total Operating Revenues	<u>170,341</u>	<u>90,550</u>	<u>260,891</u>
Operating Expenses			
Equipment and Supplies	-	37,365	37,365
Depreciation	122,779	49,221	172,000
Total Operating Expenses	<u>122,779</u>	<u>86,586</u>	<u>209,365</u>
Operating Income (loss)	47,562	3,964	51,526
Nonoperating Revenues (Expenses)			
Interest Earnings	2,456	215	2,671
Interest and Fiscal Charges	(18,125)	(848)	(18,973)
Total Nonoperating Revenues (Expenses)	<u>(15,669)</u>	<u>(633)</u>	<u>(16,302)</u>
Income (Loss) before Contributions and Transfers	31,893	3,331	35,224
Transfers In	79,915	-	79,915
Increase (Decrease) in Net Position	<u>111,808</u>	<u>3,331</u>	<u>115,139</u>
Total Net Position at Beginning of Year	690,180	235,905	926,085
Total Net Position at End of Year	<u>\$ 801,988</u>	<u>\$ 239,236</u>	<u>\$ 1,041,224</u>

City of Battle Ground
Internal Service Funds
Combining Statement of Cash Flows
For the fiscal year ended December 31, 2015

	<u>Vehicle Rental and Replacement</u>	<u>Technology Rental and Replacement</u>	<u>Total Internal Service Funds</u>
Cash Flows from Operating Activities			
Receipts from interfund charges for vehicle rental services	\$ 170,341	\$ -	\$ 170,341
Receipts from interfund charges for technology rental services	-	90,550	90,550
Cash payments to Suppliers	-	<u>(37,365)</u>	<u>(37,365)</u>
Net Cash Provided by Operating Activities	<u>170,341</u>	<u>53,185</u>	<u>223,526</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(110,880)	-	(110,880)
Proceeds from Other Financing (Transfers)	79,915	-	79,915
Proceeds from capital lease	263,000	-	263,000
Principal paid on capital lease	(124,042)	(14,937)	(138,979)
Interest Paid on capital lease	<u>(20,640)</u>	<u>(1,339)</u>	<u>(21,979)</u>
Net Cash Provided for Capital and Related Financing Activities	<u>87,353</u>	<u>(16,276)</u>	<u>71,077</u>
Cash Flows from Investing Activities			
Interest on Investments	2,537	329	2,866
Sale (purchase) of Investment Securities	<u>45,180</u>	<u>(14,792)</u>	<u>30,388</u>
Net Cash Used by Investing Activities	<u>47,717</u>	<u>(14,463)</u>	<u>33,254</u>
Net Increase (Decrease) in Cash and Cash Equivalents	305,411	22,446	327,857
Cash and Cash Equivalents at Beginning of Year	<u>147,599</u>	<u>1,045</u>	<u>148,644</u>
Cash and Cash Equivalents at End of Year	<u>\$ 453,010</u>	<u>\$ 23,491</u>	<u>\$ 476,501</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Net Operating Income (Loss)	\$ 47,562	\$ 3,964	\$ 51,526
Adjustments to reconcile net operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation Expense	<u>122,779</u>	<u>49,221</u>	<u>172,000</u>
	<u>122,779</u>	<u>49,221</u>	<u>172,000</u>
Net Cash Provided by Operating Activities	<u>\$ 170,341</u>	<u>\$ 53,185</u>	<u>\$ 223,526</u>
Noncash Investing, Financing and Capital Activities			
Net Change in Fair Value of Investments	225	26	251

STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of Battle Ground'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 city's overall financial health.

Contents

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

- Schedule 1 – Net Position by Component
- Schedule 2 – Changes in Net Position by Component
- Schedule 3 – Fund Balances, Governmental Funds
- Schedule 4 – Changes in Fund Balances, Governmental Funds

REVENUE CAPACITY

These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.

- Schedule 5 – Tax Revenues by Source, Governmental Funds
- Schedule 6 – Assessed Value and Actual Value of Taxable Property
- Schedule 7 – Direct and Overlapping Property Tax Rates
- Schedule 8 – Principal Property Tax Payers
- Schedule 9 – Property Tax Levies and Collections

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the city's current level of outstanding debt and the city's ability to issue additional debt in the future.

- Schedule 10 – Ratios of Outstanding Debt by Type
- Schedule 11 – Ratios of General Bonded Debt Outstanding
- Schedule 12 – Direct and Overlapping Governmental Activities Debt
- Schedule 13 – Legal Debt Margin Information
- Schedule 14 – Pledged Revenue Coverage

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

- Schedule 15 – Demographic and Economic Statistics
- Schedule 16 – Principal Employers
- Schedule 17 – Property Values and Construction

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

- Schedule 18 – Full-time Equivalent City Government Employees
- Schedule 19 – Operating Indicators by Function/Program
- Schedule 20 – Capital Asset Statistics by Function/Program

Sources: Unless otherwise noted, the information in these schedules is derived from the *Comprehensive Annual Financial Report* for the relevant year.

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FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Schedule 1 – Net Position by Component	Page 118-119
Schedule 2 – Changes in Net Position	Page 120-123
Schedule 3 – Fund Balances, Governmental Funds	Page 124-125
Schedule 4 – Changes in Fund Balance, Governmental Fund	Page 126-127

City of Battle Ground
Schedule 1
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities					
Net investment in capital assets	\$27,294,399	\$31,541,308	\$ 38,790,058	\$ 39,221,113	\$ 34,991,915
Restricted for:					
Capital	3,915,990	3,174,390	591,735	3,662,720	8,032,082
Debt	64	-	4,436	631	-
Drug Investigation	-	-	-	-	-
Tourist Promotion	-	-	-	-	-
Archeological Mitigation	-	-	-	-	-
Unrestricted	9,810,841	6,843,215	7,215,072	2,760,980	2,899,625
Total governmental activities net position	<u>\$41,021,294</u>	<u>\$41,558,913</u>	<u>\$ 46,601,301</u>	<u>\$ 45,645,444</u>	<u>\$ 45,923,622</u>
Business-type Activities					
Net investment in capital assets	\$30,243,777	\$44,447,674	\$ 48,389,267	\$ 49,502,387	\$ 48,256,296
Restricted	2,861,880	2,235,704	1,260,004	880,096	750,446
Unrestricted	8,222,463	4,905,442	7,700,506	9,507,721	8,415,098
Total business-type activities net position	<u>\$41,328,120</u>	<u>\$51,588,820</u>	<u>\$ 57,349,777</u>	<u>\$ 59,890,204</u>	<u>\$ 57,421,840</u>
Primary Government					
Net investment in capital assets	\$57,538,176	\$75,988,982	\$ 87,179,325	\$ 88,723,500	\$ 83,248,211
Restricted for:					
Capital	6,777,870	5,410,094	1,851,739	4,542,816	8,782,528
Debt	64	-	4,436	631	-
Drug Investigation	-	-	-	-	-
Tourist Promotion	-	-	-	-	-
Archeological Mitigation	-	-	-	-	-
Unrestricted	18,033,304	11,748,657	14,915,578	12,268,701	11,314,723
Total primary government net position	<u>\$82,349,414</u>	<u>\$93,147,733</u>	<u>\$ 103,951,078</u>	<u>\$105,535,648</u>	<u>\$103,345,462</u>

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City of Battle Ground
Schedule 1
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities					
Net investment in capital assets	\$ 38,725,543	\$ 41,074,989	\$ 40,562,231	\$ 40,834,702	\$ 40,356,369
Restricted for:					
Capital	3,137,767	2,964,183	4,054,713	3,996,454	4,303,975
Debt	6,669	-	-	-	-
Drug Investigation	32,056	35,745	110,819	61,756	63,090
Tourist Promotion	94,414	114,327	118,049	130,359	144,631
Archeological Mitigation		100,000	-	-	-
Unrestricted	2,473,919	2,392,860	3,066,444	2,513,942	1,661,667
Total governmental activities net position	<u>\$ 44,470,368</u>	<u>\$ 46,682,104</u>	<u>\$ 47,912,256</u>	<u>\$ 47,537,213</u>	<u>\$ 46,529,732</u>
Business-type Activities					
Net investment in capital assets	\$ 46,867,261	\$ 45,841,037	\$ 45,207,967	\$ 44,773,066	\$ 50,545,433
Restricted	781,084	804,132	2,400,355	298,336	299,804
Unrestricted	9,172,165	9,527,096	9,092,385	13,179,807	15,158,274
Total business-type activities net position	<u>\$ 56,820,510</u>	<u>\$ 56,172,265</u>	<u>\$ 56,700,707</u>	<u>\$ 58,251,209</u>	<u>\$ 66,003,511</u>
Primary Government					
Net investment in capital assets	\$ 85,592,804	\$ 86,916,026	\$ 85,770,198	\$ 85,607,768	\$ 90,901,802
Restricted for:					
Capital	3,918,851	3,768,315	6,455,068	3,996,454	4,303,975
Debt	6,669	-	-	298,336	299,804
Drug Investigation	32,056	35,745	110,819	61,756	63,090
Tourist Promotion	94,414	114,327	118,049	130,359	144,631
Archeological Mitigation	-	100,000	-	-	-
Unrestricted	11,646,084	11,919,956	12,158,829	15,693,749	16,819,941
Total primary government net position	<u>\$101,290,878</u>	<u>\$102,854,369</u>	<u>\$104,612,963</u>	<u>\$105,788,422</u>	<u>\$112,533,243</u>

