ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ending December 31, 2021



City of Battle Ground, Washington

CITY OF BATTLE GROUND, WASHINGTON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

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

City of Battle Ground
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2021

TABLE OF CONTENTS

Page Number

INTRODUCTORY SECTION

Letter of Transmittal 1-5
GFOA Certificate of Achievement 6
Organizational Chart 7
List of Principal Officials 8

FINANCIAL SECTION

Independent Auditor's Report 11-14
Management's Discussion and Analysis 15-25

Basic Financial Statements

Government-wide Financial Statements
Statement of Net Position 28
Statement of Activities 29

Fund Financial Statements
Balance Sheet – Governmental Funds 30
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 32
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund 33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Street Fund 34
Statement of Net Position – Proprietary Funds 35
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds 36
Statement of Cash Flows – Proprietary Funds 37-38
Statement of Net Position – Fiduciary Fund 39
Statement of Changes in Fiduciary Net Position – Fiduciary Fund 40

Notes to the Financial Statements 41-80

Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios LEOFF I OPEB 82
Schedule of Proportionate Share of Net Pension Liability – PERS 1 83
Schedule of Proportionate Share of Net Pension Liability – PERS 2/3 84
Schedule of Proportionate Share of Net Pension Liability – LEOFF 1 85

Schedule of Proportionate Share of Net Pension Liability – LEOFF 2 86
Schedule of Employer Contributions – PERS 1 87
Schedule of Employer Contributions – PERS 2/3 88
Schedule of Employer Contributions – LEOFF 2 89
Notes to Required Supplementary Information - Pensions 90-91

Nonmajor Combining and Individual Fund Statements and Schedules
Nonmajor Governmental Funds Defined 93

Combining Statements
Combining Balance Sheet – Nonmajor Governmental Funds 94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds 95
Combining Balance Sheet – Nonmajor Special Revenue Funds 96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds 97
Combining Balance Sheet – Nonmajor Capital Project Funds 98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds 99

Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Budget and Actual - Drug Investigation Fund 100
Budget and Actual - Lodging Tax Reserve Fund 101
Budget and Actual - Capital Projects Fund 102
Budget and Actual - Transportation Impact Fees Fund 103
Budget and Actual - Park Impact Fee Fund 104
Budget and Actual - Real Estate Excise Tax Fund 105
Budget and Actual - Fire Impact Fee Fund 106
Budget and Actual - Debt Service Fund 107
Budget and Actual – Parks Fund 108
Budget and Actual – Insurance Reserve Fund 109
Budget and Actual – LEOFF I Reserve Fund 110
Budget and Actual – Economic Stabilization Fund 111

Internal Service Funds Defined 112

Combining Statements
Combining Statement of Net Position – Internal Service Funds 113
Combining Statement of Revenues, Expenditures, and Changes in Fund Net Position
Internal Service Funds 114
Combining Statement of Cash Flows – Internal Service Funds 115

STATISTICAL SECTION

Statistical Section Defined 118-119

Financial Trends
Net Position by Component 120-121
Changes in Net Position 122-125
Fund Balances - Governmental Funds 126-127
Changes in Fund Balances - Governmental Funds 128-129

Schedules of Revenue Capacity

Tax Revenues by Source, Governmental Funds 131
Assessed Value of Taxable Property 132
Direct and Overlapping Property Tax Rates 133
Principal Property Tax Payers 134
Property Tax Levies and Collections 135

Schedules of Debt Capacity Information

Ratios of Outstanding Debt by Type 137
Ratios of General Bonded Debt Outstanding 138
Direct and Overlapping Governmental Activities Debt 139
Legal Debt Margin Information 140-141
Pledged Revenue Coverage 142

Schedules of Demographic and Economic Information

Demographic and Economic Statistics 144
Principal Employers 145
Property Value and Construction 146

Schedules of Operating Information

Full-time Equivalent City Government Employees by Function/Program 149
Operating Indictors by Function/Program 150-151
Capital Asset Statistics by Function/Program 152-153

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 16, 2022

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, 2021. The ACFR includes all city operations and activities for which the city is financially accountable. All of 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, 2021 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.

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 by each of the city's funds.

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 two major retail and professional centers, Millcreek Town Center and the Fred Meyer complex. Battle Ground's sales activity has been relatively strong in recent years. In 2021, the city experienced an increase of 27.3 percent in its sales tax receipts to $5.6 million after increases of 9.8 percent and 7.5 percent in 2020 and 2019, respectively.

The city's assessed valuation for its 2021 property tax levy was approximately $2.7 billion, an 8.2 percent increase over 2020. For 2022 tax collections, the assessed value is approximately $3.0 billion, an increase of 13.1 percent. This is due to overall assessed valuation increases as well as new construction added to property tax rolls of approximately $128 million. 2021 property tax revenue was $3.5 million.

In February 2020, the Governor of the state of Washington declared a state of emergency in response to a new virus called COVID-19. This resulted in a state-wide shut down not only of governmental offices, but also local restaurants, limited gatherings, reduced capacity limits of indoor retail, and restricted travel as well as non-essential activities. This was initially projected to have a devastating effect on the local economy. While the city did experience revenue shortfalls in its fines and community center rentals, all other revenue streams remained steady or increased. Whether this was a result of the pandemic or just a natural increase in revenues due to growth is indeterminable as this was an unprecedented event, this continued into 2021. The city also experienced record high real estate excise

taxes, home sales, in 2021 bringing in $2.3 million 59.8 percent more than 2020. The unemployment rate has continued to slowly decline and reached 3.9 percent in February 2022 compared to 6.3 percent in February 2021. Federal funds were distributed to state unemployment along with local jurisdictions in order to stimulate the economy. The city received $2.9 million in American Recovery Plan Act funds to assist with long term recovery from the pandemic. The city is slated to receive an additional $2.9 million in 2022. City council has obligated the funds to water and sewer infrastructure projects promoting a long term rate stabilization by paying for required infrastructure.

The 2021 population of approximately 21,160 in the City of Battle Ground increased at an annual rate of 2 percent. Currently, the residents of the city account for approximately 25.6 percent of its greater trade area of 82,600 and 4.2 percent of 501,869 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 and transportation, health services, and the construction industry.

A 2019 demographic and economic trends analysis was completed for the Battle Ground Community Vision project. Other comparative demographic data from the analysis is below:

Demographic Indicator	City of Battle Ground	Battle Ground Greater Trade Area	Clark County
% Bachelor's Degree or Higher (Adult Age 25+)	22%	26%	27%
% 3+ Person Households	56%	50%	43%
Owner % of All Households	72%	82%	66%
Median Age of Population	32.1	33.0-42.0	38.5
Median Home	$272,000	$304,000-$395,500	$292,500

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 February of 2020 the city asked the voters to consider annexing into Fire District 3. The annexation passed which means the city residents paid an additional property tax to Fire District 3 and the city no longer paid for fire services as of January 1, 2021.

With the additional funds unencumbered up by the annexation, the city had the ability to increase service levels of streets, public safety, and parks during its 2021 budget process. This is based 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.

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.

Capital Program and Budget Forecasts

Since growth is projected to continue into 2022 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. With the passage of fire annexation, the city was also able to dedicate additional funds to service levels of various departments within the city as aligned with the city's vision.

- Transportation: Significant transportation projects scheduled for 2022 include the addition of turn lanes on State Routes 502/503 and a pedestrian walkway at an estimated project cost of $4.0 million, SW Eaton Blvd improvements at an estimated project cost of $1.2 million, NW 15th Ave dual turn lanes at an estimated project cost of $900 thousand, and SW 1st Way improvements at an estimated cost of $825 thousand. Overall transportation capital projects funded by state and federal grants are $9.8 million. In addition, the city dedicated $1.3 million to street repair and maintenance.

- Beautification: $120,000 was added for increased maintenance of streetscapes, parks and public areas including improvements to the Community Center Landscaping.

- Parks and Recreation: A one-time investment of $55,000 to create a master plan for the city's parks and recreation resources for the future will continue in 2022.

- Police Services: The law enforcement funding continues to maintain and enhance police services including increased traffic patrols, investigations, proactive policing, and community outreach program with a total budget of $5.7 million in 2022.

- Facilities: Deferred maintenance on city facilities is being addressed on a priority basis, contingent on funding through real estate excise taxes. The 2021 budget includes a parking lot rehabilitation for the police complex.

- Fleet and Technology: Rental and Replacement Funds have been established for fleet and equipment as well as technology (e.g. computers, servers, etc.). Contributions from other funds to the R&R accounts are determined annually to support the recommended replacement cycle of assets.

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. External 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 other members of DCWA, an expansion of the SCTP is underway with $50 million dollars of debt being issued in 2022 for funding of these projects. The city's share of these expenses is 25.9 percent.

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, 2020. The city has received a Certificate of Achievement for the last 19 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,

Erin Erdman
City Manager

Meagan Lowery, CGAP
Finance and Information Services Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

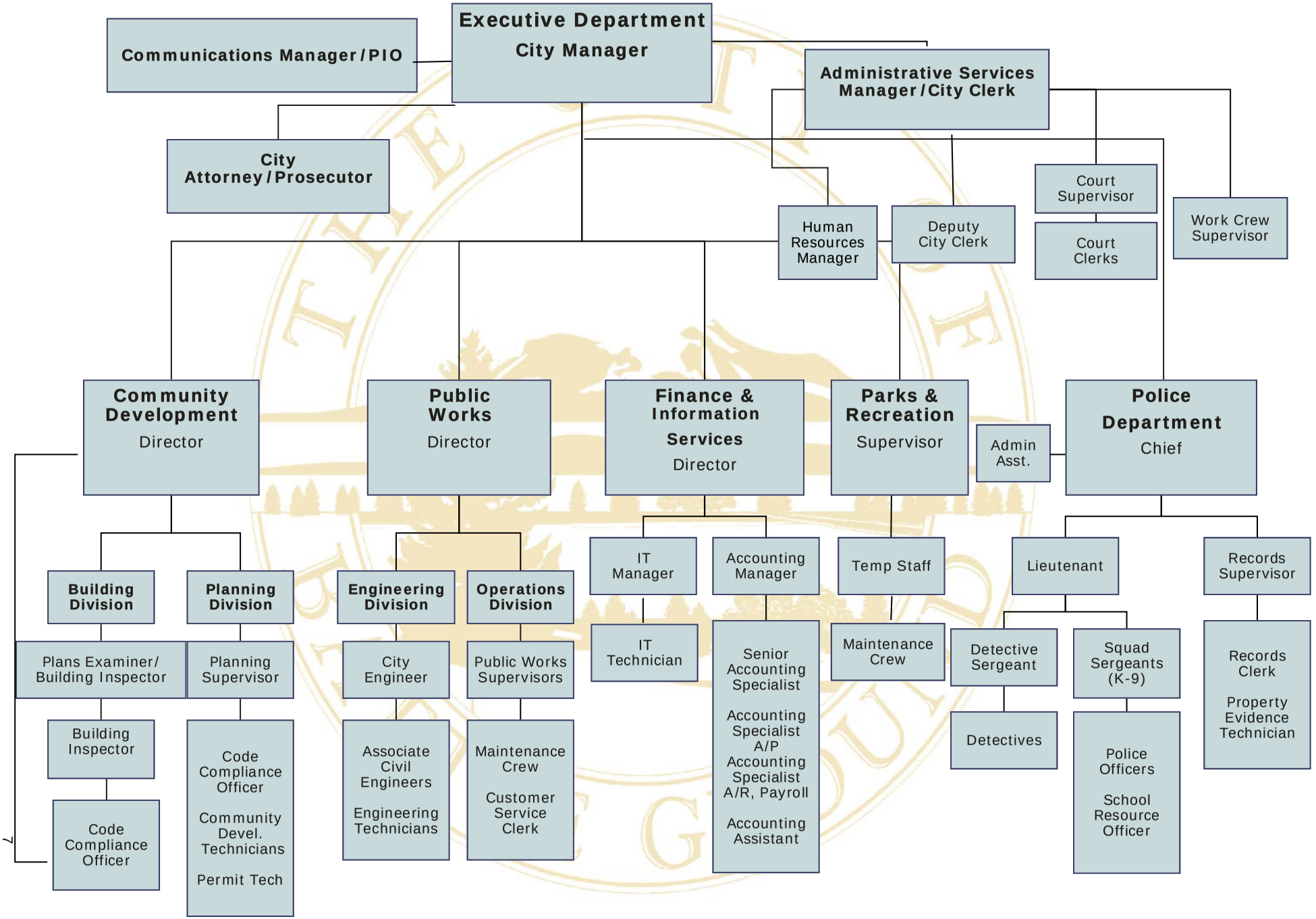
City of Battle Ground Washington

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020



Executive Director/CEO


Executive Department
City Manager
Communications Manager/PIO
City Attorney/Prosecutor
Administrative Services Manager/City Clerk
Human Resources Manager
Deputy City Clerk
Court Supervisor
Court Clerks
Work Crew Supervisor
Community Development
Director
Public Works
Director
Finance & Information Services
Director
Parks & Recreation
Supervisor
Admin Asst.
Police Department
Chief
Building Division
Planning Division
Engineering Division
Operations Division
IT Manager
Accounting Manager
Temp Staff
Lieutenant
Records Supervisor
Plans Examiner/ Building Inspector
Planning Supervisor
City Engineer
Public Works Supervisors
IT Technician
Senior Accounting Specialist
Accounting Specialist A/P
Accounting Specialist A/R, Payroll
Accounting Assistant
Maintenance Crew
Detective Sergeant
Squad Sergeants (K-9)
Records Clerk
Property Evidence Technician
Building Inspector
Code Compliance Officer
Code Compliance Officer
Community Devel. Technicians
Permit Tech
Associate Civil Engineers
Engineering Technicians
Maintenance Crew
Customer Service Clerk
Detectives
Police Officers
School Resource Officer

