ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ending December 31, 2023



The City of Battle Ground, Washington

www.cityofbg.org

CITY OF BATTLE GROUND, WASHINGTON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

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

City of Battle Ground
Annual Comprehensive Financial Report For
the Fiscal Year Ended December 31, 2023

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INTRODUCTORY SECTION

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City of Battle Ground

109 S.W. 1st Street, Suite 217 Battle Ground, WA. 98604
(360) 342-5000 Fax (360) 342-5029

June 24, 2024

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

We are pleased to submit the City of Battle Ground's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2023. The ACFR includes all city operations and activities for which the city is financially accountable. All the funds in this report pertain to the operations of the City of Battle Ground.

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). State law requires an annual audit of the city's financial statements and records by the Office of the Washington State Auditor. 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 is to provide reasonable assurance that the financial statements of the City of Battle Ground for the fiscal year ended December 31, 2023 are free of material misstatement.

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 are included.

City management is responsible for establishing and maintaining a structure of internal controls. 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.

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

Profile of the City

The City of Battle Ground is located just west of the Cascade Mountains in the center of Clark County, Washington. The predominant character of the city is residential but also serves as a significant commercial center for the surrounding area. The area was founded in 1855 and the city 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 presiding officers to serve as mayor and 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 as well as the deputy city manager.

The city provides a full range of municipal services including public safety (police 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 storm water drainage for its citizens. The city participates in regional sewer treatment through the Discovery Clean Water Alliance.

City council is required to adopt a final budget for the fiscal year no later than December 31 preceding the beginning of the fiscal year on January 1. The budget serves as the foundation for the city's financial planning and control. The budget is adopted for each of the city's funds at the fund level.

Local Economy

The City of Battle Ground has evolved from a small town to a major retail trade area for north Clark County. As a result, sales tax is the city's largest single source of revenue within its governmental funds. The city has six major retail and professional centers, Millcreek Town Center, Fred Meyer Complex, Battle Ground Plaza, Gardner Center, Battle Ground Market Center, and the Safeway complex. Battle Ground's sales activity has grown significantly in recent years. In 2023, the city experienced an increase of 21.7 percent in its sales tax receipts to $7.4 million, after increases of 27.8 percent and 7.8 percent in 2021 and 2022, respectively. The significant increase is due to two new sales tax streams that took effect January 1, 2023; voter approved 0.1% for public safety, and the city council approved 0.1% for transportation. The increase to general sales tax activity was 4.7 percent over 2022. Retail trade did see a small decrease of 2.8 percent from the prior year while construction saw an increase of 16 percent over 2022.

The city's assessed valuation for its 2023 property tax levy was approximately $3.7 billion, a 27.8 percent increase over 2022. For 2024 tax collections, the assessed value is approximately $4.4 billion, an increase of 8.0 percent. This is due to overall assessed valuation increases as well as new construction added to property tax rolls of approximately $137.5 million. 2023 property tax revenue was $3.9 million.

The unemployment rate has continued to remain steady in the region, at the 3.7-3.9 percent over the last year. During the year the city continued to see development occur, at a slight decrease from prior year. With home loan interest rates high, it has been a significant increase in the city's interest income.

The city received $5.9 million in American Recovery Plan Act funds to assist with long term recovery from the pandemic. City council has obligated the funds to water and sewer infrastructure projects promoting a long-term rate stabilization by paying for required infrastructure. During 2023, the city continued working on these projects, 1.46 MG Water reservoir, Well improvements, and Equalization Sewer Basin, total expended during 2023 was $349,909.

The 2023 population of approximately 21,910 in the City of Battle Ground increased at an annual rate of .5 percent. Currently, the residents of the city account for approximately 21.6 percent of its greater trade area of 101,461 and 4.2 percent of 527,400 residents county-wide. The City of Battle Ground is the third largest city in Clark County. Major employers in the area include retail, public education, transportation, health services, and the construction industry.

Using the City's 2021 land use and transportation plans in conjunction with 2020 census data, other comparative demographic data is below:

Demographic Indicator	City of Battle Ground	Battle Ground Greater Trade Area	Clark County
% Bachelor's Degree or Higher (Adult Age 25+)	24.1%	26%	32%
Owner % of All Households	71.2%	82%	66.5%
Median Age of Population	32.4	33.0-42.0	38
Median Home	$344,700	$304,000-$395,500	$381,700

Long-term Financial Planning and Major Initiatives

Although growth has provided increased revenues to the general fund in recent years, the general fund is not immune from the impacts of what is commonly referred to as a "structural deficit" as revenues lag rising costs. Unfunded mandates from both the state and federal governments, ongoing impacts of voter initiatives, deferred maintenance, and increasing operational costs continue to contribute to this funding challenge. To address this funding challenge, in July of 2022, city council approved a 0.1 percent transportation sales tax to fund road preservation efforts in the city. The theory being share the road, share the load.

Over the last several years, the city has been able to increase its service levels in public safety, streets, and parks. These efforts were built upon the visioning process and what the citizens of Battle Ground deemed as important. In addition, ongoing council initiatives include providing a high level of public safety, using city resources efficiently to ensure long-term fiscal sustainability, replacing, and maintaining city assets and infrastructure, and adding technology and process efficiencies to improve workflow and sustain service delivery have remained high priorities to the city. During 2023, the city hired six new full time employee positions; parking code enforcement officer, planning associate, street maintenance worker, two police officer over-hire positions, and a parks lead maintenance worker.

Community Vision and Engagement

In 2019, the City of Battle Ground and a group of community volunteers, *The Navigators*, embarked on a community-wide visioning process to chart the future of the city. Over 2,000 surveys were completed and returned to the city with community input on the desired future direction of the city. The visioning

process continued in 2021 with work on the Land Use Management Plan and Transportation System Plan which were completed in 2021. The city continues to utilize "social media" for expanding community engagement and citizen communications. The city started work on its comprehensive plan update during 2023 which will continue for a few years in partnership with Clark County and the other local jurisdictions under the growth management act.

Capital Program and Budget Forecasts
Since growth is projected to continue into 2023 and beyond, this growth requires extensive planning for infrastructure and services to support this anticipated growth. The city annually updates a six-year capital improvement program and six-year budget forecasts. The capital improvement planning document guides the ability to plan for capital needs and allocate short and long-term resources appropriately within the fiscal constraints of the six-year budget forecasts.

Utility Services
The city continues to formulate strategies to support planned and environmentally responsive growth and the demand for new or expanded utility services. Growth continues through infills, new development, and annexations. Internal utility rate studies were recently completed for water, sewer, and storm drainage to determine the appropriate rate based on future capital needs as well as inflationary adjustments for operations.

The city's partnership with the Discovery Clean Water Alliance (DCWA) for treatment of wastewater comes with large capital needs. The distance sewage must flow to get to the Salmon Creek Treatment Plant (SCTP) is 16.8 miles from the city's equalization basin which regulates and equalizes the flow from the city as it leaves for treatment. With the growing needs of the city and ever-changing regulations, challenges over the system continue. DCWA took over operating the SCTP from the County has found a large amount of deferred maintenance which are currently being addressed.

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 maintaining quality bond ratings; debt is not used for current operations
- Unexpected one-time revenues are used for one-time costs or reserves

Awards and Acknowledgements

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 *Annual Comprehensive Financial Report (ACF*R) for the fiscal year ended December 31, 2022. The city has received a Certificate of Achievement for the last 20 years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the finance department. We wish to thank all city departments for their assistance in providing the data necessary to prepare this report. Further appreciation is extended to the mayor and the city council for their direction and support of sound fiscal management.

Respectfully submitted,

Meagan Lowery

Meagan Lowery, CGAP
Finance and Information Services Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

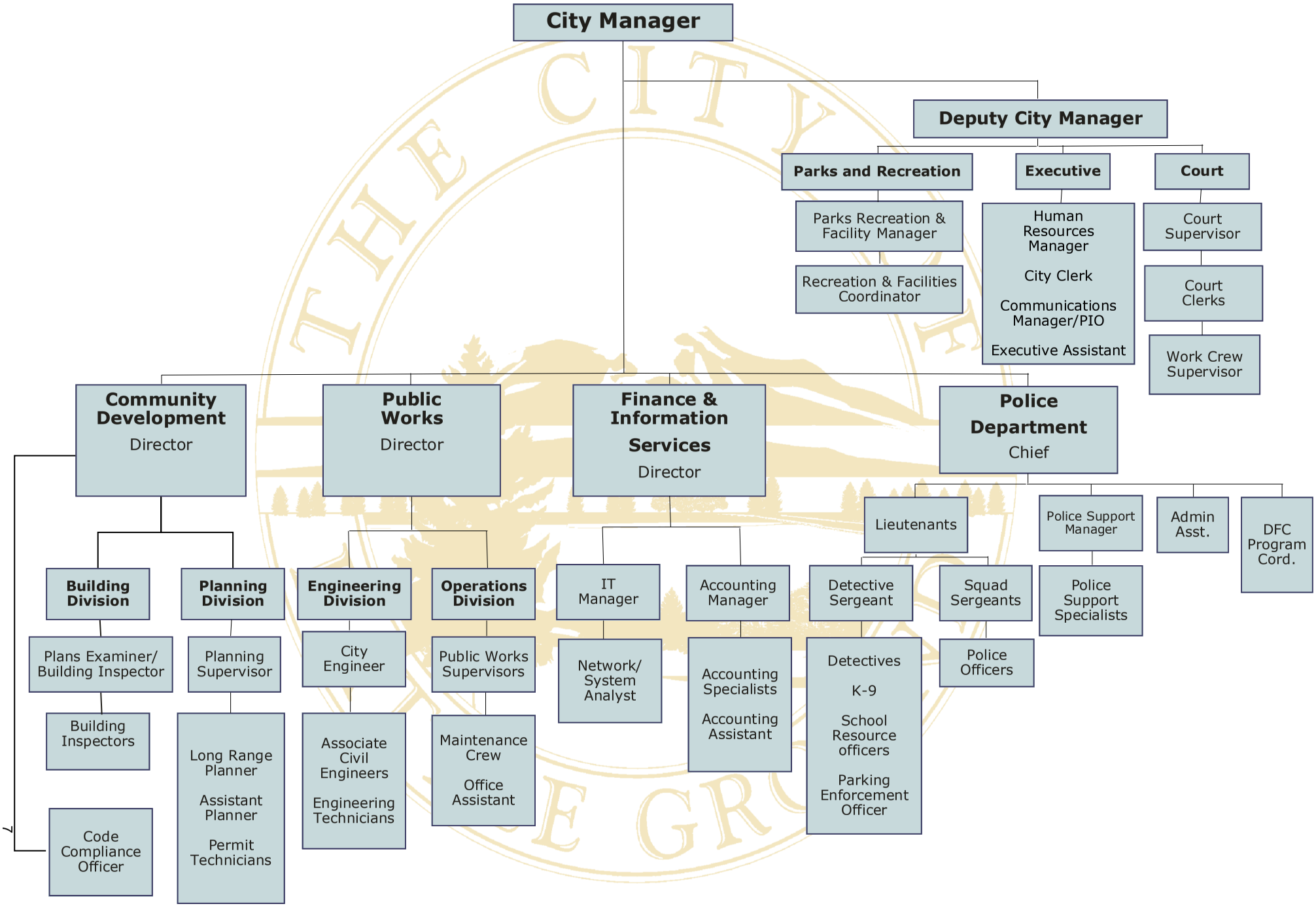
City of Battle Ground Washington

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO


City Manager
Deputy City Manager
Parks and Recreation
Executive
Court
Parks Recreation & Facility Manager
Recreation & Facilities Coordinator
Human Resources Manager
City Clerk
Communications Manager/PIO
Executive Assistant
Court Supervisor
Court Clerks
Work Crew Supervisor
Community Development Director
Public Works Director
Finance & Information Services Director
Police Department Chief
Lieutenants
Police Support Manager
Admin Asst.
DFC Program Cord.
Building Division
Planning Division
Engineering Division
Operations Division
IT Manager
Accounting Manager
Detective Sergeant
Squad Sergeants
Police Support Specialists
Plans Examiner/ Building Inspector
Planning Supervisor
City Engineer
Public Works Supervisors
Network/ System Analyst
Accounting Specialists
Accounting Assistant
Detectives
K-9
School Resource officers
Parking Enforcement Officer
Police Officers
Building Inspectors
Long Range Planner
Assistant Planner
Permit Technicians
Associate Civil Engineers
Engineering Technicians
Maintenance Crew
Office Assistant
Code Compliance Officer

CITY OF BATTLE GROUND

List of Elected & Appointed Officials

As of December 31, 2023



Mayor
Philip Johnson



Deputy Mayor
Cherish DesRochers



Councilmember
Shane Bowman



Councilmember
Tricia Davis



Councilmember
Adrian Cortes



Councilmember
Troy McCoy



Councilmember
Victoria Ferrer

APPOINTED OFFICIALS

CITY STAFF

City Manager
Erin Erdman

Deputy City Manager
Robert Ferrier

Finance & Information Services Director
Meagan Lowery, CGAP

Chief of Police
Mike Fort

Public Works Director
Mark Herceg

Community Development Director
Sam Crummett

FINANCIAL SECTION

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Office of the Washington State Auditor
Pat McCarthy

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

City Council
City of Battle Ground
Battle Ground, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the

basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 24, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,



Pat McCarthy, State Auditor

Olympia, WA

June 24, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) is a narrative overview and analysis of the financial activities of the City of Battle Ground for the fiscal year ended December 31, 2023. This information should be read in conjunction with the basic financial statements and notes to the financial statements that follow. The discussion and analysis include comparative data for 2022.

2023 FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the city exceeded its liabilities and deferred inflows by $214.1 million (*net position*), a $29.0 million, 15.6 percent, increase from 2022. Of the city's $214.1 million net position amount, $65.6 million represents unrestricted net position of which $23.6 million is unrestricted net position of the governmental activities and $42.0 million is unrestricted net position of the business-type activities. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

- Net investment in capital assets accounts for 60.6 percent of total net position, with a value of $129.8 million, an increase of $14.6 million over 2022.

- The city's total governmental funds reported combined ending fund balances of $39.8 million, an increase of $7.4 million over 2022. Of the total $14.3 million of restricted fund balance, $13.9 million is restricted for capital purposes. Remaining fund balances include $3.1 million assigned to LEOFF 1, parks, insurance reserve, economic stabilization, and streets; and $22.4 million is unassigned to the general fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis 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 consist 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. These 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").

Governmental activities of the city include a full range of local government services provided to the public, such as law enforcement and public safety, 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. 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 presents 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. Revenue generated by the specific functions (charges for services, grants, and contributions) is compared to 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 the city's funds are divided into two categories: governmental funds or proprietary funds.

Governmental Funds

Governmental funds represent most of the city's basic services such as public safety, parks, streets and many other general administrative type services. The city maintains sixteen individual governmental funds. The general fund is a major fund and, for reporting purposes, includes the general, parks, insurance reserve, LEOFF I, fire impact fees, and economic stabilization funds. Major funds for the city include the street fund, and capital projects fund. Financial data for the remaining governmental funds are combined into a single, aggregated presentation. These other nonmajor governmental funds include special revenue funds, capital project funds, and debt service fund.

Governmental funds 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 government 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 government 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 council adoption of the budget. Budgets are adopted at the fund level for all funds in accordance with state law. Budgetary comparison schedules are presented in this report following the combining statements of other governmental funds.

Proprietary Funds

Proprietary funds account for business-type activities. Business-type activities provide specific goods or services to a group of customers paid for by fees charged to those customers. The city has two types of proprietary fund: enterprise funds and internal service funds. Enterprise funds account for goods and services provided to citizens

and the community. Internal service funds 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 report the same functions presented as business-type activities in the government-wide financial statements. Fund statements provide more detail than is reported in the government-wide statements. The city uses enterprise funds to account for storm drainage, water, and sewer utilities.

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

Fiduciary Fund

Fiduciary funds account for financial transactions which are not derived from the City's own source revenues and the City does not have administrative involvement. The Fiduciary Fund for the City accounts for the City's court remittances to the Washington State Administrative Office of the Courts and Clark County. It also accounts for the funds for the Washington State Department of Revenue and Department of Licensing, leasehold excise tax on property rentals, use tax on invoices in which sales tax was not charged, and state gun permit fees for concealed weapon licenses.

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 is located immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement 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 $214.1 million at December 31, 2023 as compared to $185.1 million at December 31, 2022. The following is a condensed version of the *Government-wide Statement of Net Position*.

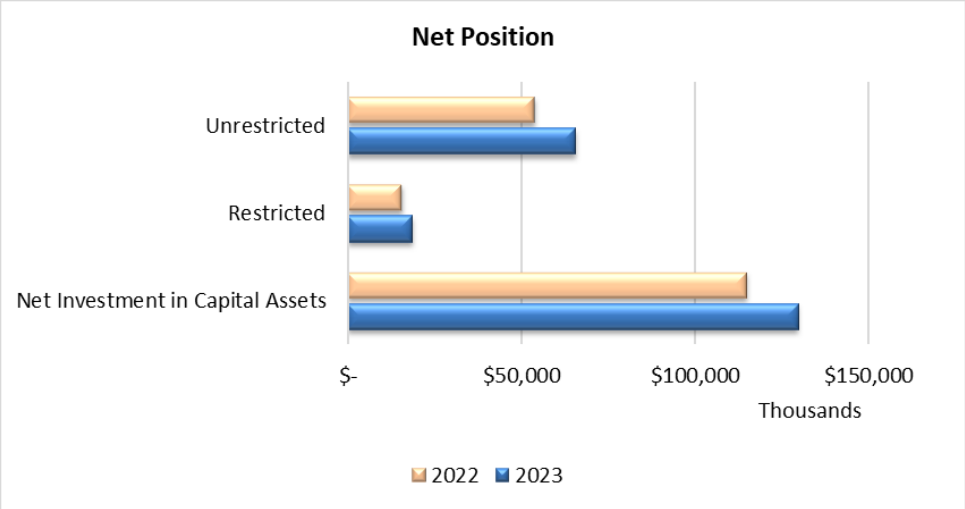
Net position						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	$ 52,780,691	$ 45,025,126	43,024,436	38,155,059	$ 95,805,127	$ 83,180,185
Capital assets (net of depr)	69,371,651	60,176,008	70,744,208	65,598,342	140,115,859	125,774,350
Total assets	122,152,342	105,201,134	113,768,644	103,753,401	235,920,986	208,954,535
Deferred Outflow of Resources	2,231,760	2,258,094	456,493	393,535	2,688,253	2,651,629
Liabilities						
Current and other liabilities	9,449,845	9,690,278	981,616	947,503	10,431,461	10,637,781
Noncurrent	5,306,095	5,559,824	7,079,241	7,563,689	12,385,336	13,123,513
Total liabilities	14,755,940	15,250,102	8,060,857	8,511,192	22,816,797	23,761,294
Deferred Inflow of Resources	1,503,861	2,471,693	215,071	264,543	1,718,932	2,736,236
Net position						
Net investment in capital assets	66,590,645	56,997,362	63,237,469	58,206,799	129,828,114	115,204,161
Restricted	17,973,920	15,259,958	690,674	553,998	18,664,594	15,813,956
Unrestricted	23,559,736	17,480,113	42,021,066	36,610,404	65,580,802	54,090,517
Total net position	$108,124,301	$ 89,737,433	$105,949,209	$ 95,371,201	$ 214,073,510	$ 185,108,634

The largest portion of the city's net position is its net investment in capital assets. This category makes up 60.6 percent of the city's total net position and though the city uses these capital assets to provide services to its citizens, these assets are not available for future spending.

Restricted net position makes up 8.7 percent of the total net position and represents the resources that are subject to external restrictions on how they may be used. These restrictions include debt covenants, enabling legislation, grant requirements, or other legal or contractual reason which imposes a limit on the use of the assets which is outside the control of the city.

The remaining balance of $65.6 million is unrestricted and may be used to meet the city's ongoing obligations to its citizens and creditors. Although this amount is unrestricted, a significant portion has been reserved or set aside for various purposes. The increase of $11.5 million in unrestricted fund balance comes from $3.6 million in unrestricted investment earnings; increase of $1.7 million in unrestricted taxes; utility rate increases approximately $795,000; the remaining increase is the $2.0 million in operating grants and contributions as well as $23.1 million in capital grants and contributions that paid for operations and capital expenses that otherwise would have been the city's own local revenue.

At the end of the current fiscal year, the city is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

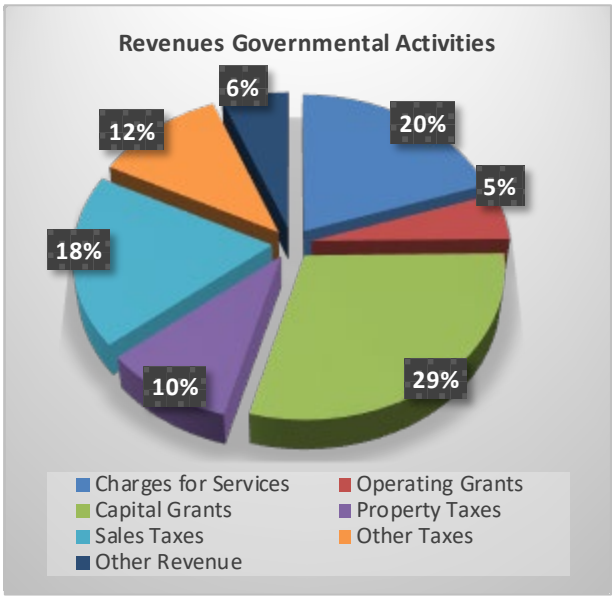


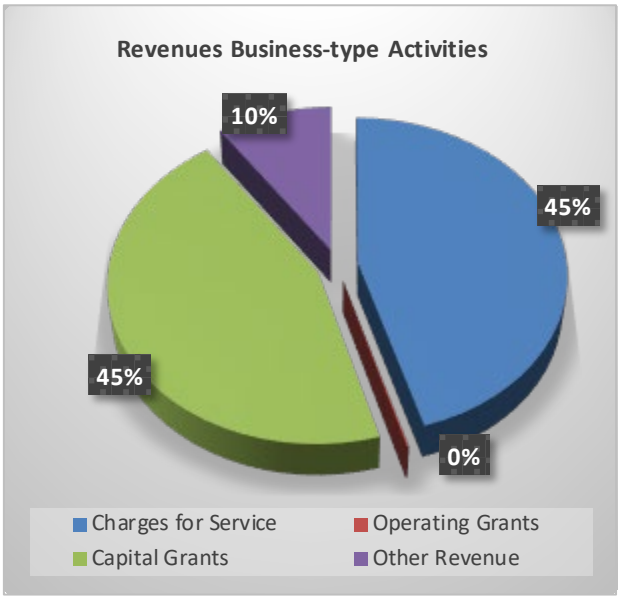
Statement of Activities

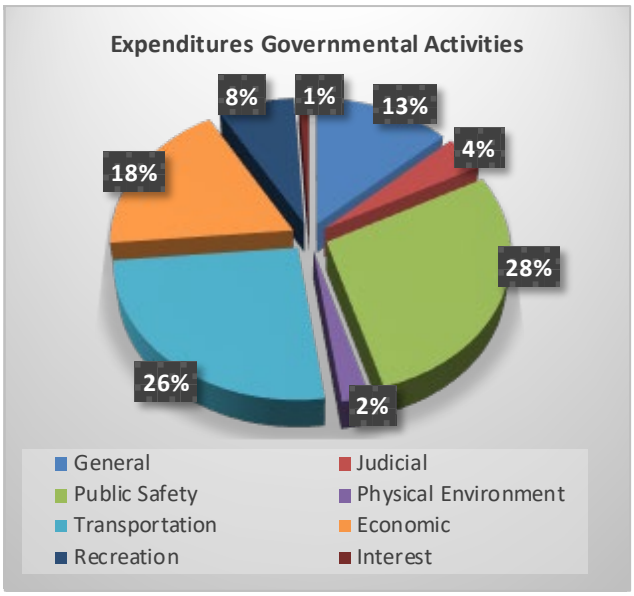
The *Statement of Activities* reports the change in net position for the fiscal year. At December 31, 2023, total ending net position increased by $29.0 million, or 15.6 percent. Business-type funds increased by $10.6 million, or 11.1 percent, primarily due to infrastructure contributions by developers. Net position of governmental activities increased by $18.4 million, or 20.5 percent, due to increased tax revenue, federal/state capital grant funding, building activity remaining strong, and expenditures coming under budget across all funds.

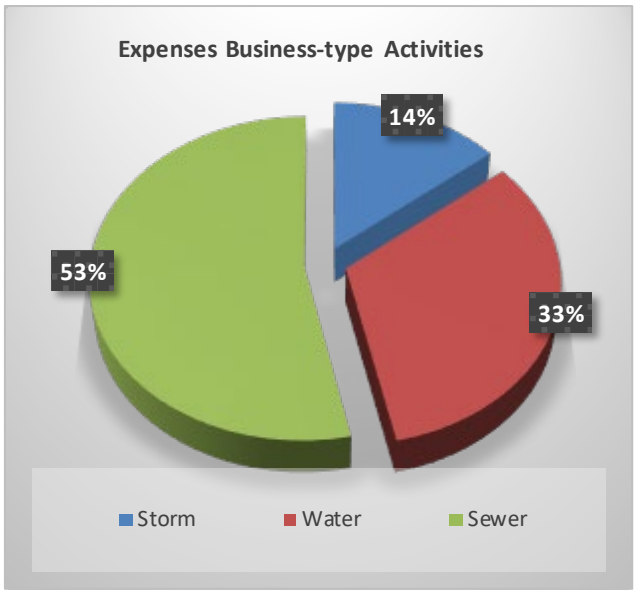
The full statement is a tabular depiction of the relationship of revenues and expenses for the city's governmental activities and proprietary funds. The graphs that follow illustrate the sources of revenue and the balance of governmental versus business type expenses for 2023.

Statement of Activities						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	$ 7,875,522	$ 7,768,019	$ 11,575,598	$ 10,780,248	$ 19,451,120	$ 18,548,267
Operating Grants	1,987,677	1,322,960	31,429	101,616	2,019,106	1,424,576
Capital Grants	11,705,809	5,864,679	11,438,128	8,149,527	23,143,937	14,014,206
General Revenue						
Property Taxes	3,933,687	3,701,555		-	3,933,687	3,701,555
Sales Taxes	7,366,483	6,051,634		-	7,366,483	6,051,634
Other Taxes	4,593,231	5,439,861		-	4,593,231	5,439,861
Interest Income	1,815,514	142,924	1,766,664	114,607	3,582,178	257,531
Other Revenues	524,014	470,192	346,753	120,065	870,767	590,257
Transfers	-	-	349,909	224,566	349,909	224,566
Total Revenues	39,801,937	30,761,824	25,508,481	19,490,629	65,310,418	50,252,453
Expenses						
General Government	2,763,706	2,450,571	-	-	2,763,706	2,450,571
Judicial	860,630	673,424	-	-	860,630	673,424
Public Safety	5,954,634	5,258,294	-	-	5,954,634	5,258,294
Physical Environment	483,629	583,333	-	-	483,629	583,333
Transportation	5,433,648	4,635,628	-	-	5,433,648	4,635,628
Economic Environment	3,819,490	3,306,249	-	-	3,819,490	3,306,249
Culture and Recreation	1,544,414	1,137,528	-	-	1,544,414	1,137,528
Storm Drainage	-	-	2,100,967	1,915,524	2,100,967	1,915,524
Water	-	-	4,861,822	4,166,567	4,861,822	4,166,567
Sewer	-	-	7,967,684	7,066,784	7,967,684	7,066,784
Interest Expense	205,009	224,865	-	-	205,009	224,865
Transfers	349,909	224,566	-	-	349,909	224,566
Total Expenses	21,415,069	18,494,458	14,930,473	13,148,875	36,345,542	31,643,333
Change in Net Position	18,386,868	12,267,366	10,578,008	6,341,754	28,964,876	18,609,120
Net Position - beginning	89,737,433	77,470,067	95,371,201	89,029,447	185,108,634	166,499,514
Net Position - ending	$108,124,301	$ 89,737,433	$105,949,209	$ 95,371,201	$ 214,073,510	$ 185,108,634









Governmental Activity Analysis

Taxes are the main source of revenue that support governmental activities. The three major tax sources are property tax, sales and use tax, and utility taxes.

Property tax is a fairly stable source of revenue for the city. However, property tax growth is dependent upon new construction and annexations since Initiative 747 limits tax increases to the lesser of the implicit price deflator or one percent. The city's property tax rate decreased slightly from $1.22 (2022) to $1.07 (2023) of assessed valuations due to increasing assessed valuations, 21.75 percent increase from 2022 to 2023. The tax levy for 2023 tax collections increased $232,132 over the 2022 levy primarily due to new construction, $202,615.

Remaining increase is due to the City Council taking the full 1 percent allowed. 2023 property tax collections were $3,933,687.

The sales tax rate in the city is 8.6 percent on all retail sales, up from 8.4 percent in 2022. There were two new sales tax effective January 1, 2023. A county wide voter approved 0.1 percent for public safety. In addition, City Council approved, through a vote of council, 0.1 percent for its transportation benefit district for street preservation and improvements. Total retail sales and use tax collected increased $1.3 million (21.7%). This increase is in large part due to the increase to the sales tax rate, $361,510 public safety tax, and $681,087 transportation benefit district sales tax. The remaining increase is due to a strong local economy and employment. In 2023, sales and use tax revenue was $7,366,483.

Utility taxes may be levied on the gross operating revenues earned by public and private utilities from operations within the city limits. Legislation limits the tax rate that the city may impose on gas, electric, and telephone utilities to six percent unless a vote of the people authorizes a higher rate. There are no restrictions on the tax rates for water, sewer, and storm water utilities. The 2023 city utility tax rate was 12 percent. These "other taxes" generated $3,298,162 of revenue.

Revenues tied to residential development and home purchases saw a dip in 2023 with the high loan interest rate environment. Fees for building permits, building plan checks, right of way permits, and zoning and subdivision services were $1.9 million as compared to $2.2 million in 2022. Real estate excise tax saw more of a decrease with the change in the economy in 2023 compared to 2022, $1.4 million compared to $2.4 million respectively.