City of Battle Ground
Schedule 2
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Expenses</u>					
Governmental activities					
General government	\$ 2,056,875	\$ 1,928,916	\$ 2,223,307	\$ 2,087,110	\$ 1,951,977
Judicial	319,404	464,643	492,181	534,501	546,638
Public Safety	3,475,292	3,644,428	4,395,318	4,431,964	4,299,652
Physical Environment	591,277	676,741	906,190	1,021,647	1,201,402
Transportation	3,469,566	3,625,195	3,869,457	3,761,290	2,287,683
Economic Environment	715,830	727,745	816,796	699,000	664,250
Culture and Recreation	297,928	361,531	963,339	1,056,249	979,695
Interest on long-term debt	278,001	442,304	422,864	405,440	450,067
Total governmental activities expenses	<u>11,204,173</u>	<u>11,871,503</u>	<u>14,089,452</u>	<u>13,997,201</u>	<u>12,381,364</u>
Business-type activities					
Storm Drainage	607,708	642,607	817,139	717,290	728,791
Water	1,789,896	1,838,669	1,980,810	1,935,359	1,946,956
Sewer	1,993,349	2,128,709	3,354,080	3,609,859	5,216,956
Total business-type activities expenses	<u>4,390,953</u>	<u>4,609,985</u>	<u>6,152,029</u>	<u>6,262,508</u>	<u>7,892,703</u>
Total primary government expenses	<u>\$15,595,126</u>	<u>\$16,481,488</u>	<u>\$20,241,481</u>	<u>\$20,259,709</u>	<u>\$20,274,067</u>
<u>Program Revenues</u>					
Governmental activities					
Charge for services					
General Government	\$ 243,942	\$ 245,484	\$ 248,274	\$ 240,017	\$ 219,213
Judicial	199,151	350,618	365,985	471,307	453,286
Economic Environment	1,668,400	1,401,037	1,253,868	1,078,533	603,642
Other activities	45,036	26,273	71,921	166,081	208,273
Operating grants and contributions	381,654	420,621	425,667	508,966	517,828
Capital grant and contributions	1,150,241	1,886,280	4,867,932	1,936,672	2,787,065
Total government activities program revenues	<u>3,688,424</u>	<u>4,330,313</u>	<u>7,233,647</u>	<u>4,401,576</u>	<u>4,789,307</u>
Business-type activities					
Charges for services					
Storm Drainage	402,260	457,726	471,429	612,177	631,727
Water	1,910,340	1,983,061	2,027,589	2,232,671	2,037,375
Sewer	2,480,307	2,522,255	2,526,144	2,569,896	2,609,015
Operating grants and contributions	2,147,931	3,867,383	6,665,414	1,918,901	702,738
Total business-type activities program revenues	<u>6,940,838</u>	<u>8,830,425</u>	<u>11,690,576</u>	<u>7,333,645</u>	<u>5,980,855</u>
Total primary government program revenues	<u>\$10,629,262</u>	<u>\$13,160,738</u>	<u>\$18,924,223</u>	<u>\$11,735,221</u>	<u>\$10,770,162</u>

(Continued on next page)

City of Battle Ground
Schedule 2
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Net(Expenses)Revenue					
Government activities	(7,515,749) \$	(7,541,190) \$	(6,855,805) \$	(9,595,625) \$	(7,592,057)
Business activities	<u>2,549,885</u>	<u>4,220,440</u>	<u>5,538,547</u>	<u>1,071,137</u>	<u>(1,911,848)</u>
Total primary government net expense	<u>(4,965,864) \$</u>	<u>(3,320,750) \$</u>	<u>(1,317,258) \$</u>	<u>(8,524,488) \$</u>	<u>(9,503,905)</u>
General Revenues and Other Changes in Net Position					
Government activities:					
Taxes					
Property taxes	1,935,544 \$	1,963,609 \$	2,248,345 \$	2,281,329 \$	2,366,078
Sales and use taxes	1,981,244	2,126,690	2,073,033	1,739,060	1,852,960
Business and occupation taxes	1,758,718	1,920,231	2,078,241	2,394,946	2,502,990
Excise taxes	785,638	600,298	407,773	329,070	335,169
Unrestricted grants and contributions	221,538	251,300	256,270	267,743	288,902
Investment earnings	589,648	740,979	340,242	94,380	70,378
Miscellaneous	21,121	50,373	41,636	45,564	45,738
Gain on sale of capital assets	-	-	-	-	-
Insurance recoveries	8,110	-	-	-	-
Transfers	<u>383,199</u>	<u>425,329</u>	<u>445,520</u>	<u>350,327</u>	<u>408,020</u>
Total governmental activities	<u>7,684,760</u>	<u>8,078,809</u>	<u>7,891,060</u>	<u>7,502,419</u>	<u>7,870,235</u>
Business-type activities:					
Investment earnings	542,121	534,877	249,882	111,595	69,427
Miscellaneous	7,388	4,395	6,656	63,827	59,594
Special Item	-	-	(217,472)	-	-
Gain(loss) on sale of capital assets	-	-	-	-	-
Transfers	<u>(383,199)</u>	<u>(425,329)</u>	<u>(445,520)</u>	<u>(350,327)</u>	<u>(408,020)</u>
Total business-type activities	<u>166,310</u>	<u>113,943</u>	<u>(406,454)</u>	<u>(174,905)</u>	<u>(278,999)</u>
Total primary government	<u>7,851,070 \$</u>	<u>8,192,752 \$</u>	<u>7,484,606 \$</u>	<u>7,327,514 \$</u>	<u>7,591,236</u>
Changes in Net Position					
Governmental activities	169,011 \$	537,619 \$	1,035,255 \$	(2,093,206) \$	278,178
Business-type activities	<u>2,716,195</u>	<u>4,334,383</u>	<u>5,132,093</u>	<u>896,232</u>	<u>(2,190,847)</u>
Total primary government	<u>2,885,206 \$</u>	<u>4,872,002 \$</u>	<u>6,167,348 \$</u>	<u>(1,196,974) \$</u>	<u>(1,912,669)</u>

(Continued on next page)

City of Battle Ground
Schedule 2
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Expenses</u>					
Governmental activities					
General government	\$ 1,919,617	\$ 2,634,653	\$ 1,712,197	\$ 1,835,205	\$ 1,955,510
Judicial	485,617	444,557	470,139	518,954	587,230
Public Safety	4,045,762	3,967,973	4,026,694	3,995,788	4,014,769
Physical Environment	1,452,521	1,638,224	1,826,061	2,038,449	2,332,297
Transportation	2,029,831	1,967,127	2,400,518	2,452,138	2,959,111
Economic Environment	605,272	722,507	781,901	797,619	838,813
Culture and Recreation	920,610	998,656	1,025,958	1,022,673	866,175
Interest on long-term debt	651,322	536,751	537,184	523,450	504,353
Total governmental activities expenses	<u>12,110,552</u>	<u>12,910,448</u>	<u>12,780,652</u>	<u>13,184,276</u>	<u>14,058,258</u>
Business-type activities					
Storm Drainage	1,038,963	712,377	930,010	1,062,553	1,013,546
Water	1,879,765	1,641,601	2,235,333	2,103,010	2,524,181
Sewer	3,583,364	3,439,502	4,162,154	4,077,452	5,639,263
Total business-type activities expenses	<u>6,502,092</u>	<u>5,793,480</u>	<u>7,327,497</u>	<u>7,243,015</u>	<u>9,176,990</u>
Total primary government expenses	<u>\$18,612,644</u>	<u>\$18,703,928</u>	<u>\$20,108,149</u>	<u>\$20,427,291</u>	<u>\$23,235,248</u>
<u>Program Revenues</u>					
Governmental activities					
Charge for services					
General Government	\$ 255,179	\$ 193,077	\$ 573,328	\$ 223,657	\$ 268,480
Judicial	415,588	405,806	455,060	466,472	447,779
Economic Environment	398,342	844,558	2,457,298	1,182,655	1,887,302
Other activities	233,995	203,460	193,857	201,268	331,963
Operating grants and contributions	555,855	445,149	771,126	742,824	891,157
Capital grant and contributions	1,042,734	4,299,828	932,403	1,129,275	1,409,148
Total government activities program revenues	<u>2,901,693</u>	<u>6,391,878</u>	<u>5,383,072</u>	<u>3,946,151</u>	<u>5,235,829</u>
Business-type activities					
Charges for services					
Storm Drainage	633,997	667,903	777,144	883,677	865,854
Water	2,037,242	2,115,314	2,098,727	2,223,658	2,390,158
Sewer	2,606,290	2,629,799	2,905,225	3,148,635	3,238,712
Operating grants and contributions	774,915	511,792	2,043,392	2,205,630	3,821,962
Total business-type activities program revenues	<u>6,052,444</u>	<u>5,924,808</u>	<u>7,824,488</u>	<u>8,461,600</u>	<u>10,316,686</u>
Total primary government program revenues	<u>\$ 8,954,137</u>	<u>\$12,316,686</u>	<u>\$13,207,560</u>	<u>\$12,407,751</u>	<u>\$15,552,515</u>

(Continued on next page)

City of Battle Ground
Schedule 2
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net(Expenses)Revenue					
Government activities	(9,208,859) \$	(6,518,570) \$	(7,397,580)	(9,238,125)	(8,822,429)
Business activities	<u>(449,648)</u>	<u>131,328</u>	<u>496,991</u>	<u>1,218,585</u>	<u>1,139,696</u>
Total primary government net expense	<u>(9,658,507) \$</u>	<u>(6,387,242) \$</u>	<u>(6,900,589)</u>	<u>(8,019,540)</u>	<u>(7,682,733)</u>
General Revenues and Other Changes in Net Position					
Government activities:					
Taxes					
Property taxes	2,428,025 \$	2,479,566 \$	2,532,873	2,601,477	2,752,356
Sales and use taxes	1,807,821	1,910,787	2,015,104	2,214,953	2,553,298
Business and occupation taxes	2,411,111	2,554,267	2,747,427	3,050,051	3,196,511
Excise taxes	227,223	331,585	526,572	625,117	690,792
Unrestricted grants and contributions	276,367	322,507	263,350	262,642	297,154
Investment earnings	138,859	40,689	18,265	57,522	50,427
Miscellaneous	43,082	94,749	89,750	204,787	92,392
Gain on sale of capital assets	-	-	(4,482)	-	-
Insurance recoveries	-	-	-	-	-
Transfers	<u>423,117</u>	<u>1,078,857</u>	<u>138,057</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>7,755,605</u>	<u>8,813,007</u>	<u>8,326,916</u>	<u>9,016,549</u>	<u>9,632,930</u>
Business-type activities:					
Investment earnings	135,669	41,181	33,565	60,640	91,804
Miscellaneous	135,766	86,611	135,943	117,810	195,043
Special Item	-	-	-	-	7,019,290
Gain(loss) on sale of capital assets	-	171,492	-	-	-
Transfers	<u>(423,117)</u>	<u>(1,078,857)</u>	<u>(138,057)</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>(151,682)</u>	<u>(779,573)</u>	<u>31,451</u>	<u>178,450</u>	<u>7,306,137</u>
Total primary government	<u>7,603,923 \$</u>	<u>8,033,434 \$</u>	<u>8,358,367</u>	<u>9,194,999</u>	<u>16,939,067</u>
Changes in Net Position					
Governmental activities	(1,453,254) \$	2,294,437 \$	929,336	(221,576)	810,501
Business-type activities	<u>(601,330)</u>	<u>(648,245)</u>	<u>528,442</u>	<u>1,397,035</u>	<u>8,445,833</u>
Total primary government	<u>(2,054,584) \$</u>	<u>1,646,192 \$</u>	<u>1,457,778</u>	<u>1,175,459</u>	<u>9,256,334</u>