CITY OF BATTLE GROUND

List of Elected & Appointed Officials
As of December 31, 2021



Mayor
Adrian Cortes



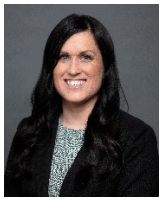
Deputy Mayor
Philip Johnson



Councilmember
Shane Bowman



Councilmember
Tricia Davis



Councilmember
Cherish DesRochers



Councilmember
Brian Munson



Councilmember
Shauna Walters

APPOINTED OFFICIALS

CITY STAFF

City Manager
Erin Erdman

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

Mayor and 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, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General fund and Street fund 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 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.

Matters of Emphasis

As discussed in Note 17 to the 2021 financial statements, the full extent of the COVID-19 pandemic's direct or indirect impact on the City is unknown. Our opinion is not modified with respect to this matter.

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 in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 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 the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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 opinions or provide any assurance thereon.

In connection with the audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 16, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,



Pat McCarthy, State Auditor

Olympia, WA

June 16, 2022

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, 2021. This information should be read in conjunction with the basic financial statements and notes to the financial statements that follow. The discussion and analysis includes comparative data for 2020.

2021 FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the city exceeded its liabilities and deferred inflows by $166.5 million (*net position*). Of this amount, $39.6 million represents unrestricted net position of which $7.7 million is unrestricted net position of the governmental activities and $31.9 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 66 percent of total net position, with a value of $109.9 million, an increase of $9.2 million over 2020.

- The city's total governmental funds reported combined ending fund balances of $25.0 million, an increase of $5.1 million over 2020. Of the total $9.2 million of restricted fund balance, $8.8 million is restricted for capital purposes. Remaining fund balances include $355,611 committed to economic stabilization; $2.0 million assigned to LEOFF 1, parks, insurance reserve and streets; and $13.4 million is unassigned to the general fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the city's basic financial statements and is intended to assist users in interpretation of the basic financial statements. The basic financial statements are 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, fire protection, road construction and maintenance, community planning and development, parks and recreation facilities, and other community services. These activities are primarily supported by taxes, licenses and permits, fines and forfeitures, and charges for general governmental services.

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

Statement of Net Position

This statement presents financial information on all of the city's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. 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 of 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 debt service fund, 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 and capital project funds.

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 give 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.

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 $166.5 million at December 31, 2021 as compared to $145.7 million at December 31, 2020. The following is a condensed version of the *Government-wide Statement of Net Position*.

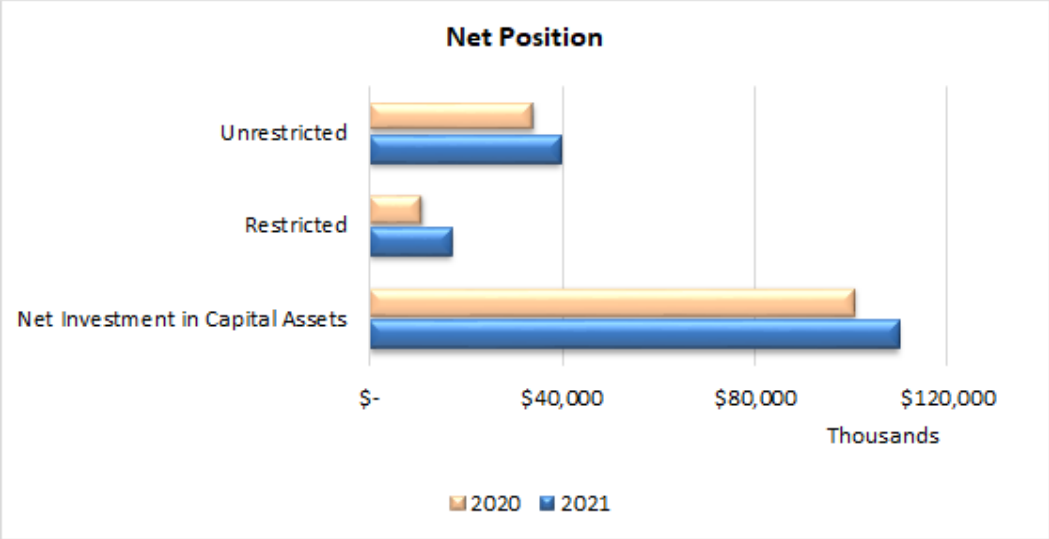
Net position						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	$ 37,948,833	$ 23,442,068	34,807,448	$ 31,047,221	$ 72,756,281	$ 54,489,289
Capital assets (net of depr)	57,399,490	54,588,088	63,998,950	60,605,627	121,398,440	115,193,715
Total assets	95,348,323	78,030,156	98,806,398	91,652,848	194,154,721	169,683,004
Deferred Outflow of Resources	750,279	785,171	207,094	209,176	957,373	994,347
Liabilities						
Current and other liabilities	6,752,878	2,971,140	951,386	1,546,807	7,704,264	4,517,947
Noncurrent	6,775,870	9,562,900	8,304,481	10,157,068	15,080,351	19,719,968
Total liabilities	13,528,748	12,534,040	9,255,867	11,703,875	22,784,615	24,237,915
Deferred Inflow of Resources	5,099,787	608,079	728,178	91,186	5,827,965	699,265
Net position						
Net investment in capital assets	53,834,490	48,276,704	56,104,281	52,425,451	109,938,771	100,702,155
Restricted	15,959,529	10,695,952	998,813	297,778	16,958,342	10,993,730
Unrestricted	7,676,048	6,700,552	31,926,353	27,343,734	39,602,401	34,044,286
Total net position	$ 77,470,067	$ 65,673,208	$ 89,029,447	$ 80,066,963	$ 166,499,514	$ 145,740,171

The largest portion of the city's net position is its net investment in capital assets. This category makes up 66 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 10 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 $39.6 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.

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.

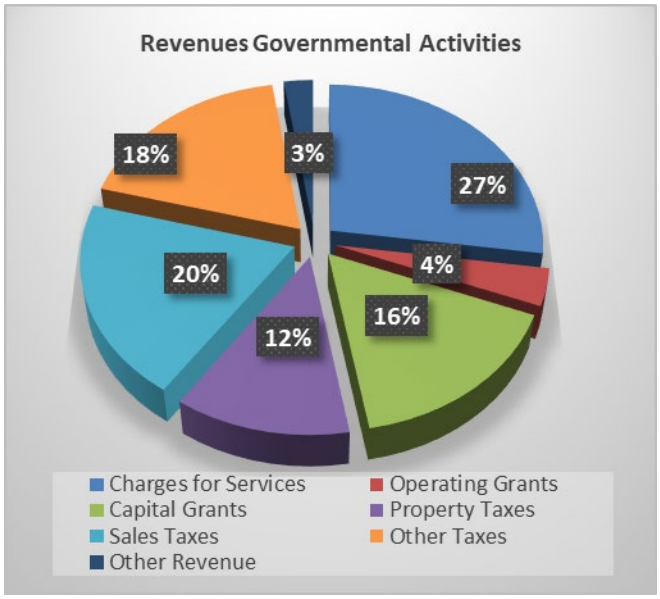


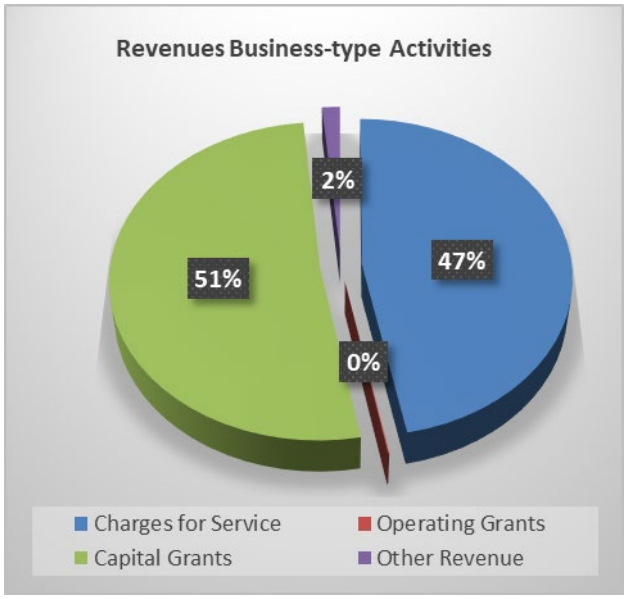
Statement of Activities

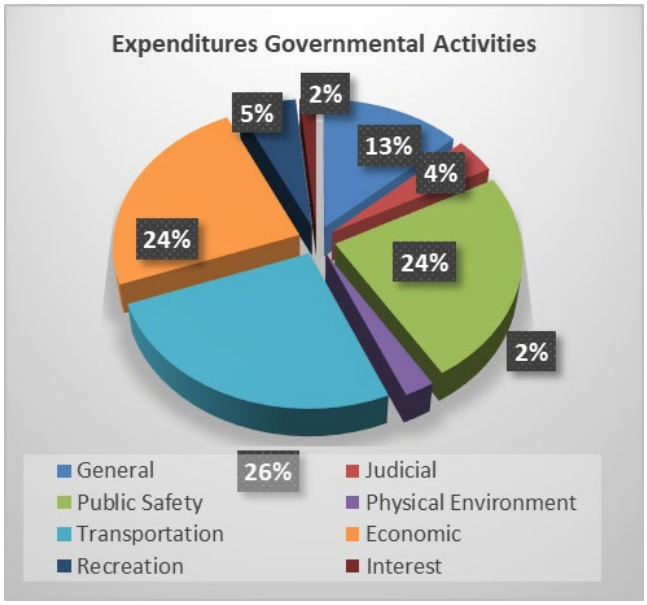
The *Statement of Activities* reports the change in net position for the fiscal year. At December 31, 2021, total ending net position increased by $20.8 million, or 14.2 percent. Business-type funds increased by $9.0 million, or 11.2 percent, primarily due to infrastructure contributions by developers. Net position of governmental activities increased by $11.8 million, or 18.0 percent, due to federal capital grant funding, increased building activity, and consumer spending.

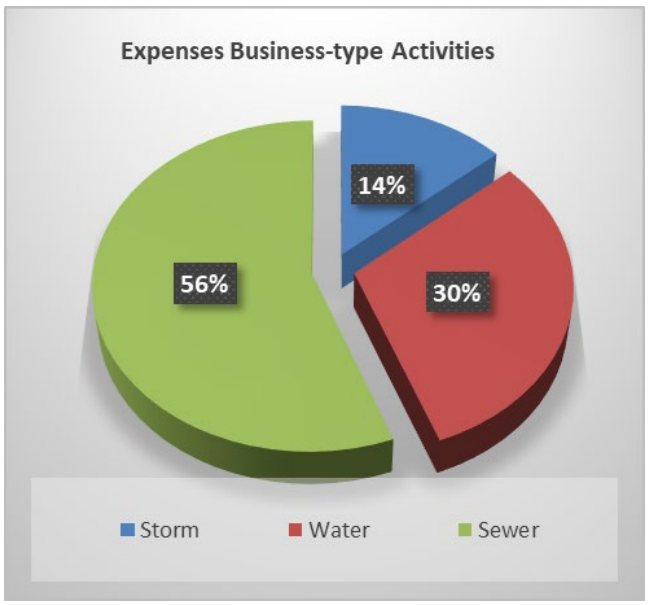
The full statement is a tabular depiction of the relationship of revenues and expenses for the city's governmental activities and proprietary funds. The graphs that follow illustrate the sources of revenue and the balance of governmental versus business type expenses for 2021.