Governmental activities expenses increased $2,920,611 (15.8%) over 2022. The City had increases in expenses due to collective bargaining agreements with built-in salary and benefit adjustments, costs of providing health care, increases in retirement costs, and inflationary increases tied to maintaining current service levels. The City also added six new positions and filled three previously vacant positions in 2023. In addition, the city increased the pavement preservation program significantly.

Business-Type Activities Analysis

The financial position of the city's business-type funds consists of the storm drainage, water, and sewer funds. Charges for services are the main source of revenue for these business-type activities. Total business-type charges for service revenues increased $795,350 (7.4%) over 2022. This was primarily due to the number of customers increasing from new customers due to development as well as rate increases for current customers. Rates are indexed per recommendations from internal utility rate studies to determine the appropriate rate based on future capital needs as well as inflationary adjustments for operations.

- The storm drainage fund had an overall increase in net position of $2.5 million (12.8%) primarily due to new development capital contributions, rate increase, and new accounts due to development.

- The water fund had an overall increase in net position of $2.9 million (10.0%) primarily due to rate increase and new development capital contributions.

- The sewer fund had an overall increase in net position of $4.9 million (10.6%) primarily due to rate increase, new development capital contributions and new accounts due to development.

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, 2023, the city's governmental funds reported combined fund balances of $39.8 million, an increase of $7.4 million over 2022. $22.4 million 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: restricted for specific purposes in the amount of $14.3 million; or assigned for specific purposes in the amount of $3.1 million.

The general fund is the chief operating fund of the city. At the end of the fiscal year, unassigned fund balance of the general fund was $22,408,091, while total governmental fund balance increased to $39,784,983. 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 120.1% of total general fund expenditures, while total fund balance represents approximately 213.3% of that same amount.

Statement of Governmental Fund Balances

	2023	2022	$ Change
General Fund			
Restricted	33,553	22,185	11,368
Committed	-	356,908	(356,908)
Assigned	2,231,971	1,271,161	960,810
Unassigned	22,408,091	18,007,378	4,400,713
Total General Fund	$ 24,673,615	$ 19,657,632	$ 5,015,983
All Other Governmental Funds			
Restricted	14,216,776	11,790,022	2,426,754
Assigned	896,188	913,549	(17,361)
Unassigned	(1,596)	-	(1,596)
Total All Other Governmental Funds	$ 15,111,368	$ 12,703,571	$ 2,407,797
Total Governmental Fund Balance	$ 39,784,983	$ 32,361,203	$ 7,423,780

The $7.4 million increase to the governmental fund balance is due to a number of factors. Of this increase, $1.4 million, 18.7 percent of fund balance increase, comes from real estate excise tax collections exceeding use of the restricted funds. Park impact fees collected exceed use of the restricted source by $896,276, 12.1 percent of fund balance increase. Interest earnings for all governmental funds brought in $1.8 million, 23.7 percent of the fund balance increase, which was not anticipated for 2023 due to the high interest earning rates reaching highs of 5.4%. General sales and use tax exceeded budget by $655,216, 8.8 percent of fund balance increase as a result of a 0.1% voted in public safety sales tax increase as well as a significant amount of construction activity. In addition, development fees were higher than anticipated by $408,285 due to development activity being strong, 5.5 percent of the fund balance increase. The remaining increase is due to the city coming under budget

by $2.6 million, 35 percent of the fund balance increase. This is due to multiple employee vacancies in the police department; facility projects not happening in 2023; street signal parts being delayed; and public defender costs not as high as anticipated.

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 30.6%, the sewer fund 48.3%, and the storm drainage fund 21.1% of the total net position for enterprise funds. The water fund had total net position at year-end of $32.0 million, the sewer fund $50.7 million, and the storm drainage fund $22.1 million. The utility funds each showed an operating loss, primarily for depreciation expense. After capital contributions and interest earnings, the storm drainage, sewer, and water funds reported an increase in net position.

Total water fund operating revenues for 2023 were $3.7 million which is an increase of $275,131 from 2022. Total operating expenses were $4.8 million as compared to $4.1 million in 2022. This increase is primarily due to an increase in the amount of water purchased for distribution.

Total sewer fund operating revenues for 2023 were $6.0 million as compared to $5.6 million in 2022. The increase is due to rate increase as well as new customers as new homes are built in the city. Total operating expenses were $7.8 million as compared to $6.9 million in 2022. This increase is primarily due to a $463,436 increase to the amount the City pays to the Discovery Clean Water Alliance for the treatment of it's sewage. In addition, there was an increase to cost allocation increase to the general fund.

Total storm drainage operating revenues for 2023 were $1.8 million which was a $10,984 increase from 2022. The increase is due to rate increase as well as new customers as new homes are built in the city. Total operating expenses were $2.1 million for 2023 as compared to $1.9 million in 2022. This increase is due to more repairs and maintenance along with an increase to cost allocation to the general fund.

Statement of Proprietary Fund Net Position

	Business-type Activities Enterprise Funds						Governmental Activities	
	Storm Drainage		Water		Sewer		Internal Service	
	2023	2022	2023	2022	2023	2022	2023	2022
Net Position								
Net Investment in Capital Assets	17,764,947	15,415,833	18,416,252	16,317,869	27,056,270	26,473,097	891,860	481,418
Restricted (Pension)	139,275	100,874	148,718	93,477	104,903	61,869	-	-
Restricted (Debt Service)	-	-	-	-	297,778	297,778	-	-
Unrestricted	4,215,435	4,094,130	13,455,930	12,691,867	23,224,782	18,984,689	1,227,209	1,051,602
Total Net Position	$ 22,119,657	$ 19,610,837	$ 32,020,900	$ 29,103,213	$ 50,683,733	$ 45,817,433	$ 2,119,069	$ 1,533,020

GENERAL FUND BUDGETARY HIGHLIGHTS

The city appropriated funds through the adoption of the 2023 annual budget. Budget amendments are made throughout each year of the annual budget as needed and approved by ordinance action by city council. The following table shows the changes between the original and the final biennial general fund budget (does not include parks and reserve funds), and the variances between the final budget to actual revenues and expenditures:

	Original 2023 budget	Final 2023 Budget	Change Increase (Decrease)	Actual at 12/31/2023	Variance Positive (Negative)	Percentage of Actual to Budget
Revenues:						
Taxes	$ 12,594,106	$ 12,594,106	$ -	$ 13,415,279	$ 821,173	107%
License and permits	1,292,050	1,292,050	-	1,700,335	408,285	132%
Intergovernmental	3,550,395	3,550,395	-	1,333,926	(2,216,469)	38%
Charges for services	4,329,385	4,329,385	-	5,156,976	827,591	119%
Other revenues	451,965	451,965	-	1,449,589	997,624	321%
Total revenues	22,217,901	22,217,901	-	23,056,105	838,204	104%
Expenditures:						
General government	4,947,888	4,952,888	5,000	3,866,865	1,086,023	78%
Judicial	1,010,360	1,010,360	-	891,857	118,503	88%
Security/Persons and property	6,973,557	7,005,937	32,380	5,956,897	1,049,040	85%
Physical Environment	828,738	898,613	69,875	532,116	366,497	59%
Economic Environment	3,501,007	4,001,007	500,000	3,801,795	199,212	95%
All other expenditures	5,125,722	4,660,722	(465,000)	3,594,492	1,066,230	77%
Total Expenditures	22,387,272	22,529,527	142,255	18,644,022	3,885,505	83%

Increases in appropriations were related to police overtime emphasis patrols, police drones, engineer associate temporary position, and funding for Electronic Vehicle charging stations for City Hall.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The city's investment in capital assets, including construction in progress, totals $139.5 million (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. Capital assets are affected by various additions and deletions, and by depreciation. Additions are from the purchase and/or construction of capital assets, current year work in process expenses, or from developer contributions. Deletions are from the sale or loss of a capital asset. The table below reflects an increase in net capital assets of $13,749,445 million in 2023.

	Governmental Activities		Business-Type Activities		Total Activities	
	2023	2022	2023	2022	2023	2022
Land	$ 16,015,549	$ 15,863,212	$ 4,798,109	$ 4,175,420	$ 20,813,658	$ 20,038,632
Construction in progress	3,746,787	3,685,107	1,649,079	901,975	5,395,866	4,587,082
Buildings	8,876,308	9,318,034	1,179,659	1,226,029	10,055,967	10,544,063
Machinery and equipment	1,297,120	835,525	298,308	301,594	1,595,428	1,137,119
Infrastructure	38,797,943	29,852,698	57,712,013	53,412,920	96,509,956	83,265,618
Improvements other than buildings	561,938	621,432	18,086	19,731	580,024	641,163
Intangible assets	76,006	-	4,496,890	5,560,673	4,572,896	5,560,673
Total	$ 69,371,651	$ 60,176,008	$ 70,152,144	$ 65,598,342	$ 139,523,795	$ 125,774,350

Major capital events during the 2023 fiscal year included the following:

- Replacement of police and public works vehicles
- Installation of Electronic Vehicle Charging Stations at City Hall
- Replacement server for police department security cameras

- Completed the following public works projects:

    - SR502/503 intersection improvements
    - Bike/Pedestrian signage

Additional information on the city's capital assets is located in Note 4 in the notes to the financial statement in this report.

Long-term Debt

At December 31, 2023, the city had total long-term debt outstanding of $9,695,681. Of this amount, $2,705,000 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 $58.1 million. Standard and Poor's increased the city's rating to "AA" for its general obligation debt in October 2021 citing strong budgetary flexibility and management.

At December 31, 2023 there were outstanding USDA sewer revenue bonds of $5,267,418 and water revenue bonds of $1,598,911 were also outstanding at year end.

The table below is a comparison of the summary for outstanding debt at December 31, 2022 and 2023.

Outstanding Debt

	Governmental Activities		Business-Type Activies		Total Activities	
	2023	2022	2023	2022	2023	2022
General obligation bonds	$ 2,705,000	$ 3,040,000	$ -	$ -	$ 2,705,000	$ 3,040,000
Government loans	-	100,000	-	-	-	100,000
Revenue bonds	-	-	6,866,329	7,391,543	6,866,329	7,391,543
Leases	47,617	38,647	-	-	47,617	38,647
SBITA	28,389	-	48,346	-	76,735	-
Total	$ 2,781,006	$ 3,178,647	$ 6,914,675	$ 7,391,543	$ 9,695,681	$ 10,570,190

Additional information on the city's long-term debt is located in Note 8 in the notes to the financial statement in this report.

ECONOMIC OUTLOOK AND FUTURE CONDITIONS

The city serves city residents as well as a greater trade area of about 101,461 people. For the period 2014-2023, the population of Battle Ground increased 17.3 percent, from 18,685 to 21,910 citizens. Residential and commercial development saw a slight decrease in 2023 but continued to be higher than anticipated with the national economic outlook with higher mortgage interest rates. On the other hand, with higher mortgage rates comes higher interest earnings rates for the City's investments. In 2023 the City saw record high interest rates as high as 5.4%. As the city moves forward, it is challenged to be fiscally sustainable to offer a level of service sufficient to address the rising population. This includes road preservation, public safety, aging infrastructure, utility capacity requirements, as well as recreational opportunities. To address these challenges, the city initiated an on-going visioning process involving community engagement several years ago to be strategic in the future to address the needs of the city.

The city's adopted financial policies continue to guide the financial operations and the 2023 budget process. With a backlog of deferred maintenance, compliance with constantly changing statewide legislative and regulatory mandates, and increased operational costs, a shorter budget cycle and longer planning horizon provides a better opportunity for focusing on core services identified by city council and responding to market and economic factors. The 2023 budget reflected a conservative outlook due to regional national economic concerns due to the 2020 pandemic. Retail sales have continued to grow as consumers changed their shopping habits, opting to have food and items shipped to their home.

On July 18, 2022, City Council adopted an ordinance for a one-tenth of one percent (0.1%) sales and use tax to fund the Battle Ground Transportation Benefit District (TBD). The sales and use tax will take effect on January 1, 2023. This sales tax will enable the city to continue to fund the city's road preservation efforts by Battle Ground citizens sharing the costs with customers coming into Battle Ground to shop and driving on the roads. This revenue stream brought in $681,087 in 2023 to help fund the City's $1.8 million pavement preservation program. The remaining funds came from the city's general fund, $767,200, and a state grant, $387,878.

Due to the continued development within the city of residential and commercial properties, the city is projecting an increase in property tax base and sales and use tax revenues to remain strong.

The city has made increasing efforts to find opportunities for cost savings, has maintained conservation and sustainability initiatives, has leveraged partnerships with other agencies, and has invested in technology to improve delivery of core services.

Requests for Information

This financial report provides 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, address to the Finance Department, City of Battle Ground, 109 SW 1st Street, Suite 217, Battle Ground, WA, 98604.

BASIC FINANCIAL STATEMENTS

CITY OF BATTLE GROUND
Statement of Net Position
December 31, 2023

	Governmental Activities	Business-type Activities	Total Primary Government
Assets			
Cash and Cash Equivalents	$ 25,936,598	$ 34,589,858	$ 60,526,456
Investments	1,296,008	5,345,785	6,641,793
Receivables	2,861,076	1,273,200	4,134,276
Internal Balances	(1,124,919)	1,124,919	-
Restricted Assets			
Cash and Cash Equivalents	17,729,646	297,778	18,027,424
Investments	1,923,886	-	1,923,886
Receivables	1,237,844	-	1,237,844
Net Pension Asset	2,920,552	392,896	3,313,448
Capital Assets (not being depreciated)			
Land	16,015,549	4,798,109	20,813,658
Construction Work in Progress	3,746,787	1,649,079	5,395,866
Capital Assets (net of accumulated depreciation and amortization)			
Buildings	8,876,308	1,179,659	10,055,967
Improvements Other than Buildings	561,938	18,086	580,024
Intangible Assets	76,006	4,496,890	4,572,896
Machinery and Equipment	1,297,120	298,308	1,595,428
Infrastructure	38,797,943	57,712,013	96,509,956
Other Asset	-	592,064	592,064
Total Assets	122,152,342	113,768,644	235,920,986
Deferred Outflows of Resources			
Related to Pensions	2,198,970	318,628	2,517,598
Related to OPEB	32,790	-	32,790
Related to Asset Retirement Obligations	-	137,865	137,865
Total Deferred Outflows of Resources	2,231,760	456,493	2,688,253
Liabilities			
Accounts Payable	1,044,514	392,124	1,436,638
Other Current Liabilities	1,579,568	118,711	1,698,279
Accounts Payable and Other current liabilities-			
Payable from Restricted Assets	474,236	-	474,236
Accrued Interest Payable	13,542	76,427	89,969
Customer Deposits	32,280	-	32,280
Unearned Revenue	254,904	932	255,836
Unearned Revenue from Restricted Assets	5,363,772	-	5,363,772
Noncurrent Liabilities			
Due within One Year	618,987	393,422	1,012,409
Total OPEB Liability	68,042	-	68,042
Due in More than One Year	3,109,323	6,707,589	9,816,912
Net Pension Liability	471,587	169,678	641,265
Total OPEB Liability	1,725,185	-	1,725,185
Asset Retirement Obligation		201,974	201,974
Total Liabilities	14,755,940	8,060,857	22,816,797
Deferred Inflows of Resources			
Related to Leases	182,418	-	182,418
Related to Pensions	1,321,443	215,071	1,536,514
Total Deferred Inflows of Resources	1,503,861	215,071	1,718,932
Net Position			
Net Investment in Capital Assets	66,590,645	63,237,469	129,828,114
Restricted for			
Capital	13,914,611	-	13,914,611
Public Safety	836,592	-	836,592
Pension	2,920,552	392,896	3,313,448
Debt Service	-	297,778	297,778
Drug Investigation	45,016	-	45,016
Tourist Promotion	257,149	-	257,149
Unrestricted	23,559,736	42,021,066	65,580,802
Total Net Position	$ 108,124,301	$ 105,949,209	$ 214,073,510

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, 2023

Functions/Programs	Expenses	Indirect Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business -type Activities	Net (Expense) Revenue and Changes in Net Position: Total
PRIMARY GOVERNMENT								
Governmental Activities:								
General Government	$ 4,059,704	$(1,295,998)	$ 161,476	$ 558,357	$ 349,909	(1,693,964)	$ -	$ (1,693,964)
Judicial	860,630	-	404,652	46,339	-	(409,639)	-	(409,639)
Public Safety	5,954,634	-	310,367	448,404	-	(5,195,863)	-	(5,195,863)
Physical Environment	483,629	-	9,927	-		(473,702)	-	(473,702)
Transportation	5,433,648	-	6,717	917,784	11,355,900	6,846,753	-	6,846,753
Economic Environment	3,819,490	-	6,703,729	-	-	2,884,239	-	2,884,239
Culture and Recreation	1,544,414	-	278,654	16,793	-	(1,248,967)	-	(1,248,967)
Interest Expense	205,009	-	-	-	-	(205,009)	-	(205,009)
TOTAL GOVERNMENTAL ACTIVITIES	22,361,158	(1,295,998)	7,875,522	1,987,677	11,705,809	503,848	-	503,848
Business Type Activities:								
Storm Drainage	1,754,876	346,091	1,845,266	31,429	2,539,265	-	2,314,993	2,314,993
Water	4,384,608	477,214	3,700,945	-	3,290,424	-	2,129,547	2,129,547
Sewer	7,494,991	472,693	6,029,387	-	5,608,439	-	3,670,142	3,670,142
TOTAL BUSINESS-TYPE ACTIVITIES	13,634,475	1,295,998	11,575,598	31,429	11,438,128	-	8,114,682	8,114,682
Total Primary Government	$ 35,995,633	$ -	$ 19,451,120	$ 2,019,106	$ 23,143,937	$ 503,848	$ 8,114,682	$ 8,618,530
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes						3,933,687	-	3,933,687
Sales and Use Taxes						7,366,483	-	7,366,483
Business and Occupation Taxes						3,194,827	-	3,194,827
Excise Taxes						1,398,404	-	1,398,404
Grants and Contributions not Restricted to Specific Programs						420,901	-	420,901
Unrestricted Investment Earnings						1,815,514	1,766,664	3,582,178
Gain on Sale of Capital Assets						47,631	-	47,631
Miscellaneous						55,482	346,753	402,235
Transfers						(349,909)	349,909	-
Total General Revenues						17,883,020	2,463,326	20,346,346
Change in Net Position						18,386,868	10,578,008	28,964,876
Net Position - Beginning						89,737,433	95,371,201	185,108,634
Net Position - Ending						$ 108,124,301	$ 105,949,209	$ 214,073,510

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

CITY OF BATTLE GROUND
Governmental Funds
Balance Sheet
December 31, 2023

	General Fund	Street Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	$ 28,574,621	$ 1,674,035	$ -	$ 12,332,322	42,580,978
Investments	865,548	261,155	-	1,923,886	3,050,589
Property Taxes Receivables	62,638	-	-	-	62,638
Utility Tax Receivable	155,987	-	-	-	155,987
Accounts Receivable	2,586,317	177,417	814,432	11,115	3,589,281
Lease Receivable	175,641	2,096	-	-	177,737
Interest Receivable	781	235	-	1,732	2,748
Municipal Court Receivable	109,376	-	-	-	109,376
Due from Other Funds	392,003	-	-	-	392,003
Total Assets	32,922,912	2,114,938	814,432	14,269,055	50,121,337
Liabilities					
Accounts Payable	930,748	85,251	357,164	52,279	1,425,442
Due to Other Funds	-	-	392,003	-	392,003
Other Accrued Liabilities	448,165	1,131,403	64,793	-	1,644,361
Unearned Revenues	5,368,496	-	-	-	5,368,496
Customer Deposits	32,280	-	-	-	32,280
Total Liabilities	6,779,689	1,216,654	813,960	52,279	8,862,582
Deferred Inflows of Resources					
Unavailable revenue- taxes	372,603	-	-	-	372,603
Unavailable revenue - municipal court	109,376	-	-	-	109,376
Unavailable revenue - grants	2,613	-	2,068	-	4,681
Unavailable revenue - settlement	803,039	-	-	-	803,039
Unavailable revenue - local payments	6,336	-	-	-	6,336
Deferred Inflows for Leases	175,641	2,096	-	-	177,737
Total Deferred Inflows of Resources	1,469,608	2,096	2,068	-	1,473,772
Fund Balances					
Restricted for:					
Capital	-	-	-	13,914,611	13,914,611
Public Safety	33,553	-	-	-	33,553
Drug Investigation	-	-	-	45,016	45,016
Tourist Promotion	-	-	-	257,149	257,149
Assigned to:					
LEOFF 1	327,256	-	-	-	327,256
Parks	1,373,683	-	-	-	1,373,683
Insurance Reserve	156,650	-	-	-	156,650
Economic Stabilization	374,382	-	-	-	374,382
Street	-	896,188	-	-	896,188
Unassigned	22,408,091	-	(1,596)	-	22,406,495
Total Fund Balances	24,673,615	896,188	(1,596)	14,216,776	$ 39,784,983
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 32,922,912	$ 2,114,938	$ 814,432	$ 14,269,055	

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)	68,479,791
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds (see note 2A)	5,122,223
Long-term liabilities that are not due and payable in the current period and are not reported in the funds (see note 2A)	(6,256,846)
Net position of internal service funds - governmental activities (see note 2A)	994,150
Net position of governmental activities	$ 108,124,301

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 Balance

For the Year Ended December 31, 2023

	General Fund	Street Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	$ 3,926,541	$ -	$ -	-	$ 3,926,541
Sales and Use Taxes	6,190,576	681,087	-	-	6,871,663
Other Taxes	3,298,162	-	-	1,468,497	4,766,659
License and Permits	1,700,335	-	-	-	1,700,335
Intergovernmental	1,333,926	819,396	4,673,849	85	6,827,256
Charges for Services	5,025,824	251,445	-	1,874,711	7,151,980
Fines and Forfeits	158,677	-	-	-	158,677
Interest Earnings	1,013,895	112,653	-	632,732	1,759,280
Rents and Royalties	434,815	6,717	-	-	441,532
Contributions/Donations	24,902	-	-	86,992	111,894
Miscellaneous	70,025	-	-	-	70,025
Total Revenues	23,177,678	1,871,298	4,673,849	4,063,017	33,785,842
Expenditures					
Current					
General Government	3,912,225	-	-	-	3,912,225
Judicial	891,857	-	-	-	891,857
Security/Persons and Property	5,956,897	-	-	286	5,957,183
Physical Environment	532,116	-	-	-	532,116
Transportation	-	3,107,259	-	-	3,107,259
Economic Environment	3,801,795	-	-	104,352	3,906,147
Culture and Recreation	1,270,619	-	-	-	1,270,619
Capital Expenditures					
General Government	162,250	-	76,831	-	239,081
Security/Persons and Property	-	-	60,884	-	60,884
Culture and Recreation	1,572	-	65,597	-	67,169
Transportation	-	52,791	5,441,550	-	5,494,341
Debt Service					
Principal Retirement	92,568	5,094	-	435,000	532,662
Interest/Fiscal Charges	2,982	569	-	205,500	209,051
Total Expenditures	16,624,881	3,165,713	5,644,862	745,138	26,180,594
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,552,797	(1,294,415)	(971,013)	3,317,879	7,605,248
Other Financing Sources (Uses)					
Issuance of debt	113,812	21,209	-	-	135,021
Sale of Capital Assets	10,386	234	-	-	10,620
Insurance Recoveries	17,740	5,060	-	-	22,800
Transfers In	232,940	1,501,996	1,039,104	620,277	3,394,317
Transfers Out	(1,911,692)	(251,445)	(70,158)	(1,510,931)	(3,744,226)
Total Other Financing Sources and Uses	(1,536,814)	1,277,054	968,946	(890,654)	(181,468)
Net Change in Fund Balance	5,015,983	(17,361)	(2,067)	2,427,225	7,423,780
Fund Balance at Beginning of Year	19,657,632	913,549	471	11,789,551	32,361,203
Fund Balance at End of Year	$ 24,673,615	$ 896,188	$ (1,596)	$ 14,216,776	$ 39,784,983

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
Year Ended December 31, 2023

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

Net changes in fund balance - total governmental funds:	$	7,423,780
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.		2,346,546
The net effect of various miscellaneous transactions involving capital assets (I.e., sales, transfers, trade-ins, and donations) is to increase net position.		(14,984)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		7,461,744
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.		397,641
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.		471,293
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.		300,848
Change in Net Position of Governmental Activities	$	18,386,868

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

CITY OF BATTLE GROUND
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended December 31, 2023

	Budget Amounts		Actual Year-To-Date Thru 12/31/23	Variance Thru 12/31/23
	Original 2023	Final 2023		
Revenues				
Property Taxes	$ 3,923,105	$ 3,923,105	$ 3,926,541	$ 3,436
Sales and Use Taxes	5,535,360	5,535,360	6,190,576	655,216
Other Taxes	3,135,641	3,135,641	3,298,162	162,521
License and Permits	1,292,050	1,292,050	1,700,335	408,285
Intergovernmental	3,550,395	3,550,395	1,333,926	(2,216,469)
Charges for Services	4,329,385	4,329,385	5,156,976	827,591
Fines and Forfeits	150,048	150,048	158,677	8,629
Interest Earnings	52,516	52,516	922,133	869,617
Rents and Royalties	183,555	183,555	159,336	(24,219)
Contributions/Donations	29,770	29,770	9,459	(20,311)
Miscellaneous	36,076	36,076	66,870	30,794
Total Revenues	22,217,901	22,217,901	22,922,991	705,090
Expenditures				
Current				
General Government	4,947,888	4,952,888	3,866,865	1,086,023
Judicial	1,010,360	1,010,360	891,857	118,503
Security/Persons and Property	6,973,557	7,005,937	5,956,897	1,049,040
Physical Environment	828,738	898,613	532,116	366,497
Economic Environment	3,501,007	4,001,007	3,801,795	199,212
Culture and Recreation	-	-	-	-
Capitalized Expenditures	20,000	35,000	162,250	(127,250)
Debt Service				
Principal Retirement	-	-	92,568	(92,568)
Interest/Fiscal Charges	-	-	2,982	(2,982)
Total Expenditures	17,281,550	17,903,805	15,307,330	2,596,475
Excess (Deficiency) of Revenues Over (under) Expenditures	4,936,351	4,314,096	7,615,661	3,301,565
Other Financing Sources (Uses)				
Issuance of Debt	-	-	113,812	113,812
Insurance Recoveries	-	-	5,502	5,502
Sale of Capital Asset	-	-	4,686	4,686
Transfers In	-	-	9,114	9,114
Transfers Out	(5,105,722)	(4,625,722)	(3,336,692)	1,289,030
Total Other Financing Sources and Uses	(5,105,722)	(4,625,722)	(3,203,578)	1,422,144
Net Change in Fund Balance	(169,371)	(311,626)	4,412,083	4,723,709
Fund Balance at Beginning of Year	8,747,281	8,747,281	18,029,561	9,282,280
Fund Balance at End of Year	$ 8,577,910	$ 8,435,655	$ 22,441,644	$ 14,005,989
Adjustment to generally accepted accounting principles (GAAP) basis:				
Parks Fund budgeted as separate fund			$ 1,373,683	
Insurance Reserve Fund budgeted as separate fund			156,650	
LEOFF I Reserve Fund budgeted as separate fund			327,256	
Economic Stabilization Fund budgeted as separate fund			374,382	
Fire Impact Fees Fund budgeted as a separate fund			-	
Fund Balance GAAP basis:			$ 24,673,615	

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

CITY OF BATTLE GROUND
Street Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Street Fund
For the Fiscal Year Ended December 31, 2023

	Budget Amounts			
	Original 2023	Final 2023	Actual Year-To-Date Thru 12/31/23	Variance Thru 12/31/23
Revenues				
Other Taxes	$ 807,411	807,411	681,087	$ (126,324)
Intergovernmental	449,539	917,696	819,396	(98,300)
Charges for Services	990,000	990,000	251,445	(738,555)
Interest Earnings	4,080	4,080	112,653	108,573
Rents and Royalties	4,200	4,200	6,717	2,517
Miscellaneous	5,464	5,464	-	(5,464)
Total Revenues	2,260,694	2,728,851	1,871,298	(857,553)
Expenditures				
Current:				
Transportation	2,969,147	3,437,304	3,107,259	330,045
Capitalized Expenditures	36,500	36,500	52,791	(16,291)
Debt service:				
Principal Retirement	-	-	5,094	(5,094)
Interest/Fiscal Charges	-	-	569	(569)
Total Expenditures	3,005,647	3,473,804	3,165,713	308,091
Excess (Deficiency) of Revenues Over (under) Expenditures	(744,953)	(744,953)	(1,294,415)	(549,462)
Other Financing Sources (Uses)				
Lease Proceeds	-	-	21,209	21,209
Sale of Capital Assets	-	-	234	234
Insurance Recoveries			5,060	5,060
Transfers In	1,500,000	1,500,000	1,501,996	1,996
Transfers Out	(990,000)	(990,000)	(251,445)	738,555
Total Other Financing Sources and Uses	510,000	510,000	1,277,054	767,054
Net Change in Fund Balance	(234,953)	(234,953)	(17,361)	217,592
Fund balance at beginning of year	489,555	$ 489,555	$ 913,549	$ 423,994
Fund balance at end of year	$ 254,602	$ 254,602	$ 896,188	$ 641,586