City of Battle Ground
Schedule 3
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	3,041,155	3,106,344	2,250,975	1,698,322	1,686,312
Total general fund	<u>3,041,155</u>	<u>3,106,344</u>	<u>2,250,975</u>	<u>1,698,322</u>	<u>1,686,312</u>
All Other Governmental Funds					
Restricted					
Assigned					
Special revenue funds	6,746,271	6,865,956	5,812,371	5,586,037	4,794,253
Capital projects funds	3,915,990	3,174,390	591,735	6,903	4,852,868
Debt service funds	64	-	4,436	631	-
Total all other governmental funds	<u>\$10,662,325</u>	<u>\$10,040,346</u>	<u>\$ 6,408,542</u>	<u>\$ 5,593,571</u>	<u>\$ 9,647,121</u>

(Continued on next page)

City of Battle Ground
Schedule 3
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund					
Nonspendable	\$ 7,805	\$ -	\$ -	\$ -	\$ -
Committed	836,927	840,256	843,012	2,181,206	2,159,935
Assigned	469,781	422,310	1,767,197	337,275	396,115
Unassigned	940,764	1,008,081	541,776	392,637	1,121,241
Total general fund	<u>2,255,277</u>	<u>2,270,647</u>	<u>3,151,985</u>	<u>2,911,118</u>	<u>3,677,291</u>
All Other Governmental Funds					
Restricted	7,126,517	3,214,255	4,283,581	4,188,568	4,511,696
Assigned					
Special revenue funds	294,046	203,397	131,345	202,032	121,375
Capital projects funds	984	156,339	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 7,421,547</u>	<u>\$ 3,573,991</u>	<u>\$ 4,414,926</u>	<u>\$ 4,390,600</u>	<u>\$ 4,633,071</u>

City of Battle Ground
Schedule 4
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Revenues</u>					
Taxes	\$ 6,454,180	\$ 6,612,507	\$ 6,782,966	\$ 6,713,185	\$ 7,031,327
Licenses, fees, and permits	578,438	499,057	430,549	321,421	346,496
Intergovernmental	861,751	835,157	1,383,622	1,395,500	2,855,454
Charges for services	1,168,767	973,700	937,398	887,928	396,549
Fines and penalties	156,933	238,830	273,636	302,006	309,622
Investment earnings	589,648	740,979	340,242	94,380	70,378
Rents and royalties	206,391	201,784	205,992	277,054	286,989
Contributions/donations	86,168	49,654	32,072	22,054	7,317
Other revenues	25,043	54,294	45,557	49,485	45,738
Total governmental funds	<u>10,127,319</u>	<u>10,205,962</u>	<u>10,432,034</u>	<u>10,063,013</u>	<u>11,349,870</u>
<u>Expenditures</u>					
General Government	1,834,492	1,762,848	2,040,566	1,882,022	1,777,820
Judicial	319,404	456,721	489,290	532,846	543,079
Security/persons and property	3,138,811	3,344,891	4,072,812	4,145,628	4,039,761
Physical environment	591,277	676,741	853,784	969,240	1,160,942
Transportation	549,530	593,004	668,964	663,008	995,300
Economic environment	708,191	720,106	812,004	700,670	658,932
Culture and recreation	191,498	247,676	435,343	604,904	523,406
Capital outlay	4,674,797	2,330,057	4,949,673	1,514,618	1,820,330
Debt service					
Principal	270,000	615,000	620,000	655,415	695,484
Interest	250,128	441,037	422,291	403,643	471,116
Total expenditures	<u>12,528,128</u>	<u>11,188,081</u>	<u>15,364,727</u>	<u>12,071,994</u>	<u>12,686,170</u>
Excess of revenues over (under) expenditures	(2,400,809)	(982,119)	(4,932,693)	(2,008,981)	(1,336,300)
<u>Other Financing Sources (Uses)</u>					
Sale of capital assets	-	-	-	-	-
Long-term debt proceeds	6,900,000	-	-	98,511	4,855,000
Premiums on Bonds Issued	-	-	-	-	114,820
Refunding Bonds Issued	-	-	-	-	3,045,000
Payments to Refunding Escrow	-	-	-	-	(3,045,000)
Insurance recoveries	8,110	-	-	-	-
Transfers in	2,417,281	3,178,996	4,059,761	3,396,729	2,828,845
Transfers out	(2,034,082)	(2,753,667)	(3,614,241)	(3,046,402)	(2,420,825)
Total other financing sources (uses)	<u>7,291,309</u>	<u>425,329</u>	<u>445,520</u>	<u>448,838</u>	<u>5,377,840</u>
Net changes in fund balances	\$ <u>4,890,500</u>	\$ <u>(556,790)</u>	\$ <u>(4,487,173)</u>	\$ <u>(1,560,143)</u>	\$ <u>4,041,540</u>
Debt service as a percentage of noncapital expenditures	6.62%	11.92%	10.93%	10.03%	10.74%

(Continued on next page)

City of Battle Ground
Schedule 4
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Revenues</u>					
Taxes	\$ 6,874,529	\$ 7,303,670	\$ 7,840,470	8,544,130	9,291,615
Licenses, fees, and permits	222,229	325,113	775,452	505,827	826,011
Intergovernmental	1,021,680	4,702,012	1,421,076	992,049	1,062,872
Charges for services	385,647	2,009,709	3,136,021	2,105,905	2,452,856
Fines and penalties	280,958	284,160	267,847	258,072	262,732
Investment earnings	138,859	40,689	18,436	55,088	47,756
Rents and royalties	283,266	256,760	277,270	267,868	295,559
Contributions/donations	211,467	221,914	219,100	278,680	139,191
Other revenues	43,082	95,509	189,615	208,130	92,391
Total governmental funds	<u>9,461,717</u>	<u>15,239,536</u>	<u>14,145,287</u>	<u>13,215,749</u>	<u>14,470,983</u>
<u>Expenditures</u>					
General Government	1,713,088	2,456,744	2,573,394	2,795,271	2,732,778
Judicial	489,005	444,557	470,139	518,954	587,723
Security/persons and property	3,836,220	3,547,893	3,787,018	3,844,787	3,887,783
Physical environment	1,412,061	1,594,245	1,761,171	2,017,648	2,282,573
Transportation	701,400	907,265	759,740	866,029	1,046,103
Economic environment	604,940	722,507	781,901	797,619	829,749
Culture and recreation	472,690	554,861	583,251	592,725	585,329
Capital outlay	1,070,221	7,741,594	1,097,127	503,473	95,466
Debt service					
Principal	693,621	532,951	562,653	801,358	831,761
Interest	693,287	552,983	541,525	525,437	503,159
Total expenditures	<u>11,686,533</u>	<u>19,055,600</u>	<u>12,917,919</u>	<u>13,263,301</u>	<u>13,382,424</u>
Excess of revenues over (under) expenditures	(2,224,816)	(3,816,064)	1,227,368	(47,552)	1,088,559
<u>Other Financing Sources (Uses)</u>					
Sale of capital assets	-	36,457	14,660	-	-
Long-term debt proceeds	85,768	-	-	-	-
Premiums on Bonds Issued	82,662	-	-	-	-
Refunding Bonds Issued	5,265,000	-	-	-	-
Payments to Refunding Escrow	(5,288,340)	-	-	-	-
Insurance recoveries					
Transfers in	2,072,990	1,640,198	1,723,148	2,174,409	1,652,267
Transfers out	(1,649,873)	(1,640,198)	(1,723,148)	(2,392,050)	(1,732,182)
Total other financing sources (uses)	<u>568,207</u>	<u>36,457</u>	<u>14,660</u>	<u>(217,641)</u>	<u>(79,915)</u>
Net changes in fund balances	\$ <u>(1,656,609)</u>	\$ <u>(3,779,607)</u>	\$ <u>1,242,028</u>	\$ <u>(265,193)</u>	\$ <u>1,008,644</u>
Debt service as a percentage of noncapital expenditures	13.06%	9.60%	9.34%	10.40%	10.05%

REVENUE CAPACITY

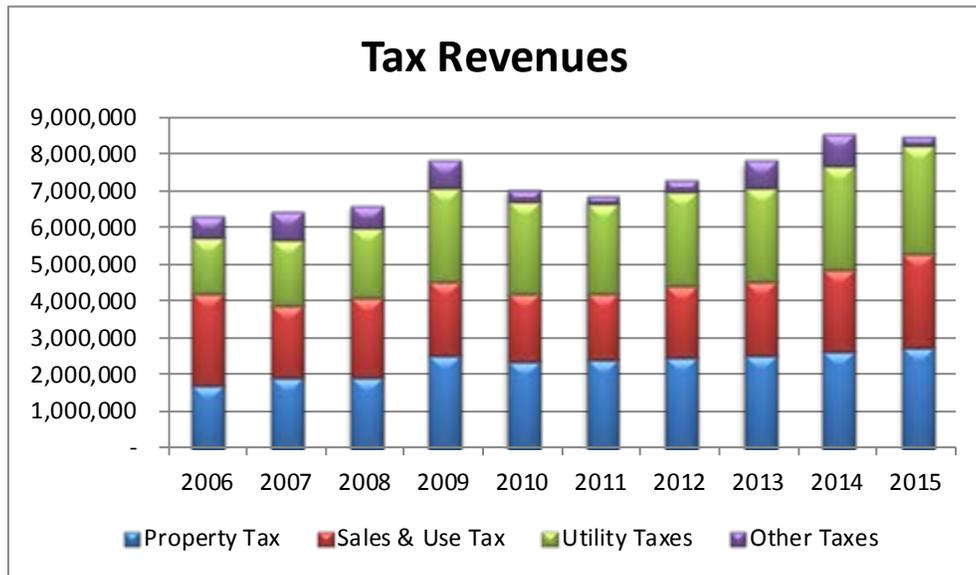
These schedules contain information to help the reader assess the city's most significant local revenue source, property taxes.