Statement of Activities						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	$ 7,773,616	$ 5,191,621	$ 9,973,825	$ 9,221,364	$ 17,747,441	$ 14,412,985
Operating Grants	1,058,494	1,693,611	17,395	127,332	1,075,889	1,820,943
Capital Grants	4,637,149	3,072,574	10,936,910	4,393,652	15,574,059	7,466,226
General Revenue					-	
Property Taxes	3,495,531	3,323,783	-		3,495,531	3,323,783
Sales Taxes	5,617,753	4,396,312	-		5,617,753	4,396,312
Other Taxes	5,238,670	4,554,035	-		5,238,670	4,554,035
Interest Income	60,480	180,832	88,415	302,737	148,895	483,569
Other Revenues	625,268	(412,876)	230,652	216,895	855,920	(195,981)
Total Revenues	28,506,961	21,999,892	21,247,197	14,261,980	49,754,158	36,261,872
Expenses						
General Government	2,206,627	2,335,730			2,206,627	2,335,730
Judicial	665,347	571,181			665,347	571,181
Public Safety	4,010,312	8,558,547			4,010,312	8,558,547
Physical Environment	401,717	419,875			401,717	419,875
Transportation	4,309,325	3,197,724			4,309,325	3,197,724
Economic Environment	3,945,702	2,237,387			3,945,702	2,237,387
Culture and Recreation	912,321	875,202			912,321	875,202
Storm Drainage	-		1,675,682	1,420,125	1,675,682	1,420,125
Water	-		3,760,859	3,376,589	3,760,859	3,376,589
Sewer	-		6,848,172	6,637,207	6,848,172	6,637,207
Interest Expense	258,751	352,877			258,751	352,877
Total Expenses	16,710,102	18,548,523	12,284,713	11,433,921	28,994,815	29,982,444
Change in Net Position	11,796,859	3,451,369	8,962,484	2,828,059	20,759,343	6,279,428
Net Position - beginning	65,673,208	62,221,839	80,066,963	77,289,644	145,740,171	139,511,483
Prior Period Adjustment				(50,740)	-	(50,740)
Net Position - ending	$ 77,470,067	$ 65,673,208	$ 89,029,447	$ 80,066,963	$ 166,499,514	$ 145,740,171









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 $1.35 (2020) to $1.29 (2021) of assessed valuations due to increasing assessed valuations. The tax levy for 2021 tax collections increased $131,139 over the 2020 levy primarily due to new construction. 2021 property tax collections were $3,495,531.

The sales tax rate in the city is 8.4 percent on all retail sales. Retail sales and use tax collected increased $1,221,441 (27.8%) from the prior year due to continuing improvement in the local economy and employment. In 2021, sales and use tax revenue was $5,617,753.

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 2021 city utility tax rate was 12 percent. These "other taxes" generated $2,667,536 of revenue.

Revenues tied to residential development and home purchases remained strong in 2021. Fees for building permits, building plan checks, and zoning and subdivision services were $2.2 million as compared to $1.4 million in 2020. Real estate excise tax was approximately $1.4 million and $2.3 million for 2020 and 2021 respectively.

Governmental activities expenses decreased $1,838,421 (10.0%) over 2020. The decrease is due to the city no longer having a contract for fire services which were annexed into Clark County Fire District 3 in 2021. This contract was $3,462,999 in 2020. By contrast, the city did see 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. After many years of cost and staff reductions and deferral of street, parks, and facility maintenance, efforts continue to fund critical infrastructure and facility improvements.

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 $752,461 (8.0%) over 2020. This was primarily due to rate increases 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 $2.3 million (14.9%) primarily due to new development capital contributions and new accounts due to development.

- The water fund had an overall increase in net position of $2.1 million (8.0%) primarily due to rate increase and new development capital contributions.

- The sewer fund had an overall increase in net position of $4.4 million (11.9%) 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, 2021, the city's governmental funds reported combined fund balances of $25.0 million, an increase of $5.1 million over 2020. $13.4 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: 1) restricted for particular purposes in the amount of $9,160,025; committed for particular purposes in the amount of $355,611; or 3) assigned for particular purposes in the amount of $1,991,892.

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 $13,445,577, while total fund balance increased to $14,802,465. 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 96.6% of total general fund expenditures, while total fund balance represents approximately 106.3% of that same amount.

Statement of Governmental Fund Balances			
	2021	2020	$ Change
General Fund			
Committed	355,611	354,558	1,053
Assigned	1,001,277	771,150	230,127
Unassigned	13,445,577	8,628,277	4,817,300
Total General Fund	$ 14,802,465	$ 9,753,985	$ 5,048,480
All Other Governmental Funds			
Restricted	9,160,025	9,211,828	(51,803)
Assigned	990,615	913,721	76,894
Total All Other Governmental Funds	$ 10,150,640	$ 10,125,549	$ 25,091
Total Governmental Fund Balance	$ 24,953,105	$ 19,879,534	$ 5,073,571

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 32.5%, the sewer fund 47.2%, and the storm drainage fund 20.3% of the total net position for enterprise funds. The water fund had total net position at year-end of $28.7 million, the sewer fund $41.7 million, and the storm drainage fund $18.0 million. The water and sewer 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 2021 were $3.2 million which is an increase of $303,617 from 2020. Total operating expenses were $3.7 million as compared to $3.3 million in 2020. This increase is primarily due to an increase in the amount of water purchased for distribution.

Total sewer fund operating revenues for 2021 were $5.2 million as compared to $4.8 million in 2020. Total operating expenses were $6.7 million as compared to $6.5 million in 2020. This increase is primarily due to personnel increases as well as an increase to cost allocation to the general fund.

Total storm drainage operating revenues for 2021 were $1.7 million which was a $33,546 increase from 2020. Total operating expenses were $1.7 million for 2021 as compared to $1.4 million in 2020. This increase is due to an additional full time employee hired in 2021 for the storm drainage fund.

Statement of Proprietary Fund Net Position

	Business-type Activities Enterprise Funds						Governmental Activities	
	Storm Drainage		Water		Sewer		Internal Service	
	2021	2020	2021	2020	2021	2020	2021	2020
Net Position								
Net Investment in Capital Assets	14,094,238	12,363,898	16,335,533	15,426,723	25,674,510	24,634,830	513,118	433,681
Restricted (Pension)	250,047	-	249,194	-	201,794	-	-	-
Restricted (Debt Service)	-		-		297,778	297,778	-	
Unrestricted	3,619,522	3,276,466	12,071,810	11,123,634	15,515,368	12,326,951	838,399	737,420
Total Net Position	$ 17,963,807	$ 15,640,364	$ 28,656,537	$ 26,550,357	$ 41,689,450	$ 37,259,559	$ 1,351,517	$ 1,171,101

GENERAL FUND BUDGETARY HIGHLIGHTS

The city appropriated funds through the adoption of the 2021 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 2021 budget	Final 2021 Budget	Change Increase (Decrease)	Actual at 12/31/2021	Variance Positive (Negative)	Percentage of Actual to Budget
Revenues:						
Taxes	$ 9,945,358	$ 9,945,358	$ -	$ 11,777,589	$ 1,832,231	118%
License and permits	871,558	871,558	-	2,163,860	1,292,302	248%
Intergovernmental	882,301	1,047,001	164,700	933,956	(113,045)	89%
Charges for services	3,355,639	4,080,639	725,000	4,324,296	243,657	106%
Other revenues	591,774	591,774	-	436,990	(154,784)	74%
Total revenues	15,646,630	16,536,330	889,700	19,636,691	3,100,361	119%
Expenditures:						
General government	3,402,896	3,623,596	220,700	3,055,990	567,606	84%
Judicial	888,432	888,432	-	717,465	170,967	81%
Security/Persons and property	5,491,673	5,491,673	-	4,915,003	576,670	89%
Physical Environment	559,343	584,343	25,000	462,356	121,987	79%
Economic Environment	2,871,239	3,571,239	700,000	3,282,149	289,090	92%
All other expenditures	2,312,593	2,312,593	-	2,386,428	(73,835)	103%
Total Expenditures	15,526,176	16,471,876	945,700	14,819,391	1,652,485	90%

The overage in all other expenditures was related to the city hall generator installation and completion of the city's social distancing project.

Increases in appropriations were related to impact fee activity exceeding projects, fire panel replacement in city hall, and engineering services for plan review.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The city's investment in capital assets, including construction in progress, totals $121.4 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 $6,204,725 million in 2021.

	Governmental Activities		Business-Type Activities		Total Activities	
	2021	2020	2021	2020	2021	2020
Land	$ 15,520,855	$ 15,532,175	$ 3,987,945	$ 3,728,988	$ 19,508,800	$ 19,261,163
Construction in progress	1,973,260	1,534,471	1,102,169	999,433	3,075,429	2,533,904
Buildings	9,660,754	8,895,814	1,272,396	819,475	10,933,150	9,715,289
Machinery and equipment	846,380	704,461	344,343	422,201	1,190,723	1,126,662
Infrastructure	28,704,838	27,155,794	50,597,915	46,827,568	79,302,753	73,983,362
Improvements other than buildings	693,403	765,373	21,375	23,020	714,778	788,393
Intangible assets	-	-	6,672,807	7,784,942	6,672,807	7,784,942
Total	$ 57,399,490	$ 54,588,088	$ 63,998,950	$ 60,605,627	$ 121,398,440	$ 115,193,715

Major capital events during the 2021 fiscal year included the following:

- Replaced the roof at City Hall.
- Replacement of five public works vehicles.
- Installed a new HVAC system at City Hall.
- Completed the City's Social Distancing Project at City Hall.
- Completion of Old Town Mid-Block Crossing project, SW 3rd Ave improvements, and Hidden Meadows Safety upgrades.

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, 2021, the city had total long-term debt outstanding of $11,459,669. Of this amount, $3,365,000 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 $42 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, 2021 there were outstanding government long-term loans made by the State of Washington under the Public Works Trust Fund Loan Program of $200,000 for West Main Street improvements. USDA sewer revenue bonds of $5,922,610 and water revenue bonds of $1,972,059 were also outstanding at year end.

The table below is a comparison of the summary for outstanding debt at December 31, 2020 and 2021.

Outstanding Debt

	Governmental Activities		Business-Type Activies		Total Activities	
	2021	2020	2021	2020	2021	2020
General obligation bonds	$ 3,365,000	$ 5,825,000		$ -	$ 3,365,000	$ 5,825,000
Capital leases	-	144,139		-	-	144,139
Government loans	200,000	300,000		-	200,000	300,000
Revenue bonds			7,894,669	8,180,176	7,894,669	8,180,176
Issuance premium (LTGO)	-	42,247			-	42,247
Total	$ 3,565,000	$ 6,311,386	$ 7,894,669	$ 8,180,176	$ 11,459,669	$ 14,491,562

Additional information on the city's long-term debt is located in Note 7 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 82,600 people. For the period 2012-2021, the population of Battle Ground increased 18.2 percent, from 17,893 to 21,160 citizens. Residential and commercial development increased in the city while the broader regional economy also improved with increased employment and economic development. However, the city is challenged to sustain service and program levels to this growing population. Staffing levels have not been regained since layoffs made during the last recession. To address these challenges, the city has initiated an on-going visioning process involving community engagement.

The city's adopted financial policies continue to guide the financial operations and the 2022 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 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. The 2022 budget and work plans continue to support and build on these efforts.

- Increased public safety with reassignment of an officer to a lieutenant
- Increase pavement preservation
- Addition of 2 full time employees for the city's legal and storm drainage department
- Continued work on multiple grant funded capital transportation projects
- Park Master Plan for future planning of Parks with in the City

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.