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, 2023

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Assets					
Current Assets					
Cash and Cash Equivalents	$ 3,621,678	$ 11,192,727	$ 19,775,453	$ 34,589,858	$ 1,085,266
Investments	561,094	1,746,105	3,038,586	5,345,785	169,305
Receivables (net)					
Accounts	182,632	323,721	755,602	1,261,955	1,000
Interest	506	1,573	2,737	4,816	153
Grants	6,429	-	-	6,429	-
Total Current Assets	4,372,339	13,264,126	23,572,378	41,208,843	1,255,724
Noncurrent Assets					
Restricted Cash and Cash Equivalents	-	-	297,778	297,778	-
Net Pension Asset	139,275	148,718	104,903	392,896	-
Property, Plant and Equipment (Net)	17,781,062	20,031,279	32,339,803	70,152,144	891,860
Other Asset	-	592,064	-	592,064	-
Total Noncurrent Assets	17,920,337	20,772,061	32,742,484	71,434,882	891,860
Total Assets	22,292,676	34,036,187	56,314,862	112,643,725	2,147,584
Deferred Outflows of Resources					
Deferred Outflows Related to Pensions	112,948	120,606	85,074	318,628	-
Deferred Outflows Related to Asset Retirement Obligations	-	137,865	-	137,865	-
Total Deferred Outflows	112,948	258,471	85,074	456,493	-
Liabilities					
Current Liabilities					
Accounts Payable	46,045	175,514	170,565	392,124	28,515
Accrued Interest Payable	-	7,590	68,837	76,427	-
Other Accrued Liabilities	35,752	53,624	29,335	118,711	-
Compensated Absences	-	17,817	12,958	30,775	-
SBITA Payable	5,230	5,230	5,230	15,690	
Unearned Revenues	-	932	-	932	-
Bonds, Notes and Loans Payable	-	206,153	140,804	346,957	-
Total Current Liabilities	87,027	466,860	427,729	981,616	28,515
Noncurrent Liabilities					
SBITA Payable	10,885	10,885	10,885	32,655	-
Bonds, Notes and Loan Payable		1,392,759	5,126,614	6,519,373	-
Compensated Absences	51,668	55,646	48,247	155,561	-
Net Pension Liability	60,148	64,226	45,304	169,678	-
Asset Retirement Obligation	-	201,974	-	201,974	-
Total Noncurrent Liabilities	122,701	1,725,490	5,231,050	7,079,241	-
Total Liabilities	209,728	2,192,350	5,658,779	8,060,857	28,515
Deferred Inflows of Resources					
Deferred Inflows Related to Pensions	76,239	81,408	57,424	215,071	-
Net Position					
Net Investment in Capital Assets	17,764,947	18,416,252	27,056,270	63,237,469	891,860
Restricted for Pension	139,275	148,718	104,903	392,896	-
Restricted for Debt Service	-	-	297,778	297,778	-
Unrestricted	4,215,435	13,455,930	23,224,782	40,896,147	1,227,209
Total Net Position	$ 22,119,657	$ 32,020,900	$ 50,683,733	$ 104,824,290	$ 2,119,069
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)				1,124,919	
Net position of business-type activities				$ 105,949,209	

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 Fund Net Position
For the Fiscal Year Ended December 31, 2023

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Operating Revenues					
Charge for Services	$ 1,845,266	$ 3,696,065	$ 5,914,579	$ 11,455,910	$ 781,540
Miscellaneous	-	4,880	114,808	119,688	-
Total Operating Revenues	1,845,266	3,700,945	6,029,387	11,575,598	781,540
Operating Expenses					
Personnel Services	685,994	682,836	541,014	1,909,844	-
Equipment and Supplies	89,782	1,578,568	80,297	1,748,647	54,982
Professional Services	194,701	297,970	181,506	674,177	-
Utilities	6,071	119,583	98,562	224,216	-
Repairs and Maintenance	55,608	379,545	172,652	607,805	-
Taxes	36,966	194,634	146,738	378,338	-
Intergovernmental services	-	-	3,827,868	3,827,868	-
Insurance	30,441	41,168	52,052	123,661	-
Allocated expenses	346,091	477,214	472,693	1,295,998	-
Other	160,531	91,214	168,518	420,263	-
Depreciation/amortization	494,213	943,532	2,064,011	3,501,756	233,755
Total Operating Expenses	2,100,398	4,806,264	7,805,911	14,712,573	288,737
Operating Income (loss)	(255,132)	(1,105,319)	(1,776,524)	(3,136,975)	492,803
Nonoperating Revenues (Expenses)					
Interest Earnings	193,827	590,778	982,059	1,766,664	56,236
State and Federal Grants	31,429	-	-	31,429	-
Insurance recoveries	-	61,552	-	61,552	-
Interest and Fiscal Charges	(569)	(55,558)	(161,773)	(217,900)	-
Gain (loss) on Sale of Capital Assets	-	-	-	-	37,010
Total Nonoperating Revenues (Expenses)	224,687	596,772	820,286	1,641,745	93,246
Income (Loss) before Contributions, Special Items, and Transfers	(30,445)	(508,547)	(956,238)	(1,495,230)	586,049
Capital Contributions	2,539,265	3,290,424	5,608,439	11,438,128	-
Transfers In	-	135,810	214,099	349,909	-
Change in Net Position	2,508,820	2,917,687	4,866,300	10,292,807	586,049
Total Net Position at Beginning of Year	19,610,837	29,103,213	45,817,433		$ 1,533,020
Total Net Position at End of Year	$ 22,119,657	$ 32,020,900	$ 50,683,733		$ 2,119,069

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds	285,201
Changes in net position of business-type activities	$ 10,578,008

The notes of 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, 2023

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:					
Cash received from Customers	$ 1,835,136	$ 3,686,138	$ 6,011,471	$ 11,532,745	$ -
Proceeds from Operating Grants	46,855	-	-	46,855	-
Receipts from vehicle interfund charges	-	-	-	-	637,000
Receipts from technology interfund charges	-	-	-	-	144,540
Cash payments to Suppliers	(408,474)	(2,669,982)	(4,602,934)	(7,681,390)	(52,576)
Cash payments to Employees	(769,202)	(756,866)	(579,689)	(2,105,757)	-
Cash payments for Interfund Services Received	(506,315)	(564,450)	(640,539)	(1,711,304)	-
Net Cash Provided by Operating Activities	198,000	(305,160)	188,309	81,149	728,964
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(387,447)	(137,689)	(585,612)	(1,110,748)	(653,791)
Proceeds from Other Financing (Transfers)		135,810	214,099	349,909	-
Proceeds from Sale of Capital Assets					41,758
Proceeds from Capital Grant	275,869		217,738	493,607	-
Proceeds from Insurance Proceeds		61,552		61,552	-
Principal Paid on Capital Lease	(5,094)	(5,094)	(5,094)	(15,282)	-
Interest Paid on Capital Lease					-
Principal Paid on Current Debt		(192,972)	(332,231)	(525,203)	-
Interest Paid on Revenue Bonds and Other Long Term Debt	(568)	(56,542)	(166,116)	(223,226)	-
Capital Contributed-Paid in cash	83,904	622,829	3,920,598	4,627,331	-
Gain (Loss) from disposal of property		-	-	-	-
Net Cash Provided for Capital and Related Financing Activities	(33,336)	427,894	3,263,382	3,657,941	(612,033)
Cash Flows from Investing Activities:					
Interest on Investments	193,788	590,675	981,585	1,766,048	56,226
Proceeds or Purchase of Investment Securities	(60,420)	(160,476)	(616,668)	(837,564)	(26,808)
Net Cash Used by Investing Activities	133,368	430,199	364,917	928,484	29,418
Net Increase (Decrease) in Cash and Cash Equivalents	298,032	552,933	3,816,608	4,667,573	146,349
Cash and Cash Equivalents at Beginning of Year	3,323,646	10,639,794	16,256,623	30,220,063	938,917
Cash and Cash Equivalents at End of Year	$ 3,621,678	$ 11,192,727	$ 20,073,231	$ 34,887,636	$ 1,085,266

continued on next page

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

CITY OF BATTLE GROUND
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2023

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:					
Net Operating Income (Loss)	$ (255,132)	$ (1,105,319)	$ (1,776,524)	$ (3,136,975)	$ 492,803
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operations:					
Depreciation/amortization Expense	494,213	943,532	2,064,011	3,501,756	233,755
Pension Expense (GASB 68)	(75,526)	(86,335)	(62,525)	(224,386)	-
Accrued Employee Leave	(4,287)	9,000	18,058	22,771	
(Increase) Decrease in Receivables	5,297	(14,807)	(17,916)	(27,426)	-
Increase (Decrease) in Current Payables	5,401	(54,536)	(42,589)	(91,724)	2,406
Increase (Decrease) in Accrued Employee Benefits	(3,395)	3,305	5,794	5,704	-
Receipt of Operating Grant	31,429	-	-	31,429	-
Total Adjustments	453,132	800,159	1,964,833	3,218,124 -	236,161
Net Cash Provided by Operating Activities	$ 198,000	$ (305,160)	$ $ 188,309	$ $ 81,149	$ 728,964
Noncash Investing, Financing and Capital Activities					
Capital Assets Contributed	2,455,361	2,667,595	1,687,841	6,810,797	-
Net Change in Fair Value of Investments	(23,202)	(72,207)	(125,654)	(221,063)	(7,001)
Capital Assets Disposed of at loss	(582)	-	(3,021)	(3,603)	(5,571)

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

City of Battle Ground

Statement of Fiduciary Net Position

Fiduciary Funds

As of December 31, 2023

	Custodial Activities
Assets	
Cash and cash equivalents	$ 34,141
Total Assets	34,141
Liabilities	
Due to other governments	34,033
Total Liabilities	34,033
Net Position	
Restricted for other governments	108
Total Net Position	$ 108

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

City of Battle Ground

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year ended December 31, 2023

	Custodial Activities
Additions	
Court fees collected for other governments	$ 135,934
Gun fees collected for state	9,321
Use tax collected for state	3,028
Leasehold excise tax collected for state	21,828
Total Additions	170,111
Deductions	
Payments of court fees distributed to other governments	135,934
Payments of gun fees to state	9,213
Payments of use tax to state	3,028
Payment of leasehold excise tax to state	21,828
Total Deductions	170,003
Change in net position held for other governments	108
Net Position	
Net position as of January 1	-
Net position as of December 31	$ 108

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES
NOTE 2 RECONCILIATOIN OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
NOTE 3 DEPOSITS AND INVESTMENTS
NOTE 4 CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION
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CITY OF BATTLE GROUND
Notes to Financial Statements
December 31, 2023

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 noncharter code cities with a council-manager form of government. City council is composed of seven elected members with one selected to serve as the mayor. 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 drainage, and sewer utilities.

As required by generally accepted accounting principles, the financial statements present the City of Battle Ground as a primary government. The City does not have any component units.

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. 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 purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not properly included among program revenues are instead reported 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 utility functions 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.

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

The City reports the following major governmental funds:

The ***general*** (or current expense) ***fund*** is the City's operating fund. It accounts for all financial resources of the general government, except those required or elected to be accounted for in another fund. The Parks and Recreation Fund, Insurance Reserve Fund, LEOFF I Reserve Fund, Economic Stabilization Fund, and Fire Impact Fees Fund are included in the general fund for financial reporting purposes.

Street fund accounts for transportation repairs and maintenance. Maintenance includes street repairs, striping, walkways, signals, lighting, and landscaping. Revenue sources are from state motor vehicle fuel taxes and grants.

Capital projects fund account for financial resources used for the acquisition, construction, and preservation of general governmental capital projects. Major sources of revenue are proceeds from general obligation bonds, loans, and capital grants from other agencies.

The City reports the following major enterprise funds:

The ***storm drainage fund*** provides flood management and water quality protection. Activities include construction and maintenance of public drainage systems, erosion control, and environmental public awareness. System development charges (SDC) assessed on new development are expended to build and expand drainage systems. The storm drainage SDC fund is included with the storm drainage fund for financial reporting purposes.

The ***water fund*** accounts for the City's water utility operations. Activities of the municipal water system includes production, treatment, storage, and distribution of domestic water. Utility operations are self-supported through user fees. System development charges (SDC) assessed on new development are expended to build and expand water capacity. The water SDC fund is included in the water fund for financial reporting purposes.

The ***sewer fund*** accounts for the City's sewer utility operations. Sewer operations provide safe and clean collection and disposal of sewage. Utility operations are self-supported through user fees. System development charges (SDC) assessed on new development are expended to build and expand sewer capacity. The sewer SDC fund is included in the sewer fund for financial reporting purposes.

Additionally, the City reports the following fund types:

Debt service fund accounts for and report the resources accumulated and payments made for principal and interest of the general government, except those required to be accounted for in another fund.

Non-major capital project funds account for financial resources used for the preservation of general governmental capital projects. Major sources of revenue are real estate excise tax and impact fees.

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed for expenditures for specified purposes. Special revenue funds include the drug Investigation fund and the lodging tax fund.

Internal service funds account for financial resources used to fund the acquisition and preservation of fleet and information technology equipment provided to other City departments. Because these

services benefit governmental operations more than business-type functions, these funds have been included within governmental activities in the government-wide financial statements.

Fiduciary fund accounts for the financial transactions of the City's court remittances to the Washington State Administrative Office of the Courts and Clark County related to fees collected by the City on their behalf. The city also collects funds for the Washington State Department of Revenue and Department of Licensing; leasehold excise tax on property rentals, use tax on invoices in which sales tax was not charged, and state gun permit fees for concealed weapon licenses. The assets associated with these activities are controlled by the government and not derived from its own source revenues and the City does not have administrative involvement. The amounts collected are due immediately to the State of Washington or Clark County without further action required to be taken.

C. Measurement Focus, Basis of Accounting

1. Government-wide and Governmental Funds

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, due to the nature of the revenues, the City considers Intergovernmental revenues available if they are collected within 90 days of the end of the current fiscal period. For all other revenue classifications, the City considers revenues 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 within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

2. Proprietary Funds

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. 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 nonoperating revenues and expenses.

D. Budgetary information

1. Scope of Budget

The City of Battle Ground prepared an annual budget for 2023 in accordance with the Revised Code of Washington (RCW) Chapter 35A.33. All governmental funds are prepared on a modified accrual basis consistent with generally accepted accounting principles. These budgets are adopted at the fund level and constitute the legal authority for expenditures. Expenditures and other financing uses may not exceed budgeted appropriations at these levels. Any unexpended appropriation balances lapse at the end of the year.

Budgets for debt service and capital project funds are adopted at the level of the individual debt issue or project and for fiscal periods that correspond to the lives of debt issues or projects.

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 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.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the fiscal 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 annual budget.

DI. 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, 2023, the treasurer was holding $78,553,880 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. All amounts held in the Local Government Investment Pool (LGIP) and Clark County Investment Pool (CCIP) are considered to be cash equivalents.

2. Investments - See Note 3

Investments purchased with an original maturity of more than three months are classified as investments. Except for certificates of deposit, investments are reported at fair value on quoted market prices for securities. Change in fair value is reported in the *Statement of Revenues, Expenses and Changes in Net Position* as investment earnings.

State statute (RCW 39.59.040) authorizes investments 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 investment choices. The City's investment policy requires all securities transactions to be conducted on a delivery-versus-payment basis.

3. Receivables – See Note 15
   Taxes receivable consists of property taxes and related interest and penalties (see Note 10). 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.

4. Amounts Due to and from Other Funds, Interfund Loans and Advances Receivable – See Note 5
   Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/payable" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

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

6. Restricted Assets and Liabilities
   These accounts contain resources for construction and debt service in enterprise funds. Restricted assets for business-type activities are $297,778. This specific debt service reserve requirement for the sewer fund is described in Note 8. Restricted cash and investments for governmental activities are $19,653,532 for grant revenues received in advance, opioid settlement, impact fees, drug investigation, and tourist funds. Restricted receivables, $1,237,844, is related to restricted fund activity. Accounts payable from these restricted assets are in the amount of $474,236. Unearned revenue for restricted assets, $5,363,772, is for the American Recovery Plan Act funding.

7. 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 $10,000 ($5,000 for assets acquired with federal financial assistance) 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 capitalized as projects are constructed.

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

Asset Category	Useful Life (years)
Buildings	15-40
Infrastructure	10-40
Intangible Assets	5-20
Utility Improvements	19-50
Public Work Equipment	5-20
Vehicles	5-8
Office and Electronic Equipment	5-10

8. Compensated Absences

Eligible employees earn vacation leave, sick leave, and compensatory time in lieu of overtime. Unless otherwise provided by collective bargaining agreement or contract, vacation accruals are capped at 360 hours. Maximum accrual for sick leave is 960 hours.

If unused, compensation is paid upon termination of employment according to the terms of the applicable collective bargaining agreement, personnel rules and regulations, and the employee's length of service. Vacation leave and compensatory time generally qualify for 100 percent payout. Sick leave is limited to 33 percent payout upon retirement.

All leave is accrued when incurred in the government-wide and proprietary fund financial statements. As of December 31, 2023, the City reported compensated absences of $947,304 in governmental activities and $186,336 in business-type activities.

9. Pensions

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

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

10. Other Post-employment Benefits – See Note 12

Lifetime full medical coverage is provided to uniformed police personnel who became members of the Law Enforcement Officers and Fire Fighters (LEOFF 1) retirement system prior to October 1, 1977. A liability for the accumulated unfunded actuarially required contribution is reported in the *Statement of Net Position*. The actual health care costs are reported as expenditures in the year they are incurred and are paid out of the LEOFF I Fund.

11. Other Accrued Liabilities

These accounts consist of accrued employee wages and benefits and concurrency mitigation.

12. Long-Term Liabilities - 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. Bond issue costs are expensed when 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.

13. Unearned Revenues

This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria have not been met.

14. Customer Deposits

Customer deposits represent facility rental and developer deposits.

15. 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	Unavailable fund balance due to its form and legally or contractually required to remain intact
Restricted	Fund balance is reported as restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
Committed	Fund balance can only be used for specific purposes as determined by formal action of City council. City council is the highest level of decision-making authority and can, by adoption of an ordinance prior to the end of the fiscal year, 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	This classification represents fund balance not included in other categories. The general fund is the only fund which reports a positive unassigned fund balance.

Flow assumption: When an 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.

16. Fund Reserve Goals

The City has financial management guidelines that set reserve goals for selected City funds.

General Fund - City council adopted Resolution 2020-06 which targets an unrestricted fund balance of 90 days of regular general fund operating expenditures. The target level is calculated on the monthly average of total annual budgeted general fund operating expenditures for the ensuing fiscal year. If the fund falls below its minimum level, the City will adjust the budget in subsequent fiscal years to restore the fund balance within three fiscal years.

Economic Stabilization Fund - City council adopted Resolution 2012-08 which created a cumulative reserve fund to maintain resources to provide continuing levels of service when projected revenue collections are not adequate. One-time revenues are placed in the fund and City council determines when to expend funds. This arrangement is disclosed as assigned fund balance in the general fund – *Governmental Funds Balance Sheet.*

17. 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 balance - 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	$	1,291,354
Net pension asset		2,920,552
Deferred outflows related to pensions		2,198,970
Deferred outflows related to OPEB		32,790
Deferred inflows related to pensions		(1,321,443)
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	$	5,122,223

Another element of that reconciliation explains, "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	$	(2,705,000)
Accrued interest payable		(13,542)
Leases payable		(47,617)
SBITA Payable		(28,389)
Total OPEB liability		(1,793,227)
Net pension liability		(471,587)
Compensated absences		(947,304)
Impact fee credits		(250,180)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	$	(6,256,846)

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	$	2,119,069
Less: Internal payable representing charges in excess of cost to business-type activities – prior years		(839,718)
Less: Internal payable representing charges in excess of cost to business-type activities – current year		(285,201)
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	$	994,150

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	$	5,726,454
Initiation of SBITA		114,362
Initiation of Lease		20,659
Depreciation expense		(3,417,267)
Amortization expense		(97,662)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$	2,346,546

Another element of the reconciliation states, "the net effect of various miscellaneous transactions involving capital assets (ie sales, transfers, trade-ins, and donations) is to increase net position." The details of this difference are as follows:

Disposal of capital assets	$	(14,984)
Net adjustment to reduce fund balance – total governmental funds to arrive At changes in net position of governmental activities	$	(14,984)

Another element of that reconciliation states, "revenues in the S*tatement 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	$	6,453,638
Unearned revenue		155,548
Municipal court revenue - unavailable		(9,825)
Tax revenues – unavailable		328,540
Settlement – unavailable		527,507
Local payments -unavailable		6,336
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	7,461,744

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	$	335,000
Governmental loans		100,000
Issuance of lease		(20,659)
Issuance of SBITA		(114,362)
Principal payment on leases		11,689
Principal payment on SBITA		85,973
Net adjustment to increase net changes in fund balance-total governmental funds to arrive at changes in net position of governmental activities	$	397,641

Another element of that reconciliation states, "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	$	(63,811)
Total OPEB liability		(237,159)
Net pension liability		155,213
Net pension asset		(251,667)
Deferred outflow of resources – related to pensions		(25,103)
Deferred inflow of resources – related to pensions		891,011
Deferred outflow of resources – related to OPEB		(1,231)
Accrued interest		4,040
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$	471,293

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 this difference are as follows:

Change in net position of the internal service funds	$	586,049
Less: gain from charges to business-type activities		(285,201)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$	300,848

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 this difference are as follows:

Internal receivable representing charges in excess of cost to business-type activities – prior years	$	839,718
Internal receivable representing charges in excess of cost to business-type activities – current year		285,201
Net adjustment to increase net position – total enterprise funds to arrive at net position – business-type activities	$	1,124,919

NOTE 3 – DEPOSITS AND INVESTMENTS

A reconciliation of cash, cash equivalents, and investments as shown in the government-wide and fund financial statements is as follows:

Cash and Investments - Adj Bank Statements	
Deposits with Financial Institutions	$ 1,752,542
Cash on Hand	4,150
Local Government Investment Pool	65,819,827
Clark County Investment Pool	11,011,501
Fair Value of Securities Held in Safekeeping	8,565,680
	$ 87,153,700

Financial Statements	
Cash and Cash Equivalents	$ 60,526,456
Restricted Cash and Cash Equivalents	18,027,424
Investments	6,641,793
Restricted Investments	1,923,886
Fiduciary Funds	34,141
	$ 87,153,700

	Equivalents, Pooled Investments	Restricted Cash	Restricted Investments
Governmental Funds			
General Fund	$ 24,042,845	$ 5,397,324	$ -
Debt Service Fund	-	-	-
Street Fund	1,935,190	-	
Capital Projects Fund	-	-	
Other Governmental Funds	-	12,332,322	1,923,886
Proprietary Funds			
Storm Drainage	4,182,772	-	-
Water	12,938,832	-	-
Sewer	22,814,039	297,778	-
Internal Service	1,254,571	-	-
Fiduciary Funds	34,141	-	-
	$ 67,202,390	$ 18,027,424	$ 1,923,886
Grand Total Cash and Investments by Statements			$ 87,153,700

State and county investment pools are available for use by all City funds. 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. Investments in the state and county investment pools are classified as cash equivalents on the financial statements. Investments include nonnegotiable certificates of deposit and securities held in safekeeping.

A. Deposits

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the City would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The City's deposits are covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). The Federal Depository Insurance Commission (FDIC) insures deposits up to $250,000 and the Washington Public Deposit Protection Commission (PDPC) insures deposits over $250,000.

B. Investments

Investments are subject to the following risks:

Credit rate risk

While the City does not have a written credit risk policy, the City invests in securities identified as eligible investments by state statutes. 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.

Custodial credit risk

The City's investment policy requires the City to execute custodial agreements with its bank or other custodial agents which are chartered by the United States government or the State of Washington. All investment security transactions are conducted on a delivery-versus-payment (DVP) basis.

A financial institution, designated by the finance director as primary agent to serve as a custodian acting on the City's behalf, holds securities purchased by the City. All transactions are evidenced by safekeeping receipts.

Concentration of credit risk

Safety of the principal is the foremost objective of the City's investment program. All investment 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 percent of the total portfolio may be invested in U.S. treasuries or agencies. The state and local investment pools are not limited.

Interest rate risk

In accordance with its investment policy, the City manages exposure to declines in 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 specifies the maximum maturity for security types. Maturities range from one year for commercial paper up to 10 years for U.S. treasuries.

Issuer	Value	Less than 1 Year	2-5 Years
Local Government Investment Pool	65,819,827	65,819,827	-
Clark County Pool	11,011,501	11,011,501	-
Federal National Mortgage Association	1,961,604	-	1,961,604
Federal Farm Credit Bank	1,924,294	-	1,924,294
Federal National Mortgage Association	1,885,575		1,885,575
Federal Farm Credit Bank	1,880,075	-	1,880,075
Federal Home Loan Bank	914,132	-	914,132
	$ 85,397,008	$ 76,831,328	$ 8,565,680

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

Issuer	Value	Maturity	Average Maturity in Years	% of Portfolio
Local Government Investment Pool	65,819,827	-	0.05	77.1%
Clark County Pool	11,011,501	-	1.10	12.9%
Federal National Mortgage Association	1,961,604	5/17/2024	2.38	2.3%
Federal Farm Credit Bank	1,924,294	11/4/2024	2.84	2.3%
Federal National Mortgage Association	1,885,575	6/17/2025	3.30	2.2%
Federal Farm Credit Bank	1,880,075	11/17/2025	3.88	2.2%
Federal Home Loan Bank	914,132	9/30/2026	4.75	1.1%
	$ 85,397,008			100%
Portfolio weighted average maturity			0.51	

1. Investments Measured at Amortized Cost

Investments Measured at Amortized Cost	City's Own Investments
Local Government Investment Pool	65,819,827
Total Investments Measured at Amortized Cost Cash Equivalents Statement of Net Position	$ 65,819,827

Investments in the Local Government investment Pool (LGIP)

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

Investments in the LGIP, a qualified external investment pool, are reported at amortized costs which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.
As of December 31, 2023, the City held $65,819,827 of investments at amortized cost in the LGIP. Average days to maturity of the LGIP was 17 days.

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

2. Investments Measured at Fair Value

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

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

Investments by Fair Value Level	Fair Value 12/31/2023	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal National Mortgage Association	$ 3,847,179	$ -	$ 3,847,179	$ -
Federal Farm Credit Bank	3,804,369		3,804,369	
Federal Home Loan Bank	914,132		914,132	
Investments by Fair Value Level	$ 8,565,680	$ -	$ 8,565,680	$ -
Investments Not Subject to Catergorization				
Clark County Investment Pool	$ 11,011,501			
Total not subject to categorization	11,011,501			
Total Investments	$ 19,577,181			

Investments in the Clark County Investment Pool (CCIP)

The City is a participant in the Clark County Investment Pool (CCIP), an external investment pool. The City reports its investment in the pool at the fair value amount, which is the same as the value of the pool per share. The responsibility for managing the pool resides with the county treasurer per RCW 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 CCIP does not have a credit rating.

As of December 31, 2023, the City held $11,011,501 of investments at fair value in the CCIP. Weighted average days to maturity of the CCIP was 402 days.

Additional information on the CCIP is at www.clark.wa.gov/treasurer.

Investments with the Federal National Mortgage Association

The City invests with debt securities through US Bank safekeeping. The holds one security with the Federal National Mortgage Association. The Federal National Mortgage Association had a credit rating of AA+ from Standard and Poor as of December 31, 2023.

Investments with the Federal Farm Credit Bank

The City invests with debt securities through US Bank safekeeping. The holds one security with the Federal Farm Credit Bank. The Federal Farm Credit Bank had a credit rating of AA+ from Standard and Poor as of December 31, 2023.

Investments with the Federal Home Loan Bank

The City invests with debt securities through US Bank safekeeping. The holds one security with the Federal Home Loan Bank. The Federal Home Loan had a credit rating of AA+ from Standard and Poor as of December 31, 2023.

NOTE 4 - CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION

A. Capital assets activity for the year ended December 31, 2023 is as follows:

	Beginning Balance 01/01/2023	Increases	Decreases	Ending Balance 12/31/2023
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 15,863,212	$ 152,337		$ 16,015,549
Construction in progress	3,685,107	1,018,521	956,841	3,746,787
Total capital assets, not being depreciated	19,548,319	1,170,858	956,841	19,762,336
Capital assets, being depreciated/depleted:				
Buildings	16,099,779			16,099,779
Machinery & Equipment	3,990,639	797,537	203,971	4,584,205
Infrastructure	102,093,199	11,805,564	7,180	113,891,583
Improvements other than buildings	1,436,225	12,742		1,448,967
Total capital assets being depreciated	123,619,842	12,615,843	211,151	136,024,534
Less accumulated depreciation for:				
Buildings	6,781,745	441,726		7,223,471
Machinery & Equipment	3,193,761	283,920	190,596	3,287,085
Infrastructure	72,240,501	2,853,139		75,093,640
Improvements other than buildings	814,793	72,236		887,029
Total accumulated depreciation	83,030,800	3,651,021	190,596	86,491,225
Total capital assets, being depreciated, net	40,589,042	8,964,822	20,555	49,533,309
Right to use assets, being amortized:				
Intangible Asset - leases	47,202	20,659		67,861
Intangible asset - SBITA	-	114,362		114,362
Total right to use assets being amortized	47,202	135,021	-	182,223
Less accumulated amortization for:				
Right to use assets				
Intangible asset - leases	8,555	11,689		20,244
Intangible asset - SBITA	-	85,973		85,973
Total accumulated amortization	8,555	97,662	-	106,217
Total capital assets, being amortized, net	38,647	37,359	-	76,006
Governmental activities capital assets, net	$ 60,176,008	$ 10,173,039	$ 977,396	$ 69,371,651

	Beginning Balance 01/01/2023	Increases	Decreases	Ending Balance 12/31/2023
Business-type Activities				
Capital assets, not being depreciated				
Land	$ 4,175,420	$ 622,689		$ 4,798,109
Construction in progress	901,975	750,707	3,603	1,649,079
Total capital assets, not being depreciated	5,077,395	1,373,396	3,603	6,447,188
Capital assets, being depreciated/depleted:				
Buildings	1,854,755			1,854,755
Machinery and equipment	900,268	89,134		989,402
Infrastructure	87,562,324	6,529,105		94,091,429
Improvements other than buildings	32,884			32,884
Intangible assets	18,535,576			18,535,576
Total capital assets being depreciated	108,885,807	6,618,239	-	115,504,046
Less accumulated depreciation for:				
Buildings	628,726	46,370		675,096
Machinery and equipment	598,674	92,420		691,094
Infrastructure	34,149,406	2,230,010		36,379,416
Improvements other than buildings	13,153	1,645		14,798
Intangible assets	12,974,903	1,112,129		14,087,032
Total accumulated depreciation	48,364,862	3,482,574	-	51,847,436
Total capital assets, being depreciated, net	60,520,945	3,135,665	-	63,656,610
Right to use assets, being amortized:				
Intangible asset - SBITA	-	63,627		63,627
Total right to use assets being amortized	-	63,627	-	63,627
Less accumulated amortization for:				
Right to use assets				
Intangible asset - SBITA	-	15,281		15,281
Total accumulated amortization	-	15,281	-	15,281
Total capital assets, being amortized, net	-	48,346	-	48,346
Business-type activities capital assets, net	$ 65,598,340	$ 4,557,407	$ 3,603	$ 70,152,144

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

Governmental Activities	
General Government	$ 453,183
Public Safety	214,096
Physical Environment	19,659
Transportation	2,690,905
Culture and Recreation	370,840
Total Depreciation - Governmental Activities	$ 3,748,683

Business-type Activities	
Storm Drainage	$ 494,213
Water	939,628
Sewer	2,064,014
Total Depreciation -Business-Type Activities	$ 3,497,855

A. Intangible asset

The City recognizes its future sewer treatment capacity rights in the Discovery Clean Water Alliance's Salmon Creek Treatment Plant. The City recorded an intangible asset of $18,535,576 upon completion of expansion phases IV of the Salmon Creek Wastewater Treatment Facility for future capacity. See Note 16.