Schedule 5 – Tax Revenues by Source, Governmental Funds	Page 129
Schedule 6 – Assessed Value of Taxable Property	Page 130
Schedule 7 – Direct and Overlapping Property Tax Rates	Page 131
Schedule 8 – Principal Property Tax Payers	Page 132
Schedule 9 – Property Tax Levies and Collections	Page 133

City of Battle Ground
 Schedule 5
 Tax Revenues by Source, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales & Use Tax	Utility Taxes	Other Taxes	Totals
2006	1,747,085	2,494,877	1,490,214	575,216	6,307,392
2007	1,928,580	1,981,244	1,764,507	779,849	6,454,180
2008	1,965,288	2,126,690	1,920,231	600,298	6,612,507
2009	2,551,368	2,015,104	2,518,789	755,209	7,840,470
2010	2,366,078	1,852,960	2,502,990	335,169	7,057,197
2011	2,428,374	1,807,821	2,390,116	227,223	6,853,534
2012	2,507,031	1,910,787	2,534,798	331,585	7,284,201
2013	2,551,368	2,015,104	2,518,789	755,209	7,840,470
2014	2,654,010	2,214,953	2,790,599	884,568	8,544,130
2015	2,758,389	2,553,298	2,924,491	253,775	8,489,953

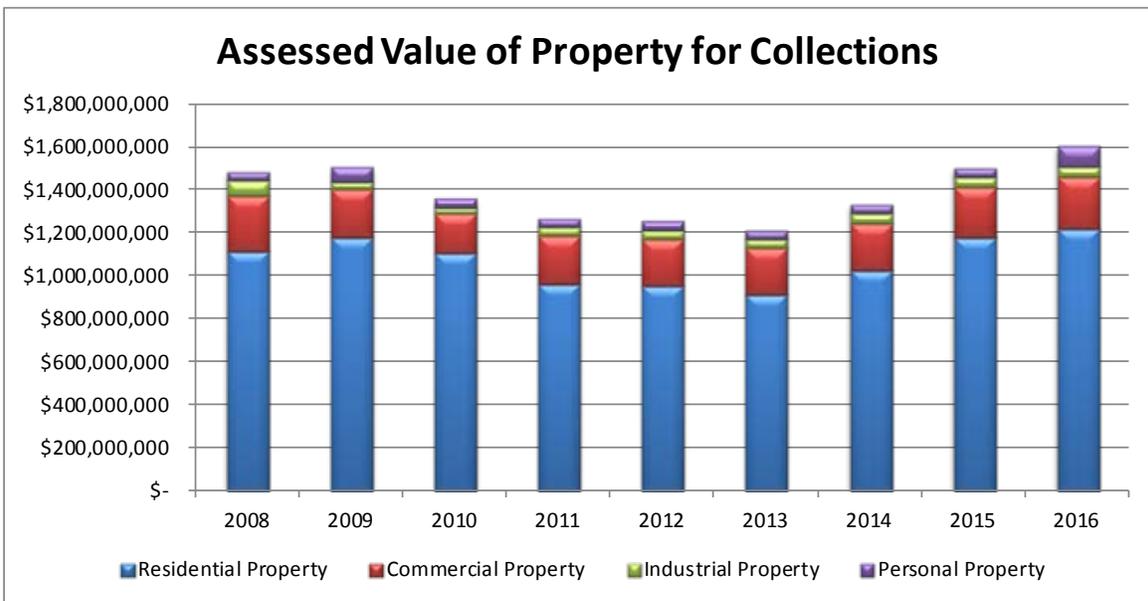
Change					
2006-2015	57.89%	2.34%	96.25%	-55.88%	34.60%



Source: City of Battle Ground financial records

City of Battle Ground
Schedule 6
Assessed Value of Taxable Property
Last Ten Fiscal Years

Collection Year	Real Property Assessed Value			Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property			
2007					1,309,867,889	1.51
2008	1,113,801,218	260,190,360	70,134,810	40,921,383	1,485,047,771	1.43
2009	1,179,052,850	221,265,200	36,205,380	70,393,028	1,506,916,458	1.50
2010	1,106,651,762	183,435,710	27,189,730	43,159,058	1,360,436,260	1.73
2011	966,016,624	218,892,345	40,194,037	40,083,610	1,265,186,616	1.92
2012	956,419,669	216,235,256	40,516,460	42,630,712	1,255,802,097	1.98
2013	910,595,226	217,850,315	44,230,062	42,122,439	1,214,798,042	2.09
2014	1,023,444,568	221,344,978	45,728,146	42,265,819	1,332,783,511	1.96
2015	1,177,732,209	236,690,037	45,430,231	41,545,617	1,501,398,094	1.83
2016	1,223,115,822	239,842,262	48,336,782	95,636,414	1,606,931,280	1.75



Source: Clark County Department of Assessment and GIS

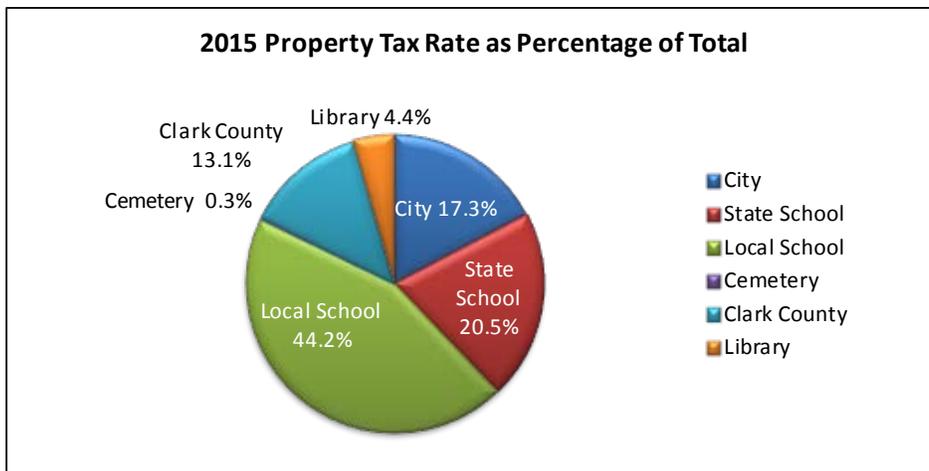
Note: The breakdown of real and personal property values are not available until after 2006

Real and personal property has been assessed at 100% of the estimated value

Tax rates are per \$1,000 of assessed value

City of Battle Ground
Schedule 7
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Assessed Year	Collection Year	Direct City Rate	Overlapping Rates					Total Average Levy Rate
			State School	Local School	Clark County	Public Library	Cemetery	
2006	2007	1.51	2.18	0.81	1.22	0.36	0.03	6.11
2007	2008	1.43	1.92	2.50	1.13	0.33	0.03	7.34
2008	2009	1.50	1.89	2.71	1.18	0.34	0.03	7.65
2009	2010	1.73	2.02	3.06	1.37	0.38	0.03	8.60
2010	2011	1.92	2.26	4.49	1.51	0.50	0.04	10.72
2011	2012	1.98	2.36	4.82	1.55	0.50	0.04	11.25
2012	2013	2.09	2.49	5.21	1.64	0.50	0.04	11.97
2013	2014	1.96	2.35	4.99	1.52	0.50	0.04	11.36
2014	2015	1.83	2.22	4.70	1.40	0.47	0.04	10.66
2015	2016	1.75	2.08	4.48	1.33	0.45	0.03	10.12



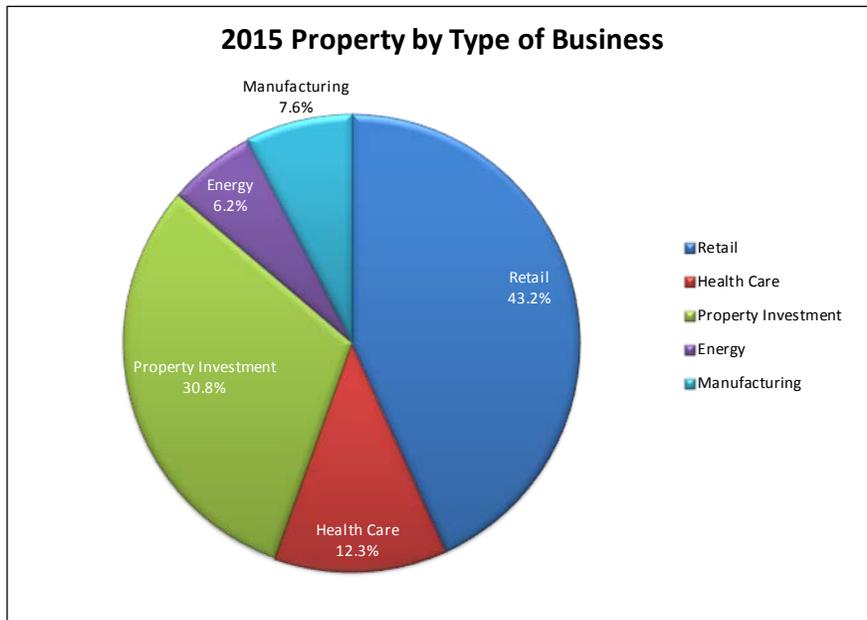
Source: Clark County Department of Assessment and GIS

Notes: All levies expressed in dollars per \$1,000

Overlapping rates are those of local and county governments that apply to property owners with the City of Battle Ground. Not all overlapping rates apply to all Battle Ground property owners.