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BASIC FINANCIAL STATEMENTS

CITY OF BATTLE GROUND
Statement of Net Position
December 31, 2021

	Governmental Activities	Business-type Activities	Total Primary Government
Assets			
Cash and Cash Equivalents	$ 22,958,965	$ 27,644,916	$ 50,603,881
Investments	3,335,316	3,594,836	6,930,152
Receivables	2,416,308	1,257,166	3,673,474
Internal Balances	(719,653)	719,653	-
Restricted Assets			-
Cash and Cash Equivalents	3,158,393	297,778	3,456,171
Net Pension Asset	6,799,504	701,035	7,500,539
Capital Assets (not being depreciated)			-
Land	15,520,855	3,987,945	19,508,800
Construction Work in Progress	1,973,260	1,102,169	3,075,429
Capital Assets (net of accumulated depreciation)			-
Buildings	9,660,754	1,272,396	10,933,150
Improvements Other than Buildings	693,403	21,375	714,778
Intangible Assets	-	6,672,807	6,672,807
Machinery and Equipment	846,380	344,343	1,190,723
Infrastructure	28,704,838	50,597,915	79,302,753
Other Asset	-	592,064	592,064
Total Assets	95,348,323	98,806,398	194,154,721
Deferred Outflows of Resources			
Related to Pensions	721,049	85,945	806,994
Related to OPEB	29,230	-	29,230
Related to Asset Retirement Obligations	-	121,149	121,149
Total Deferred Outflows of Resources	750,279	207,094	957,373
Liabilities			
Accounts Payable	1,465,003	290,963	1,755,966
Other Current Liabilities	1,314,217	71,145	1,385,362
Accrued Interest Payable	19,276	86,834	106,110
Customer Deposits	96,854	-	96,854
Unearned Revenue	3,857,528	502,444	4,359,972
Noncurrent Liabilities			
Due within One Year	500,838	301,166	802,004
Total OPEB Liability	58,460	-	58,460
Due in More than One Year	3,952,036	7,758,668	11,710,704
Net Pension Liability	279,967	66,900	346,867
Total OPEB Liability	1,984,569	-	1,984,569
Asset Retirement Obligation	-	177,747	177,747
Total Liabilities	13,528,748	9,255,867	22,784,615
Deferred Inflows of Resources			
Related to Pensions	5,099,787	728,178	5,827,965
Total Deferred Inflows of Resources	5,099,787	728,178	5,827,965
Net Position			
Net Investment in Capital Assets	53,834,490	56,104,281	109,938,771
Restricted for			
Capital	8,822,634	-	8,822,634
Pension	6,799,504	701,035	7,500,539
Debt Service	-	297,778	297,778
Drug Investigation	44,403	-	44,403
Tourist Promotion	292,988	-	292,988
Unrestricted	7,676,048	31,926,353	39,602,401
Total Net Position	$ 77,470,067	$ 89,029,447	$ 166,499,514

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, 2021

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	$ 3,334,081	$(1,127,454)	$ 163,248	$ -	$ -	(2,043,379)	$ -	$ (2,043,379)
Judicial	665,347	-	292,829	14,000	-	(358,518)	-	(358,518)
Public Safety	4,010,312	-	248,149	410,339	-	(3,351,824)	-	(3,351,824)
Physical Environment	401,717	-	12,783	-	-	(388,934)	-	(388,934)
Transportation	4,309,325	-	11,371	550,557	4,637,149	889,752	-	889,752
Economic Environment	3,945,702	-	6,968,109	83,598	-	3,106,005	-	3,106,005
Culture and Recreation	912,321	-	77,127	-	-	(835,194)	-	(835,194)
Interest Expense	258,751	-	-	-	-	(258,751)	-	(258,751)
TOTAL GOVERNMENTAL ACTIVITIES	17,837,556	(1,127,454)	7,773,616	1,058,494	4,637,149	(3,240,843)	-	(3,240,843)
Business Type Activities:								
Storm Drainage	1,345,263	330,419	1,661,080	17,395	2,308,048	-	2,310,841	2,310,841
Water	3,355,836	405,023	3,227,474	-	2,603,443	-	2,070,058	2,070,058
Sewer	6,456,160	392,012	5,085,271	-	6,025,419	-	4,262,518	4,262,518
TOTAL BUSINESS-TYPE ACTIVITIES	11,157,259	1,127,454	9,973,825	17,395	10,936,910	-	8,643,417	8,643,417
Total Primary Government	$ 28,994,815	$ -	$ 17,747,441	$ 1,075,889	$ 15,574,059	$ (3,240,843)	$ 8,643,417	$ 5,402,574
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes						3,495,531	-	3,495,531
Sales and Use Taxes						5,617,753	-	5,617,753
Business and Occupation Taxes						2,915,471	-	2,915,471
Excise Taxes						2,323,199	-	2,323,199
Grants and Contributions not Restricted to Specific Programs						475,559	-	475,559
Unrestricted Investment Earnings						60,480	88,415	148,895
Gain on Sale of Capital Assets						26,483		26,483
Miscellaneous						125,959	227,919	353,878
Transfers						(2,733)	2,733	-
Total General Revenues						15,037,702	319,067	15,356,769
Change in Net Position						11,796,859	8,962,484	20,759,343
Net Position - Beginning						65,673,208	80,066,963	145,740,171
Net Position - Ending						$ 77,470,067	$ 89,029,447	$ 166,499,514

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

CITY OF BATTLE GROUND
Governmental Funds
Balance Sheet
December 31, 2021

	General Fund	Debt Service Fund	Street Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	$ 12,080,136	$ -	$ 2,120,935	$ -	8,007,678	$ 22,208,749
Investments	1,935,751	-	272,859	-	1,030,191	3,238,801
Restricted Cash and Cash Equivalents	2,969,123	-	-	189,270	-	3,158,393
Property Taxes Receivables	64,522	-	-	-	-	64,522
Utility Tax Receivable	153,580	-	-	-	-	153,580
Accounts Receivable	1,513,307	-	63,137	341,922	140,860	2,059,226
Interest Receivable	1,922	-	271	-	1,023	3,216
Municipal Court Receivable	135,669	-	-	-	-	135,669
Total Assets	18,854,010	-	2,457,202	531,192	9,179,752	31,022,156
Liabilities						
Accounts Payable	441,046	-	611,398	383,930	20,202	1,456,576
Other Accrued Liabilities	370,402	-	855,189	88,626	-	1,314,217
Unearned Revenues	2,969,123	-	-	58,161	-	3,027,284
Customer Deposits	96,854	-	-	-	-	96,854
Total Liabilities	3,877,425	-	1,466,587	530,717	20,202	5,894,931
Deferred Inflows of Resources						
Unavailable revenue-property taxes	38,451	-	-	-	-	38,451
Unavailable revenue-municipal court	135,669	-	-	-	-	135,669
Total Deferred Inflows of Resources	174,120	-	-	-	-	174,120
Fund Balances						
Restricted for:						
Capital	-	-	-	475	8,822,159	8,822,634
Drug Investigation	-	-	-	-	44,403	44,403
Tourist Promotion	-	-	-	-	292,988	292,988
Committed to:						
Economic Stabilization	355,611	-	-	-	-	355,611
Assigned to:						
LEOFF 1	197,104	-	-	-	-	197,104
Parks	710,198	-	-	-	-	710,198
Insurance Reserve	93,975	-	-	-	-	93,975
Street	-	-	990,615	-	-	990,615
Unassigned	13,445,577	-	-	-	-	13,445,577
Total Fund Balances	14,802,465	-	990,615	475	9,159,550	$ 24,953,105
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 18,854,010	$ -	$ 2,457,202	$ $ 531,192	$ 9,179,752	

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)	56,886,372
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds (see note 2A)	2,624,116
Long-term liabilities that are not due and payable in the current period and are not reported in the funds (see note 2A)	(7,625,390)
Net position of internal service funds - governmental activities (see note 2A)	631,864
Net position of governmental activities	$ 77,470,067

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, 2021

	General Fund	Debt Service Fund	Street Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	$ 3,492,300	$ -	$ -	$ -	-	$ 3,492,300
Sales and Use Taxes	5,617,753	-	-	-	-	5,617,753
Other Taxes	2,667,536	-	9,306	-	2,391,892	5,068,734
License and Permits	2,163,860	-	-	-	-	2,163,860
Intergovernmental	933,956	-	446,591	1,037,166	1,469	2,419,182
Charges for Services	4,472,551	-	103,113	-	2,185,876	6,761,540
Fines and Forfeits	153,754	-	-	-	-	153,754
Interest Earnings	21,234	-	5,772	21	31,118	58,145
Rents and Royalties	238,187	-	-	-	-	238,187
Contributions/Donations	28,062	103,966	-	-	-	132,028
Miscellaneous	107,424	-	2,100	-	-	109,524
Total Revenues	19,896,617	103,966	566,882	1,037,187	4,610,355	26,215,007
Expenditures						
Current						
General Government	3,099,318	-	-	-	-	3,099,318
Judicial	717,465	-	-	-	-	717,465
Security/Persons and Property	4,915,003	-	-	-	2,500	4,917,503
Physical Environment	462,356	-	-	-	-	462,356
Transportation	-	-	1,856,666	-	-	1,856,666
Economic Environment	4,041,393	-	-	-	47,236	4,088,629
Culture and Recreation	593,638	-	-	-	-	593,638
Capital Expenditures						
General Government	35,224	-	-	1,305,406	-	1,340,630
Security/Persons and Property	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Transportation	-	-		1,186,018	-	1,186,018
Debt Service						
Principal Retirement	57,250	2,560,000	-	-	-	2,617,250
Interest/Fiscal Charges	1,090	307,288	-	-	-	308,378
Total Expenditures	13,922,737	2,867,288	1,856,666	2,491,424	49,736	21,187,851
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,973,880	(2,763,322)	(1,289,784)	(1,454,237)	4,560,619	5,027,156
						-
Other Financing Sources (Uses)						
Sale of Capital Assets	6,980	-	-	-		6,980
Insurance Recoveries	42,167	-	-	-	-	42,167
Transfers In	70,502	2,763,322	1,509,368	1,560,718	89,217	5,993,127
Transfers Out	(1,542,864)	-	(142,690)	(106,166)	(4,204,139)	(5,995,859)
Total Other Financing Sources and Uses	(1,423,215)	2,763,322	1,366,678	1,454,552	(4,114,922)	46,415
Net Change in Fund Balance	4,550,665	-	76,894	315	445,697	5,073,571
Fund Balance at Beginning of Year	10,251,800	-	913,721	160	8,713,853	19,879,534
Fund Balance at End of Year	$ 14,802,465	$ -	$ 990,615	$ 475	$ 9,159,550	$ 24,953,105

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, 2021

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

Net changes in fund balance - total governmental funds:	$	5,073,571
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.		(949,808)
The net effect of various miscellaneous transactions involving capital assets (I.e., sales, transfers, trade-ins, and donations) is to increase net position.		(279,024)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		3,565,473
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.		2,617,250
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.		1,691,951
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.		77,446
Change in Net Position of Governmental Activities	$	11,796,859

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, 2021

	Budget Amounts		Actual Year-To-Date Thru 12/31/21	Variance Thru 12/31/21
	Original 2021	Final 2021		
Revenues				
Property Taxes	$ 3,457,411	$ 3,457,411	$ 3,492,300	$ 34,889
Sales and Use Taxes	3,973,303	3,973,303	5,617,753	1,644,450
Other Taxes	2,514,644	2,514,644	2,667,536	152,892
License and Permits	871,558	871,558	2,163,860	1,292,302
Intergovernmental	882,301	1,047,001	933,956	(113,045)
Charges for Services	3,355,639	4,080,639	4,324,296	243,657
Fines and Forfeits	226,650	226,650	153,754	(72,896)
Interest Earnings	61,200	61,200	16,696	(44,504)
Rents and Royalties	156,924	156,924	161,059	4,135
Contributions/Donations	500	500	9,562	9,062
Miscellaneous	57,500	57,500	40,485	(17,015)
Total Revenues	15,557,630	16,447,330	19,581,257	3,133,927
Expenditures				
Current				
General Government	3,402,896	3,623,596	3,055,990	567,606
Judicial	888,432	888,432	717,465	170,967
Security/Persons and Property	5,491,673	5,491,673	4,915,003	576,670
Physical Environment	559,343	584,343	462,356	121,987
Economic Environment	2,871,239	3,571,239	3,282,149	289,090
Culture and Recreation	-	-	-	-
Capitalized Expenditures	-	-	35,224	(35,224)
Debt Service				
Principal Retirement	57,251	57,251	57,250	1
Interest/Fiscal Charges	1,092	1,092	1,090	2
Total Expenditures	13,271,926	14,217,626	12,526,527	1,691,099
Excess (Deficiency) of Revenues Over (under) Expenditures	2,285,704	2,229,704	7,054,730	4,825,026
Other Financing Sources (Uses)				
Transfers In	89,000	89,000	55,434	(33,566)
Transfers Out	(2,254,250)	(2,254,250)	(2,292,864)	(38,614)
Total Other Financing Sources and Uses	(2,165,250)	(2,165,250)	(2,237,430)	(72,180)
Net Change in Fund Balance	120,454	64,454	4,817,300	4,752,846
Fund Balance at Beginning of Year	7,093,484	7,093,484	8,628,277	1,534,793
Fund Balance at End of Year	$ 7,213,938	$ 7,157,938	$ 13,445,577	$ 6,287,639
Adjustment to generally accepted accounting principles (GAAP) basis:				
Parks Fund budgeted as separate fund			$ 710,198	
Insurance Reserve Fund budgeted as separate fund			93,975	
LEOFF I Reserve Fund budgeted as separate fund			197,104	
Economic Stabilization Fund budgeted as separate fund			355,611	
Fire Impact Fees Fund budgeted as a separate fund			-	
Fund Balance GAAP basis:			$ 14,802,465	