B. Capital Construction Commitments

The City has outstanding contractual commitments, which include construction contracts for capital projects currently in progress. Of the commitments listed, the City has funding for all projects from state and federal grants along with fund balance. The City's total outstanding contract obligations are as follows:

Project	Fund	Project to Date	Remaining Commitment
Governmental type construction projects			
Small Cities ATMS - Camas/Washougal	General	$ 60,522	$ 167,483
Small Cities ATMS - Battle Ground	Capital	$ 14,936	$ 85,112
SR 503 Shared Use Path	Capital	$ 870,097	$ 139,780
SR 503/502 Intersection Improvements	Capital	$ 4,492,734	$ 237,542
Business type construction projects			
EQ Basin Expansion	Sewer	$ 362,610	$ 1,174,058
Total		5,800,899	1,803,975

NOTE 5 – INTERFUND TRANSACTIONS

Interfund transfers are the flow of assets without a reciprocal return of assets, goods or services. These transfers are classified as "other financing sources or uses" in the fund statements. Interfund transfers are used to 1) fund construction and maintenance projects, 2) move certain revenue sources to debt service funds for principal and interest payments, and 3) move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with laws, regulations, or contracts. There were no significant transfers made during the year that do not occur on a routine basis or that are inconsistent with the activities of the fund making the transfer. The interfund transfer activity for the year is as follows:

		Transfers Out				
		General Fund	Special Revenue Funds	Capital Funds	Enterprise Funds	Total Transfers
Transfers In	General Fund	-	5,725	227,215	-	232,940
	Special Revenue Funds	1,500,000	1,996	-	-	1,501,996
	Debt Service Fund	-	-	553,508	-	553,508
	Capital Funds	61,783	251,445	792,645	-	1,105,873
	Enterprise Funds	349,909	-	-	-	349,909
	Internal Service Funds	-	-	-	-	-
	Total	**$ 1,911,692**	**$ 259,166**	**$ 1,573,368**	**$ -**	**$ 3,744,226**

The City uses the General Fund to pay the City's Capital Fund expenditures which are reimbursable by state and federal grants. This is short term in nature and the balances are shown as Due to Other Funds and Due From Other Funds on the fund statements for $392,003.

NOTE 6 – LEASES

A. City as Lessor

At December 31, 2023, the City had five lease receivables in which it is acting as Lessor. During 2023, the City recognized $81,502 in lease principal payments and $6,696 in lease interest revenue.

The Governmental Activities has five leases, four for office space at Battle Ground City Hall, and one for city owned land.

City Hall Office Space (4): Ends: August 30, 2024 (2), September 31, 2024, September 30, 2032 Period Payments: Monthly

Land: Ends: June 30, 2024 Period Payments: Monthly

The City's schedule of future payments included in the measurement of the lease receivable is as follows:

Lease Receivables

	Governmental Activities		
	Principal	Interest	Total Requirements
2024	49,502	4,899	54,401
2025	14,223	4,026	18,249
2026	15,256	3,540	18,796
2027	16,164	3,020	19,184
2028	16,576	2,480	19,056
2029-2032	66,016	4,247	70,263
	$ 177,737	$ 22,212	$ 199,949

City as Lessee

At December 31, 2023, the City has two leases in which it is acting as the Lessee for office equipment. Refer to Note 4, Capital Assets, for information related to the Right to Use assets accounted for through these leases.

The Governmental Activities has two leases for equipment. The lease information is as follows:

Copiers:	Ends: February 3, 2027 June 2, 2028	Period Payments: Monthly

The City's schedule of future payments included in the measurement of the lease payable is as follows:

Lease Payables

	Governmental Activities		
	Principal	Interest	Total Requirements
2024	13,418	552	13,970
2025	13,576	395	13,971
2026	13,736	235	13,971
2027	5,076	96	5,172
2028	1,811	10	1,821
	$ 47,617	$ 1,288	$ 48,905

NOTE 7 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

At January 1, 2023, the City used its SBITA policy to evaluate financial agreements that are potential SBITAs. At December 31, 2023, the City has two SBITA liabilities for its human resources software and public works asset management software. The human resource software agreement is for a noncancellable term of 1 year with auto renewals of the same duration until the City gives notice to cancel 30 days before the end of the period. The City has assumed it will exercise two options to renew in the calculation of the liability. The public works asset management software is for a noncancellable term of five years at which point the agreement becomes mutually cancellable thereby the initial 5 years is what was used in the calculation of the liability. The City's schedule of future payments included in the measurement of the SBITA payables is as follows:

SBITA Payables

Governmental Activities

	Principal	Interest	Total Requirements
2024	11,284	764	12,048
2025	11,590	460	12,050
2026	5,515	148	5,663
	$ 28,389	$ 1,372	$ 29,761

Business Type Activities

	Principal	Interest	Total Requirements
2024	15,691	1,297	16,988
2025	16,111	876	16,987
2026	16,544	444	16,988
	$ 48,346	$ 2,617	$ 50,963

Total outflows related to variable payments not included in the SBITA liability were $0 during the fiscal year.

NOTE 8 – LONG-TERM LIABILITIES

A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. 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 City council, and financed from general revenues.

The City had $2,705,000 in outstanding direct placement general obligation bonds (non-voted) as of December 31, 2023. The full faith, credit, and resources of the City are pledged for the annual levy and collection of taxes and the prompt payment of the interest and principle of all the direct placement obligation bonds as they become due.

Name of Issue	Governmental Purpose	Amount Issued	Issue Date	Maturity Date	Interest Rate	Outstanding 12/31/2023
2010B LTGO Bonds	Road Improvements	4,280,000	12/8/2010	12/1/2030	6.25%-7.0%	2,705,000
Total LTGO Bonds		$ 4,280,000				$ 2,705,000

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

Direct Placement LTGO - Governmental Activities			
	Principal	Interest	Total Requirements
2024	345,000	184,063	529,063
2025	360,000	162,500	522,500
2026	370,000	140,000	510,000
2027	385,000	114,100	499,100
2028	400,000	87,150	487,150
2029-2030	845,000	89,250	934,250
	$ 2,705,000	$ 777,063	$ 3,482,063

B. Revenue Bonds

Water and/or sewer revenue bonds are issued to finance capital projects. Revenue bonds are created by ordinance and adopted by the City council. The City pledges income derived from the acquired or constructed assets to pay debt service.

Restricted assets in the sewer fund contain an amount equal to the sum of one annual installment of the bond as required by bond indenture. The Sewer Revenue bonds are revenue-secured by the net revenues from the sewer facilities.

In addition to being secured by the full faith and credit obligation of the City, the Water Revenue bonds are also revenue-secured by the revenue from the sanitary sewer disposal system, reduced by the costs of maintenance and operation. Should default occur the Water Revenue bonds will incur an increase in interest of three percentage points. Prepayment of the bonds is in accordance with the specified schedule in the bond agreement.

Direct placement Revenue bonds outstanding at year-end are as follows:

Name of Issue	Purpose	Amount Issued	Issue Date	Maturity Date	Interest Rate	Outstanding 12/31/2023
2012 Revenue Bonds	Sewer Facility	6,909,000	1/25/2012	1/25/2052	3.00%	5,267,418
2015 Revenue Bonds	Water Meters	2,774,409	5/7/2015	5/7/2030	3.26%	1,598,912
		$ 9,683,409				$ 6,866,330

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

Direct Placement - 2012 Sewer Revenue Bonds			
	Principal	Total Interest	Requirements
2024	140,804	156,974	297,778
2025	145,059	152,719	297,778
2026	149,444	148,334	297,778
2027	153,961	143,817	297,778
2028	158,614	139,164	297,778
2029-2033	867,947	620,943	1,488,890
2034-2038	1,007,288	481,602	1,488,890
2039-2043	1,168,999	319,891	1,488,890
2044-2048	1,356,672	132,218	1,488,890
2049-2050	118,630	1,779	120,409
	$ 5,267,418	$ 2,297,441	$ 7,564,859

Direct Placement - 2015 Water Revenue Bonds			
	Principal	Total Interest	Requirements
2024	206,153	49,649	255,802
2025	220,077	42,761	262,838
2026	234,656	35,410	270,066
2027	249,916	27,576	277,492
2028	265,888	19,235	285,123
2029-2030	422,222	12,130	434,352
	$ 1,598,912	$ 186,761	$ 1,785,673

C. Arbitrage

The 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. As of December 31, 2023, the City has no arbitrage rebate liability.

D. Changes in Long-Term Liabilities

Long-term liability activity of the City for the year ended December 31, 2023 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	$ 3,040,000	$ -	$ (335,000)	$ 2,705,000	$ 345,000
Total bonds payable	3,040,000	-	(335,000)	2,705,000	345,000
Government loan	100,000	-	(100,000)	-	-
Leases	38,647	20,659	(11,689)	47,617	13,418
SBITA's payable	-	114,362	(85,973)	28,389	11,284
Compensated absences	883,493	605,240	(541,428)	947,305	249,285
Total OPEB Liability	1,556,068	237,159	-	1,793,227	68,042
Net Pension Liability	626,800	-	(155,213)	471,587	-
Long-term liabilities	$ 6,245,008	$ 977,420	$ (1,229,303)	$ 5,993,125	$ 687,029
Business-type Activities					
SBITA's payable	-	63,627	(15,281)	48,346	15,691
Revenue bonds	7,391,543	-	(525,214)	6,866,329	346,956
Compensated absences	163,566	115,284	(92,514)	186,336	30,774
Net Pension Liability	147,505	22,173	-	169,678	-
Asset Retirement Obligation	195,522	6,452	-	201,974	-
Long-term liabilities	$ 7,898,136	$ 207,536	$ (633,009)	$ 7,472,663	$ 393,421

For governmental activities, compensated absences, net pension liability, and other post-employment benefit (OPEB) liability are liquidated by operating funds, such as the General Fund and Street Fund.

NOTE 9 – RISK MANAGEMENT

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 169 members. In the past three years, any settlements have not exceeded insurance coverage.

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, with a $1,000 auto deductible and $5,000 property deductible. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are $4 million per occurrence in the self-insured layer, and $16 million in limits above the self-insured layer is provided by reinsurance. Total limits are $20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

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

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

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

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

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

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

NOTE 10 – 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 becomes an enforceable lien against properties
February 14	Tax bills are mailed
April 30	First of two equal installment payments is due
May 31	Assessed value of property established for next year's levy at 100 percent of market value
October 31	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 taxes is established because delinquent taxes are considered fully collectible.

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 2023 collections was $1.07 per $1,000 on an assessed valuation of $3,682,560,108 for a total regular levy of $3,925,556.

NOTE 11 – PENSION PLANS

A. Employee Retirement Systems and Pension Plan

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

Aggregate Pension Amounts – All Plans	
Pension liabilities	$ 641,265
Pension assets	3,313,448
Deferred outflows of resources	2,517,598
Deferred inflows of resources	1,536,514
Pension expense/expenditures	(207,425)

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 annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan.

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

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: Plan 1, Plan 2/3 and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although employees can be a member of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as 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. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living adjustment (COLA). PERS 1 members

were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 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 fiscal year 2023 were as follows:

PERS Plan 1		
Actual Contribution Rates:	**Employer**	**Employee**
January – June 2023		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Total	**10.39%**	**6.00%**
July – August 2023		
PERS Plan 1	6.36%	6.00%
Plan 1 UAAL	2.85%	
Administrative Fee	0.18%	
Total	**9.39%**	**6.00%**
September – December 2023		
PERS Plan 1	6.36%	6.00%
Plan 1 UAAL	2.97%	
Administrative Fee	.20%	
Total	**9.53%**	**6.00%**

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

Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

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

Contributions

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

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

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

PERS Plan 2/3		
Actual Contribution Rates:	**Employer 2/3**	**Employee 2**
January – June 2023		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	**10.39%**	**6.36%**
July – August 2023		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	2.85%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
Total	**9.39%**	**6.36%**
September – December 2023		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	2.97%	
Administrative Fee	.20%	
Employee PERS Plan 3		varies
Total	**9.53%**	**6.36%**

The City's actual PERS plan contributions were $183,610 to PERS Plan 1 and $344,943 to PERS Plan 2/3 for the year ended December 31, 2023.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)
LEOFF was established in 1970, and its retirement benefit provisions are contained in Chapter 41.26 RCW. LEOFF membership includes all of the state's full-time, fully compensated, local law enforcement commissioned officers, fire fighters and, as of July 24, 2005, emergency medical technicians.

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

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

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest-paid consecutive 24 months' within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include a COLA. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions
Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute 0%, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2023. Employers paid only the administrative expense of 0.20% of covered payroll.
LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the FAS per year of service (the FAS is based on the highest-paid consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50 – 52, the reduction is 3% for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include a COLA (based on the CPI), capped at 3% annually. LEOFF 2 members are vested after the completion of five years of eligible service.

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

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

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

LEOFF Plan 2		
Actual Contribution Rates	**Employer**	**Employee**
January – August 2023		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
Total	**5.30%**	**8.53%**
Ports and Universities	8.53%	8.53%
Administrative Fee	0.18%	
Total	**8.71%**	**8.53%**
September – December 2023		
State and local governments	5.12%	8.53%
Administrative Fee	.20%	
Total	**5.32%**	**8.53%**
Ports and Universities	8.53%	8.53%
Administrative Fee	.20%	
	8.73%	**8.53%**

The City's actual contributions to the plan were $158,451 for the year ended December 31, 2023.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Office of the State Actuary and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2023, the state contributed $87,966,142 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is $155,672.

Actuarial Assumptions

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

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

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases**: In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by promotions and longevity.

- **Investment rate of return:** 7.00%

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

The actuarial results reflect the following changes in assumptions and methods since the last valuation:

Method changes

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

Discount Rate

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

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

Long-Term Expected Rate of Return

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

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the table below. The inflation component used to create the table is 2.20 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.50%
Tangible Assets	7%	4.70%
Real Estate	18%	5.40%
Global Equity	32%	5.90%
Private Equity	23%	8.90%
	100%	

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate.

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
PERS 1	895,896	641,265	419,032
PERS 2/3	1,614,975	(1,484,871)	(4,031,590)
LEOFF 1	(154,563)	(174,312)	(191,437)
LEOFF 2	273,902	(1,654,265)	(3,232,304)

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, 2023, the City reported its proportionate share of the net pension liabilities (assets) as follows:

Plan	Liability or Asset
PERS 1	641,265
PERS 2/3	(1,484,871)
LEOFF 1	(174,312)
LEOFF 2	(1,654,265)

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

	LEOFF 1 Asset	LEOFF 2 Asset
LEOFF - employer's proportionate share	(174,312)	(1,654,265)

LEOFF - State's proportionate share of the net pension asset associated with the employer	(1,179,042)	(1,056,397)
Total	(1,353,354)	(2,710,662)

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

	Proportionate Share 6/30/22	Proportionate Share 6/30/23	Change in Proportion
PERS 1	0.02781%	0.02809%	0.00028%
PERS 2/3	0.03627%	0.03623%	-0.00004%
LEOFF 1	0.00573%	0.00587%	0.00014%
LEOFF 2	0.07061%	0.06897%	-0.00164%

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

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2023. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12% percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88% percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data. In fiscal year 2023, the state of Washington contributed 39% of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61% of employer contributions.

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

Pension Expense

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

	Pension Expense
PERS 1	3,946
PERS 2/3	(172,890)
LEOFF 1	(18,856)
LEOFF 2	(19,625)
Total	(207,425)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2023, 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	$ -	$ (72,337)
Contributions subsequent to the measurement date	80,323	-
Total	$ 80,323	$ (72,337)

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 302,467	$ (16,591)
Net difference between projected and actual investment earnings on pension plan investments	-	(559,589)
Changes of assumptions	623,400	(135,877)
Changes in proportion and differences between contributions and proportionate share of contributions	23,680	(28,429)
Contributions subsequent to the measurement date	174,317	-
Total	$ 1,123,864	$ (740,486)

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	$ -	$ (11,558)
Total	$ -	$ (11,558)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 675,720	$ (13,610)
Net difference between projected and actual investment earnings on pension plan investments	-	(350,039)
Changes of assumptions	422,576	(135,885)
Changes in proportion and differences between contributions and proportionate share of contributions	133,168	(212,600)
Contributions subsequent to the measurement date	81,946	-
Total	$ 1,313,410	$ (712,134)

TOTAL ALL PLANS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 978,187	$ (30,201)
Net difference between projected and actual investment earnings on pension plan investments	-	(993,523)
Changes of assumptions	1,045,976	(271,762)
Changes in proportion and differences between contributions and proportionate share of contributions	156,848	(241,029)
Contributions subsequent to the measurement date	336,586	-
Total	$ 2,517,597	$ (1,536,515)

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, 2024. 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	PERS 2/3	LEOFF 1	LEOFF 2
2024	$ (49,215)	$ (268,214)	$ (7,925)	$ (145,648)
2025	(61,894)	(328,386)	(9,945)	(202,175)
2026	38,163	462,531	6,169	295,926
2027	609	171,085	143	101,947
2028	-	165,236	-	111,721
Thereafter	-	6,809	-	357,559

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS

The following table represents the aggregate other postemployment benefits other than pension amounts for the City's single employer plan for the year 2023:

OPEB Liabilities	$ 1,793,227
Deferred Outflows of Resources – OPEB	32,790
OPEB expense/expenditures	290,193

Plan Description

The City administers a single-employer Other Post Employment Benefit plan, which provides all health insurance benefits for retired public safety employees who are vested in LEOFF I. All City LEOFF I employees may become eligible for these benefits if they reach normal retirement age while working for the City. The City has used the alternative measurement method.

There are three participants eligible to receive these benefits. There are currently no members actively employed at the City who are not yet receiving LEOFF I medical benefits. The benefits are 100 percent provided by the City in order to meet state statutory requirements under the LEOFF I system and provided pursuant to RCW 41.20 and 41.26, whereby the City pays their medical and dental premiums and out-of-pocket medical costs for life. This plan is closed to new entrants.

At December 31, 2023, the following retirees were covered by the benefit terms:

Active employees	0
Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefit payments	0
Total	3

Contributions

The City has authority to establish and amend contribution requirements. The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust. For the year ending December 31, 2023, benefit payments made by the City were $45,360.

Actuarial Assumptions

The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about retirement ages, mortality and the healthcare cost trend. The actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The City's total OPEB liability of $1,793,227 was measured as of June 30, 2023 with a valuation date of June 30, 2023. The alternative method was used to calculate the liability instead of an actuarial valuation. The Entry Age actuarial cost method and the recognized immediately amortization method were used in this calculation. There are no assets in this plan, therefore, no asset valuation method was used.

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement period, unless otherwise specified, at June 30, 2023:

Discount rate – Beginning of Measurement year	3.54%
Discount Rate – End of Measurement Year	3.65%
Healthcare Trend Rates	Initial rate ranges from about 2-8.6%, reaching an ultimate rate of approximately 3.8% in 2090
Inflation Rate	2.75%
Post-Retirement Participation Percentage	100%

The source of the discount rate is the Bond Buyer General Obligation 20- Bond Municipal Index.

Mortality rates were based on the PubS. H-2010 healthy and disabled tables. The Society of Actuaries publishes this document. The Washington State Actuary applied offsets to the base table and recognized future improvements in mortality by projections using RPEC MP-2017 long-term rates. A negative one-year age setback was applied for healthy individuals; no age offset was applied for disabled participants. 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.

Other assumptions are as follows:

- It was assumed all remaining active members will retire immediately following the measurement date.
- Each cohort is assumed to be 100% male.
- All retired participants are assumed to be covered by Medicare.
-

All other non-healthcare economic and demographic assumptions are consistent with those presented in the 2020 LEOFF 1 OPEB actuarial valuation report.

Sensitivity of the Total OPEB Liability

An analysis was performed of the impact of changing the Healthcare Trend and Discount rate assumptions by 100 basis points. The following tables present the total OPEB liability of the City at December 31, 2023, adjusted for that assumption change.

Health Care Trend Rate Sensitivity		
1% Decrease	Current Health Care Trend Rate	1% Increase
$ 1,604,654	$ 1,793,227	$ 2,012,528

Discount Rate Sensitivity		
1% Decrease	Current Discount Rate	1% Increase
$ 2,026,179	$ 1,793,227	$ 1,597,555

Changes in the Total OPEB Liability

At the measurement date June 30, 2022, the changes in the total OPEB liability are as follows:

Service cost	$ -
Interest Cost	54,154
Changes in assumptions	236,039
Benefit payments	(53,034)
Net change in total OPEB liability	237,159
Total OPEB liability - beginning	1,556,068
Total OPEB Liability - ending	$ 1,793,227

The City reported $290,193 as OPEB expense for the calendar year 2023.

At December 31, 2023, the City reported deferred outflows of resources only for deferred outflows subsequent to the measurement date in the amount of $32,790. This will be recognized as reduction of the OPEB liability in the period ending December 31, 2024.

NOTE 13 – 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, 2023, 264 cities/towns/non-City entities participate in the AWC Trust HCP.

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

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

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

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2022, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an individual stop loss (ISL) of $1.5 million through Commencement Bay Risk Management, and Kaiser ISL at $1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

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

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

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

Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

NOTE 14 – 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 15 - 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, non-major governmental funds and internal service funds in the aggregate:

Receivables	General	Streets	Capital Projects	Nonmajor Governmental	Internal Service Funds	Total Governmental Activities
Accounts	35,123	-	-	-	1,000	36,123
Property taxes	62,638	-	-	-	-	62,638
Sales taxes	1,143,155	116,093	-	-	-	1,259,248
Interest	781	235	-	1,732	153	2,901
Motor Vehicle Fuel Tax	-	61,324	-	-	-	61,324
Other taxes	677,550	-	-	11,115	-	688,665
Municipal court	109,376	-	-	-	-	109,376
State shared revenue	46,762	-	-	-	-	46,762
State and Federal grants	839,714	-	814,432	-	-	1,654,146
Leases	175,641	2,096	-	-	-	177,737
	$ 3,090,740	$ 179,748	$ 814,432	$ 12,847	$ 1,153	$ 4,098,920

NOTE 16 – JOINT VENTURE AND JOINTLY GOVERNED ORGANIZATIONS

Joint Venture

Discovery Clean Water Alliance

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 and was fully operational as of January 1, 2015. The Alliance is governed by a Board of Directors (Board) comprised of one elected official appointed from each of the participating members.

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 $3,827,868 in 2023.

The Alliance has a separate audit and financial information about the Alliance is on their website at www.discoverycwa.org.

Jointly Governed Organization

Clark Regional Emergency Services Agency (CRESA)

In 1975, CRESA was originally created by agreement under the Interlocal Cooperation Act (RCW 39.34) between the City of Battle Ground, Clark County, and various other cities and political districts. CRESA provides regional 911 dispatch services, a regional 800 MHz and conventional radio system and services, and regional emergency management services in all incorporated and unincorporated areas of Clark County. In prior years, the City did not report an equity interest in CRESA as a joint venture since the City's measurable equity interest was not readily determinable.

On October 24, 2017, the Clark County Council approved an Ordinance and Charter establishing CRESA as a Public Development Authority (PDA) under RCW 35.21.730. Bylaws were approved by the CRESA administrative board and revised agreements with founding public agencies and customers were drafted. The City of Battle Ground Council approved this revised agreement for services on January 16, 2018. The administrative board is comprised of nine members appointed by the entities receiving services. The City paid CRESA service charges of $206,792 in 2023.

Financial statements for CRESA can be obtained from CRESA, 710 W. 13th Street, Vancouver, Washington 98660.

NOTE 17 - ASSET RETIREMENT OBLIGATION

An Asset Retirement Obligation (ARO) is a legally enforceable liability associated with the retirement of a tangible capital asset that has a substantial cost to a government. An ARO is recognized when the liability is incurred and reasonably estimable. Incurrence of a liability requires both an internal obligating event and an external obligating event resulting from normal operations. An internal obligating event includes acquiring or placing a capital asset into operation. An external obligating event requires federal, state, or local laws or regulations, a binding contract, or issuance of a court judgment requiring specific actions to retire an asset.

The City owns, operates, and maintains 9 wells with an average useful life remaining of 40 year that the City currently does not foresee decommissioning into the foreseeable future. However, in the unlikely event that the City were to decommission these wells there are specific decommissioning requirements within the Washington Administrative code (WAC) 173-160-381. The City obtained estimates to support these potential decommissioning costs and has a liability at December 31, 2023, of $201,974 and a Deferred Outflow of $137,865. This liability was increased by 3.3%, the December 2023 construction cost increase from the 2022 liability amount. The obligation will be paid from operating income; no assets have been set aside to fund this obligation.

NOTE 18 – OTHER ASSET

The City has entered into an agreement with the Clark Public Utilities (CPU) that will enable CPU to provide additional water supply. The City has agreed to pay CPU an aid to construction charge in the amount of $592,064 for work associated with certain improvements. This payment made by the City will be treated as payments in lieu of the City's future System Development Charges (SDCs) for increased meter capacity. The opportunity to use these in lieu payments for the SDCs on the intertie will expire on January 1, 2030.

NOTE 19 – TAX ABATEMENT

Multifamily Tax Exemption Program

Washington State RCW 84.14 and Battle Ground Municipal Code Chapter 3.45 allow for multiple-family residential building property tax exemptions. The program's purpose is to increase residential opportunities, including affordable housing, in designated urban centers. The City may grant abatements up to eight years for newly constructed or rehabbed residential units, depending on eligibility and City Council approval.

Program eligibility includes:

- Eight-year exemption for projects with 10% of units affordable to households whose monthly housing costs, including utilities, do not exceed 30% of the household's monthly income at the 80% adjusted median income (AMI) level as determined annual by HUD for Clark County with an approved contract with council.

Property owners have three years from the agreement date to obtain an occupancy permit and Certificate of Tax Exemption. Exemptions begin January 1 of the year following the issuance of the Final Certificate of Tax Exemption. The new residential improvements are not added to the tax rolls until the exemption expires. Land and other non-residential improvements remain subject to property taxes.

As of December 31, 2023, the City has entered into one developer agreement for a multi-family housing complex. This project is still in the planning stages, and no tax abatement has occurred as of the date of this report.

NOTE 20 – UNEARNED REVENUE

Developer Credits

Impact fees and system development charges (SDC) are levied at the time of permit issuance. The developer may be entitled to a nonrefundable credit against the applicable fee component for the fair market value of appropriate dedications of land, new construction, or system improvements. If the amount of the calculated credit is greater than the amount of the fee or charge due, the developer may apply the excess credit toward impact fees or SDC assessed on other developments within the same service area. Impact fee credits are disclosed as a governmental activity and SDC credits as business-type activities in the government-wide financial statements.

Impact Fee Credits	At 1/1/23	Additions	Applied	At 12/31/23
Traffic Impact Fees	$382,877	$210,195	$(365,744)	$ 227,329
Park Impact Fees	22,851	-	-	22,851
	$405,728	$210,195	$(365,744)	$ 250,180

System Development Charge Credits	At 1/1/23	Additions	Applied	At 12/31/23
Water SDC credits	$ 932	$ -	$ -	932
Sewer SDC credits	45,160	-	(45,160)	0
	$ 46,092	$ -	$ (45,160)	$ 932

Grant Revenue

The City has received $5,938,247 for the American Rescue Plan Act of 2021 to date. This federal appropriation was given to state and local governments to offset the long term impacts of the COVID-19 pandemic. As of December 31, 2023 the City has expended $574,475 of these funds leaving $5,363,772 in unexpended grant funds. This grant award was given to the City in advance of expending the funds on allowable costs. These funds are reported as restricted assets, see note 1.

NOTE 21 – ACCOUNTING AND REPORTING CHANGES

GASB Statements

For the fiscal year ended December 31, 2023, the City implemented the following GASB pronouncements:

GASB 96, *Subscription-Based Information Technology Arrangements (SBITAs).* This statement requires recognition of certain subscription assets and liabilities for arrangements that previously were classified as operating expense and recognized as outflows of resources based on the payment provisions of the contract. It establishes a single model for SBITA accounting based on the foundational principle that SBITAs are financings of the rights to use an underlying information technology software asset.

As a result of implementing this GASB, the City has recorded the intangible, right to use, SBITA asset of $177,989 and SBITA liability of $177,989, with respective accumulated amortization and reduction of SBITA liability in fiscal year 2023 of $101,254 and $101,254. In addition, $4,797 was recorded as interest expense reflected within the Statement of Revenues, Expenses, and Changes in Net Position.

SBITA Liability and Right to Use Asset

SBITA liabilities consist of amounts recorded in compliance with GASB 96, *Subscription-Based Information Technology Arrangements (SBITAs).* The City has recorded the SBITA liability and associated intangible, right to use, SBITA asset.

At the commencement of a subscription-based information technology arrangement, the City initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the implementation date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized using the effective interest method over the same useful lives as the SBITA term.

Governmental funds recognize a capital outlay and other financing source at the commencement of a new SBITA. SBITA payments in governmental funds are reported as debt service principal and debt service interest expenditures. See note 7.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BATTLE GROUND
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS LEOFF I OPEB
LAST SIX CALENDAR YEARS
Total OPEB liability

	Interest	Changes of assumptions or other inputs	Benefit payments	Net change in total OPEB liability	Total OPEB liability beginning	Total OPEB liability ending	Covered employee payroll	Total OPEB liability as a percentage of covered employee payroll
2023	$ 54,154	$ 236,039	$ (53,034)	$ 237,159	$ 1,556,068	$ 1,793,227	$ 0	N/A
2022	43,343	(457,110)	(73,194)	(486,961)	2,043,029	1,556,068	0	N/A
2021	43,680	50,501	(54,936)	39,245	2,003,784	2,043,029	0	N/A
2020	55,229	395,359	(49,134)	401,454	1,602,330	2,003,784	0	N/A
2019	65,858	(138,511)	(53,022)	(125,675)	1,728,005	1,602,330	0	N/A
2018	63,170	(69,684)	(59,467)	(65,981)	1,793,986	1,728,005	0	N/A

Notes to schedule

1. Changes of assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.58%	2022	3.54%
2018	3.87%	2023	3.65%
2019	3.50%		
2020	2.21%		
2021	2.16%		

2. The City implemented GASB 75 in 2018, therefore no data is presented before then. Eventually, ten years of data will be presented.