City of Battle Ground
Schedule 8
Principal Property Tax Payers
Current Year and Ten Years Ago

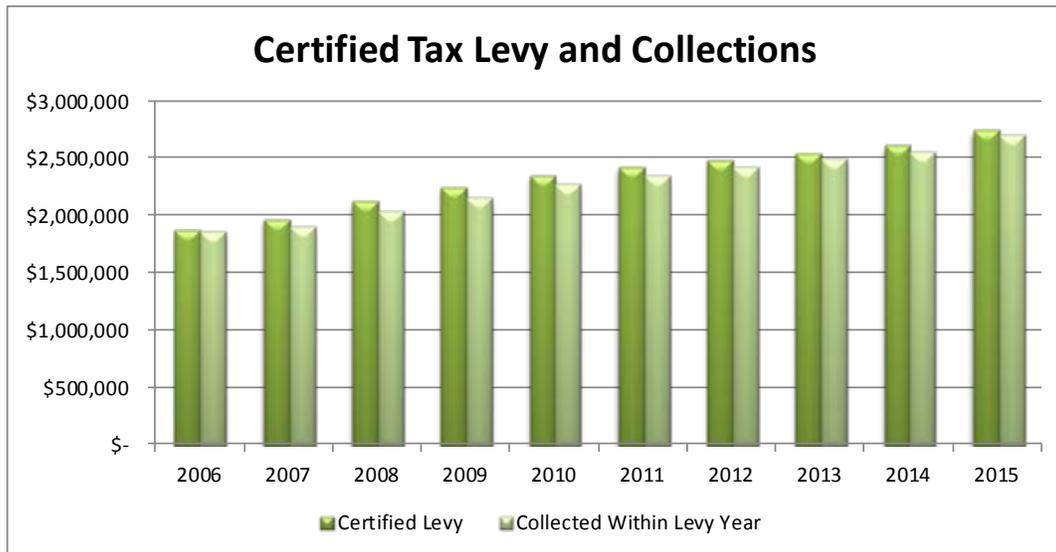
Taxpayer	Type of Business	2015			2006		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Fred Meyer	Retail	\$ 16,504,657	1	1.03%	\$ 16,996,015	1	1.30%
Walmart Real Estate Trust	Retail	15,588,500	2	0.97%			
Battle Ground Market Center	Retail	15,466,900	3	0.96%	14,060,200	2	1.07%
Vancouver Clinic	Health Care	13,489,606	4	0.84%			
SOP LLC	Property Investment	11,901,670	5	0.74%			
Walker, Samuel & Shelley	Property Investment	8,354,400	6	0.52%	6,026,600	6	
Oldcastle Glass Inc.	Manufacturing	8,310,775	7	0.52%	7,242,225	3	0.55%
Hi-School Properties LLC	Property Investment	7,088,000	8	0.44%			
NW Natural Gas Company	Energy	6,832,643	9	0.43%			
Guyer Trustees	Property Investment	6,501,880	10	0.40%			
Hahn, Charles	Property Investment				6,434,100	4	0.49%
Tapani Underground	Excavating				6,035,400	5	0.46%
Andersen, Ronald	Property Investment				5,341,200	7	0.41%
Deshirlia, Frank	Property Investment				4,951,700	8	0.38%
New Tradition Homes	Property Investment				4,539,500	9	0.35%
Helms Inc.	Property Investment				4,443,500	10	0.34%
Total Principal Property Tax Payers		110,039,031		6.85%	76,070,440		5.81%
All Other City Taxpayers		1,496,892,249		93.15%	1,233,797,449		94.19%
Total City Taxpayers		\$ 1,606,931,280		100.00%	\$ 1,309,867,889		100.00%



Source: Clark County Department of Assessment and GIS

City of Battle Ground
Schedule 9
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date Tax *		Outstanding Delinquent Taxes
		Amount	Percentage of Levy		Collections	Percentage of Levy	
2006	1,872,228	1,869,836	99.87%	1,458	1,871,294	99.95%	934
2007	1,969,975	1,901,329	96.52%	68,645	1,969,974	100.00%	1
2008	2,123,381	2,038,932	96.02%	84,411	2,123,343	100.00%	38
2009	2,253,991	2,157,153	95.70%	96,727	2,253,880	100.00%	111
2010	2,354,560	2,271,552	96.47%	82,819	2,354,371	99.99%	189
2011	2,428,816	2,343,915	96.50%	84,742	2,428,657	99.99%	159
2012	2,486,187	2,423,459	97.48%	62,315	2,485,774	99.98%	413
2013	2,542,871	2,491,852	97.99%	42,546	2,534,398	99.67%	8,473
2014	2,612,427	2,564,034	98.15%	30,080	2,594,114	99.30%	18,313
2015	2,747,180	2,712,099	98.72%	-	2,712,099	98.72%	35,081



Source: Clark County Department of Assessment and GIS; Clark County Treasurer's Office
 Note: Current levy and outstanding noncurrent taxes are net of adjustments

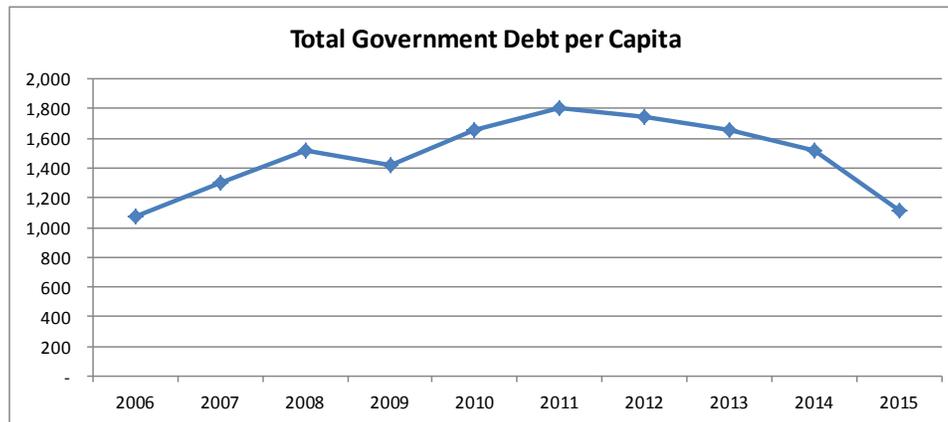
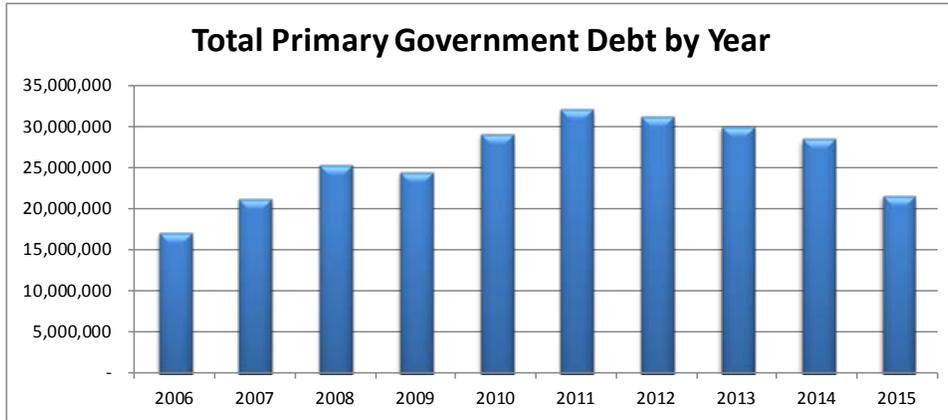
DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the city's current level of outstanding debt and the city's ability to issue additional debt in the future.

Schedule 10 - Ratios of Outstanding Debt by Type	Page 135
Schedule 11 - Ratios of General Bonded Debt Outstanding	Page 136
Schedule 12 - Direct and Overlapping Governmental Activities Debt	Page 137
Schedule 13 - Legal Debt Margin Information	Page 138-139
Schedule 14 - Pledged-Revenue Coverage	Page 140-141

City of Battle Ground
Schedule 10
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

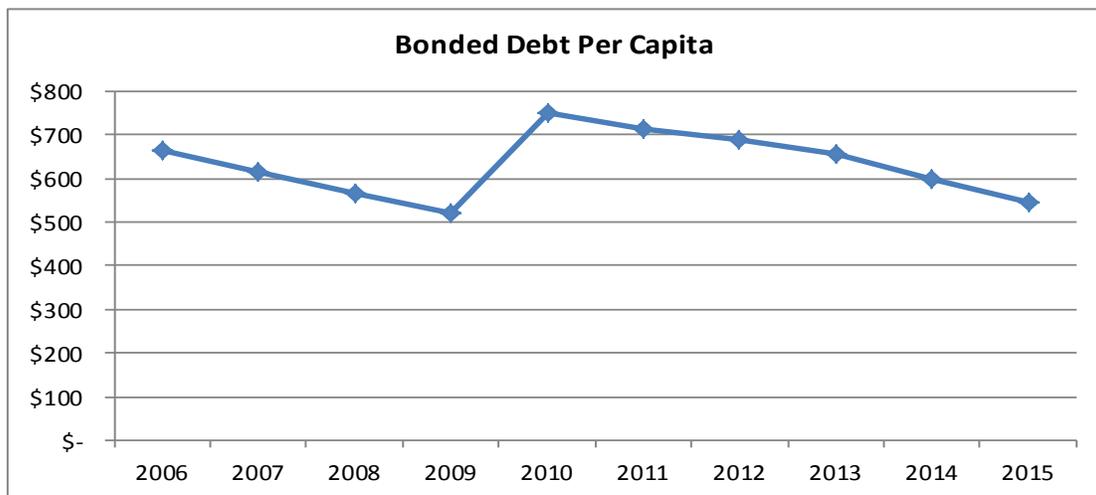
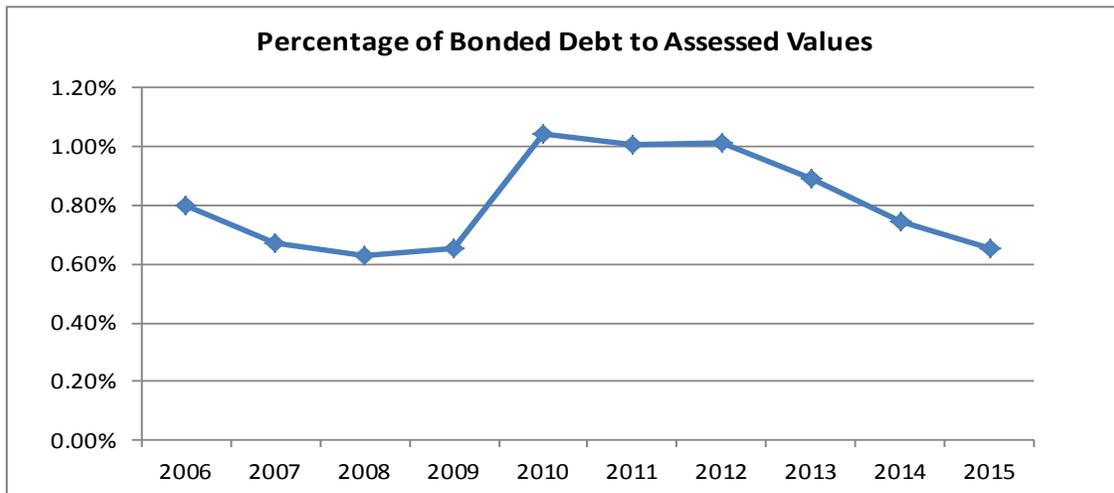
Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income	Population	Per Capita
	General	Public Works	Capital Leases	Revenue	Public Works				
	Obligation Bonds	Trust Fund Loans		Bonds	Trust Fund Loans				
2006	10,470,000	1,700,000	-	405,717	4,486,300	17,062,017	3.15%	15,810	1,079
2007	9,955,000	1,600,000	-	98,061	9,507,342	21,160,403	3.62%	16,240	1,303
2008	9,435,000	1,500,000	-	-	14,374,969	25,309,969	3.95%	16,710	1,515
2009	8,910,000	1,400,000	68,096	-	14,031,428	24,409,524	4.01%	17,150	1,423
2010	13,200,000	1,300,000	37,612	-	14,558,566	29,096,178	4.51%	17,571	1,656
2011	12,655,000	1,200,000	56,576	-	18,117,104	32,028,680	4.78%	17,780	1,801
2012	12,335,000	1,100,000	51,808	6,863,746	10,825,818	31,176,372	6.24%	17,893	1,742
2013	11,895,000	1,000,000	568,597	6,771,191	9,738,533	29,973,321	5.92%	18,130	1,653
2014	11,205,000	900,000	467,635	6,675,840	9,197,698	28,446,173	5.45%	18,685	1,522
2015	10,485,000	800,000	579,894	9,352,015	269,992	21,486,901	4.00%	19,250	1,116