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
Balance Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2021

	Budget Amounts			
	Original 2021	Final 2021	Actual Year-To-Date Thru 12/31/21	Variance Thru 12/31/21
Revenues				
Other Taxes	$ -	-	9,306	$ 9,306
Intergovernmental	474,300	474,300	446,591	(27,709)
Charges for Services			103,113	103,113
Interest Earnings	3,060	3,060	5,772	2,712
Miscellaneous	5,305	5,305	2,100	(3,205)
Total Revenues	482,665	482,665	566,882	84,217
Expenditures				
Current:				
Transportation	2,505,466	2,505,466	1,856,666	648,800
Total Expenditures	2,505,466	2,505,466	1,856,666	648,800
Excess (Deficiency) of Revenues Over (under) Expenditures	(2,022,801)	(2,022,801)	(1,289,784)	733,017
Other Financing Sources (Uses)				
Insurance Recoveries				-
Transfers In	1,576,000	1,576,000	1,509,368	(66,632)
Transfers Out	(182,757)	(182,757)	(142,690)	40,067
Total Other Financing Sources and Uses	1,393,243	1,393,243	1,366,678	(26,565)
Net Change in Fund Balance	(629,558)	(629,558)	76,894	706,452
Fund balance at beginning of year	798,949	$ 798,949	$ 913,721	$ 114,772
Fund balance at end of year	$ 169,391	$ 169,391	$ 990,615	$ 821,224

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, 2021

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Assets					
Current Assets					
Cash and Cash Equivalents	$ 3,373,344	$ 10,275,728	$ 13,995,844	$ 27,644,916	$ 750,216
Investments	433,981	1,321,976	1,838,879	3,594,836	96,515
Receivables (net)					
Accounts	168,047	356,803	704,104	1,228,954	
Interest	431	1,313	1,826	3,570	95
Grants	24,642			24,642	
Deposits with Fiscal Agent	-	-		-	
Total Current Assets	4,000,445	11,955,820	16,540,653	32,496,918	846,826
Noncurrent Assets					
Restricted Cash and Cash Equivalents	-	-	297,778	297,778	-
Net Pension Asset	250,047	249,194	201,794	701,035	-
Property, Plant and Equipment (Net)	14,094,238	18,307,591	31,597,121	63,998,950	513,118
Other Asset	-	592,064	-	592,064	-
Total Noncurrent Assets	14,344,285	19,148,849	32,096,693	65,589,827	513,118
Total Assets	18,344,730	31,104,669	48,637,346	98,086,745	1,359,944
Deferred Outflows of Resources					
Deferred Outflows Related to Pensions	30,655	30,551	24,739	85,945	-
Deferred Outflows Related to Asset Retirement Obligations	-	121,149	-	121,149	-
Total Deferred Outflows	30,655	151,700	24,739	207,094	-
Liabilities					
Current Liabilities					
Accounts Payable	64,963	65,371	160,629	290,963	8,427
Accrued Interest Payable	-	9,434	77,400	86,834	-
Other Accrued Liabilities	25,891	25,169	20,085	71,145	-
Unearned Revenues	-	932	501,512	502,444	-
Bonds, Notes and Loans Payable	-	180,166	121,000	301,166	-
Total Current Liabilities	90,854	281,072	880,626	1,252,552	8,427
Noncurrent Liabilities					
Bonds, Notes and Loan Payable	-	1,791,892	5,801,611	7,593,503	-
Compensated Absences	37,134	66,497	61,534	165,165	-
Net Pension Liability	23,862	23,781	19,257	66,900	-
Asset Retirement Obligation	-	177,747	-	177,747	-
Total Noncurrent Liabilities	60,996	2,059,917	5,882,402	8,003,315	-
Total Liabilities	151,850	2,340,989	6,763,028	9,255,867	8,427
Deferred Inflows of Resources					
Deferred Inflows Related to Pensions	259,728	258,843	209,607	728,178	-
Net Position					
Net Investment in Capital Assets	14,094,238	16,335,533	25,674,510	56,104,281	513,118
Restricted for Pension	250,047	249,194	201,794	701,035	-
Restricted for Debt Service	-	-	297,778	297,778	-
Unrestricted	3,619,522	12,071,810	15,515,368	31,206,700	838,399
Total Net Position	$ 17,963,807	$ 28,656,537	$ 41,689,450	$ 88,309,794	$ 1,351,517
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)				719,653	
Net position of business-type activities				$ 89,029,447	

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, 2021

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Operating Revenues					
Charge for Services	$ 1,661,080	$ 3,227,474	$ 5,085,271	$ 9,973,825	$ 353,854
Miscellaneous	588	2,120	122,241	124,949	-
State and Federal Grants	17,395	-	-	17,395	-
Total Operating Revenues	1,679,063	3,229,594	5,207,512	10,116,169	353,854
Operating Expenses					
Personnel Services	527,838	457,363	380,948	1,366,149	-
Equipment and Supplies	55,420	1,257,286	46,144	1,358,850	39,780
Professional Services	144,584	297,877	89,663	532,124	-
Utilities	4,964	95,260	74,732	174,956	-
Repairs and Maintenance	86,546	60,886	143,223	290,655	-
Taxes	34,597	180,956	111,004	326,557	-
Intergovernmental services	-	-	3,364,432	3,364,432	-
Insurance	16,859	22,424	33,382	72,665	-
Allocated expenses	330,419	405,023	392,012	1,127,454	-
Other	54,645	24,429	58,618	137,692	-
Depreciation	419,810	892,406	1,975,221	3,287,437	162,403
Total Operating Expenses	1,675,682	3,693,910	6,669,379	12,038,971	202,183
Operating Income (loss)	3,381	(464,316)	(1,461,867)	(1,922,802)	151,671
Nonoperating Revenues (Expenses)					
Interest Earnings	10,306	34,002	44,107	88,415	2,334
State and Federal Grants	298,947		32,606	331,553	-
Miscellaneous Revenues				-	
Interest and Fiscal Charges		(66,949)	(178,793)	(245,742)	(72)
Gain (loss) on Sale of Capital Assets				-	26,483
Total Nonoperating Revenues (Expenses)	309,253	(32,947)	(102,080)	174,226	28,745
Income (Loss) before Contributions, Special Items, and Transfers	312,634	(497,263)	(1,563,947)	(1,748,576)	180,416
Capital Contributions	2,009,101	2,603,443	5,992,813	10,605,357	-
Transfers In	1,708		1,025	2,733	-
Transfers Out				-	-
Change in Net Position	2,323,443	2,106,180	4,429,891	8,859,514	180,416
Total Net Position at Beginning of Year	15,640,364	$ 26,550,357	$ 37,259,559		$ 1,171,101
Prior Period Adjustment					-
Total Net Position at End of Year	$ 17,963,807	$ 28,656,537	$ 41,689,450		$ 1,351,517

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds	102,970
Changes in net position of business-type activities	$ 8,962,484

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

CITY OF BATTLE GROUND
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2021

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:					
Cash received from Customers	$ 1,668,806	$ 3,205,364	$ 5,167,283	$ 10,041,453	$ -
Proceeds from Operating Grants	-	-	-	-	-
Receipts from vehicle interfund charges	-	-	-	-	222,766
Receipts from technology interfund charges	-	-	-	-	131,088
Cash payments to Suppliers	(718,998)	(2,091,394)	(4,137,970)	(6,948,362)	(31,353)
Cash payments to Employees	(608,112)	(562,175)	(457,630)	(1,627,917)	
Cash payments for Interfund Services Received	(370,093)	(425,451)	(440,716)	(1,236,260)	
Net Cash Provided by Operating Activities	(28,397)	126,344	130,967	228,914	322,501
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(276,012)	(596,594)	(630,126)	(1,502,732)	(154,954)
Proceeds from Other Financing (Transfers)	1,708		1,025	2,733	-
Proceeds from Sale of Capital Assets					26,483
Proceeds from Capital Grant	291,700		32,606	324,306	
Principal Paid on Capital Lease				-	(86,887)
Interest Paid on Capital Lease					(2,613)
Principal Paid on Current Debt		(168,057)	(117,450)	(285,507)	
Interest Paid on Revenue Bonds and Other Long Term Debt		(67,753)	(180,328)	(248,081)	
Capital Contributed-Paid in cash	134,964	974,813	2,564,370	3,674,147	
Gain (Loss) from disposal of property	-	-	-	-	
Net Cash Provided for Capital and Related Financing Activities	152,360	142,409	1,670,097	1,964,866	(217,971)
Cash Flows from Investing Activities:					
Interest on Investments	10,520	33,353	43,098	86,971	2,282
Proceeds or Purchase of Investment Securities	(140,717)	(413,876)	(696,962)	(1,251,555)	(37,215)
Net Cash Used by Investing Activities	(130,197)	(380,523)	(653,864)	(1,164,584)	(34,933)
Net Increase (Decrease) in Cash and Cash Equivalents	(6,235)	(111,770)	1,147,200	1,029,195	69,597
Cash and Cash Equivalents at Beginning of Year	3,379,579	10,387,498	13,146,422	26,913,499	680,619
Cash and Cash Equivalents at End of Year	$ 3,373,344	$ 10,275,728	$ 14,293,622	$ 27,942,694	$ 750,216

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, 2021

	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)	$ 3,381	$ (464,316)	$ (1,461,867)	$ (1,922,802)	$ 151,671
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operations:					
Depreciation Expense	419,810	892,406	1,975,221	3,287,437	162,403
Asset Retirement Obligation amortization	-	3,098	-	3,098	-
Pension Expense (GASB 68)	(89,360)	(99,951)	(78,794)	(268,105)	-
(Increase) Decrease in Receivables	(10,258)	(24,230)	(40,229)	(74,717)	-
Increase (Decrease) in Current Payables	(361,056)	(175,802)	(265,476)	(802,334)	8,427
Increase (Decrease) in Accrued Employee Benefits	9,086	(4,861)	2,112	6,337	-
Total Adjustments	(31,778)	590,660	1,592,834	2,151,716	170,830
Net Cash Provided by Operating Activities	$ (28,397)	$ 126,344	$ $ 130,967	$ $ 228,914	$ 322,501
Noncash Investing, Financing and Capital Activities					
Capital Assets Contributed	1,874,134	1,628,630	3,428,443	6,931,207	-
Net Change in Fair Value of Investments	(4,936)	(15,035)	(20,913)	(40,884)	(1,098)

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, 2021

	Custodial Activities
Assets	
Cash and cash equivalents	$ 9,484
Total Assets	9,484
Liabilities	
Accounts payable	9,484
Total Liabilities	9,484
Fiduciary Net Position	$ -

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, 2021

	Custodial Activities
Additions:	
Court fees collected for other governments	161,393
Total Additions	161,393
Deductions:	
Payments of court fees distributed to other governments	161,393
Total Deductions	161,393
Change in net position held for other governments	-
Net Position	
Net position as of January 1	-
Net position as of December 31	-

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 STATEMETNS
NOTE 3 DEPOSITS AND INVESTMENTS
NOTE 4 CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION
NOTE 5 INTERFUND BALANCES AND TRANSFERS
NOTE 6 LEASES
NOTE 7 LONG TERM LIABILITIES
NOTE 8 RISK MANAGEMENT (RISK POOLS DISCLOSURE FOR POOL MEMBERS)
NOTE 9 PROPERTY TAX
NOTE 10 PENSION PLANS
NOTE 11 OTHER POST-EMPLOYMENT BENEFITS
NOTE 12 HEALTH AND WELFARE
NOTE 13 CONTINGENCIES AND LITIGATION
NOTE 14 RECEIVABLE BALANCES
NOTE 15 JOINT VENTURE AND JOINTLY GOVERNED ORGANIZATIONS
NOTE 16 ASSET RETIREMENT OBLIGATION
NOTE 17 COVID-19 PANDEMIC
NOTE 18 OTHER ASSET
NOTE 19 CHANGE IN PRESENTATION
NOTE 20 UNEARNED REVENUE
NOTE 21 ACCOUNTING AND REPORTING CHANGES

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.