3. All participants in the plan are retired; therefore, there is no covered payroll or service cost.

4. There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground

Schedule of Proportionate Share of the Net Pension Liability (Asset)

PERS 1

As of June 30

Last Ten Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.028092%	$ 641,265	$ 5,041,197	12.72%	80.16%
2022	0.027809%	774,305	4,539,723	17.06%	76.56%
2021	0.028403%	346,867	4,555,972	7.61%	88.74%
2020	0.026675%	941,772	3,883,769	24.25%	68.64%
2019	0.027849%	1,070,893	3,904,329	27.43%	67.12%
2018	0.029068%	1,298,187	3,883,356	33.43%	63.22%
2017	0.028947%	1,373,558	3,656,273	37.57%	61.24%
2016	0.028463%	1,528,597	3,693,562	41.39%	57.03%
2015	0.029242%	1,529,629	3,351,697	45.64%	59.10%
2014	0.028952%	1,458,471	3,191,502	45.70%	61.19%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground

Schedule of Proportionate Share of the Net Pension Liability (Asset)

PERS 2/3

As of June 30

Last Ten Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.036228%	$ (1,484,871)	$ 5,041,197	-29.45%	107.02%
2022	0.036265%	(1,344,989)	4,539,723	-29.63%	106.73%
2021	0.036488%	(3,634,792)	4,555,972	-79.78%	120.29%
2020	0.034735%	444,241	3,883,769	11.44%	97.22%
2019	0.035960%	349,294	3,904,329	8.95%	97.77%
2018	0.037318%	637,172	3,883,356	16.41%	95.77%
2017	0.037233%	1,293,669	3,656,273	35.38%	90.97%
2016	0.036471%	1,836,286	3,693,562	49.72%	85.82%
2015	0.037773%	1,349,651	3,351,697	40.27%	89.20%
2014	0.037276%	753,483	3,191,502	23.61%	93.29%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground
Schedule of Proportionate Share of the Net Pension Liability (Asset)
LEOFF 1
As of June 30
Last Ten Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	State's proportionate share of the net pension liability (asset) associated with the employer	TOTAL	Covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.005873%	$ (174,312)	$ (1,179,042)	$ (1,353,354)	N/A	N/A	175.99%
2022	0.005732%	(164,429)	(1,112,193)	$ (1,276,622)	N/A	N/A	169.62%
2021	0.005579%	(191,112)	(1,292,678)	(1,483,790)	N/A	N/A	187.45%
2020	0.005444%	(102,810)	(695,404)	(798,214)	N/A	N/A	146.88%
2019	0.005327%	(105,294)	(712,206)	(817,500)	N/A	N/A	148.78%
2018	0.005234%	(95,023)	(642,736)	(737,759)	N/A	N/A	144.42%
2017	0.005180%	(78,592)	(531,594)	(610,186)	N/A	N/A	135.96%
2016	0.005107%	(52,617)	(355,898)	(408,515)	N/A	N/A	123.74%
2015	0.005052%	(60,888)	(411,845)	(472,733)	N/A	N/A	127.36%
2014	0.005011%	(60,773)	(411,067)	(471,840)	N/A	N/A	126.91%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground
Schedule of Proportionate Share of the Net Pension Liability
LEOFF 2
As of June 30
Last Ten Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	State's proportionate share of the net pension liability (asset) associated with the employer	TOTAL	Covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.068968%	$ (1,654,265)	$ (1,056,397)	$ (2,710,662)	$ 2,966,264	-55.77%	113.17%
2022	0.070612%	(1,919,021)	(1,243,100)	(3,162,121)	2,791,632	-68.74%	116.09%
2021	0.063264%	(3,674,635)	(2,370,541)	(6,045,176)	2,439,355	-150.64%	142.00%
2020	0.061507%	(1,254,653)	(802,256)	(2,056,909)	2,275,632	-55.13%	115.83%
2019	0.068791%	(1,593,676)	(1,043,644)	(2,637,320)	2,366,778	-67.34%	119.43%
2018	0.069907%	(1,419,264)	(919,416)	(2,338,680)	2,326,869	-60.99%	118.50%
2017	0.067405%	(935,363)	(606,753)	(1,542,116)	2,109,925	-44.33%	113.36%
2016	0.068973%	(401,168)	(261,532)	(662,700)	2,255,979	-17.78%	106.04%
2015	0.072053%	(740,561)	(489,682)	(1,230,243)	2,091,273	-35.41%	111.67%
2014	0.070077%	(929,952)	(607,276)	(1,537,228)	1,950,149	-47.69%	116.75%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground

Schedule of Employer Contributions
PERS 1
As of December 31
Last Ten Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2023	$ 183,610	$ (183,610)	$ -	$ 5,423,618	3.39%
2022	175,770	(175,770)	-	4,678,704	3.76%
2021	191,467	(191,467)	-	4,459,857	4.29%
2020	203,306	(203,306)	-	4,237,877	4.80%
2019	194,124	(194,124)	-	3,925,573	4.95%
2018	198,244	(198,244)	-	3,915,896	5.06%
2017	184,536	(184,536)	-	3,764,693	4.90%
2016	168,403	(168,403)	-	3,530,474	4.77%
2015	148,282	(148,282)	-	3,382,133	4.38%
2014	132,646	(132,646)	-	3,288,709	4.03%

City of Battle Ground

Schedule of Employer Contributions
PERS 2/3
As of December 31
Last Ten Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2023	$ 344,943	$ (344,943)	$ -	$ 5,423,618	6.36%
2022	297,566	(297,566)	-	4,678,704	6.36%
2021	318,620	(318,620)	-	4,459,857	7.14%
2020	335,641	(335,641)	-	4,237,877	7.92%
2019	303,049	(303,049)	-	3,925,573	7.72%
2018	293,681	(293,681)	-	3,915,896	7.50%
2017	258,577	(258,577)	-	3,764,693	6.87%
2016	219,948	(219,948)	-	3,530,474	6.23%
2015	190,375	(190,375)	-	3,382,133	5.63%
2014	164,325	(164,325)	-	3,288,709	5.00%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground

Schedule of Employer Contributions
LEOFF 2
As of December 31
Last Ten Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2023	$ 158,451	$ (158,451)	$ -	$ 3,021,068	5.24%
2022	153,000	(153,000)	-	2,907,388	5.26%
2021	135,928	(135,928)	-	2,599,558	5.23%
2020	118,396	(118,396)	-	2,276,264	5.20%
2019	124,743	(124,743)	-	2,347,732	5.31%
2018	125,335	(125,335)	-	2,387,329	5.25%
2017	113,887	(113,887)	-	2,207,554	5.16%
2016	106,584	(106,584)	-	2,110,577	5.05%
2015	104,689	(104,689)	-	2,073,049	5.05%
2014	103,449	(103,449)	-	2,048,503	5.05%

City of Battle Ground

Notes to Required Supplemental Information - Pension

As of December 31
Last Ten Fiscal Years

Note1: Significant Factors

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 2: Covered payroll

Covered payroll has been presented in accordance with GASB 82, *Pension Issues.* Covered payroll includes all payroll on which a contribution is based.

Note 3: Contribution rates

Rates in effect during the periods covered by the Required Supplemental Information are below:

PERS 1

From this Date	Through this Date	Rate	
9/1/2013	6/30/2015	9.21%	
7/1/2015	6/30/2017	11.18%	
7/1/2017	8/31/2018	12.70%	
9/1/2018	6/30/2019	12.83%	
7/1/2019	8/31/2020	12.86%	
9/1/2020	6/30/2021	12.97%	
7/1/2021	8/31/2022	10.25%	
9/1/2022	6/30/2023	10.39%	
7/1/2023	8/31/2023	9.39%	
9/1/2023	current	9.53%	*

* Employer contribution rate includes an administrative expense rate of 0.20%

PERS 2/3

From this Date	Through this Date	Rate
9/1/2013	6/30/2015	9.21%
7/1/2015	6/30/2017	11.18%
7/1/2017	8/31/2018	12.70%
9/1/2018	6/30/2019	12.83%
7/1/2019	8/31/2020	12.86%
9/1/2020	6/30/2021	12.97%
7/1/2021	8/31/2022	10.25%
9/1/2022	6/30/2023	10.39%
7/1/2023	8/31/2023	9.39%

9/1/2023	current	9.53%	*

* Employer contribution rate includes an administrative expense rate of 0.20%

LEOFF 1

From this Date	Through this Date	Employer Rate	
7/1/2008	8/31/2013	0.16%	
9/1/2013	8/31/2023	0.18%	
9/1/2023	current	0.20%	*

* Employer contribution rate includes an administrative expense rate of 0.20%

LEOFF 2

From this	Through	Employer	
9/1/2013	6/30/2017	5.23%	
7/1/2017	6/30/2019	5.43%	
7/1/2019	6/30/2021	5.33%	
7/1/2021	8/31/2023	5.30%	
9/1/2023	current	5.32%	*

* Employer contribution rate includes an administrative expense rate of 0.20%

Effective July 1, 2021, LEOFF employers must pay an additional 3.41% to pick up the state contributions on basis salary paid for services rendered to non-LEOFF employers.

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Governmental Funds

Special Revenue Funds

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

Lodging Tax Reserve Fund – accounts for receipts from a hotel/motel tax used for promotion of tourism in the city

Capital Project 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.

Debt Service Fund

The Debt Service Fund accounts 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, 2023

	Combined Special Revenue Funds	Combined Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Cash and Cash Equivalents	$ 296,961	$ 12,035,361	$ -	$ 12,332,322
Investments	46,327	1,877,559	-	1,923,886
Accounts Receivable	11,115	-	-	11,115
Interest Receivable	41	1,691	-	1,732
Total Assets	354,444	13,914,611	-	14,269,055
Liabilities				
Accounts Payable	52,279	-	-	52,279
Total Liabilities	52,279	-	-	52,279
Fund Balances				
Restricted for:				
Capital	-	13,914,611	-	13,914,611
Drug Investigation	45,016	-	-	45,016
Tourist Promotion	257,149	-	-	257,149
Total Fund Balances	302,165	13,914,611	-	14,216,776
Total Liabilities and Fund Balance	$ 354,444	$ 13,914,611	$ -	$ 14,269,055

CITY OF BATTLE GROUND
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended December 31, 2023

	Combined Special Revenue Funds	Combined Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues				
Other Taxes	$ 78,761	1,389,736	$ -	$ 1,468,497
Intergovernmental	85	-	-	85
Charges for Services	-	1,874,711	-	1,874,711
Interest Earnings	15,658	617,074	-	632,732
Contributions/Donations	-	-	86,992	86,992
Total Revenues	94,504	3,881,521	86,992	4,063,017
Expenditures				
Current:				
Security/Persons and Property	286	-	-	286
Economic Environment	104,352	-	-	104,352
Debt Service				
Principal Retirement	-	-	435,000	435,000
Interest/Fiscal Charges	-	-	205,500	205,500
Total Expenditures	104,638	-	640,500	745,138
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,134)	3,881,521	(553,508)	3,317,879
Other Financing Sources (Uses)				
Transfers In	-	66,769	553,508	620,277
Transfers Out	(7,721)	(1,503,210)	-	(1,510,931)
Total Other Financing Sources and Uses	(7,721)	(1,436,441)	553,508	(890,654)
Net Change in Fund Balance	(17,855)	2,445,080	-	2,427,225
Fund Balance at Beginning of Year	320,020	11,469,531	-	11,789,551
Fund Balance at End of Year	$ 302,165	$ 13,914,611	$ -	$ 14,216,776

CITY OF BATTLE GROUND
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2023

	Drug Investigation Fund	Lodging Tax Reserve	Total Nonmajor Special Revenue Funds
Assets			
Cash and Cash Equivalents	$ 38,937	$ 258,024	$ 296,961
Investments	6,074	40,253	46,327
Accounts Receivable (net)	-	11,115	11,115
Interest Receivable	5	36	41
Total Assets	45,016	309,428	354,444
Liabilities			
Accounts Payable	-	52,279	52,279
Total Liabilities	-	52,279	52,279
Fund Balances			
Restricted for:			
Drug Investigation	45,016	-	45,016
Tourist Promotion	-	257,149	257,149
Total Fund Balances	45,016	257,149	302,165
Total Liabilities and Fund Balances	45,016	$ 309,428	$ 354,444

CITY OF BATTLE GROUND

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and

Changes in Fund Balance

For the Fiscal Year Ended December 31, 2023

	Drug Investigation Reserve	Lodging Tax Reserve	Total Nonmajor Special Revenue Funds
Revenues			
Other Taxes	$ -	$ 78,761	$ 78,761
Intergovernmental	85		85
Interest Earnings	2,103	13,555	15,658
Total Revenues	2,188	92,316	94,504
Expenditures			
Current:			
Security/Persons and Property	286	-	286
Economic Environment	-	104,352	104,352
Total Expenditures	286	104,352	104,638
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,902	(12,036)	(10,134)
Other Financing Sources (Uses)			
Transfers Out	-	(7,721)	(7,721)
Total Other Financing Sources (Uses)	-	(7,721)	(7,721)
Net Change in Fund Balance	1,902	(19,757)	(17,855)
Fund Balance at Beginning of Year	43,114	$ 276,906	$ 320,020
Fund Balance at End of Year	45,016	$ 257,149	$ 302,165

CITY OF BATTLE GROUND
Nonmajor Capital Project Funds
Combining Balance Sheet
December 31, 2023

	Transportation Impact Fees	Park Impact Fee	Real Estate Excise Tax	Total Nonmajor Capital Projects Funds
Assets				
Cash and Cash Equivalents	3,247,828	1,944,583	6,842,950	$ 12,035,361
Investments	506,673	303,362	1,067,524	1,877,559
Interest Receivable	456	273	962	1,691
Total Assets	3,754,957	2,248,218	7,911,436	13,914,611
Liabilities				
Total Liabilities	-	-	-	-
Fund Balances				
Restricted for:				
Capital	3,754,957	2,248,218	7,911,436	13,914,611
Total Fund Balances	3,754,957	2,248,218	7,911,436	13,914,611
Total Liabilities and Fund Balances	$ 3,754,957	$ 2,248,218	$ 7,911,436	$ 13,914,611

CITY OF BATTLE GROUND

Nonmajor Capital Project Funds

Combining Statement of Revenues, Expenditures and

Changes in Fund Balance

For the Fiscal Year Ended December 31, 2023

	Transportation Impact Fees	Park Impact Fee	Real Estate Excise Tax	Total Nonmajor Capital Project Funds
Revenues				
Other Taxes	$ -	$ -	$ 1,389,736	$ 1,389,736
Charges for Services	790,131	1,084,580	-	1,874,711
Interest Earnings	195,179	91,034	330,861	617,074
Total Revenues	985,310	1,175,614	1,720,597	3,881,521
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	985,310	1,175,614	1,720,597	3,881,521
Other Financing Sources (Uses)				
Transfers In	66,769	-	-	66,769
Transfers Out	(1,142,077)	(279,338)	(81,795)	(1,503,210)
Total Other Financing Sources (Uses)	(1,075,308)	(279,338)	(81,795)	(1,436,441)
Net Change in Fund Balance	(89,998)	896,276	1,638,802	2,445,080
Fund Balance at Beginning of Year	3,844,956	1,351,941	6,272,634	11,469,531
Fund Balance at End of Year	$ 3,754,958	$ 2,248,217	$ 7,911,436	$ 13,914,611

CITY OF BATTLE GROUND
Drug Investigation Reserve
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2023

	Budget Amounts		Actual Year-To-Date Thru 12/31/23	Variance Thru 12/31/23
	Original 2023	Final 2023		
Revenues				
Intergovernmental	$ 5,500	5,500	85	$ (5,415)
Interest Earnings	707	707	2,103	1,396
Total Revenues	6,207	6,207	2,188	(4,019)
Expenditures				
Current:				
Security/Persons and Property	6,000	6,000	286	5,714
Total Expenditures	6,000	6,000	286	5,714
Excess (Deficiency) of Revenues Over (under) Expenditures	207	207	1,902	1,695
Other Financing Sources (Uses):				
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	207	207	1,902	1,695
Fund Balance at Beginning of Year	48,983	$ 48,983	$ 43,114	$ (5,869)
Fund Balance at End of Year	$ 49,190	$ 49,190	$ 45,016	$ (4,174)

CITY OF BATTLE GROUND
Lodging Tax Reserve
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2023

	Budget Amounts			
	Original 2023	Final 2023	Actual Year-To-Date Thru 12/31/23	Variance Thru 12/31/23
Revenues				
Other Taxes	$ 65,000	65,000	78,761	$ 13,761
Interest Earnings	3,018	3,018	13,555	10,537
Total Revenues	68,018	68,018	92,316	24,298
Expenditures				
Economic Environment	116,126	116,126	104,351	11,775
Total Expenditures	116,126	116,126	104,351	11,775
Excess (Deficiency) of Revenues Over (under) Expenditures	(48,108)	(48,108)	(12,035)	36,073
Other Financing Sources (Uses)				
Transfers Out	-	-	(7,721)	(7,721)
Total Other Financing Sources and Uses	-	-	(7,721)	(7,721)
Net Change in Fund Balance	(48,108)	(48,108)	(19,756)	28,352
Fund Balance at Beginning of Year	202,025	$ 202,025	$ 276,906	$ 74,881
Fund Balance at End of Year	$ 153,917	$ 153,917	$ 257,150	$ 103,233

CITY OF BATTLE GROUND
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2023

	Budget Amounts			
	Original 2023	Final 2023	Actual Year-To-Date Thru 12/31/23	Variance Thru 12/31/23
Revenues				
Intergovernmental	$ 9,853,178	10,073,178	4,673,849	$ (5,399,329)
Interest Earnings	-	-		-
Total Revenues	9,853,178	10,073,178	4,673,849	(5,399,329)
Expenditures				
Capitalized Expenditures	12,883,100	13,343,100	5,644,862	7,698,238
Total Expenditures	12,883,100	13,343,100	5,644,862	7,698,238
Excess (Deficiency) of Revenues Over (under) Expenditures	(3,029,922)	(3,269,922)	(971,013)	2,298,909
Other Financing Sources (Uses)				
Transfers In	3,029,922	3,269,922	1,039,104	(2,230,818)
Transfers Out	-	-	(70,158)	(70,158)
Total Other Financing Sources and Uses	3,029,922	3,269,922	968,946	(2,300,976)
Net Change in Fund Balance	-	-	(2,067)	(2,067)
Fund Balance at Beginning of Year	-	$ -	$ 471	$ 471
Fund Balance at End of Year	$ -	$ -	$ (1,596)	$ (1,596)

CITY OF BATTLE GROUND
Transportation Impact Fees Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2023

	Budget Amounts			
	Original 2023	Final 2023	Actual Year-To-Date Thru 12/31/23	Variance Thru 12/31/23
Revenues				
Charges for Services	$ 864,886	$ 864,886	$ 790,131	$ (74,755)
Interest Earnings	20,000	20,000	195,179	175,179
Total Revenues	884,886	884,886	985,310	100,424
Expenditures				
Current:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	884,886	884,886	985,310	100,424
Other Financing Sources (Uses):				
Transfers In			66,769	66,769
Transfers Out	(1,358,250)	(1,578,250)	(1,142,078)	436,172
Total Other Financing Sources and Uses	(1,358,250)	(1,578,250)	(1,075,309)	502,941
Net Change in Fund Balance	(473,364)	(693,364)	(89,999)	603,365
Fund Balance at Beginning of Year	2,571,563	$ 2,571,563	$ 3,844,956	$ 1,273,393
Fund Balance at End of Year	$ 2,098,199	$ 1,878,199	$ 3,754,957	$ 1,876,758

CITY OF BATTLE GROUND
Park Impact Fee
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2023

	Budget Amounts			
	Original 2023	Final 2023	Actual Year-To-Date Thru 12/31/23	Variance Thru 12/31/23
Revenues				
Charges for Services	$ 807,440	807,440	1,084,580	$ 277,140
Interest Earnings	2,040	2,040	91,034	88,994
Total Revenues	809,480	809,480	1,175,614	366,134
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	809,480	809,480	1,175,614	366,134
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	(863,200)	(863,200)	(279,338)	583,862
Total Other Financing Sources and Uses	(863,200)	(863,200)	(279,338)	583,862
Net Change in Fund Balance	(53,720)	(53,720)	896,276	949,996
Fund Balance at Beginning of Year	507,667	$ 507,667	$ 1,351,941	$ 844,274
Fund Balance at End of Year	$ 453,947	$ 453,947	$ 2,248,217	$ 1,794,270

CITY OF BATTLE GROUND

Real Estate Excise Tax

Schedule of Revenues, Expenditures and Changes in Fund Balance

Compared to Budget (GAAP Basis) and Actual

For the Fiscal Year Ended December 31, 2023

	Budget Amounts			
	Original 2023	Final 2023	Actual Year-To-Date Thru 12/31/23	Variance Thru 12/31/23
Revenues				
Other Taxes	$ 800,000	800,000	1,389,736	$ 589,736
Interest Earnings	15,366	15,366	330,861	315,495
Total Revenues	815,366	815,366	1,720,597	905,231
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	815,366	815,366	1,720,597	905,231
Other Financing Sources (Uses)				
Transfers Out	(325,000)	(325,000)	(81,795)	243,205
Total Other Financing Sources and Uses	(325,000)	(325,000)	(81,795)	243,205
Net Change in Fund Balance	490,366	490,366	1,638,802	1,148,436
Fund Balance at Beginning of Year	4,682,419	$ 4,682,419	$ 6,272,634	$ 1,590,215
Fund Balance at End of Year	$ 5,172,785	$ 5,172,785	$ 7,911,436	$ 2,738,651

CITY OF BATTLE GROUND
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2023

	Budget Amounts			
	Original 2023	Final 2023	Actual Year-To-Date Thru 12/31/23	Variance Thru 12/31/23
Revenues				
Contributions/Donations	$ 92,250	92,250	86,992	$ (5,258)
Total Revenues	92,250	92,250	86,992	(5,258)
Expenditures				
Debt service:				
Principal Retirement	435,000	435,000	435,000	-
Interest/Fiscal Charges	205,500	205,500	205,500	-
Total Expenditures	640,500	640,500	640,500	-
Excess (Deficiency) of Revenues Over (under) Expenditures	(548,250)	(548,250)	(553,508)	(5,258)
Other Financing Sources (Uses)				
Transfers In	548,250	548,250	553,508	5,258
Total Other Financing Sources and Uses	548,250	548,250	553,508	5,258
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	$ -	$ -	$ -	$ -

CITY OF BATTLE GROUND
Parks Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2023

	Budget Amounts			
	Original 2023	Final 2023	Actual Year-To-Date Thru 12/31/23	Variance Thru 12/31/23
Revenues				
Charges for Services	10,754	10,754	12,988	2,234
Interest Earnings	3,508	3,508	53,965	50,457
Rents and Royalties	137,026	137,026	275,479	138,453
Contributions/Donations	6,500	6,500	15,443	8,943
Miscellaneous	162	162	3,155	2,993
Total Revenues	157,950	157,950	361,030	203,080
Expenditures				
Current:				
Culture and Recreation	2,006,405	2,006,405	1,414,759	591,646
Capitalized Expenditures				
Culture and Recreation	15,000	15,000	1,572	13,428
Total Expenditures	2,021,405	2,021,405	1,416,331	605,074
Excess (Deficiency) of Revenues Over (under) Expenditures	(1,863,455)	(1,863,455)	(1,055,301)	808,154
Other Financing Sources (Uses)				
Insurance Recoveries			1,350	1,350
Sale of Capital Assets			5,700	5,700
Transfers In	1,944,000	1,944,000	1,543,826	(400,174)
Total Other Financing Sources and Uses	1,944,000	1,944,000	1,550,876	(393,124)
Net Change in Fund Balance	80,545	80,545	495,575	415,030
Fund Balance at Beginning of Year	$ 525,465	$ 525,465	$ 878,108	$ 352,643
Fund Balance at End of Year	$ 606,010	$ 606,010	$ 1,373,683	$ 767,673

CITY OF BATTLE GROUND
Insurance Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2023

	Budget Amounts			
	Original 2023	Final 2023	Actual Year-To-Date Thru 12/31/23	Variance Thru 12/31/23
Revenues				
Interest Earnings	$ 275	$ 275	$ 6,222	$ 5,947
Total Revenues	275	275	6,222	5,947
Expenditures				
Current:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	275	275	6,222	5,947
Other Financing Sources (Uses)				
Insurance recoveries	-	-	10,888	10,888
Total Other Financing Sources and Uses	-	-	10,888	10,888
Net Change in Fund Balance	275	275	17,110	16,835
Fund Balance at Beginning of Year	51,970	$ 51,970	$ 139,542	$ 87,572
Fund Balance at End of Year	$ 52,245	$ 52,245	$ 156,652	$ 104,407

CITY OF BATTLE GROUND
LEOFF I Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2023

	Budget Amounts			
	Original 2023	Final 2023	Actual Year-To-Date Thru 12/31/23	Variance Thru 12/31/23
Revenues				
Interest Earnings	$ 1,415	1,415	14,102	$ 12,687
Total Revenues	1,415	1,415	14,102	12,687
Expenditures				
Current:				
General Government	105,000	105,000	45,360	59,640
Total Expenditures	105,000	105,000	45,360	59,640
Excess (Deficiency) of Revenues Over (under) Expenditures	(103,585)	(103,585)	(31,258)	72,327
Other Financing Sources (Uses)				
Transfers In	105,000	105,000	105,000	-
Total Other Financing Sources and Uses	105,000	105,000	105,000	-
Net Change in Fund Balance	1,415	1,415	73,742	72,327
Fund Balance at Beginning of Year	141,328	$ 141,328	$ 253,513	$ 112,185
Fund Balance at End of Year	$ 142,743	$ 142,743	$ 327,255	$ 184,512

CITY OF BATTLE GROUND
Economic Stabilization Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2023

	Budget Amounts			
	Original 2023	Final 2023	Actual Year-To-Date Thru 12/31/23	Variance Thru 12/31/23
Revenues				
Interest Earnings	$ 1,074	1,074	17,474	$ 16,400
Total Revenues	1,074	1,074	17,474	16,400
Expenditures				
Current:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	1,074	1,074	17,474	16,400
Other Financing Sources (Uses)				
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	1,074	1,074	17,474	16,400
Fund Balance at Beginning of Year	361,499	$ 361,499	$ 356,908	$ (4,591)
Fund Balance at End of Year	$ 362,573	$ 362,573	$ 374,382	$ 11,809

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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, 2023

	Vehicle Rental and Replacement	Technology Rental and Replacement	Total Internal Service Funds
Assets			
Cash and Cash Equivalents	$ 666,129	$ 419,137	$ 1,085,266
Investments	103,918	65,387	169,305
Receivables			
Interest Receivable	94	59	153
Miscelleneous	1,000	-	1,000
Total Current Assets	771,141	484,583	1,255,724
Noncurrent Assets			
Property, Plant and Equipment (Net)	856,065	35,795	891,860
Total Noncurrent Assets	856,065	35,795	891,860
Total Assets	1,627,206	520,378	2,147,584
Liabilities			
Current Liabilities			
Accounts Payable	25,636	2,879	28,515
Total Current Liabilities	25,636	2,879	28,515
Total Liabilities	25,636	2,879	28,515
Net Position			
Net Investment in Capital Assets	856,065	35,795	891,860
Unrestricted	745,505	481,704	1,227,209
Total Net Position	$ 1,601,570	$ 517,499	$ 2,119,069

CITY OF BATTLE GROUND
Internal Service Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Net Position
For the fiscal year ended December 31, 2023

	Vehicle Rental and Replacement	Technology Rental and Replacement	Total Internal Service Funds
Operating Revenues			
Charge for Services			
Vehicle Rental	$ 637,000	$ -	$ 637,000
Technology Rental	-	144,540	144,540
Total Operating Revenues	637,000	144,540	781,540
Operating Expenses			
Equipment and Supplies	-	54,982	54,982
Depreciation	214,096	19,659	233,755
Total Operating Expenses	214,096	74,641	288,737
Operating Income (loss)	422,904	69,899	492,803
Nonoperating Revenues (Expenses)			
Interest Earnings	35,029	21,207	56,236
Interest and Fiscal Charges	-	-	-
Gain/Loss on Sale of Capital Assets	37,010	-	37,010
Total Nonoperating Revenues (Expenses)	72,039	21,207	93,246
Income (Loss) before Contributions, Special Items, and Transfers	494,943	91,106	586,049
Increase (Decrease) in Net Position	494,943	91,106	586,049
Total Net Position at Beginning of Year	1,106,627	426,393	1,533,020
Total Net Position at End of Year	$ 1,601,570	$ 517,499	$ 2,119,069

CITY OF BATTLE GROUND
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended December 31, 2023

	Vehicle Rental and Replacement	Technology Rental and Replacement	Total Internal Service Funds
Cash Flows from Operating Activities			
Receipts from interfund charges for vehicle rental services	$ 637,000	$ -	$ 637,000
Receipts from interfund charges for technology rental services	-	144,540	144,540
Proceeds from Operating Grants	-	-	-
Cash payments to Suppliers	-	(52,576)	(52,576)
Net Cash Provided by Operating Activities	637,000	91,964	728,964
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(622,224)	(31,567)	(653,791)
Proceeds from Other Financing (Transfers)	-	-	-
Proceeds from sale of capital assets	41,758	-	41,758
Proceeds from capital lease			-
Principal paid on capital lease		-	-
Interest Paid on capital lease		-	-
Net Cash Provided for Capital and Related Financing Activities	(580,466)	(31,567)	(612,033)
Cash Flows from Investing Activities			
Interest on Investments	35,019	21,207	56,226
Sale (purchase) of Investment Securities	(14,513)	(12,295)	(26,808)
Proceeds from Sale and Maturities of Investment Securities			-
Net Cash Used by Investing Activities	20,506	8,912	29,418
Net Increase (Decrease) in Cash and Cash Equivalents	77,040	69,309	146,349
Cash and Cash Equivalents at Beginning of Year	589,089	349,828	938,917
Cash and Cash Equivalents at End of Year	$ 666,129	$ 419,137	$ 1,085,266
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Net Operating Income (Loss)	$ 422,904	$ 69,899	$ 492,803
Adjustments to reconcile net operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation Expense	214,096	19,659	233,755
(Increase) Decrease in Receivables			-
Increase (Decrease) in Current Payables	-	2,406	2,406
	214,096	22,065	236,161
Net Cash Provided by Operating Activities	$ 637,000	$ 91,964	$ 728,964
	-	-	-
	-	-	
Noncash Investing, Financing and Capital Activities			
Capital Assets disposal (loss)	(5,571)	-	(5,571)
Net Change in Fair Value of Investments	(4,297)	(2,704)	(7,001)

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Battle Ground's *Annual Comprehensive 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 sources.