Source: Personal income data is from the State of Washington Office of Financial Management
 Note: See Schedule 15 for personal income and population data
 Details regarding the city's outstanding debt can be found in the notes to the financial statements

City of Battle Ground
Schedule 11
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonded Debt	Assessed Valuation	Percentage of Bonded Debt to Assessed Values	Population	Per Capita
2006	10,470,000	1,309,867,889	0.80%	15,810	662
2007	9,955,000	1,485,047,771	0.67%	16,240	613
2008	9,435,000	1,506,916,458	0.63%	16,710	565
2009	8,910,000	1,360,436,260	0.65%	17,150	520
2010	13,200,000	1,265,186,616	1.04%	17,571	751
2011	12,655,000	1,255,802,097	1.01%	17,780	712
2012	12,335,000	1,214,798,042	1.02%	17,893	689
2013	11,895,000	1,332,783,511	0.89%	18,130	656
2014	11,205,000	1,501,398,094	0.75%	18,685	600
2015	10,485,000	1,606,931,280	0.65%	19,250	545

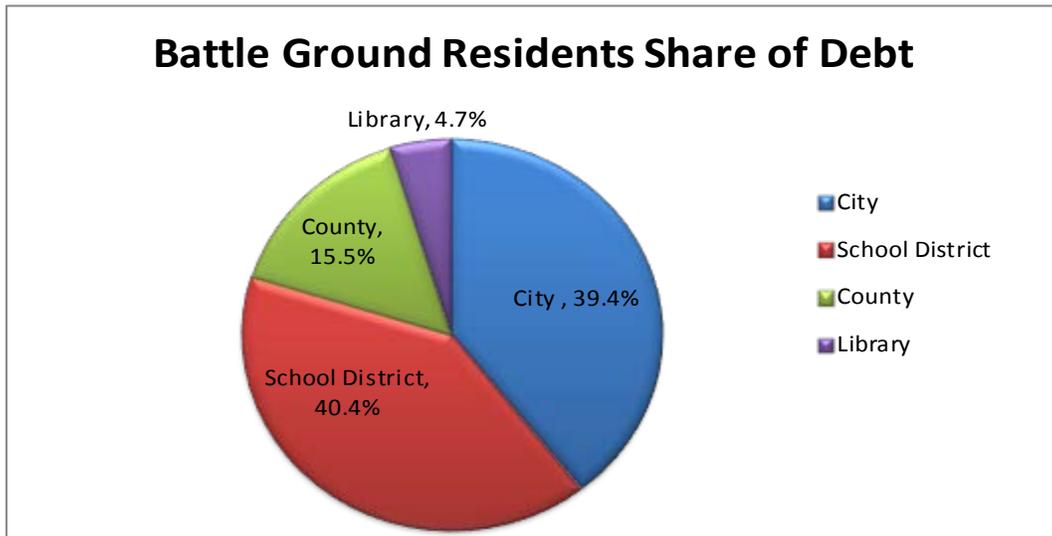


Source: Personal income data is from the State of Washington Office of Financial Management

Note: See notes to the financial statements for details of general obligation bonds

City of Battle Ground
Schedule 12
Direct and Overlapping Governmental Activities Debt

<u>Government Unit</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Battle Ground Residents*</u>	<u>Battle Ground Residents share of Debt</u>
Direct:			
City of Battle Ground	\$ 10,485,000	100.00%	\$ 10,485,000
Total Direct	10,485,000		10,485,000
Overlapping:			
Battle Ground School District	47,576,433	22.61%	10,755,635
Clark County	119,376,986	3.45%	4,113,203
Fort Vancouver Regional Library	34,030,000	3.71%	1,262,759
Total Overlapping	\$ 200,983,419		\$ 16,131,597
Total direct and overlapping debt	\$ 211,468,419		\$ 26,616,597
City Assessed Valuation	\$ 1,606,931,280		
School Assessed Valuation	\$ 7,108,093,284		
County Assessed Valuation	\$ 46,637,770,833		
Fort Vancouver Regional Library	\$ 43,305,085,693		



Source: Clark County Treasurer's Office

Note: Overlapping governments are those that 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 Battle Ground. This process recognizes that, when considering the city's ability to issue and replay 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 of each overlapping government.

* For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

City of Battle Ground
Schedule 13
Legal Debt Margin Information
Last Ten Fiscal Years

Legal General Debt Margin Calculation for Fiscal Year 2014

Assessed value (2015 assessment for 2016 revenue) \$ 1,606,931,280

Debt limit:

General purpose debt limit without a vote (1.5%)	24,103,969
General purpose debt limit with a vote (1.0%)	16,069,313
Utility purpose debt limit with a vote (2.5%)	32,138,626
Open space, park, capital facilities debt limit with a vote (2.5%)	40,173,282
Total debt limit	\$ 112,485,190

Debt applicable to limit:

General purpose debt limit without a vote (1.5%)	10,485,000
General purpose debt limit with a vote (1.0%)	-
Utility purpose debt limit with a vote (2.5%)	-
Open space, park, capital facilities debt limit with a vote (2.5%)	-
Less: assets available for repayment of debt	-
Total debt applicable to limit	10,485,000
Legal debt margin	\$ 102,000,190

	2006	2007	2008	2009	2010
Assessed Valuation	\$ 1,309,867,889	\$ 1,485,047,771	\$ 1,506,916,458	\$ 1,360,436,260	\$ 1,265,186,616
General purpose debt limit (1.5%)	19,648,018	22,275,717	22,603,747	20,406,544	18,977,799
Total net debt applicable to limit	10,470,000	9,955,000	9,435,000	8,910,000	13,200,000
Available non-voted debt capacity	9,178,018	12,320,717	13,168,747	11,496,544	5,777,799
Total net debt applicable to the limit as a percentage of debt limit	53.29%	44.69%	41.74%	43.66%	69.55%

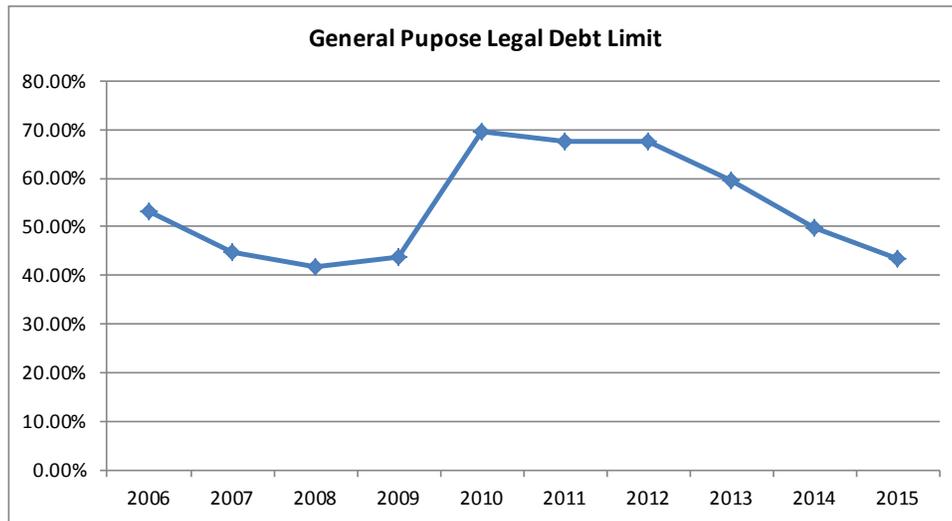
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City of Battle Ground
Schedule 13
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assessed Valuation	\$1,255,802,097	\$1,214,798,042	\$1,332,783,511	\$1,501,398,094	\$1,606,931,280
General purpose debt limit (1.5%)	18,837,031	18,221,971	19,991,753	22,520,971	24,103,969
Total net debt applicable to limit	<u>12,745,000</u>	<u>12,335,000</u>	<u>11,895,000</u>	<u>11,205,000</u>	<u>10,485,000</u>
Available non-voted debt capacity	<u>6,092,031</u>	<u>5,886,971</u>	<u>8,096,753</u>	<u>11,315,971</u>	<u>13,618,969</u>
 Total net debt applicable to the limit as a percentage of debt limit	 67.66%	 67.69%	 59.50%	 49.75%	 43.50%

Source: Assessed valuation data is obtained from Clark County Department of Assessment and GIS

Note: The legal general purpose debt limit of 2.5% is authorized by RCW 39.36.020. The city only has nonvoted general purpose debt.