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.

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:

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 assets associated with this activity are controlled by the government and not derived from its own source revenues and the City does not have administrative involvement.

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, 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 2021 in accordance with the Revised Code of Washington (RCW) Chapter 35A.33. State law establishes the budget process and the time limits

under which a biennial budget must be developed. 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.

E. Assets, Liabilities, Fund Balance and Net Position

1. Cash and Cash Equivalents - See Note 3

It is the City's policy to invest all temporary cash surpluses. At December 31, 2021, the treasurer was holding $54,060,052 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 14

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

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

4. Amounts Due to and from Other Funds and Governments, 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 7. Restricted assets for governmental activities are $3,158,393 for grant revenues received in advance.

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	40
Infrastructure	20-50
Intangible Assets	20-40
Utility Improvements	40
Public Work Equipment	8
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, 2021, the City reported compensated absences of $887,874 in governmental activities and $165,165 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 11

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. Under GASB 65, 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. Custodial Deposits
Custodial 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 committed 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	$	174,120
Net pension asset		6,799,504
Deferred outflows related to pensions		721,049
Deferred outflows related to OPEB		29,230
Deferred inflows related to pensions		(5,099,787)
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	$	2,624,116

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	$	(3,365,000)
Accrued interest payable		(19,276)
Due to other governments		(200,000)
Net OPEB liability		(2,043,029)
Net pension liability		(279,967)
Compensated absences		(887,874)
Impact fee credits		(830,244)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	$	(7,625,390)

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

Net position of the internal service funds	$	1,351,517
Less: Internal payable representing charges in excess of cost to business-type activities – prior years		(616,683)
Less: Internal payable representing charges in excess of cost to business-type activities – current year		(102,970)
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	$	631,864

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	$	2,526,648
Depreciation expense		(3,476,456)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$	(949,808)

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:

Sale of capital assets – decrease proceeds	$	(279,024)
Net adjustment to reduce fund balance – total governmental funds to arrive At changes in net position of governmental activities	$	(279,024)

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	$	4,047,675
Unearned revenue		(447,692)
Municipal court revenue - unavailable		(37,741)
Tax revenues - unavailable		3,231
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	3,565,473

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	$	2,460,000
Governmental loans		100,000
Capital leases		57,250
Net adjustment to increase net changes in fund balance-total governmental funds to arrive at changes in net position of governmental activities	$	2,617,250

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	$	(57,726)
Total OPEB liability		(39,245)
Net pension liability		823,853
Net pension asset		5,442,041
Deferred outflow of resources – related to pensions		(37,121)
Deferred inflow of resources – related to pensions		(4,491,708)
Deferred outflow of resources – related to OPEB		2,229
Amortization of bond premium costs		42,247
Accrued interest		7,381
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$	1,691,951

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	$	180,416
Less: gain from charges to business-type activities		(102,970)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$	77,446

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	$	616,683
Internal receivable representing charges in excess of cost to business-type activities – current year		102,970
Net adjustment to increase net position – total enterprise funds to arrive at net position – business-type activities	$	719,653

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	$ 1,954,347
Cash on Hand	4,250
Local Government Investment Pool	16,647,407
Clark County Investment Pool	35,463,532
Fair Value of Securities Held in Safekeeping	6,930,152
	$ 60,999,688

Financial Statements	
Cash and Cash Equivalents	$ 50,603,881
Restricted Cash and Cash Equivalents	3,456,171
Investments	6,930,152
Restricted Investments	-
Fiduciary Funds	9,484
	$ 60,999,688

	Equivalents, Pooled Investments	Restricted Cash	Restricted Investments
Governmental Funds			
General Fund	$ 14,015,887	$ 2,969,123	$ -
Debt Service Fund	-	-	-
Street Fund	2,393,794	-	
Capital Projects Fund	-	189,270	
Other Governmental Funds	9,037,869	-	-
Proprietary Funds			
Storm Drainage	3,807,325	-	-
Water	11,597,704	-	-
Sewer	15,834,723	297,778	-
Internal Service	846,731	-	-
Fiduciary Funds	9,484	-	-
	$ 57,543,517	$ 3,456,171	$ -

Grand Total Cash and Investments by Statements	$ 60,999,688

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	3-5 Years
Local Government Investment Pool	16,647,407	16,647,407	-
Clark County Pool	35,463,532	35,463,532	-
Federal National Mortgage Association	1,983,236	-	1,983,236
Federal Farm Credit Bank	1,967,862	-	1,967,862
Federal Farm Credit Bank	1,991,100	-	1,991,100
Federal Home Loan Bank	987,954	-	987,954
	$ 59,041,091	$ 52,110,939	$ 6,930,152

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	16,647,407	-	0.09	28.2%
Clark County Pool	35,463,532	-	1.34	60.1%
Federal National Mortgage Association	1,983,236	5/17/2024	2.38	3.4%
Federal Farm Credit Bank	1,967,862	11/4/2024	2.84	3.3%
Federal Farm Credit Bank	1,991,100	11/17/2025	3.88	3.4%
Federal Home Loan Bank	987,954	9/30/2026	4.75	1.7%
	$ 59,041,091			100%
Portfolio weighted average maturity			1.22	

1. Investments Measured at Amortized Cost

Investments Measured at Amortized Cost	City's Own Investments
Local Government Investment Pool	16,647,407
Total Investments Measured at Amortized Cost Cash Equivalents Statement of Net Position	$ 16,647,407

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 set forth by the GASB 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

As of December 31, 2021, the City held $16,647,407 of investments at amortized cost in the LGIP. Average days to maturity of the LGIP was 33 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

		Fair Value Measurements Using		
Investments by Fair Value Level	Fair Value 12/31/2021	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	$ 1,983,236	$ -	$ 1,983,236	$ -
Federal Farm Credit Bank	3,958,962		3,958,962	
Federal Home Loan Bank	987,954		987,954	
Clark County Investment Pool	35,463,532	35,463,532	-	-
Total Investments Measured at Fair Value Cash Equivalents Statement of Net Position	$ 42,393,684	$ 35,463,532	$ 6,930,152	$ -

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, 2021, the City held $35,463,532 of investments at fair value in the CCIP. Weighted average days to maturity of the CCIP was 489 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, 2021.

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, 2021.

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, 2021.

NOTE 4 - CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION

A. Capital assets activity for the year ended December 31, 2021 is as follows:

	Beginning Balance 01/01/2021	Increases	Decreases	Ending Balance 12/31/2021
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 15,532,176	$	11,321	$ 15,520,855
Construction in progress	1,534,471	903,173	464,384	1,973,260
Total capital assets, not being depreciated	17,066,647	903,173	475,705	17,494,115
Capital assets, being depreciated/depleted:				
Buildings	15,152,829	1,414,576	509,913	16,057,492
Machinery & Equipment	3,996,986	377,464	292,565	4,081,885
Infrastructure	93,416,875	4,498,457	-	97,915,332
Improvements other than buildings	1,436,225	-	-	1,436,225
Total capital assets being depreciated	114,002,915	6,290,497	802,478	119,490,934
Less accumulated depreciation for:				
Buildings	6,257,016	381,931	242,209	6,396,738
Machinery & Equipment	3,292,525	235,545	292,565	3,235,505
Infrastructure	66,261,081	2,949,413	-	69,210,494
Improvements other than buildings	670,852	71,970	-	742,822
Total accumulated depreciation	76,481,474	3,638,859	534,774	79,585,559
Total capital assets, being depreciated, net	37,521,441	2,651,638	267,704	39,905,375
Governmental activities capital assets, net	$ 54,588,088	$ 3,554,811	$ 743,409	$ 57,399,490

	Beginning Balance 01/01/2021	Increases	Decreases	Ending Balance 12/31/2021
Business-type Activities				
Capital assets, not being depreciated				
Land	$ 3,728,989	$ 258,956	-	$ 3,987,945
Construction in progress	999,433	564,447	461,711	1,102,169
Total capital assets, not being depreciated	4,728,422	823,403	461,711	5,090,114
Capital assets, being depreciated/depleted:				
Buildings	1,357,535	497,220	-	1,854,755
Machinery and equipment	862,818	-	-	862,818
Infrastructure	76,828,355	5,821,848	-	82,650,203
Improvements other than buildings	32,884	-	-	32,884
Intangible assets	18,535,576	-	-	18,535,576
Total capital assets being depreciated	97,617,168	6,319,068	-	103,936,236
Less accumulated depreciation for:				
Buildings	538,060	44,299	-	582,359
Machinery and equipment	440,618	77,857	-	518,475
Infrastructure	30,000,787	2,051,501	-	32,052,288
Improvements other than buildings	9,864	1,645	-	11,509
Intangible assets	10,750,634	1,112,135	-	11,862,769
Total accumulated depreciation	41,739,963	3,287,437	-	45,027,400
Total capital assets, being depreciated, net	55,877,205	3,031,631	-	58,908,836
Business-type activities capital assets, net	$ 60,605,627	$ 3,855,034	$ 461,711	$ 63,998,950

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

Governmental Activities	
General Government	$ 330,551
Public Safety	148,764
Physical Environment	13,639
Transportation	2,776,844
Culture and Recreation	369,061
Total Depreciation - Governmental Activities	$ 3,638,859

Business-type Activities	
Storm Drainage	$ 419,810
Water	892,406
Sewer	1,975,221
Total Depreciation -Business-Type Activities	$ 3,287,437

B. Intangible asset

The City recognizes its future sewer treatment capaCity rights in the Discovery Clean Water Alliance's Salmon Creek Treatment Plan in compliance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. 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 15.

C. Capital Construction Commitments

The City has outstanding contractual commitments, which include construction and engineering contracts for capital projects currently in progress. The City's total outstanding contract obligations are as follows:

Project	Fund	Project to Date	Remaining Commitment
Governmental type construction projects			
2021 ADA Ramp Replacement	General	$ 104,262	$ 29,525
Hidden Meadows - Traffic Calming	Capital	$ 94,810	$ 2,207
Business type construction projects			
Gardner PS Improvements	Sewer	$ 204,298	$ 35,914
Total		403,370	67,646

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				
Transfers In		General Fund	Special Revenue Funds	Capital Funds	Internal Service Funds	Total Transfers
	General Fund	-	3,396	67,107	-	70,503
	Special Revenue Funds	1,490,000	2,418	16,949	-	1,509,367
	Debt Service Fund	-	-	2,763,322	-	2,763,322
	Capital Funds	52,864	142,690	1,454,381	-	1,649,935
	Enterprise Funds	-	2,733	-	-	2,733
	Internal Service Funds	-	-	-	-	-
	Total	**$ 1,542,864**	**$ 151,237**	**$ 4,301,759**	**$ -**	**$ 5,995,860**

NOTE 6 – LEASES

A. Operating Leases

Operating lease obligations are for business machines under contractual agreements. The cost in 2021 for operating leases was $16,767. The following is a schedule of minimum future rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2021:

Operating Leases	
2022	7,880
2023	994
Total	$ 8,874

NOTE 7 – LONG-TERM LIABILITIES

A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major 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 $3,365,000 in outstanding direct placement general obligation bonds (non-voted) as of December 31, 2021. 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 12/31/2021
2010B LTGO Bonds	Road Improvements	4,280,000	12/8/2010	12/1/2030	6.25%-7.0%	3,365,000
Total LTGO Bonds		$ 4,280,000				$ 3,365,000

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
2022	325,000	225,313	550,313
2023	335,000	205,000	540,000
2024	345,000	184,063	529,063
2025	360,000	162,500	522,500
2026	370,000	140,000	510,000
2027-2030	1,630,000	290,500	1,920,500
	$ 3,365,000	$ 1,207,376	$ 4,572,376

B. Government Loans

The City receives government loans to finance construction of capital projects in the business-type activity funds and to finance street improvements and the purchase of capital assets into purchase capital assets. Should default occur the PWTF Loans would incur a 12% per annum increase in interest due.