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
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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 he 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.

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
Schedule 3 – Fund Balances, Governmental Funds
Schedule 4 – Changes in Fund Balance, Governmental Fund

CITY OF BATTLE GROUND

Schedule 1

Net Position by Component

Last Ten Fiscal Years

(accural basis of accounting)

	2014	2015	2016	2017	2018
Governmental Activities					
Net investment in capital assets	$ 40,834,702	$ 40,356,369	$ 39,534,273	$ 44,439,495	$ 47,192,935
Restricted for:					
Capital	3,996,454	4,303,975	5,488,961	5,544,003	6,673,924
Pension	-	-	453,785	1,013,955	1,166,990
Drug Investigation	61,756	63,090	60,291	68,921	55,388
Tourist Promotion	130,359	144,631	153,483	174,624	209,490
Public Safety	-	-	-	-	-
Unrestricted	2,513,942	1,661,667	2,295,387	3,039,376	2,992,465
Total governmental activities net position	$ 47,537,213	$ 46,529,732	$ 47,986,180	$ 54,280,374	$ 58,291,192
Business-type Activities					
Net investment in capital assets	$ 44,773,066	$ 50,545,433	$ 48,777,185	$ 50,173,640	$ 50,237,762
Restricted	298,336	299,804	301,875	297,778	297,778
Unrestricted	13,179,807	15,158,274	17,866,082	19,891,869	22,677,534
Total business-type activities net position	$ 58,251,209	$ 66,003,511	$ 66,945,142	$ 70,363,287	$ 73,213,074
Primary Government					
Net investment in capital assets	$ 85,607,768	$ 90,901,802	$ 88,311,458	$ 94,613,135	$ 97,430,697
Restricted for:					
Capital	3,996,454	4,303,975	5,488,961	5,544,003	6,673,924
Pension	-	-	453,785	1,013,955	1,166,990
Debt	298,336	299,804	301,875	297,778	297,778
Drug Investigation	61,756	63,090	60,291	68,921	55,388
Tourist Promotion	130,359	144,631	153,483	174,624	209,490
Public Safety	-	-	-	-	-
Unrestricted	15,693,749	16,819,941	20,161,469	22,931,245	25,669,999
Total primary government net position	$ 105,788,422	$ 112,533,243	$ 114,931,322	$ 124,643,661	$ 131,504,266

Continued on next page

CITY OF BATTLE GROUND

Schedule 1

Net Position by Component

Last Ten Fiscal Years

(accural basis of accounting)

	2019	2020	2021	2022	2023
Governmental Activities					
Net investment in capital assets	$ 47,156,748	$ 48,276,704	$ 53,834,490	$ 56,997,362	$ 66,590,645
Restricted for:					
Capital	8,087,231	8,399,399	8,822,634	11,470,002	13,914,611
Pension	1,344,153	1,484,124	6,799,504	3,172,219	2,920,552
Drug Investigation	61,378	45,289	44,403	43,114	45,016
Tourist Promotion	245,768	269,325	292,988	276,906	257,149
Public Safety	-	497,815	-	297,717	836,592
Unrestricted	5,326,561	6,700,552	7,676,048	17,480,113	23,559,736
Total governmental activities net position	$ 62,221,839	$ 65,673,208	$ 77,470,067	$ 89,737,433	$ 108,124,301
Business-type Activities					
Net investment in capital assets	$ 52,295,554	$ 52,425,451	$ 56,104,281	$ 58,206,799	$ 63,237,469
Restricted	297,778	297,778	998,813	553,998	690,674
Unrestricted	24,696,312	27,343,734	31,926,353	36,610,404	42,021,066
Total business-type activities net position	$ 77,289,644	$ 80,066,963	$ 89,029,447	$ 95,371,201	$ 105,949,209
Primary Government					
Net investment in capital assets	$ 99,452,302	$ 100,702,155	$ 109,938,771	$ 115,204,161	$ 129,828,114
Restricted for:					
Capital	8,087,231	8,399,399	8,822,634	11,470,002	13,914,611
Pension	1,344,153	1,484,124	7,500,539	3,428,439	3,313,448
Debt	297,778	297,778	297,778	297,778	297,778
Drug Investigation	61,378	45,289	44,403	43,114	45,016
Tourist Promotion	245,768	269,325	292,988	276,906	257,149
Public Safety	-	497,815	-	297,717	836,592
Unrestricted	30,022,873	34,044,286	39,602,401	54,090,517	65,580,802
Total primary government net position	$ 139,511,483	$ 145,740,171	$ 166,499,514	$ 185,108,634	$ 214,073,510

CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2014	2015	2016	2017	2018
Expenses					
Governmental activities					
General government	$ 1,835,205	$ 1,955,510	$ 1,884,953	$ 1,818,329	$ 1,994,437
Judicial	518,954	587,230	569,422	730,455	602,107
Public Safety	3,995,788	4,014,769	4,303,774	6,766,840	7,305,827
Physical Environment	2,038,449	2,332,297	2,325,492	457,270	477,150
Transportation	2,452,138	2,959,111	2,871,534	3,279,449	3,291,877
Economic Environment	797,619	838,813	849,069	941,778	996,604
Culture and Recreation	1,022,673	866,175	1,027,123	1,049,993	1,042,660
Interest on long-term debt	523,450	504,353	477,416	460,347	430,418
Total governmental activities expenses	$ 13,184,276	$ 14,058,258	$ 14,308,783	$ 15,504,461	$ 16,141,080
Business-type activities					
Storm Drainage	$ 1,062,553	$ 1,013,546	$ 1,158,748	$ 1,380,733	$ 1,332,675
Water	2,103,010	2,524,181	2,691,560	2,914,232	2,985,843
Sewer	4,077,452	5,639,263	5,181,762	5,686,127	8,557,894
Total business-type activities expenses	7,243,015	9,176,990	9,032,070	9,981,092	12,876,412
Total primary government expenses	$ 20,427,291	$ 23,235,248	$ 23,340,853	$ 25,485,553	$ 29,017,492
Program Revenues					
Governmental activities					
Charge for services					
General Government	$ 223,657	$ 268,480	$ 387,984	$ 342,546	$ 283,560
Judicial	466,472	447,779	446,311	195,861	169,059
Economic Environment	1,182,655	1,887,302	2,520,101	2,167,138	2,367,537
Other activities	201,268	331,963	201,667	327,140	532,277
Operating grants and contributions	742,824	891,157	1,104,258	1,062,301	1,134,990
Capital grant and contributions	1,129,275	1,409,148	528,232	6,339,352	4,849,346
Total government activities program revenues	$ 3,946,151	$ 5,235,829	$ 5,188,553	$ 10,434,338	$ 9,336,769
Business-type activities					
Storm Drainage	$ 883,677	$ 865,854	$ 1,035,170	$ 1,205,307	$ 1,386,111
Water	2,223,658	2,390,158	2,503,684	2,728,712	2,884,377
Sewer	3,148,635	3,238,712	3,565,701	3,831,541	4,303,363
Operating grants and contributions					50,000
Capital grants and contributions	2,205,630	3,821,962	2,598,683	5,330,573	6,614,179
Total business-type activities program revenues	8,461,600	10,316,686	9,703,238	13,096,133	15,238,030
Total primary government program revenues	$ 12,407,751	$ 15,552,515	$ 14,891,791	$ 23,530,471	$ 24,574,799

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CITY OF BATTLE GROUND
Schedule 2
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2019	2020	2021	2022	2023
Expenses					
Governmental activities					
General government	$ 2,567,566	$ 2,335,730	$ 2,206,627	$ 2,450,571	$ 2,763,706
Judicial	246,734	571,181	665,347	673,424	860,630
Public Safety	7,531,825	8,558,547	4,010,312	5,258,294	5,954,634
Physical Environment	452,297	419,875	401,717	583,333	483,629
Transportation	3,566,592	3,197,724	4,309,325	4,635,628	5,433,648
Economic Environment	2,304,417	2,237,387	3,945,702	3,306,249	3,819,490
Culture and Recreation	899,601	875,202	912,321	1,137,528	1,544,414
Interest on long-term debt	400,222	352,877	258,751	224,865	205,009
Total governmental activities expenses	$ 17,969,254	$ 18,548,523	$ 16,710,102	$ 18,269,892	$ 21,065,160
Business-type activities					
Storm Drainage	$ 1,409,906	$ 1,420,125	$ 1,675,682	$ 1,915,524	$ 2,100,967
Water	2,919,154	3,376,589	3,760,859	4,166,567	4,861,822
Sewer	6,595,763	6,637,207	6,848,172	7,066,784	7,967,684
Total business-type activities expenses	10,924,823	11,433,921	12,284,713	13,148,875	14,930,473
Total primary government expenses	$ 28,894,077	$ 29,982,444	$ 28,994,815	$ 31,418,767	$ 35,995,633
Program Revenues					
Governmental activities					
Charge for services					
General Government	$ 378,297	$ 114,900	$ 163,248	$ 156,746	$ 161,476
Judicial	203,925	199,382	292,829	368,831	404,652
Economic Environment	4,776,072	4,257,368	6,968,109	6,575,446	6,703,729
Other activities	531,596	619,971	349,430	666,996	605,665
Operating grants and contributions	1,130,484	1,693,611	1,058,494	1,322,960	1,987,677
Capital grant and contributions	2,090,113	3,072,574	4,637,149	5,864,679	11,705,809
Total government activities program revenues	$ 9,110,487	$ 9,957,806	$ 13,469,259	$ 14,955,658	$ 21,569,008
Business-type activities					
Storm Drainage	$ 1,556,134	$ 1,601,371	$ 1,661,080	$ 1,732,666	$ 1,845,266
Water	2,862,375	2,855,522	3,227,474	3,425,814	3,700,945
Sewer	4,715,056	4,764,471	5,085,271	5,621,768	6,029,387
Operating grants and contributions	-	127,332	17,395	101,616	31,429
Capital grants and contributions	5,105,880	4,393,652	10,936,910	8,149,527	11,438,128
Total business-type activities program revenues	14,239,445	13,742,348	20,928,130	19,031,391	23,045,155
Total primary government program revenues	$ 23,349,932	$ 23,700,154	$ 34,397,389	$ 33,987,049	$ 44,614,163

CITY OF BATTLE GROUND
Schedule 2
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018
Net(Expenses)Revenue					
Government activities	(9,238,125)	(8,822,429)	(9,120,230)	(5,070,123)	(6,804,311)
Business activities	1,218,585	1,139,696	671,168	3,115,041	2,361,618
Total primary government net expense	(8,019,540)	(7,682,733)	(8,449,062)	(1,955,082)	(4,442,693)
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	2,601,477	2,752,356	2,816,320	2,902,251	3,049,456
Sales and use taxes	2,214,953	2,553,298	2,949,812	3,521,944	3,723,445
Business and occupation taxes	3,050,051	3,196,511	3,313,960	3,187,273	3,357,670
Excise taxes	625,117	690,792	978,371	1,187,266	1,077,298
Unrestricted grants and contributions	262,642	297,154	360,532	347,317	362,403
Investment earnings	57,522	50,427	72,726	98,941	209,631
Miscellaneous	204,787	92,392	82,457	106,116	91,735
Gain on sale of capital assets	-	-	2,500	13,207	4,680
Insurance recoveries	-	-	-		
Special Item					
Transfers	-	-	-		
Total governmental activities	9,016,549	9,632,930	10,576,678	11,364,317	11,876,318
Business-type activities					
Investment earnings	60,640	91,804	128,293	169,175	319,724
Miscellaneous	117,810	195,043	142,170	163,304	165,412
Special Item	-	7,019,290	-		
Gain(loss) on sale of capital assets	-	-	-	(29,376)	3,033
Transfers	-	-	-		
Total business-type activities	178,450	7,306,137	270,463	303,103	488,169
Total primary government	9,194,999	16,939,067	10,847,141	11,667,420	12,364,487
Changes in Net Position					
Governmental activities	(221,576)	810,501	1,456,448	6,294,194	5,072,007
Business-type activities	1,397,035	8,445,833	941,631	3,418,144	2,849,787
Total primary government	1,175,459	9,256,334	2,398,079	9,712,338	7,921,794

continued on next page

CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2019	2020	2021	2022	2023
Net(Expenses)Revenue					
Government activities	(8,858,767)	(8,590,717)	(3,240,843)	(3,314,234)	503,848
Business activities	3,314,622	2,308,427	8,643,417	5,882,516	8,114,682
Total primary government net expense	(5,544,145)	(6,282,290)	5,402,574	2,568,282	8,618,530
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	3,162,791	3,323,783	3,495,531	3,701,555	3,933,687
Sales and use taxes	4,002,428	4,396,312	5,617,753	6,051,634	7,366,483
Business and occupation taxes	3,448,257	3,098,913	2,915,471	3,036,428	3,194,827
Excise taxes	1,243,205	1,455,122	2,323,199	2,403,433	1,398,404
Unrestricted grants and contributions	373,645	401,637	475,559	404,383	420,901
Investment earnings	337,457	180,832	60,480	142,924	1,815,514
Miscellaneous	325,392	39,967	125,959	44,101	55,482
Gain on sale of capital assets	(105,126)	-	26,483	21,708	47,631
Insurance recoveries	1,365	-	-	-	-
Special Item		(829,480)	-	-	-
Transfers	-	(25,000)	(2,733)	(224,566)	(349,909)
Total governmental activities	12,789,414	12,042,086	15,037,702	15,581,600	17,883,020
Business-type activities					
Investment earnings	554,359	302,737	88,415	114,607	1,766,664
Miscellaneous	207,589	191,895		120,065	346,753
Special Item				-	
Gain(loss) on sale of capital assets			227,919	-	
Transfers		25,000	2,733	224,566	349,909
Total business-type activities	761,948	519,632	319,067	459,238	2,463,326
Total primary government	13,551,362	12,561,718	15,356,769	16,040,838	20,346,346
Changes in Net Position					
Governmental activities	3,930,647	3,451,369	11,796,859	12,267,366	18,386,868
Business-type activities	4,076,570	2,828,059	8,962,484	6,341,754	10,578,008
Total primary government	8,007,217	6,279,428	20,759,343	18,609,120	28,964,876

CITY OF BATTLE GROUND

Schedule 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2014	2015	2016	2017	2018
General Fund					
Restricted	$ -	$ -	$ -	$ -	$ -
Committed	2,181,206	2,159,935	2,455,518	382,871	238,127
Assigned	337,275	396,115	517,175	483,837	466,644
Unassigned	392,637	1,121,241	1,744,474	4,934,676	5,840,214
Total general fund	2,911,118	3,677,291	4,717,167	5,801,384	6,544,985
All Other Governmental Funds					
Restricted	4,188,568	4,511,696	5,705,734	5,787,548	6,938,802
Assigned					
Special revenue funds	202,032	121,375	255,040	253,684	505,627
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 4,390,600	$ 4,633,071	$ 5,960,774	$ 6,041,232	$ 7,444,429

Continued on next page

*Previously reported committed fund balance was re-assessed to be assigned fund balance for 2023.

CITY OF BATTLE GROUND

Schedule 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accruaL basis of accounting)

	2019	2020	2021	2022	2023
General Fund					
Restricted	$ -	$ -	$ -	$ 22,185	$ 33,553
Committed	243,808	354,558	355,611	356,908	-
Assigned	699,040	771,150	1,001,277	1,271,161	2,231,971
Unassigned	7,391,039	8,628,277	13,445,577	18,007,378	22,408,091
Total general fund	8,333,887	9,753,985	14,802,465	19,657,632	24,673,615
All Other Governmental Funds					
Restricted	8,394,377	9,211,828	9,160,025	11,790,022	14,216,776
Assigned					
Special revenue funds	580,053	913,721	990,615	913,549	896,188
Unassigned	-	-	-	-	(1,596)
Total all other governmental funds	$ 8,974,430	$ 10,125,549	$ 10,150,640	$ 12,703,571	$ 15,111,368

*Previously reported committed fund balance was re-assessed to be assigned fund balance for 2023

CITY OF BATTLE GROUND

Schedule 4

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2014	2015	2016	2017	2018
Revenues					
Taxes	$ 8,544,130	$ 9,291,615	$ 10,335,734	$ 11,529,561	$ 11,333,623
Licenses, fees, and permits	505,827	826,011	841,949	963,119	1,181,600
Intergovernmental	992,049	1,062,872	1,385,585	5,246,958	2,362,444
Charges for services	2,105,905	2,452,856	2,953,275	2,557,087	2,797,512
Fines and penalties	258,072	262,732	260,696	241,915	243,280
Investment earnings	55,088	47,756	69,705	98,942	198,777
Rents and royalties	267,868	295,559	272,099	282,302	277,815
Contributions/donations	278,680	139,191	127,917	141,294	141,134
Other revenues	208,130	92,391	89,354	106,116	87,388
Total governmental funds	13,215,749	14,470,983	16,336,314	21,167,294	18,623,573
Expenditures					
General Government	2,795,271	2,732,778	2,692,214	2,573,435	2,813,508
Judicial	518,954	587,723	579,154	737,822	700,282
Security/persons and property	3,844,787	3,887,783	3,944,592	6,629,465	7,318,752
Physical environment	2,017,648	2,282,573	2,296,398	439,352	489,047
Transportation	866,029	1,046,103	1,109,050	1,436,015	1,053,875
Economic environment	797,619	829,749	876,787	954,108	1,050,336
Culture and recreation	592,725	585,329	607,717	621,871	669,837
Capital outlay	503,473	95,466	691,716	4,974,887	797,012
Debt service					
Principal	801,358	831,761	846,383	886,541	904,123
Interest	525,437	503,159	482,069	469,122	437,237
Total expenditures	13,263,301	13,382,424	14,126,080	19,722,618	16,234,009
Excess of revenues over (under) expenditures	(47,552)	1,088,559	2,210,234	1,444,676	2,389,564
Other Financing Sources (Uses)					
Sale of capital assets	-	-	-	-	2,210
Long-term debt proceeds	-	-	270,594	-	-
Proceeds of Lease	-	-	-	-	-
Insurance recoveries	-	-	-	-	4,344
Transfers in	2,174,409	1,652,267	1,754,897	2,343,505	2,009,069
Transfers out	(2,392,050)	(1,732,182)	(1,868,145)	(2,623,507)	(2,258,390)
Total other financing sources (uses)	(217,641)	(79,915)	157,346	(280,002)	(242,767)
Net changes in fund balances	$ (265,193)	$ 1,008,644	$ 2,367,580	$ 1,164,674	$ 2,146,797
Debt service as a percentage of noncapital expenditures	10.40%	10.05%	9.89%	9.19%	8.69%

Continued on next page

CITY OF BATTLE GROUND

Schedule 4

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2019	2020	2021	2022	2023
Revenues					
Taxes	$ 12,141,540	$ 12,437,585	$ 14,178,787	$ 15,194,131	$ 15,564,863
Licenses, fees, and permits	1,423,090	1,370,663	2,163,860	1,871,670	1,700,335
Intergovernmental	1,334,014	2,401,530	2,419,182	2,929,333	6,827,256
Charges for services	4,843,131	4,637,700	6,761,540	6,598,032	7,151,980
Fines and penalties	235,272	153,836	153,754	147,958	158,677
Investment earnings	319,084	171,912	58,145	140,018	1,759,280
Rents and royalties	281,039	141,495	238,187	362,855	441,532
Contributions/donations	128,784	134,215	132,028	139,773	111,894
Other revenues	314,914	40,169	109,524	180,612	70,025
Total governmental funds	21,020,868	21,489,105	26,215,007	27,564,382	33,785,842
Expenditures					
General Government	3,221,339	3,214,508	3,099,318	3,434,199	3,912,225
Judicial	290,854	588,904	717,465	800,824	891,857
Security/persons and property	7,611,206	8,227,704	4,917,503	5,613,224	5,957,183
Physical environment	473,904	428,944	462,356	600,457	532,116
Transportation	1,203,556	726,195	1,856,666	2,052,335	3,107,259
Economic environment	2,363,308	2,286,466	4,088,629	3,366,615	3,906,147
Culture and recreation	562,309	538,844	593,638	818,459	1,270,619
Capital outlay	400,133	1,130,518	2,526,648	2,702,622	5,861,475
Debt service					
Principal	1,085,141	1,656,184	2,617,250	433,555	532,662
Interest	411,426	371,345	308,378	226,558	209,051
Total expenditures	17,623,176	19,169,612	21,187,851	20,048,848	26,180,594
Excess of revenues over (under) expenditures	3,397,692	2,319,493	5,027,156	7,515,534	7,605,248
Other Financing Sources (Uses)					
Sale of capital assets	-	99,990	6,980	17,708	10,620
Long-term debt proceeds	-	-	-	-	-
Proceeds of Lease	-	-	-	47,203	135,021
Insurance recoveries	1,128	43,734	42,167	52,219	22,800
Transfers in	2,058,926	2,859,953	5,993,127	3,411,225	3,394,317
Transfers out	(2,138,843)	(2,751,953)	(5,995,859)	(3,635,791)	(3,744,226)
Total other financing sources (uses)	(78,789)	251,724	46,415	(107,436)	(181,468)
Net changes in fund balances	$ 3,318,903	$ 2,571,217	$ 5,073,571	$ 7,408,098	$ 7,423,780
Debt service as a percentage of noncapital expenditures	8.69%	11.24%	15.68%	3.81%	3.65%

REVENUE CAPACITY

These schedules contain information to help the reader assess the city's most significant local revenue sources.

Schedule 5 – Tax Revenues by Source, Governmental Funds
Schedule 6 – Assessed 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

CITY OF BATTLE GROUND

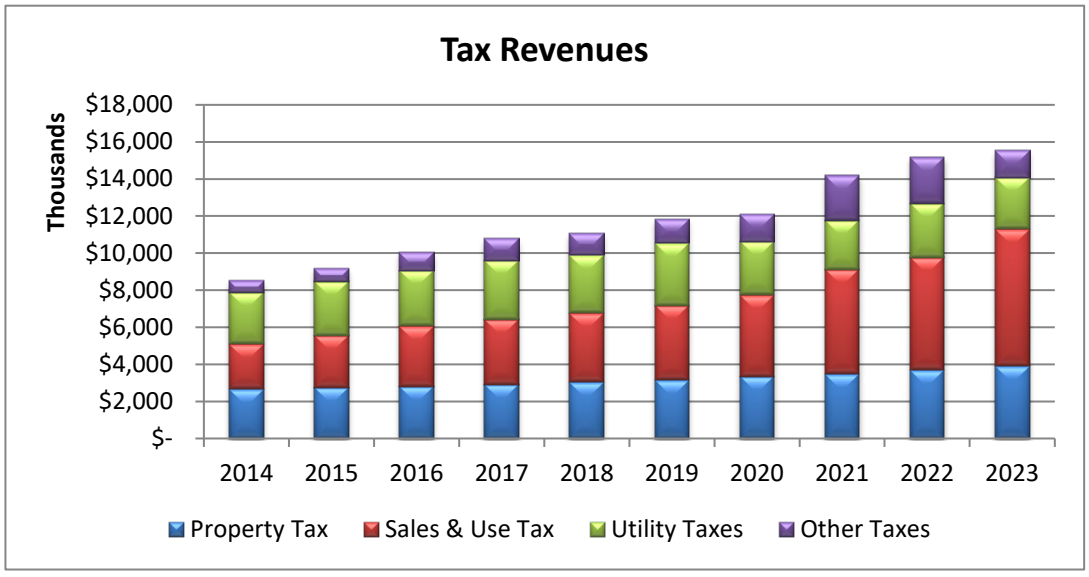
Schedule 5

General Governmental Tax Revenues by Source

Last Ten Fiscal Years

(modified basis of accounting)

Fiscal Year	Property Tax	Sales & Use Tax	Utility Taxes	Other Taxes	Totals
2014	2,654,010	2,446,729	2,790,599	652,793	8,544,131
2015	2,758,389	2,791,726	2,924,491	724,384	9,198,990
2016	2,819,856	3,233,490	2,992,741	1,015,911	10,061,998
2017	2,906,406	3,521,944	3,187,273	1,187,924	10,803,547
2018	3,049,015	3,723,445	3,140,647	1,134,017	11,047,124
2019	3,158,747	4,002,428	3,383,862	1,307,601	11,852,638
2020	3,333,686	4,396,312	2,889,763	1,494,145	12,113,907
2021	3,492,300	5,617,753	2,657,606	2,401,822	14,169,481
2022	3,695,943	6,058,270	2,939,552	2,500,308	15,194,073
2023	3,926,541	7,366,483	2,794,673	1,477,166	15,564,863
Change 2022-2023	6.24%	21.59%	-4.93%	-40.92%	2.44%



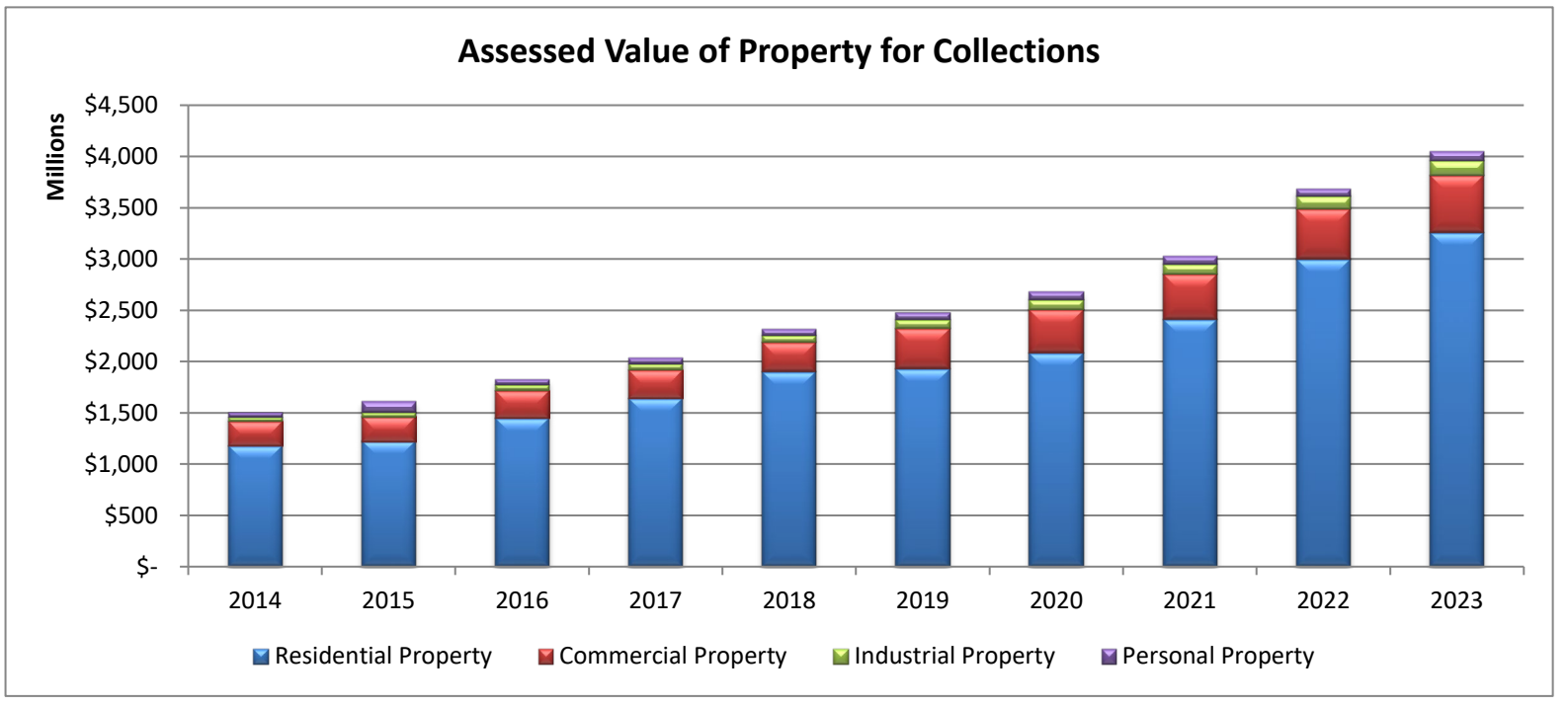
CITY OF BATTLE GROUND

Schedule 6

Assessed Value of Taxable Property

Last Ten Fiscal Years

Assessed Year	Collection Year	Real Property Assessed Value			Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate
		Residential Property	Commercial Property	Industrial Property			
2014	2015	1,177,732,209	236,690,037	45,430,231	41,545,617	1,501,398,094	1.83
2015	2016	1,223,115,822	239,842,262	48,336,782	95,636,414	1,606,931,280	1.75
2016	2017	1,448,221,654	270,824,266	53,953,558	51,115,295	1,824,114,773	1.59
2017	2018	1,645,334,443	271,535,957	61,621,488	54,781,907	2,033,273,795	1.50
2018	2019	1,900,767,211	283,664,324	67,575,193	61,725,672	2,313,732,400	1.37
2019	2020	1,930,238,652	397,772,524	77,914,446	67,644,990	2,473,570,612	1.35
2020	2021	2,085,712,857	421,895,020	92,417,184	75,066,397	2,675,091,458	1.29
2021	2022	2,415,607,065	437,592,646	96,212,503	75,282,615	3,024,694,829	1.22
2022	2023	3,001,168,588	493,429,220	116,610,370	71,351,930	3,682,560,108	1.07
2023	2024	3,254,485,531	566,354,997	139,545,120	91,146,095	4,051,531,743	1.02