City of Battle Ground
Schedule 14
Pledged Revenue Coverage
Last Ten Fiscal Years

Water Fund

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Revenue Available	Debt Service		Total	Coverage
				Principal	Interest		
2006	2,385,508	1,407,851	977,657	423,695	34,978	458,673	2.13
2007	2,451,795	1,436,722	1,015,073	307,697	14,047	321,744	3.15
2008	2,363,274	1,534,768	828,506	298,061	6,164	304,225	2.72
2009	2,532,433	1,477,699	1,054,734	-	-	-	0.00
2010	2,221,870	1,475,576	746,294	-	-	-	0.00
2011	2,239,511	1,442,538	796,973	-	-	-	0.00
2012	2,206,060	1,835,102	370,958	-	-	-	0.00
2013	2,504,650	1,612,307	892,343	-	-	-	0.00
2014	2,509,558	1,494,237	1,015,321	-	-	-	0.00
2015	3,031,056	1,757,398	1,273,658	-	-	-	0.00

(Continued on next page)

City of Battle Ground
Schedule 14
Pledged Revenue Coverage
Last Ten Fiscal Years

Sewer Fund

Gross Revenues	Less: Operating Expenses	Net Revenue Available	Debt Service		Total	Coverage
			Principal	Interest		
3,303,951	1,731,226	1,572,725	423,695	28,188	451,883	3.48
3,795,485	1,803,422	1,992,063	778,959	27,406	806,365	2.47
3,379,714	2,127,543	1,252,171	1,332,373	57,298	1,389,671	0.90
3,811,504	2,127,169	1,684,335	1,281,041	72,772	1,353,813	1.24
3,064,495	2,193,332	871,163	1,103,951	72,772	1,176,723	0.74
3,180,504	2,002,328	1,178,176	1,087,285	64,067	1,151,352	1.02
2,967,278	1,595,504	1,371,774	1,132,539	165,630	1,298,169	1.06
4,477,286	2,137,092	2,340,194	1,179,840	261,512	1,441,352	1.62
3,904,263	2,067,218	1,837,045	911,803	250,212	1,162,015	1.58
5,414,619	3,776,920	1,637,699	152,233	202,784	355,017	4.61

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

Schedule 15 - Demographic and Economic Statistics

Page 143

Schedule 16 - Principal Employers

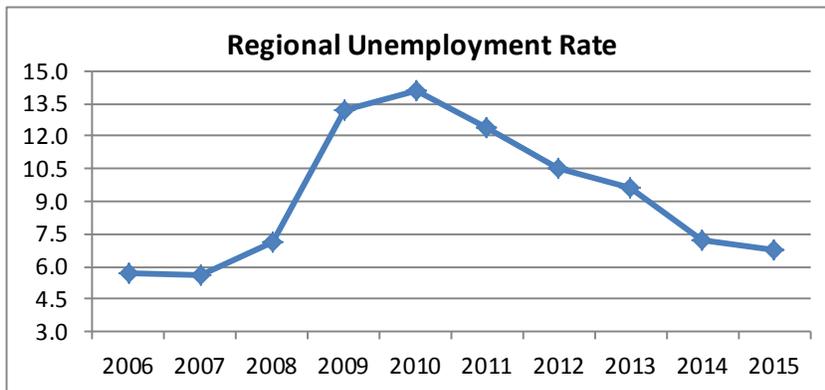
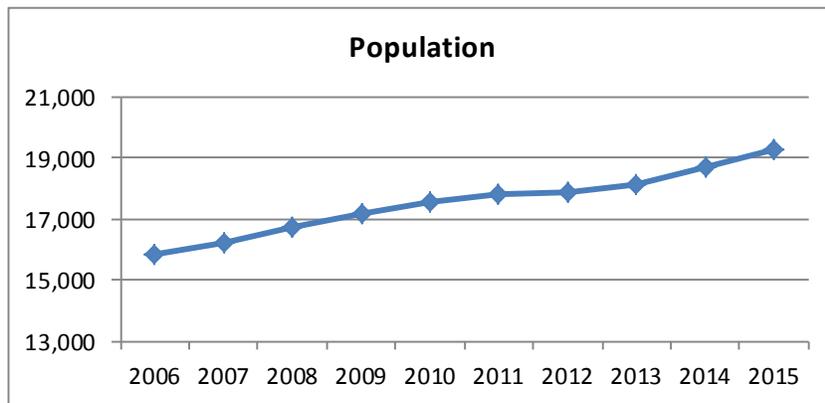
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Schedule 17 - Property Value and Construction

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City of Battle Ground
Schedule 15
Demographic and Economic Statistics
Last Ten Fiscal Years

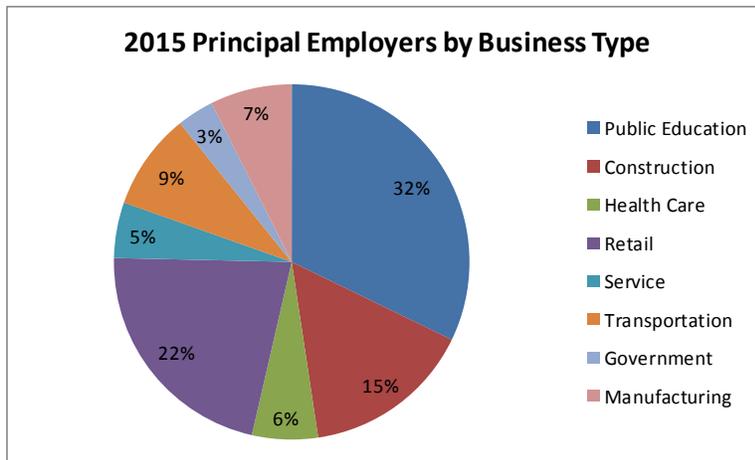
Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	School Enrollment (3)	Regional Unemployment Rate % (4)
2006	15,810	547,041,810	34,601	13,264	5.7
2007	16,240	593,523,280	36,547	13,103	5.6
2008	16,710	635,949,180	38,058	13,295	7.1
2009	17,150	618,360,400	36,056	13,169	13.2
2010	17,571	633,539,976	36,056	13,188	14.1
2011	17,780	665,558,740	37,433	13,342	12.4
2012	17,893	710,262,635	39,695	12,941	10.5
2013	18,130	735,479,710	40,567	13,174	9.6
2014	18,685	806,313,805	43,153	13,263	7.2
2015	19,250	not available	not available	13,564	6.8



Source: (1) Population - State of Washington Office of Financial Management
(2) Per capita income listed for Clark County, WA - U.S. Dept of Commerce - Bureau of Economic Analysis
(3) Battle Ground School District - Office of Superintendent of Public Instruction, Washington State Report Card - May 2015 student count
(4) Washington State Employment Security Department - Clark County

City of Battle Ground
Schedule 16
Principal Employers
Current and Nine Years Prior

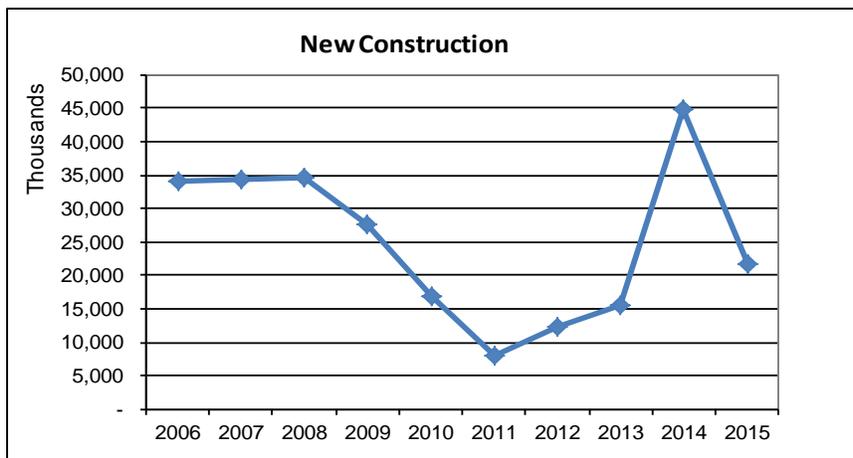
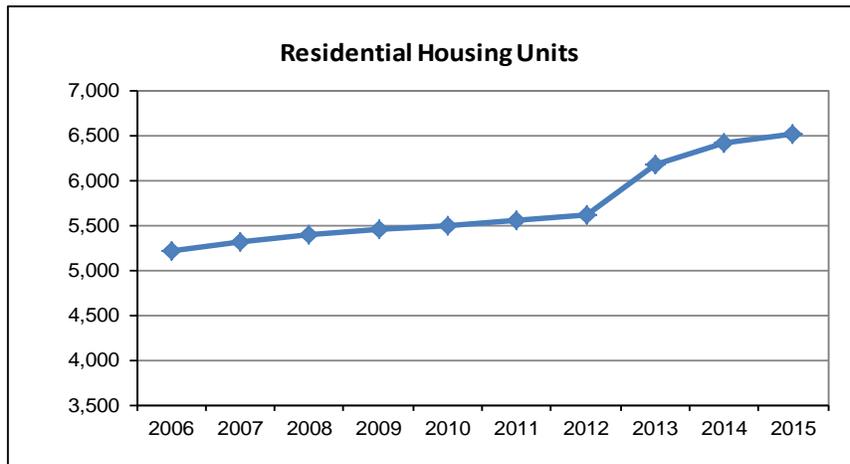
Employer	Type of Business	2015			% of Labor Force	2006	
		Employees	Rank	Employees		Rank	
Battle Ground School District	Public Education	732	1	8.8%	412	1	
Tapani Underground Inc.	Construction	350	2	4.2%	125	3	
Fred Meyer	Retail	235	3	2.8%	138	2	
Cascade Student Transportation	Transportation	200	4	2.4%			
Walmart	Retail	172	5	2.1%			
Anderson Plastics/Anderson Dairy	Manufacturing	169	6	2.0%	107	4	
Vancouver Clinic	Health Care	136	7	1.6%			
JRT Mechanical	Service	115	8	1.4%			
Safeway	Retail	87	9	1.0%	90	5	
City of Battle Ground	Government	76	10	0.9%	49	10	
Albertson's	Retail				85	6	
United Tempering Systems	Service				74	8	
Parkway North Care Center	Health Care				70	9	
Laidlaw Transit	Transportation				85	6	



Source: City of Battle Ground Finance Department

City of Battle Ground
Schedule 17
Property Value and Construction
Last Ten Fiscal Years