Government direct borrowing loans outstanding at year-end are as follows:

Name of Issue	Purpose	Amount Issued	Issue Date	Maturity Date	Interest Rate	Outstanding 12/31/2021
2003 PWTF Loan	Governmental West Main St	2,000,000	6/30/2003	6/1/2023	0.5%	200,000
		$ 2,000,000				$ 200,000

Public Works Trust Fund (PWTF) loan debt service requirements to maturity are as follows:

Direct Borrowing Loans - Governmental Activities			
	Principal	Interest	Total Requirements
2022	100,000	1,000	101,000
2023	100,000	500	100,500
	$ 200,000	$ 1,500	$ 201,500

C. 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 12/31/2021
2012 Revenue Bonds	Sewer Facility	6,909,000	1/25/2012	1/25/2052	3.00%	5,922,611
2015 Revenue Bonds	Water Meters	2,774,409	5/7/2015	5/7/2030	3.26%	1,972,058
		$ 9,683,409				$ 7,894,669

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

Direct Placement - 2012 Sewer Revenue Bonds			
	Principal	Total Interest	Requirements
2022	121,000	176,778	297,778
2023	124,658	173,120	297,778
2024	128,425	169,353	297,778
2025	132,307	165,471	297,778
2026	136,306	161,472	297,778
2027-2031	745,876	743,014	1,488,890
2032-2036	865,619	623,271	1,488,890
2037-2041	1,004,586	484,304	1,488,890
2042-2046	1,165,863	323,027	1,488,890
2047-2051	1,353,032	135,858	1,488,890
2052	144,939	2,174	147,113
	$ 5,922,611	$ 3,157,842	$ 9,080,453

Direct Placement - 2015 Water Revenue Bonds			
	Principal	Total Interest	Requirements
2022	180,166	62,128	242,294
2023	192,855	56,101	248,956
2024	206,148	49,654	255,802
2025	220,073	42,765	262,838
2026	234,652	35,414	270,066
2027-2030	938,164	58,958	997,122
	$ 1,972,058	$ 305,020	$ 2,277,078

D. 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, 2021, the City has no arbitrage rebate liability.

E. Changes in Long-Term Liabilities

Long-term liability activity of the City for the year ended December 31, 2021 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	$ 5,825,000	$ -	$ (2,460,000)	$ 3,365,000	$ 325,000
Less deferred amounts					
For issuance premiums (discounts)	42,247	-	(42,247)	-	-
Total bonds payable	5,867,247	-	(2,502,247)	3,365,000	325,000
Capital leases	144,137		(144,137)	-	-
Government loan	300,000		(100,000)	200,000	100,000
Compensated absences	830,148	499,298	(441,572)	887,874	75,838
Total OPEB Liability	2,003,784	39,245		2,043,029	58,460
Net Pension Liability	1,103,820		(823,853)	279,967	-
Long-term liabilities	$ 10,631,688	$ 538,543	$ (4,011,809)	$ 6,775,870	$ 559,298
Business-type Activities					
Revenue bonds	8,180,176		(285,507)	7,894,669	301,166
Compensated absences	151,143	92,989	(78,967)	165,165	-
Net Pension Liability	282,193		(215,293)	66,900	-
Asset Retirement Obligation	165,500	12,247	-	177,747	-
Long-term liabilities	$ 10,442,575	$ 105,236	$ (579,767)	$ 8,304,481	$ 301,166

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 8 – 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 162 members.

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

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

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

to $100 million per occurrence subject to aggregates and sublimits. The City has not exceeded its insurance coverage in the last three years.

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 9– PROPERTY TAXES

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

Property Tax Calendar	
January 1	Tax is levied and 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 2021 collections was $1.29 per $1,000 on an assessed valuation of $2,675,091,458 for a total regular levy of $3,462,275.

NOTE 10 – PENSION PLANS

A. Employee Retirement Systems and Pension Plan

The following table represents the aggregate pension amounts for all plans for the year 2021:

Aggregate Pension Amounts – All Plans	
Pension liabilities	$ 346,867
Pension assets	7,500,539
Deferred outflows of resources	806,994
Deferred inflows of resources	5,827,966
Pension expense/expenditures	(1,277,798)

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 obtained by writing to:

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

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

Public Employees' Retirement System (PERS)

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

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

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts

Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

PERS Plan 1		
Actual Contribution Rates:	**Employer**	**Employee**
January – June 2021		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Total	**12.97%**	**6.00%**
July – December 2021		
PERS Plan 1	10.07%	
Administrative Fee	0.18%	
Total	**10.25%**	**6.00%**

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

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

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

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

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	**Employer 2/3**	**Employee 2**
January – June 2021		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	**12.97%**	**7.90%**
July – December 2021		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
Total	**10.25%**	**6.36%**

The City's actual PERS plan contributions were $191,467 to PERS Plan 1 and $318,620 to PERS Plan 2/3 for the year ended December 31, 2021.

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

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

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

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

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

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2021. Employers paid only the administrative expense of 0.18 percent of covered payroll.

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

Contributions

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

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41% in 2021.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	**Employer**	**Employee**
January – June 2021		
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	
Total	**5.33%**	**8.59%**
Ports and Universities	8.59%	8.59%
Administrative Fee	0.18%	
Total	**8.77%**	**8.59%**
July – December 2021		
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%**

The City's actual contributions to the plan were $135,928 for the year ended December 31, 2021.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2021, the state contributed $78,170,320 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is $81,356.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2021 with a valuation date of June 30, 2020. 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 *2019 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021. Plan liabilities were rolled forward from June 30, 2020, to June 30, 2021, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation

- **Salary increases**: In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.

- **Investment rate of return:** 7.4%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society 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.

There were no changes in assumptions since the last valuation. There were changes in methods since the last valuation.

- For purposes of the June 30, 2020 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) introduced temporary method changes to produce asset and liability measures as of the valuation date. See high-level summary below. OSA will revert back to the methods outlined in the 2019 AVR when preparing the 2021 AVR, a contribution rate-setting valuation, which will serve as the basis for 2022 ACFR results.

- To produce measures at June 30, 2020, unless otherwise noted in the 2020 AVR, OSA relied on the same data, assets, methods, and assumptions as the June 30, 2019 AVR. OSA projected the data forward one year reflecting assumed new hires and current members exiting the plan as expected. OSA estimated June 30, 2020, assets by relying on the fiscal year end 2019 assets, reflecting actual investment performance over FY 2020, and reflecting assumed contribution amounts and benefit

payments during FY 2020. OSA reviewed the actual June 30, 2020, participant and financial data to determine if any material changes to projection assumptions were necessary. OSA also considered any material impacts to the plans from 2021 legislation. See the 2020 AVR for more information.

Discount Rate

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

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the 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, 2021 are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	100%	

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

	1% Decrease 6.40%	Current Rate 7.40%	1% Increase 8.40%
PERS 1	590,908	346,867	134,039
PERS 2/3	(1,035,482)	(3,634,792)	(5,775,325)
LEOFF 1	(172,051)	(191,112)	(207,603)
LEOFF 2	2,317,227)	(3,674,635)	(4,786,081)

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, 2021, the City reported its proportionate share of the net pension liabilities (assets) as follows:

Plan	Liability or Asset
PERS 1	346,867
PERS 2/3	(3,634,792)
LEOFF 1	(191,112)
LEOFF 2	(3,674,635)

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	(191,112)	(3,674,635)
LEOFF - State's proportionate share of the net pension asset associated with the employer	(1,292,678)	(2,370,541)
Total	(1,483,790)	(6,045,176)

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

	Proportionate Share 6/30/20	Proportionate Share 6/30/21	Change in Proportion
PERS 1	0.02668%	0.02840%	0.00173%
PERS 2/3	0.03474%	0.03649%	0.00175%
LEOFF 1	0.00544%	0.00558%	0.00014%
LEOFF 2	0.06151%	0.06326%	0.00176%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2021 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 2021. 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 2021, the state of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61 percent of employer contributions.

Pension Expense

For the year ended December 31, 2021, the City recognized pension expense as follows:

	Pension Expense
PERS 1	5,670
PERS 2/3	(810,188)
LEOFF 1	(30,981)
LEOFF 2	442,300
Total	(1,277,798)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2021, 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	$ -	$ (384,906)
Contributions subsequent to the measurement date	82,357	-
Total	$ 82,357	$ (384,906)
PERS 2/3	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 176,537	$ (44,559)
Net difference between projected and actual investment earnings on pension plan investments	-	(3,037,833)
Changes of assumptions	5,312	(258,130)
Changes in proportion and differences between contributions and proportionate share of contributions	40,233	(50,100)
Contributions subsequent to the measurement date	141,178	-
Total	$ 363,260	$ (3,390,622)

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	$ -	$ (58,397)
Total	$ -	$ (58,397)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 166,667	$ (19,420)
Net difference between projected and actual investment earnings on pension plan investments	-	(1,752,092)
Changes of assumptions	1,588	(174,766)
Changes in proportion and differences between contributions and proportionate share of contributions	119,804	(47,763)
Contributions subsequent to the measurement date	73,318	-
Total	$ 361,377	$ (1,994,041)

TOTAL ALL PLANS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 343,204	$ (63,979)
Net difference between projected and actual investment earnings on pension plan investments	-	(5,233,228)
Changes of assumptions	6,900	(432,896)
Changes in proportion and differences between contributions and proportionate share of contributions	160,037	(97,863)
Contributions subsequent to the measurement date	296,853	-
Total	$ 806,994	$ (5,827,966)

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, 2022. 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
2022	$ (101,962)	$ (831,849)	$ (15,512)	$ (459,502)
2023	(93,434)	(777,269)	(14,189)	(427,634)
2024	(88,346)	(746,706)	(13,388)	(403,556)
2025	(101,164)	(807,299)	(15,308)	(455,407)
2026	-	(10,738)	-	1,499
Thereafter	-	5,321	-	38,618

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

The following table represents the aggregate other post-employment benefits other than pension amounts for the City's single employer plan subject to the requirements of GASB Statement 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions* for the year 2021:

OPEB Liabilities	$	2,043,029
Deferred Outflows of Resources – OPEB		29,230
OPEB expense/expenditures		94,181

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 permitted by GASB Statement 75.

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, 2021, 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, 2021, benefit payments made by the City were $43,328.

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 $2,043,029 was measured as of June 30, 2021 with a valuation date of June 30, 2021. The alternative method permitted under GASB 75 was used to calculate the liability instead of an actuarial valuation. The entry age normal 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:

- Inflation: 2.75% total economic inflation
- Discount Rate: 2.21% beginning of measurement year, 2.16% end of measurement year
- Healthcare cost trend rate: for medical costs, 5.3% decreasing to 5.0% in the mid 2020's; for long-term care, 4.5%; Medicare Part B premiums vary, approximately 5%.

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

Mortality rates were based on the RP-2010 report's "-1 year Healthy Table" and "-0 years Disabled Table" published by the Society of Actuaries. The Washington State Actuary applied offsets to the base table and recognized future improvements in mortality by projecting mortality using MP-2017 long-term rates. The Age Setback was based on the Blended 50%/50% Healthy/Disabled table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime. Medicare participation is assumed at 100%.

Sensitivity of the Total OPEB Liability

The table below presents the City's total OPEB liability calculated using the discount rate of 2.16 percent, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.16 percent) or 1-percentage point higher (3.16 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	$2,360,386	$2,043,029	$1,782,762

The following table presents the total OPEB liability of the City calculated using the health care cost trend rate of 5.3 percent decreasing to 5 percent and long term care rates of 4.5 percent, as well as what the OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage point lower (4.3% trending down to 4%, 3.5 % long term care trend rate) or 1-percentage point higher (6.3% trending down to 6%, 5.5 % long term care trend rate) than the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$1,793,956	$2,043,029	$2,338,715

Changes in the Total OPEB Liability

At the measurement date June 30, 2021, the changes in the total OPEB liability are as follows:

Total OPEB Liability at December 31, 2021	$	2,003,784
Interest		43,680
Changes in Experience Data and Assumptions		50,501
Estimated Benefit Payments		(54,936)
Net Changes		39,245
Total OPEB Liability at December 21, 2021	$	2,043,029

The City reported $94,181 as OPEB expense for the calendar year 2021.