Source: Clark County Department of Assessment and GIS

Note: 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

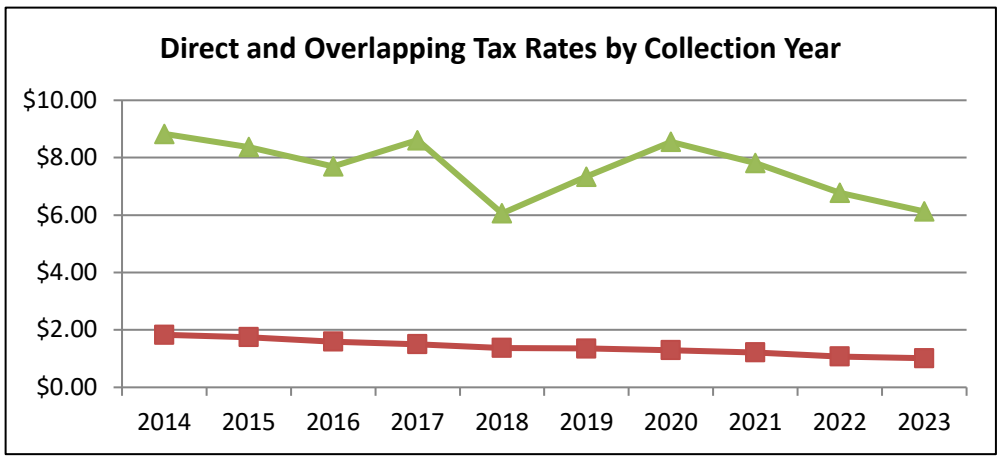
Schedule 7

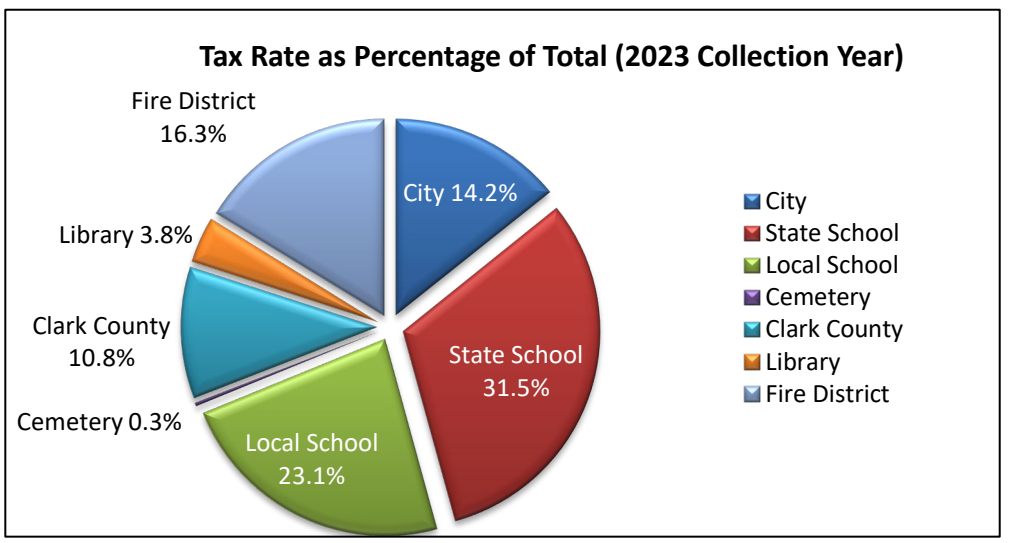
Property Tax Rates

Direct and Overlapping Governments

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	Fire District 3	
2014	2015	1.83	2.22	4.70	1.40	0.47	0.04	0.00	10.66
2015	2016	1.75	2.08	4.48	1.33	0.45	0.03	0.00	10.12
2016	2017	1.59	1.98	4.05	1.22	0.42	0.03	0.00	9.29
2017	2018	1.50	2.89	4.14	1.15	0.40	0.03	0.00	10.11
2018	2019	1.37	2.51	2.11	1.05	0.36	0.03	0.00	7.43
2019	2020	1.35	2.85	3.08	1.03	0.35	0.03	0.00	8.69
2020	2021	1.29	2.94	2.88	1.00	0.34	0.03	1.36	9.84
2021	2022	1.22	2.73	2.48	0.92	0.32	0.02	1.34	9.03
2022	2023	1.07	2.33	2.14	0.80	0.28	0.02	1.21	7.85
2023	2024	1.02	2.25	1.65	0.77	0.27	0.02	1.16	7.15





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.

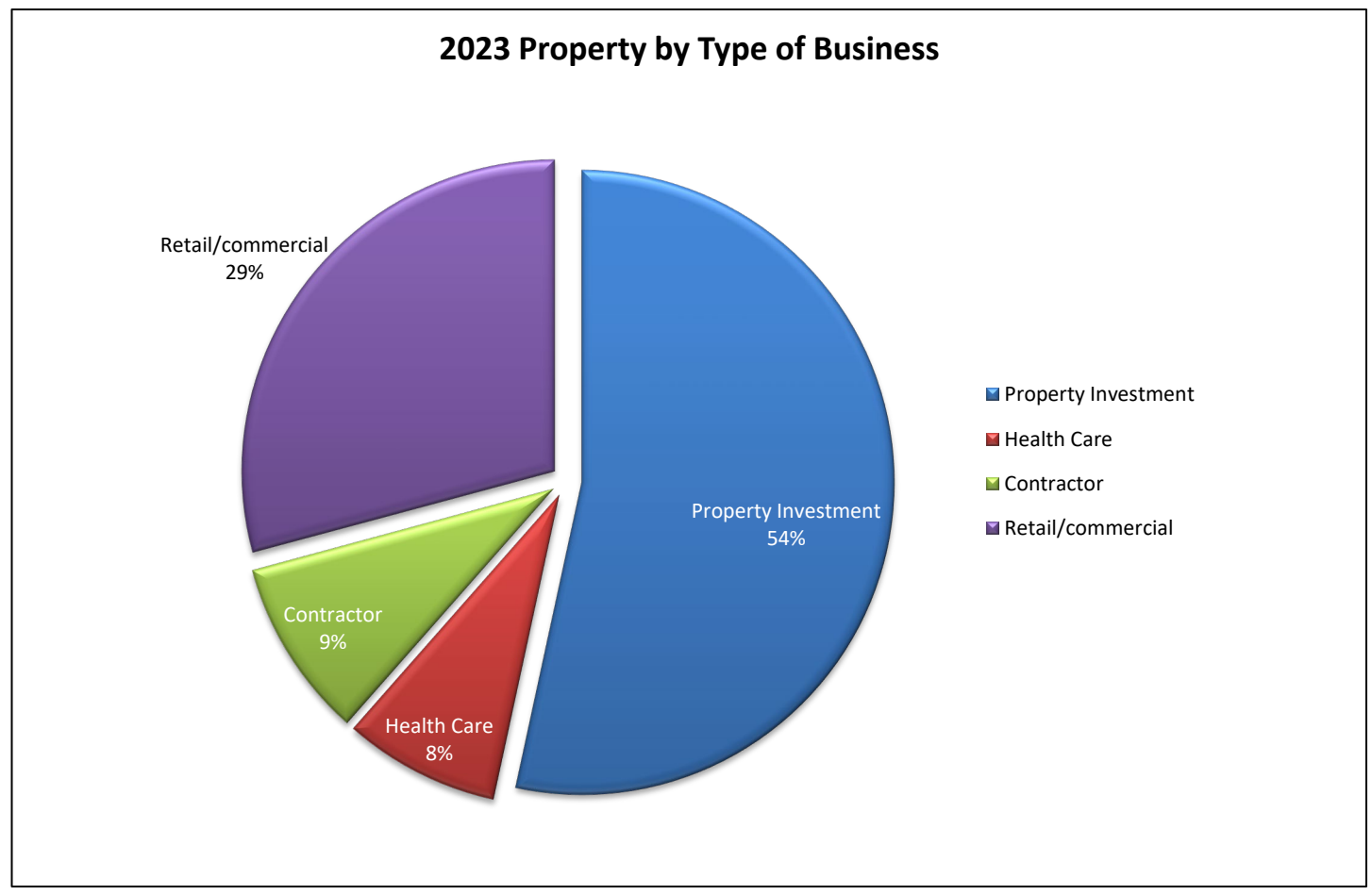
CITY OF BATTLE GROUND

Schedule 8

Principal Property Taxpayers

Current Year and Nine Years Ago

		2023			2014		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Alder Pointe BG LLC	Property Investment	$ 30,911,461	1	0.76%			
AHO Construction Inc	Property Investment	22,049,966	2	0.54%			
SOP LLC	Property Investment	21,934,300	3	0.54%	5,950,700	9	0.40%
Fred Meyer Store	Retail	21,339,576	4	0.53%	16,775,723	1	1.12%
Wal-Mart Real Estate Business Trust	Retail/commercial	18,162,900	5	0.45%	15,588,500	2	1.04%
Tapani Underground Inc	Contractor-Excavating	17,941,102	6	0.44%			
Battle Ground Market Center	Retail/commercial	16,885,050	7	0.42%	15,466,900	3	1.03%
Glencrest Battle Ground LLC	Property Investment	16,290,000	8	0.40%			
The Vancouver Clinic	Health Care	15,666,961	9	0.39%	13,527,988	4	0.90%
218/318 Westwood Commons LLC	Property Investment	11,926,700	10	0.29%			
Samuel and Shelley Walker	Property Investment				8,354,400	5	0.56%
Oldcastle Glass Inc.	Commercial				8,323,475	6	0.55%
Hi-School Properties LLC	Retail/commercial				7,088,000	7	0.47%
NW Natural Gas Company	Energy				6,174,367	8	0.41%
Guyer Trustees	Property Investment				5,910,800	10	0.39%
Total Principal Property Tax Payers		193,108,016		4.77%	103,160,853		6.87%
All Other City Taxpayers		3,858,423,727		95.23%	1,398,237,241		93.13%
Total City Taxpayers		4,051,531,743		100.00%	$ 1,501,398,094		100.00%



Source: Clark County Assessor's Office Top Taxpayer Report

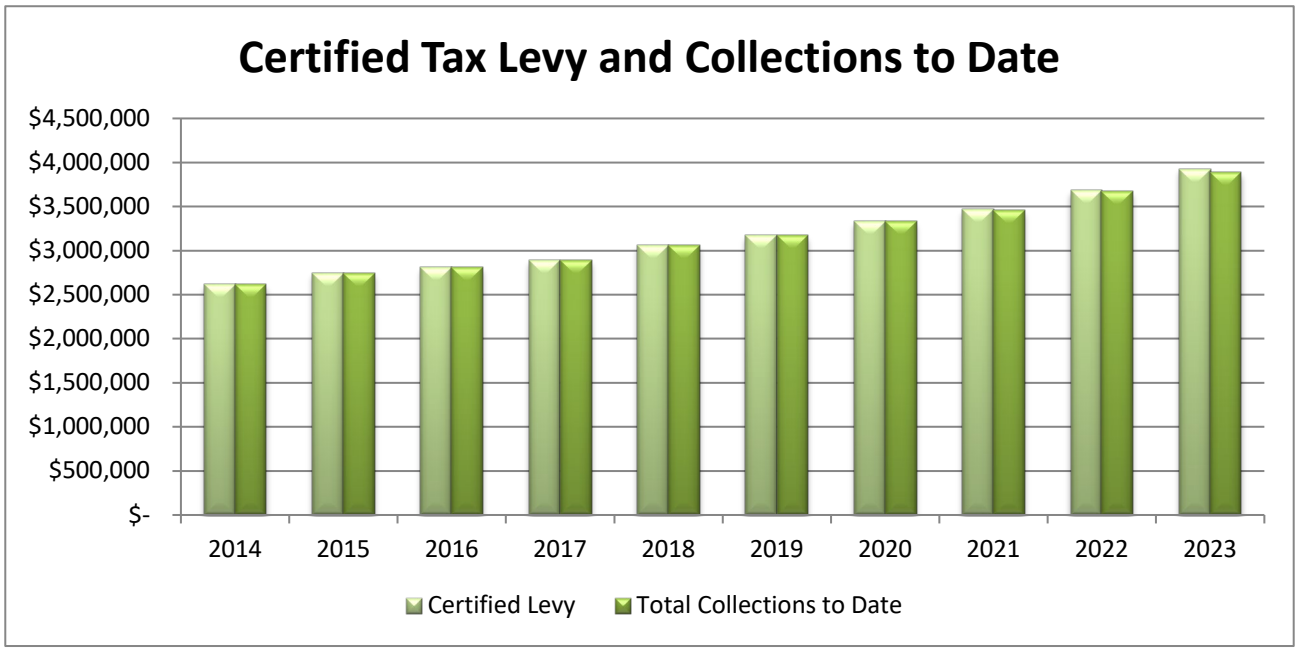
CITY OF BATTLE GROUND

Schedule 9

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2014	2,612,427	2,564,034	98.15%	48,393	2,612,427	100.00%
2015	2,747,180	2,707,983	98.57%	38,867	2,746,850	99.98%
2016	2,807,748	2,772,332	98.74%	35,412	2,807,744	99.99%
2017	2,893,525	2,851,452	98.55%	42,067	2,893,519	99.99%
2018	3,052,811	3,022,188	99.00%	30,581	3,052,769	99.90%
2019	3,173,966	3,147,756	99.17%	26,067	3,173,823	99.69%
2020	3,331,136	3,306,744	99.27%	24,015	3,330,760	99.27%
2021	3,462,275	3,421,794	98.83%	31,312	3,453,106	99.74%
2022	3,684,016	3,650,334	99.09%	21,370	3,671,704	99.67%
2023	3,925,556	3,881,770	98.88%	-	3,881,770	98.88%



Source: Clark County Department of Assessment and GIS; Clark County Treasurer's Office

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

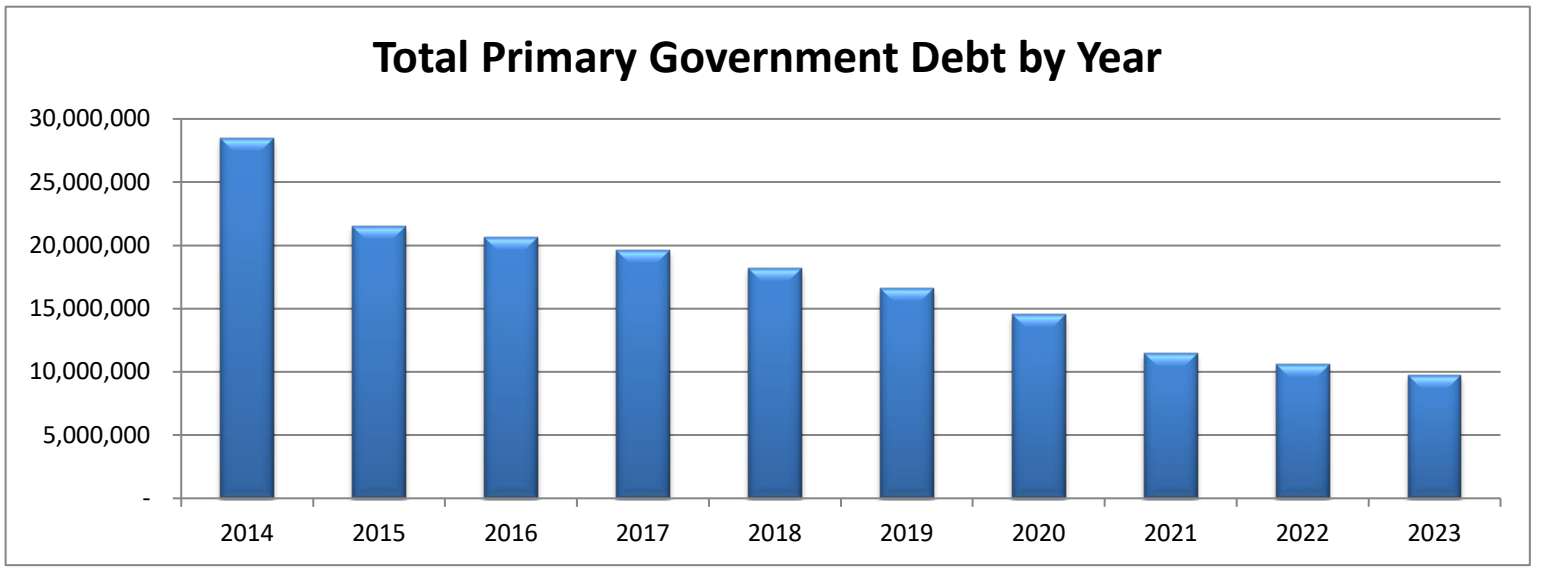
CITY OF BATTLE GROUND

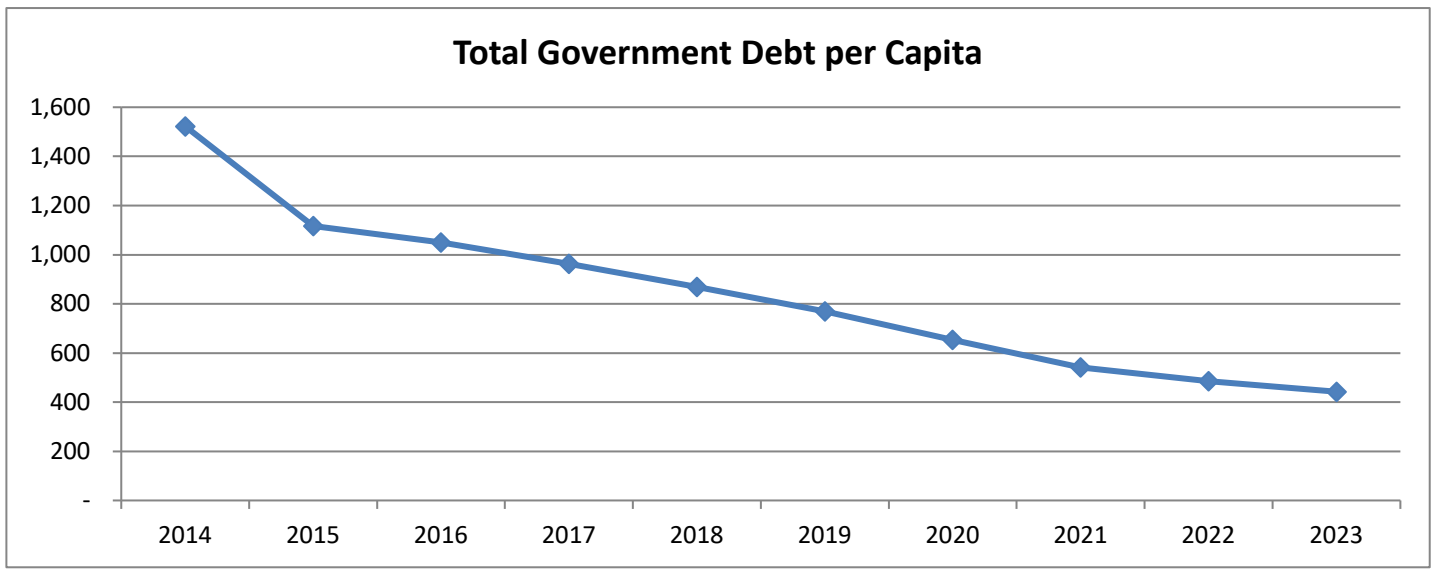
Schedule 10

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities						
Fiscal Year	General Obligation Bonds	Public Works Trust Fund Loans	Leases/SBITA	Revenue Bonds	Public Works Trust Fund Loans	Leases/SBITA	Total Primary Government	Percentage of Personal Income	Population	Per Capita
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
2016	9,856,108	700,000	673,008	9,178,450	215,994	-	20,623,560	3.76%	19,640	1,050
2017	9,090,379	600,000	809,865	8,949,221	161,996	-	19,611,461	3.43%	20,370	963
2018	8,324,809	500,000	500,204	8,706,830	107,997	-	18,139,840	3.10%	20,890	868
2019	7,381,028	400,000	285,274	8,450,686	53,999	-	16,570,987	2.75%	21,520	770
2020	5,867,247	300,000	144,139	8,180,178	-	-	14,491,564	1.16%	22,180	653
2021	3,365,000	200,000	-	7,894,669	-	-	11,459,669	0.81%	21,160	542
2022	3,040,000	100,000	38,647	7,391,541	-	-	10,570,188	0.77%	21,780	485
2023	2,705,000	-	76,006	6,866,329	-	48,346	9,695,681	0.70%	21,910	443





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

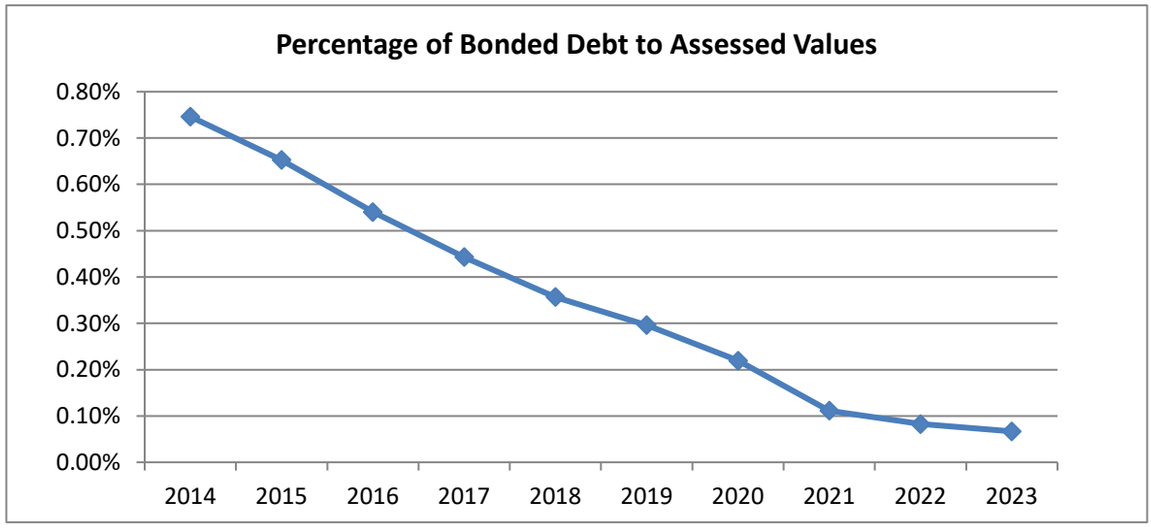
CITY OF BATTLE GROUND

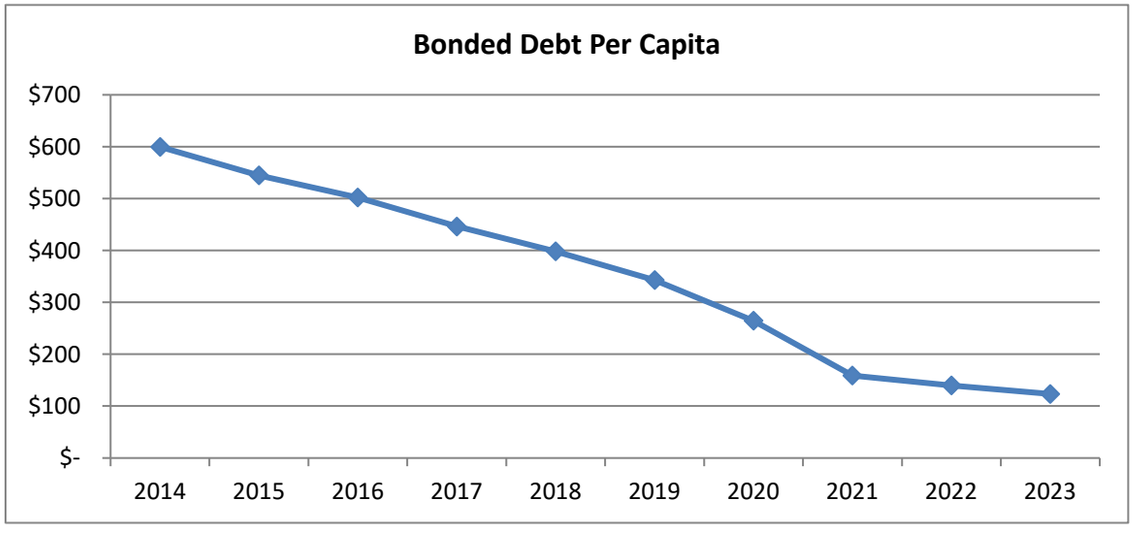
Schedule 11

Ratios of General Obligation 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
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
2016	9,856,108	1,824,114,773	0.54%	19,640	502
2017	9,090,379	2,033,273,795	0.44%	20,370	446
2018	8,324,809	2,313,732,400	0.36%	20,890	399
2019	7,381,028	2,473,570,612	0.30%	21,520	343
2020	5,867,247	2,675,091,458	0.22%	22,180	265
2021	3,365,000	3,024,694,829	0.11%	21,160	159
2022	3,040,000	3,682,560,108	0.08%	21,780	140
2023	2,705,000	4,051,531,743	0.07%	21,910	123





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

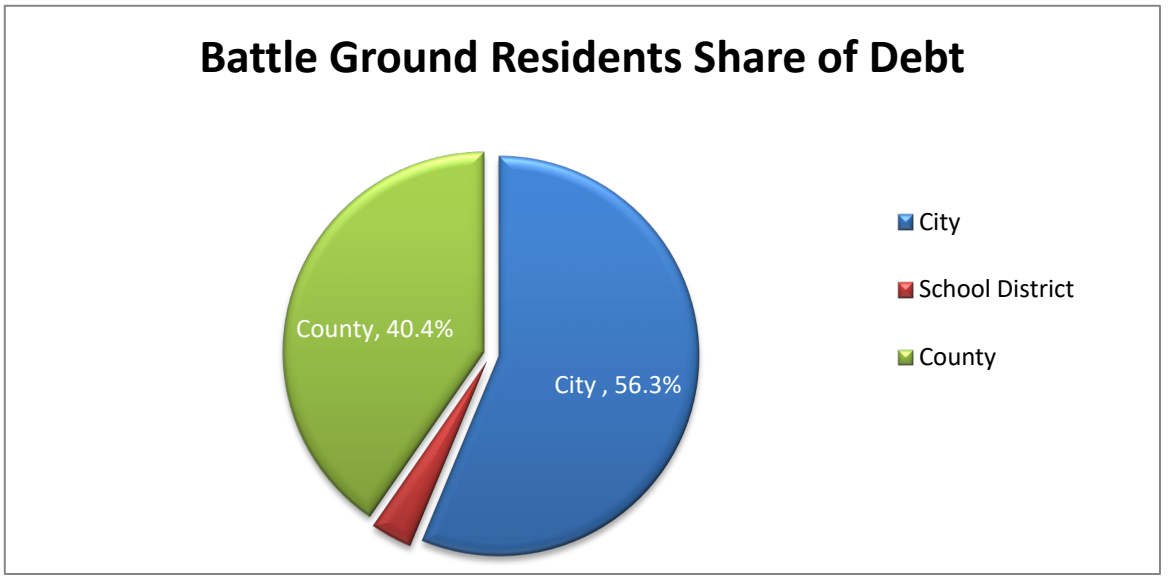
CITY OF BATTLE GROUND

Schedule 12

Direct and Overlapping Governmental Activities Debt

Government Unit	Debt Outstanding	Percentage Applicable to City Residents [1]	Amount Applicable to City Residents
Direct:			
City of Battle Ground			
General obligation debt	$ 2,705,000		
Leases	47,617		
SBITA	28,389		
Total Direct	$ 2,781,006	100.00%	$ 2,781,006
Overlapping: (GO debt repaid with property taxes)			
Battle Ground School District	735,000	22.65%	166,495
Clark County	51,769,332	3.85%	1,994,991
Total Overlapping	$ 52,504,332		$ 2,161,486
Total direct and overlapping debt	$ 55,285,338		$ 4,942,492

Property Valuation (2023 Assessment for 2024 Tax Collections)	
City Assessed Valuation	$ 4,051,531,743
School Assessed Valuation	$ 17,885,685,277
County Assessed Valuation	$ 105,135,873,949



Source: Clark County Treasurer and Clark County Assessor

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the potion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Battle Ground.