Year	Population	Residential Housing Units**	New Construction*	Assessed Property Value*	Percentage of New Construction/ Total Assess Value
2006	15,810	5,207	34,197,700	1,309,867,889	2.6%
2007	16,240	5,308	34,289,700	1,485,047,771	2.3%
2008	16,710	5,402	34,762,200	1,506,916,458	2.3%
2009	17,150	5,444	27,715,606	1,360,436,260	2.0%
2010	17,571	5,502	16,926,836	1,265,186,616	1.3%
2011	17,780	5,553	8,098,959	1,255,802,097	0.6%
2012	17,893	5,605	12,203,275	1,214,798,042	1.0%
2013	18,130	6,169	15,635,245	1,332,783,511	1.2%
2014	18,685	6,404	44,808,642	1,501,398,094	3.0%
2015	19,250	6,506	21,652,612	1,606,931,280	1.3%



Source: *Clark County Department of Assessment and GIS
 **City of Battle Ground Planning Department

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

Schedule 18 - Full-time Equivalent City Government Employees

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Schedule 19 - Operating Indicators by Function/Program

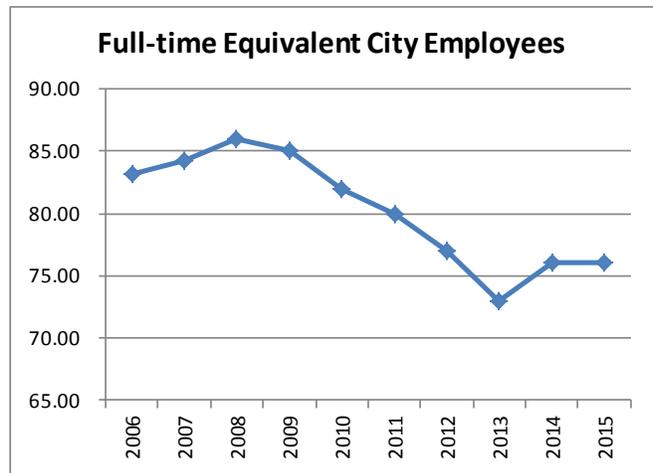
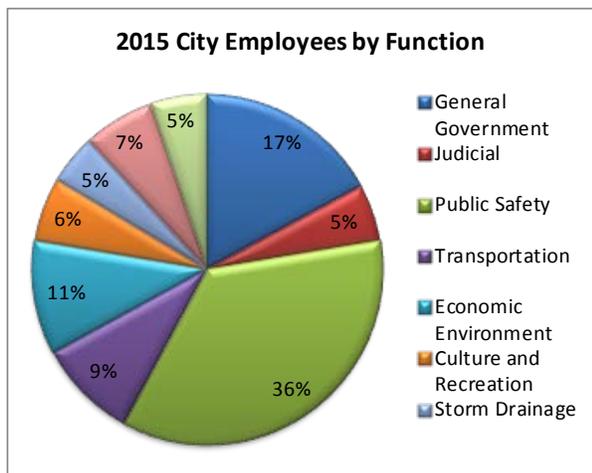
Page 148-149

Schedule 20 - Capital Asset Statistics by Function/Program

Page 150-151

City of Battle Ground
Schedule 18
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011*	2012*	2013	2014	2015
General Government										
General Government	8.53	8.63	9.00	9.00	9.00	12.00	12.00	12.00	13.00	14.00
Judicial	2.85	2.55	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Public Safety	30.75	30.90	30.00	31.00	29.00	30.00	27.00	25.00	27.00	27.00
Transportation	4.37	4.72	4.00	4.00	4.00	7.00	4.00	5.00	7.00	7.00
Economic Environment	9.46	9.46	9.00	7.50	7.50	8.00	8.00	8.00	8.00	8.00
Culture and Recreation	1.89	2.39	6.00	5.25	5.25	3.00	4.00	4.00	4.50	3.25
Utilities/Public Works										
Storm Drainage	4.56	5.01	5.50	6.00	6.75	3.00	3.00	4.00	3.50	3.50
Water	10.32	10.22	9.50	8.25	8.25	4.00	6.00	6.00	5.00	5.50
Sewer	10.47	10.32	10.00	11.00	9.25	4.00	5.00	4.00	4.00	3.75
Totals	83.20	84.20	86.00	85.00	82.00	80.00	77.00	73.00	76.00	76.00



Source: Department of Human Resources City of Battle Ground

Note: Information presented reflects active, permanent, full-time equivalent employees as of December 31

*2011-2012 the City reallocated staff for direct costing

City of Battle Ground
Schedule 19
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010
General Government					
Population	15,810	16,240	16,710	17,150	17,571
Housing Units	5,294	5,395	5,402	5,444	5,502
Judicial					
Total number of cases filed	2,847	4,850	4,705	4,613	4,458
Total hearings scheduled	7,510	10,469	11,746	11,497	10,907
Total warrants issued	752	1,154	952	1,086	1,003
Public Safety (Law Enforcement)					
Citations issued	2,106	4,025	3,644	3,464	3,718
Reports written	2,688	2,821	2,775	2,722	2,969
Number of calls for service	6,032	6,565	6,617	6,549	6,096
Arrests	1,183	1,736	1,749	1,703	1,769
Transportation					
Right of way permits	44	116	96	54	73
Hours street sweeping	1,500	1,550	1,850	1,279	1,345
Curb painting (hours)	100	110	72	152	122
Crack sealing (hours)	351	406	452	493	429
Culture and Recreation					
Hours park mowing	1,120	1,500	2,033	978	1,111
Trash pick-up	520	600	1,091	540	992
Weed spraying	120	150	160	53	67
Water					
Number of water accounts	4,950	5,099	5,169	5,176	5,276
Average daily production (gallons)	1,471,667	1,440,981	1,420,968	1,426,047	1,299,850
Storm Drainage					
Number of drainage accounts	5,099	5,231	5,331	5,390	5,510
Ditch maintenance (Hours)	1,200	1,250	1,250	1,222	331
Clean catch basins	100	100	100	4	122
Sewer					
Number of sewer accounts	5,083	5,215	5,182	5,281	5,412
Clean sewer lines (feet)	12,000	11,000	25,000	27,116	4,182
Treatment capacity (MG)	2	2	2	2	2

(Continued on next page)

City of Battle Ground
Schedule 19
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015
General Government					
Population	17,780	17,780	18,130	18,237	19,250
Housing Units	5,553	6,078	6,169	6,371	6,506
Judicial					
Total number of cases filed	4,116	4,379	3,565	3,626	3,303
Total hearings scheduled	9,630	8,859	7,701	7,601	7,819
Total warrants issued	924	796	639	508	457
Public Safety (Law Enforcement)					
Citations issued	3,253	3,060	2,618	2,692	2,615
Reports written	2,635	2,583	2,599	2,697	2,524
Number of calls for service	15,734	13,022	13,063	14,141	14,239
Arrests	1,638	1,449	1,260	1,450	1,467
Transportation					
Right of way permits	51	66	109	72	50
Hours street sweeping	1,084	858	867	1,010	1,026
Curb painting (hours)	32	21	4	52	50
Crack sealing (hours)	95	-	-	-	200
Culture and Recreation					
Hours park mowing	921	747	900	945	900
Trash pick-up	907	826	678	902	800
Weed spraying	-	-	10	18	20
Water					
Number of water accounts	5,296	5,318	5,420	5,498	5,534
Average daily production (gallons)	1,270,000	1,376,000	1,341,026	1,394,995	1,486,384
Storm Drainage					
Number of drainage accounts	5,553	5,604	5,733	5,862	5,891
Ditch maintenance (Hours)	763	422	422	2,660	2,700
Clean catch basins	657	800	330	302	312
Sewer					
Number of sewer accounts	5,433	5,452	5,546	5,626	5,650
Clean sewer lines (feet)	16,744	16,744	19,010	50,000	5,552
Treatment capacity (MG)	3	3	3	3	3

Source: City of Battle Ground - various departments

Note: Indicators are not available for the general government function.

City of Battle Ground
Schedule 20
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010
General government					
Square feet of administrative space *	31,110	31,110	31,110	31,110	31,110
Public Safety					
Police					
Police vehicles	20	22	23	27	27
Square feet of administrative space	18,277	18,277	18,277	18,277	18,277
Physical Environment					
Fire trucks	3	3	3	3	3
Square feet for fire facilities	9,029	9,029	9,029	9,029	9,029
Transportation					
Miles of road	57	59	71	75	76
Number of street lights	1,627	1,721	1,815	1,835	1,841
Culture and Recreation					
Acreage	126	127	134	242	242
Park facilities	6	6	6	6	6
Water					
Supply and distribution mains (miles)	61	64	68	69	69
Number of hydrants	567	607	647	662	662
Storage	6	6	6	6	6
Wells	7	7	7	7	7
Storm Drainage					
Miles of storm drains (miles)	19	20	22	28	28
Storm water facilities (acres)	27	27	27	29	29
Wetlands/open space (acres)	54	78	80	81	2
Sewer					
Capacity (MGD)	2	2	2	2	2
Miles of sewage mains	46	47	50	58	58
Square feet of administrative space	4,051	4,051	4,051	4,051	4,051

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City of Battle Ground
Schedule 20
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015
General government					
Square feet of administrative space *	31,110	31,110	31,110	31,110	31,110
Public Safety					
Police					
Police vehicles	20	20	23	23	23
Square feet of administrative space	18,277	18,277	18,277	18,277	18,277
Physical Environment					
Fire trucks	3	3	3	2	2
Square feet for fire facilities	9,029	9,029	9,029	9,029	9,029
Transportation					
Miles of road	76	78	79	80	81
Number of street lights	1,841	1,868	1,902	1,947	2,027
Culture and Recreation					
Acreage	242	277	276	276	276
Park facilities	6	6	6	6	6
Water					
Supply and distribution mains (miles)	69	70	70	72	73
Number of hydrants	662	672	682	701	712
Storage	6	6	6	6	6
Wells	7	7	7	7	7
Storm Drainage					
Miles of storm drains (miles)	28	29	30	31	32
Storm water facilities (acres)	29	32	34	35	39
Wetlands/open space (acres)	83	85	85	85	85
Sewer					
Capacity (MGD)	2	3	3	3	3
Miles of sewage mains	58	58	59	60	61
Square feet of administrative space	4,051	4,051	4,051	4,051	4,051