(1) 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

Assessed value (2023 assessment for 2024 revenue)		$ 4,051,531,743
Debt limit:		
General purpose debt limit without a vote (1.5%)		60,772,976
General purpose debt limit with a vote (1.0%)		40,515,317
Utility purpose debt limit with a vote (2.5%)		81,030,635
Open space, park, capital facilities debt limit with a vote (2.5%)		101,288,294
Total debt limit		$ 283,607,222
Debt applicable to limit:		
General purpose debt limit without a vote (1.5%)	2,705,000	
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		2,705,000
Legal debt margin		$ 280,902,222

	2014	2015	2016	2017	2018
Assessed Valuation	$ 1,501,398,094	$ 1,606,931,280	$ 1,824,114,773	$ 2,033,273,795	$ 2,313,732,400
General purpose debt limit (1.5%)	22,520,971	24,103,969	27,361,722	30,499,107	34,705,986
Total net debt applicable to limit	11,205,000	10,485,000	9,755,000	9,005,000	8,255,000
Available non-voted debt capacity	$ 11,315,971	$ 13,618,969	$ 17,606,722	$ 21,494,107	$ 26,450,986
Total net debt applicable to the limit as a percentage of debt limit	49.75%	43.50%	35.65%	29.53%	23.79%

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CITY OF BATTLE GROUND

Schedule 13

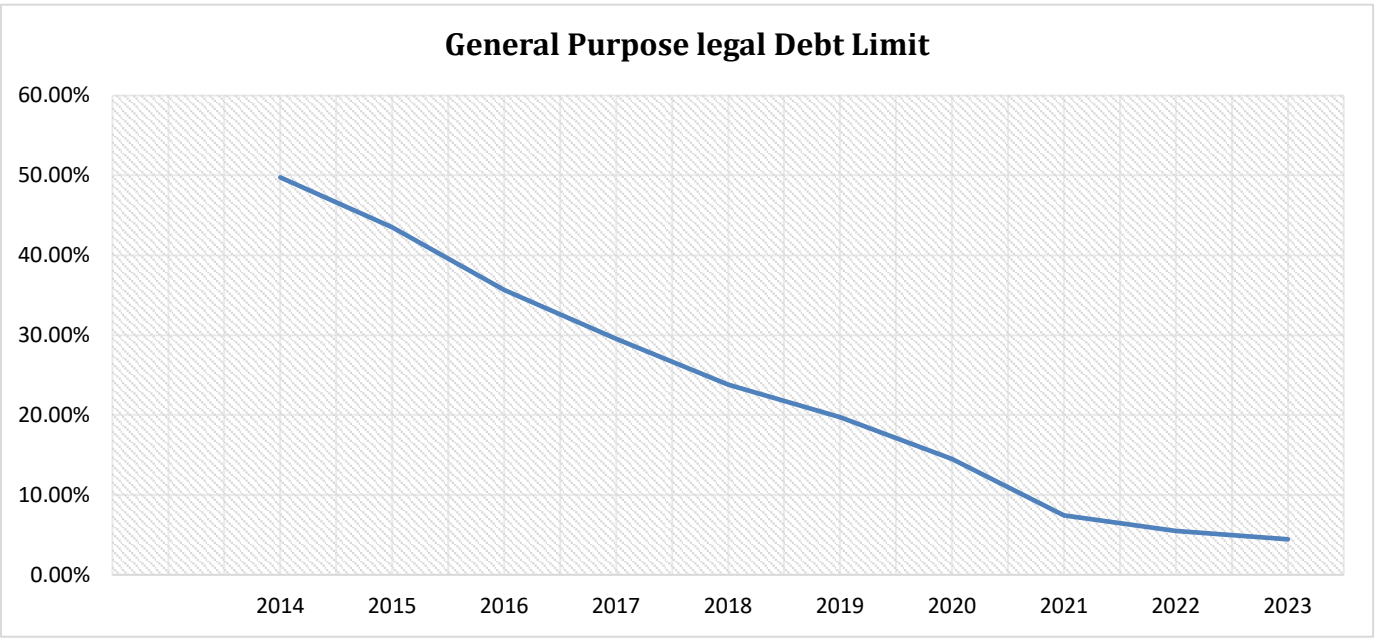
Legal Debt Margin Information

Last Ten Fiscal Years

	2019	2020	2021	2022	2023
Assessed Valuation	$ 2,473,570,612	$ 2,675,091,458	$ 3,024,694,829	$ 3,682,560,108	$ 4,051,531,743
General purpose debt limit (1.5%)	37,103,559	40,126,372	45,370,422	55,238,402	60,772,976
Total net debt applicable to limit	7,325,000	5,825,000	3,365,000	3,040,000	2,705,000
Available non-voted debt capacity	$ 29,778,559	$ 34,301,372	$ 42,005,422	$ 52,198,402	$ 58,067,976
Total net debt applicable to the limit as a percentage of debt limit	19.74%	14.52%	7.42%	5.50%	4.45%

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	Operating Revenues	Less: Operating Expenses	Net Revenue Available	Debt Service			Required Coverage*
				Principal	Interest	Total	
2014	2,509,558	1,494,237	1,015,321	-	-	-	-
2015	3,031,056	1,757,398	1,273,658	-	-	-	-
2016	2,561,838	1,818,125	743,713	72,361	136,330	208,691	260,864
2017	2,802,676	2,032,457	770,219	124,967	86,593	211,560	264,450
2018	3,013,444	2,063,318	950,126	134,978	82,398	217,376	271,720
2019	3,112,017	1,994,692	1,117,325	145,484	77,870	223,354	279,193
2020	3,046,262	2,452,038	591,465	156,503	72,995	229,498	286,873
2021	3,229,594	2,798,406	431,188	168,057	67,753	235,810	294,763
2022	3,425,814	3,188,205	237,609	180,166	62,128	242,294	302,868
2023	3,700,945	3,862,732	(161,787)	192,982	55,974	248,956	311,195

Ordinance 2015-05 authorized the issuance of a water revenue bond of the city in the principal amount of $2,774,409 to finance certain improvements to the water utility system of the city. Net revenue of the water system in each fiscal year shall be at least equal to 125% of the amounts required to be paid for scheduled principal and interest debt service over the life of the bond. Revenue of the system means all earnings and revenues received by the city from the maintenance and operation of the system and connection and capital improvement charges collected for the purpose of defraying the cost of capital facilities of the system, except grants, sale of system property, city taxes, and contributed capital. Operation and maintenance expense include expenses incurred for operating, maintaining, and repairing the system, but does not include payment for debt service, depreciation, taxes, levies, or capital additions or replacements.

* 125% of Total Debt Service - Net revenue, over life of the bond, exceeds required coverage

Sewer Fund

Fiscal Year	Operating Revenues	Less: Operating Expenses	Net Revenue Available	Debt Service [(1)]			Reserve Requirement
				Principal	Interest	Total	
2014	3,904,263	2,067,218	1,837,045	911,803	250,212	1,162,015	297,778
2015	5,414,619	3,776,920	1,637,699	152,233	202,784	355,017	297,778
2016	3,717,301	3,319,511	397,790	155,201	199,275	354,476	297,778
2017	4,002,428	3,774,029	228,399	158,260	195,676	353,936	297,778
2018	4,303,363	4,132,275	171,088	161,412	191,985	353,397	297,778
2019	4,715,056	4,461,218	253,838	164,659	188,198	352,857	297,778
2020	5,034,060	4,541,437	492,623	168,004	184,313	352,317	297,778
2021	5,207,512	4,694,158	513,354	117,450	180,328	297,778	297,778
2022	5,621,768	4,864,304	757,464	122,962	174,816	297,778	297,778
2023	6,029,387	5,741,900	287,487	132,231	165,547	297,778	297,778

(1) Ordinance 2011-16 authorized the issuance of a sewer revenue bond in the principal amount of $6,909,000 to finance the decommissioning of a sewer lagoon. A bond reserve account secures the payment of one annual installment of the principal and interest. The annual reserve requirement is $297,778.

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 Value and Construction

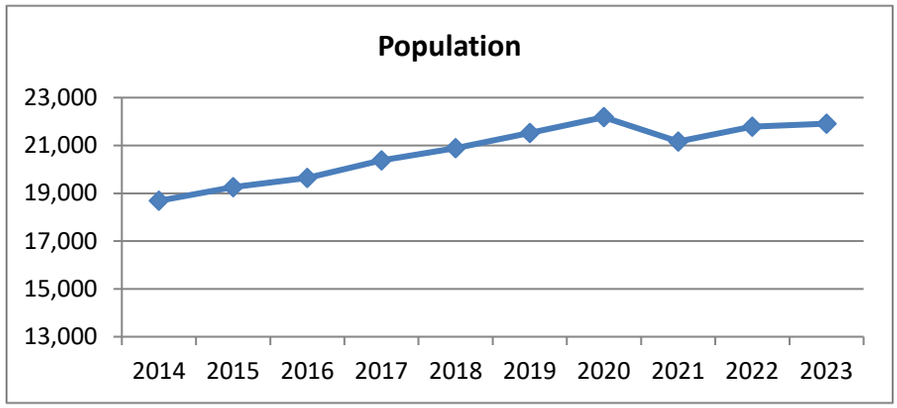
CITY OF BATTLE GROUND

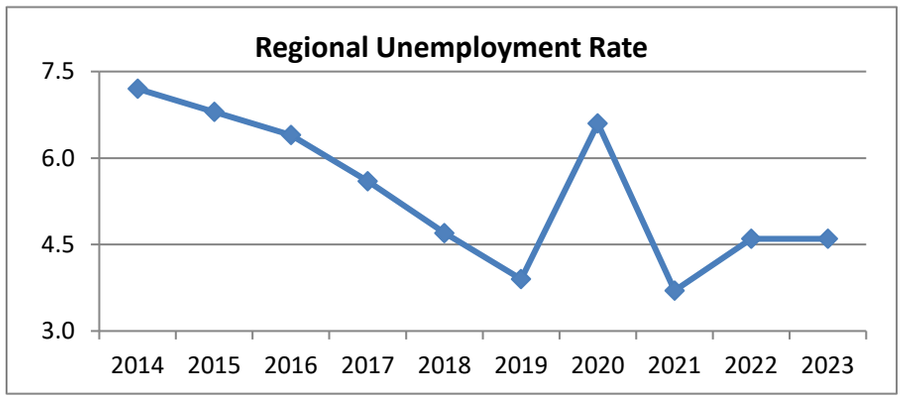
Schedule 15

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population [1]	Personal Income [2]	Per Capita Personal Income [3]	School Enrollment [4]	Regional Unemployment Rate % [5]
2014	18,685	806,313,805	43,153	13,263	7.2
2015	19,250	867,597,500	45,070	13,506	6.8
2016	19,640	924,611,920	47,078	13,452	6.4
2017	20,370	997,335,570	48,961	13,120	5.6
2018	20,890	1,059,666,140	50,726	13,209	4.7
2019	21,520	1,173,743,840	54,542	13,423	3.9
2020	22,180	1,250,974,180	56,401	12,816	6.6
2021	21,160	1,420,386,160	67,126	11,719	3.7
2022	21,780	1,381,440,060	63,427	11,648	4.6
2023	21,910	1,435,587,020	65,522	12,170	4.6





Source: (1) Population - State of Washington Office of Financial Management
(2) Personal income calculated by multiplying population by per capita income
(3) Per capita income listed for Clark County, WA - U.S. Dept of Commerce - Bureau of Economic Anaylsis. Estimate
(4) Battle Ground School District - enrollment for school year 2022-2023
(5) Washington State Employment Security Department - Clark County

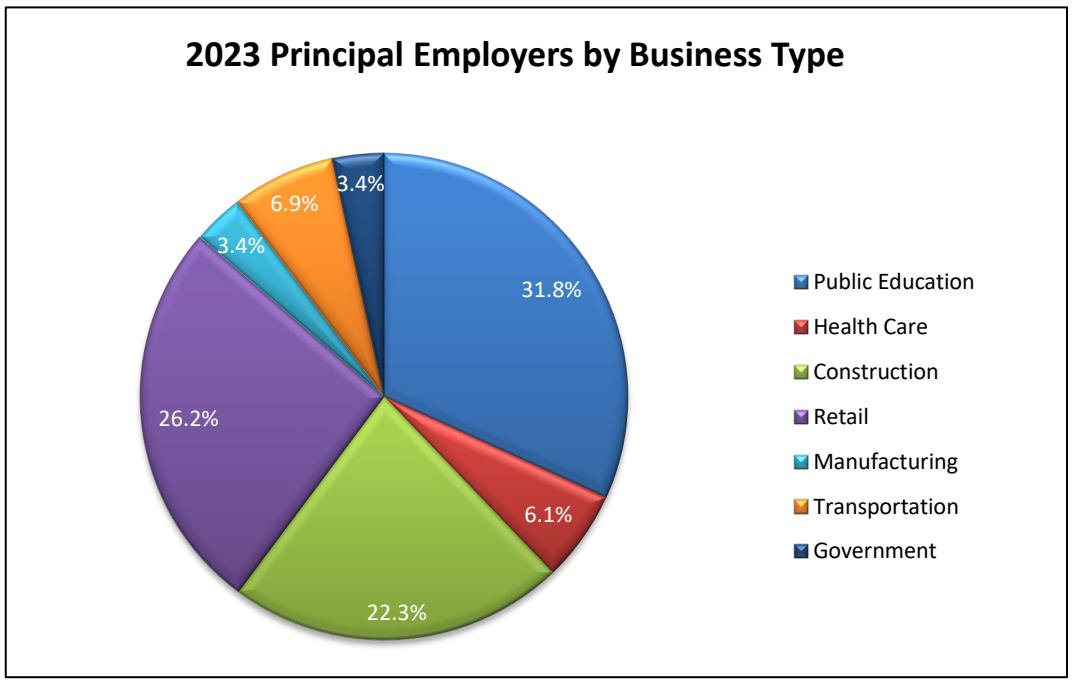
CITY OF BATTLE GROUND

Schedule 16

Principal Employers,

Last Ten Fiscal Years

		2023			2014	
Employer	**Type of Business**	**Employees**	**Rank**	**% of Labor Force**	**Employees**	**Rank**
Battle Ground School District	Public Education	892	1	31.8%	732	1
Tapani Underground Inc.	Construction	626	2	22.3%	270	2
Walmart	Retail	286	3	10.2%	183	5
Fred Meyer	Retail	249	4	8.9%	237	3
Student First	Transportation	194	5	6.9%	184	4
Vancouver Clinic	Healthcare	170	6	6.1%	136	7
Safeway	Retail	100	7	3.6%	91	9
Albertson's	Retail	99	8	3.5%		
City of Battle Ground	Government	95	9	3.4%	75	10
Anderson Plastics/Anderson Dairy	Manufacturing	94	10	3.4%	169	6
JRT Mechanical	Manufacturing				119	8
	Total	2,805			2,196	



Source: City of Battle Ground Community Development Department

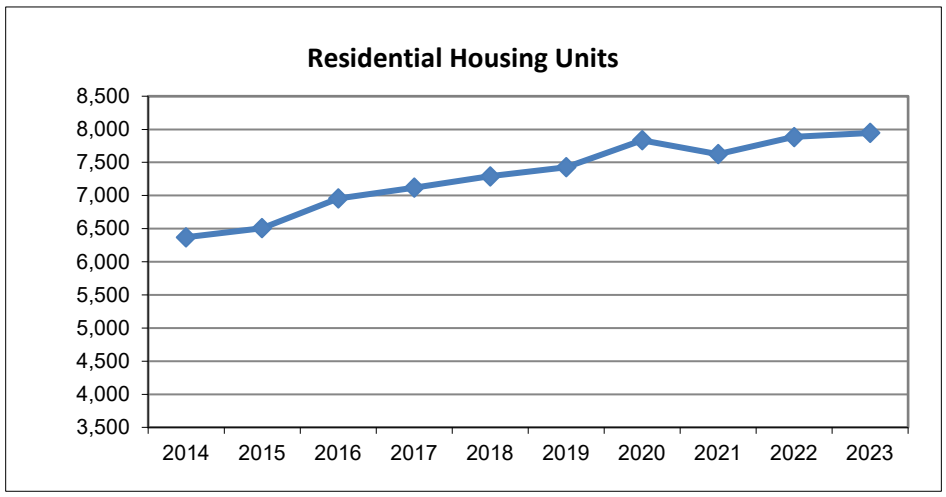
CITY OF BATTLE GROUND

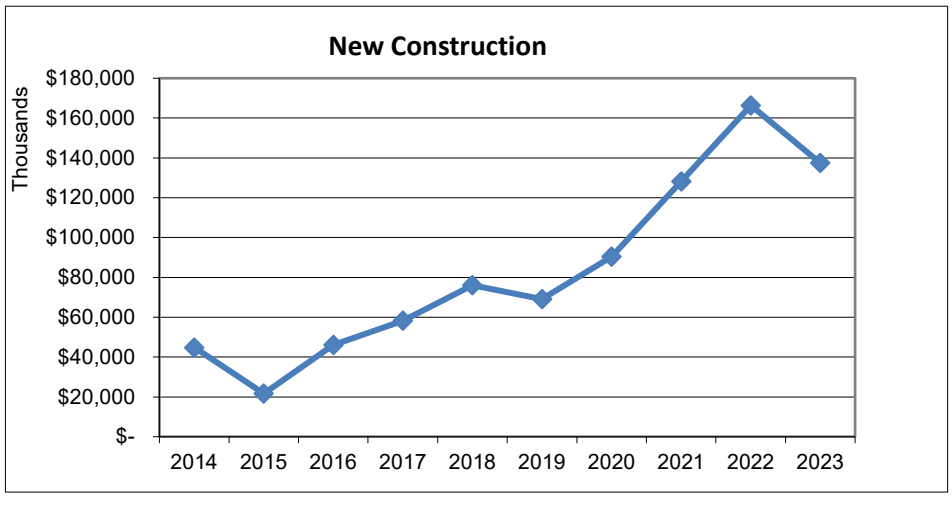
Schedule 17

Property Value and Construction

Last Ten Fiscal Years

Year	Population	Residential Housing Units[2]	New Construction[1]	Assessed Property Value[1]	Percentage of New Construction/ Total Assess Value
2014	18,685	6,371	44,808,642	1,501,398,094	3.0%
2015	19,250	6,506	21,652,612	1,606,931,280	1.3%
2016	19,640	6,956	46,026,812	1,824,114,773	2.5%
2017	20,370	7,118	58,314,081	2,033,273,795	2.9%
2018	20,890	7,290	75,998,997	2,313,732,400	3.3%
2019	21,520	7,427	69,108,504	2,473,570,612	2.8%
2020	22,180	7,834	90,426,090	2,675,091,458	3.4%
2021	21,160	7,625	128,116,289	3,024,694,829	4.2%
2022	21,780	7,885	166,353,643	3,682,560,108	4.5%
2023	21,910	7,945	137,472,245	4,051,531,743	3.4%





Source: (1) Clark County Department of Assessment and GIS

(2) City of Battle Ground Planning Department

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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

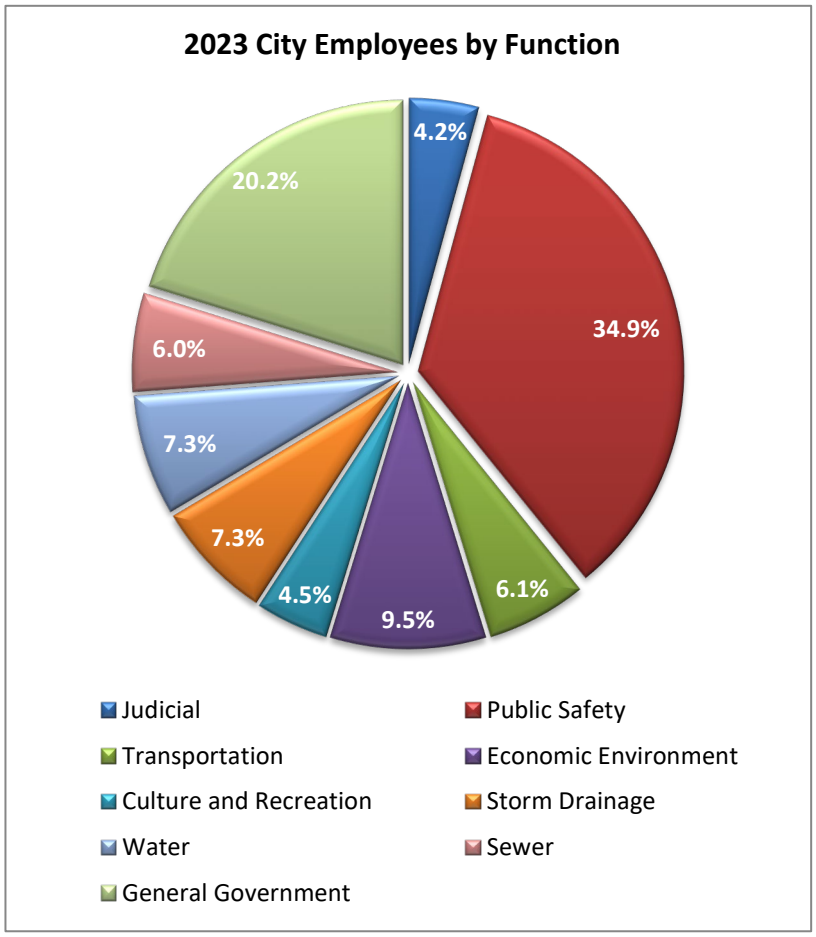
CITY OF BATTLE GROUND

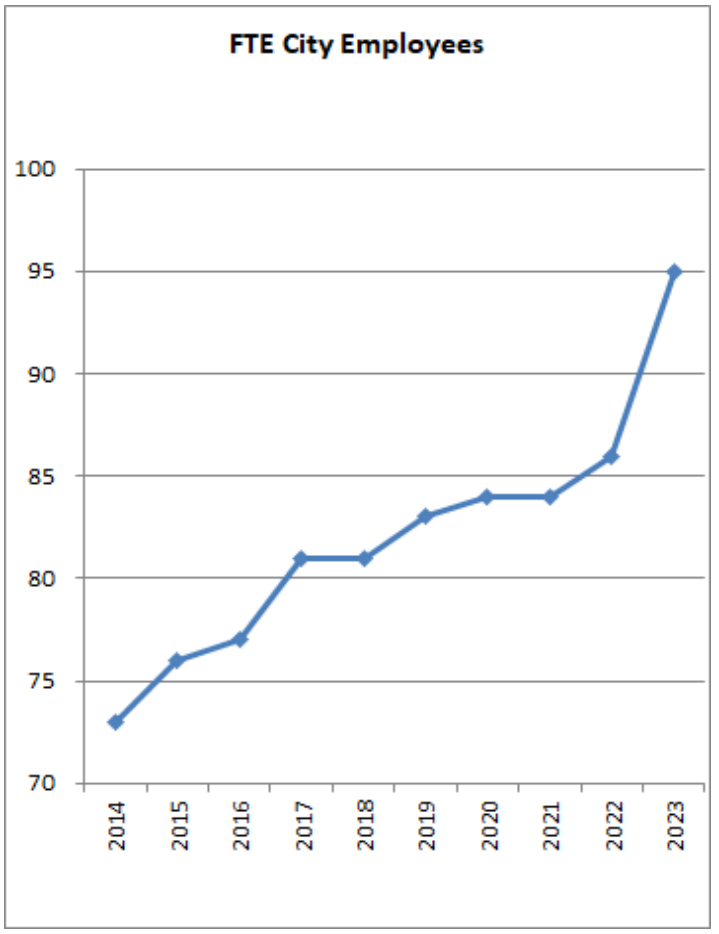
Table 18

Full-time Equivalent (FTE) City Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
General Government	12.00	13.00	13.00	18.88	18.84	20.16	19.54	19.47	17.24	19.20
Judicial	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Public Safety	25.00	27.00	27.00	28.00	28.00	28.00	29.07	29.07	30.27	33.20
Transportation	5.00	7.00	7.00	4.09	3.55	3.48	3.68	3.98	4.63	5.80
Economic Environment	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00
Culture and Recreation	4.00	4.50	3.50	3.42	3.35	3.27	3.37	3.35	4.48	4.24
Utilities/Public Works	1.00									
Storm Drainage	4.00	3.50	4.50	5.11	5.25	5.61	5.92	5.76	6.65	6.91
Water	6.00	5.00	6.00	5.55	5.78	6.03	5.48	5.56	6.15	6.97
Sewer	4.00	4.00	4.00	3.95	4.23	4.45	4.94	4.81	3.58	5.68
Totals	73.00	76.00	77.00	81.00	81.00	83.00	84.00	84.00	86.00	95.00





Source: Department of Human Resources City of Battle Ground

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

CITY OF BATTLE GROUND

Schedule 19

Operating Indictors by Function/Program

Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018
General Government					
Population	18,237	19,250	19,640	20,370	20,890
Housing Units	6,371	6,506	6,956	7,118	7,290
Judicial					
Total number of cases filed	3,626	3,303	3,312	3,273	3,153
Total hearings scheduled	7,601	7,819	8,780	9,367	10,415
Total warrants issued	508	457	420	406	667
Public Safety (Law Enforcement)					
Citations issued	2,692	2,615	2,621	2,670	2,242
Reports written	2,697	2,524	2,456	2,706	2,641
Number of calls for service	14,141	14,239	14,660	14,898	14,321
Arrests	1,450	1,467	1,458	1,334	916
Transportation					
Right of way (hours)	72	50	96	113	110
Hours street sweeping	1,010	1,026	1,036	1,011	1,025
Curb painting (hours)	52	50	73	30	42
Crack sealing (hours)	-	200	559	338	404
Culture and Recreation					
Hours park mowing	945	900	632	582	637
Trash pick-up	902	800	1,370	1,555	932
Weed spraying	18	20	32	7	16
Water					
Number of water accounts	5,498	5,534	5,622	5,727	5,805
Average daily production (gallons)	1,394,995	1,486,384	1,486,788	1,563,421	1,636,996
Storm Drainage					
Number of drainage accounts	5,862	5,891	6,004	6,186	6,294
Ditch maintenance (hours)	2,660	2,700	1,882	249	1,758
Clean catch basins (hours)	302	312	624	546	450
Sewer					
Number of sewer accounts	5,626	5,650	5,727	5,892	6,145
Clean sewer lines (feet)	50,000	5,552	13,720	46,500	9,300
Treatment capacity (MG)	3	3	3	3	3

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CITY OF BATTLE GROUND

Schedule 19

Operating Indictors by Function/Program

Last Ten Fiscal Years

Function/Program	2019	2020	2021	2022	2023
General Government					
Population	21,520	20,742	21,160	21,780	21,910
Housing Units	7,427	7,449	7,625	7,885	7,945
Judicial					
Total number of cases filed	2,784	1,536	1,723	2,043	1,805
Total hearings scheduled	11,750	7,506	7,595	7,485	6,592
Total warrants issued	863	546	547	675	617
Public Safety (Law Enforcement)					
Citations issued	2,218	822	1,101	1,571	1,285
Reports written	2,680	1,782	1,891	2,100	1,999
Number of calls for service	16,613	12,348	11,782	12,791	14,831
Arrests	923	501	467	544	405
Transportation					
Right of way	262	244	67	918	918
Hours street sweeping	700	950	1,576	1,626	1,626
Curb painting (hours)	100	18	12	188	188
Crack sealing (hours)	14	-	736	160	160
Culture and Recreation					
Hours park mowing	707	884	800	1,068	1,164
Trash pick-up	982	874	644	800	800
Weed spraying	56	60	148	64	64
Water					
Number of water accounts	6,113	6,284	6,496	6,653	6,758
Average daily production (gallons)	1,545,000	1,592,324	1,727,854	1,717,232	1,784,203
Storm Drainage					
Number of drainage accounts	6,652	6,830	7,193	7,420	7,600
Ditch maintenance (hours)	1,848	2,220	1,856	56	56
Clean catch basins (hours)	176	176	137	101	136
Sewer					
Number of sewer accounts	6,356	6,534	6,896	7,122	7,300
Clean sewer lines (feet)	5,100	5,100	900	2,600	59,806
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	2014	2015	2016	2017	2018
General government					
Square feet administrative space	31,110	31,110	31,110	31,110	31,110
Public Safety					
Police					
Police vehicles	23	23	22	22	20
Square feet of administrative space	18,277	18,277	18,277	18,277	18,277
Physical Environment					
Fire trucks	2	2	2	2	2
Square feet for fire facilities	9,029	9,029	9,029	9,029	9,029
Transportation					
Miles of road	80	81	81	76	81
Number of street lights	1,947	2,027	2,046	2,156	2,318
Culture and Recreation					
Acreage	220	139	140	142	142
Park facilities	6	6	7	8	8
Water					
Supply and distribution mains (miles)	72	73	73	75	79
Number of hydrants	701	712	716	730	751
Storage	6	6	6	6	6
Wells	7	7	7	7	7
Storm Drainage					
Miles of storm drains (miles)	31	32	32	34	37
Storm water facilities (acres)	35	39	39	42	49
Wetlands/open space (acres)	85	85	85	85	88
Sewer					
Capacity (MGD)	3	3	3	3	3
Miles of sewage mains	60	61	61	63	66
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	2019	2020	2021	2022	2023
General government					
Square feet of administrative space	31,110	31,110	31,110	31,110	31,110
Public Safety					
Police					
Police vehicles	20	20	20	20	22
Square feet of administrative space	18,277	18,277	18,277	18,277	18,277
Physical Environment					
Fire trucks	2	-	-	-	-
Square feet for fire facilities	9,029	9,029	9,029	9,029	9,029
Transportation					
Miles of road	81	81	81	84	85
Number of street lights	2,318	2,318	2,318	2,318	2,486
Culture and Recreation					
Acreage	142	142	142	142	142
Park facilities	8	8	8	8	8
Water					
Supply and distribution mains (miles)	79	79	79	80	82
Number of hydrants	751	751	751	762	786
Storage	6	6	6	6	6
Wells	7	7	7	7	7
Storm Drainage					
Miles of storm drains (miles)	37	37	37	40	42
Storm water facilities (acres)	49	49	49	51	51
Wetlands/open space (acres)	88	88	88	88	88
Sewer					
Capacity (MGD)	3	3	3	3	3
Miles of sewage mains	66	66	66	69	70
Square feet of administrative space	4,051	4,051	4,051	4,051	4,051

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

City of Battle Ground
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass-Through Awards	From Direct Awards	Total		
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607		-	2,613	2,613	-	1,2
COMMUNITY ORIENTED POLICING SERVICE, JUSTICE, DEPARTMENT OF	Public Safety Partnership and Community Policing Grants	16.710		-	35,933	35,933	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA-8411	45	-	45	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA-96881	1,441	-	1,441	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA-10018	3,389	-	3,389	-	1,2,4
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA-10020	87,794	-	87,794	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA-10325	3,704,689	-	3,704,689	-	1,2

The accompanying notes are an integral part of this schedule.

City of Battle Ground
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass-Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA-10573	3,169	-	3,169	-	1,2
			Total ALN 20.205:	**3,800,527**	**-**	**3,800,527**	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	PT23-01	51,877	-	51,877	-	1,2
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	CP23-03	530	-	530	-	1,2
			Total Highway Safety Cluster:	**52,407**	**-**	**52,407**	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		-	349,909	349,909	-	1,2
CDC NATIONAL CENTER FOR CHRONIC DISEASE PREVENTION AND HEALTH PROMOTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Drug-Free Communities Support Program Grants	93.276		-	145,250	145,250	-	1,2
			Total Federal Awards Expended:	**3,852,934**	**533,705**	**4,386,639**	**-**	

The accompanying notes are an integral part of this schedule.

CITY OF BATTLE GROUND

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

NOTE 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the City of Battle Ground's fund financial statements. The City uses the modified accrual basis of accounting.

NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City of Battle Ground's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – FEDERAL DE MINIMIS INDIRECT COST RATE

The city has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance nor any other indirect cost rate. Expenditures reported are direct expenses to the program.

NOTE 4 – COSTS INCURRED IN PRIOR YEAR

For the City's LA-10018 transportation grant, the pass through agency had additional funds they sent to the city after the project was closed out for expenses incurred throughout the project, 2020-2022, that were not originally reimbursed in the amount of $3,389.