At December 31, 2021, the City reported deferred outflows of resources only for deferred outflows subsequent to the measurement date in the amount of $29,230. This will be recognized as expense in the period ending December 31, 2022.

NOTE 12 – 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, 2021, 262 cities/towns/non-City entities participate in the AWC Trust HCP.

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

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

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

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2020, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an individual stop loss (ISL) of $1.5 million through Commencement Bay Risk Management, and Kaiser ISL at $1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

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

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

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

NOTE 13 – 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 14 - 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	Total Governmental Activities
Accounts	23,492				23,492
Property taxes	64,522				64,522
Sales taxes	1,011,190				1,011,190
Interest	1,922	271		1,023	3,216
Motor Vehicle Fuel Tax		63,137		-	63,137
Other taxes	569,456			140,860	710,316
Municipal court	135,669				135,669
State	44,534				44,534
Grants	18,215		341,922	-	360,137
	$ 1,869,000	$ 63,408	$ 341,922	$ 141,883	$ 2,416,213

NOTE 15 – 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 $3,364,432 in 2021.

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 $191,065 in 2021.

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

NOTE 16 - ASSET RETIREMENT OBLIGATION

The City implemented GASB 83, *Certain Asset Retirement Obligations*, in 2019 which provides reporting guidance on asset retirement obligations (AROs). An 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 judgement requiring specific actions to retire an asset.

The City owns, operates, and maintains 9 wells with an average useful life remaining of 41 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, 2021, of $177,747 and a Deferred Outflow of $121,149. This liability was increased by 7.4%, the December 2021 consumer price index from the 2020 liability amount. The obligation will be paid from operating income; no assets have been set aside to fund this obligation.

NOTE 17 – COVID-19 PANDEMIC

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gatherings, travel, and in-person interactions.

The City of Battle Ground saw decreases in its rental revenue, fines, and utility penalty revenue. In response to the pandemic, most City facilities were closed to the public until July of 2021 where a slow opening of facilities occurred. The City was fully opened to the public in September 2021. While some activities were limited or temporarily curtailed, the City continues to operate all major functions and meet its public mandates. The City has remained economically stable and continues to adapt to the changing conditions.

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

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 – CHANGE IN PRESENTATION

The City entered into an Interlocal Agreement December 6, 2021 with Clark County Fire District 3 to collect Fire Impact Fees on their behalf. Prior to the approved Interlocal Agreement, the City reported these fees as a special revenue fund awaiting the approval of this Interlocal agreement to transfer the Fire Impact Fees to Fire District 3. For 2021, this fund was budgeted separately but is combined into the General Fund. The beginning fund balance as of 1/1/2021 for the Fire Impact Fee fund was $497,815.

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 1/1/21	Additions	Applied	At 12/31/21
Traffic Impact Fees	$ 219,911	$ 721,940	$ (143,968)	$ 797,883
Park Impact Fees	162,642		(130,280)	$ 32,362
	$ 382,553	$ 721,940	$ (274,248)	$ 830,245

System Development Charge	At 1/1/21	Additions	Applied	At 12/31/21
Water SDC Credits	$ 932	$ -	$ -	$ 932
Sewer SDC Credits	1,662,630	100,000	(1,261,119)	501,511
	$ 1,663,562	$ 100,000	$ (1,261,119)	$ 502,443

Grant Revenue

The City received $2,969,123 for the American Rescue Plan Act of 2021. 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, 2021 the City has not expended any of these funds. The City also has $58,161 in a Washington State transportation grant remaining which was unexpended as of December 31, 2021. Both of these grant awards were 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, 2021, the City implemented the following GASB pronouncements:

GASB Statement 98 – The Annual Comprehensive Financial Report –

The City has implemented the new name of its financial report and removed the previously used name and acronym.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BATTLE GROUND
REQUIRED SUPPLEMENTARY INFORMATION - OTHER POSTEMPLOYMENT BENEFITS - LEOFF I
LAST FOUR CALENDAR YEARS

Total OPEB liability	2021	2020	2019	2018
Interest	$ 43,680	$ 55,229	$ 65,858	$ 63,170
Changes of assumptions or other inputs	50,501	395,359	(138,511)	(69,684)
Benefit payments	(54,936)	(49,134)	(53,022)	(59,467)
Net change in total OPEB liability	39,245	401,454	(125,675)	(65,981)
Total OPEB liability beginning	2,003,784	1,602,330	1,728,005	1,793,986
Total OPEB liability ending	$ 2,043,029	$ 2,003,784	$ 1,602,330	$ 1,728,005
Covered employee payroll	-	-	-	-
Total OPEB liability as a percentage of covered employee payroll	N/A	N/A	N/A	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%
2018	3.87%
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.

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 Eight 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
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 Eight 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
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 Eight 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
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%

City of Battle Ground

Schedule of Proportionate Share of the Net Pension Liability

LEOFF 2

As of June 30

Last Eight 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
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 Eight 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
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 Eight 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
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%

City of Battle Ground

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

Note 1: Information Provided

GASB 68 was implemented for the year ended December 31, 2014, therefore there is no data available for years prior to 2014. Eventually, the schedules will show ten years of data.

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

Note 2: Significant Factors

There were no changes of benefit terms, significant changes in the employees covered under the benefit

Note 3: 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 4: 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	current	10.25%	*

* Employer contribution rate includes an administrative expense rate of 0.18%

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	current	10.25%	*

* Employer contribution rate includes an administrative expense rate of 0.18%

LEOFF 1

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

* Employer contribution rate includes an administrative expense rate of 0.18%

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	current	5.30%	*

* Employer contribution rate includes an administrative expense rate of 0.18%

Effective July 1, 2019, LEOFF employers must pay an additional 3.44% 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.

CITY OF BATTLE GROUND
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2021

	Combined Special Revenue Funds	Combined Capital Project Funds	Total Nonmajor Governmental Funds
Assets			
Cash and Cash Equivalents	$ 304,500	$ 7,703,178	$ 8,007,678
Investments	39,174	991,017	1,030,191
Restricted Cash and Cash Equivalents:	-	-	-
Restricted Investments		-	-
Accounts Receivable	13,880	126,980	140,860
Interest Receivable	39	984	1,023
Total Assets	357,593	8,822,159	9,179,752
Liabilities			
Accounts Payable	20,202	-	20,202
Other Accrued Liabilities	-	-	-
Total Liabilities	20,202	-	20,202
Fund Balances			
Restricted for:			
Capital	-	8,822,159	8,822,159
Drug Investigation	44,403	-	44,403
Tourist Promotion	292,988	-	292,988
Public Safety	-	-	-
Assigned to:			
Street	-	-	-
Total Fund Balances	337,391	8,822,159	9,159,550
Total Liabilities and Fund Balance	$ 357,593	$ 8,822,159	$ 9,179,752

CITY OF BATTLE GROUND
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended December 31, 2021

	Combined Special Revenue Funds	Combined Capital Project Funds	Total Nonmajor Governmental Funds
Revenues			
Other Taxes	$ 78,624	$ 2,313,268	$ 2,391,892
Intergovernmental	1,469	-	1,469
Charges for Services	-	2,185,876	2,185,876
Interest Earnings	967	30,151	31,118
Contributions/Donations	-	-	-
Miscellaneous	-	-	-
Total Revenues	81,060	4,529,295	4,610,355
Expenditures			
Current:			
Security/Persons and Property	2,500	-	2,500
Transportation	-	-	-
Economic Environment	47,236	-	47,236
Capitalized Expenditures			
General Government		-	-
Security/Persons and Property	-		-
Culture and Recreation		-	-
Transportation	-	-	-
Debt Service			
Principal Retirement	-	-	-
Interest/Fiscal Charges	-	-	-
Total Expenditures	49,736	-	49,736
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,324	4,529,295	4,560,619
Other Financing Sources (Uses)			
Insurance Recoveries	-	-	-
Transfers In	-	89,217	89,217
Transfers Out	(8,547)	(4,195,592)	(4,204,139)
Total Other Financing Sources and Uses	(8,547)	(4,106,375)	(4,114,922)
Net Change in Fund Balance	22,777	422,920	445,697
Fund Balance at Beginning of Year	314,614	$ 8,399,239	$ 8,713,853
Fund Balance at End of Year	$ 337,391	$ 8,822,159	$ 9,159,550

CITY OF BATTLE GROUND
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2021

	Drug Investigation Fund	Lodging Tax Reserve	Total Nonmajor Special Revenue Funds
Assets			
Cash and Cash Equivalents	$ 39,491	$ 265,009	$ 304,500
Investments	5,080	34,094	39,174
Accounts Receivable (net)		13,880	13,880
Interest Receivable	5	34	39
Total Assets	44,576	313,017	357,593
Liabilities			
Accounts Payable	173	20,029	20,202
Other Accrued Liabilities			-
Total Liabilities	173	20,029	20,202
Fund Balances			
Restricted for:			
Drug Investigation	44,403	-	44,403
Tourist Promotion	-	292,988	292,988
Public Safety	-	-	-
Assigned to:			
Street	-	-	-
Total Fund Balances	44,403	292,988	337,391
Total Liabilities and Fund Balances	44,576	$ 313,017	$ 357,593

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, 2021

	Drug Investigation Reserve	Lodging Tax Reserve	Total Nonmajor Special Revenue Funds
Revenues			
Other Taxes	$ -	$ 78,624	$ 78,624
Intergovernmental	1,469		1,469
Charges for Services			-
Interest Earnings	145	822	967
Miscellaneous			-
Total Revenues	1,614	79,446	81,060
Expenditures			
Current:			
Security/Persons and Property	2,500	-	2,500
Transportation	-	-	-
Economic Environment	-	47,236	47,236
Total Expenditures	2,500	47,236	49,736
Excess (Deficiency) of Revenues Over (Under) Expenditures	(886)	32,210	31,324
Other Financing Sources (Uses)			
Insurance Recoveries			-
Transfers In	-	-	-
Transfers Out	-	(8,547)	(8,547)
Total Other Financing Sources (Uses)	-	(8,547)	(8,547)
Net Change in Fund Balance	(886)	23,663	22,777
Fund Balance at Beginning of Year	45,289	$ 269,325	$ 314,614
Fund Balance at End of Year	44,403	$ 292,988	$ 337,391

CITY OF BATTLE GROUND
Nonmajor Capital Project Funds
Combining Balance Sheet
December 31, 2021

	Transportation Impact Fees	Park Impact Fee	Real Estate Excise Tax	Total Nonmajor Capital Projects Funds
Assets				
Cash and Cash Equivalents	3,898,369	353,841	3,450,968	$ 7,703,178
Investments	501,526	45,522	443,969	991,017
Restricted: Cash and Cash Equivalents				-
Restricted: Investments				-
Accounts Receivable (net)			126,980	126,980
Interest Receivable	498	45	441	984
Total Assets	4,400,393	399,408	4,022,358	8,822,159
Liabilities				
Accounts Payable	-	-	-	-
Other Accrued Liabilities	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances				
Restricted for:				
Capital	4,400,393	399,408	4,022,358	8,822,159
Total Fund Balances	4,400,393	399,408	4,022,358	8,822,159
Total Liabilities and Fund Balances	$ 4,400,393	$ 399,408	$ 4,022,358	$ 8,822,159

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, 2021

	Transportation Impact Fees	Park Impact Fee	Real Estate Excise Tax	Total Nonmajor Capital Project Funds
Revenues				
Other Taxes			$ 2,313,268	$ 2,313,268
Intergovernmental				-
Charges for Services	1,337,996	847,880		2,185,876
Interest Earnings	13,009	6,325	10,817	30,151
Total Revenues	1,351,005	854,205	2,324,085	4,529,295
Expenditures				
Current:				
Capital Expenditures				
General Government				-
Culture and Recreation				-
Transportation				-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,351,005	854,205	2,324,085	4,529,295
Other Financing Sources (Uses)				
Transfers In	89,217			89,217
Transfers Out	(667,435)	(1,909,841)	(1,618,316)	(4,195,592)
Total Other Financing Sources (Uses)	(578,218)	(1,909,841)	(1,618,316)	(4,106,375)
Net Change in Fund Balance	772,787	(1,055,636)	705,769	422,920
Fund Balance at Beginning of Year	3,627,606	1,455,044	3,316,589	8,399,239
Fund Balance at End of Year	$ 4,400,393	$ 399,408	$ 4,022,358	$ 8,822,159

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, 2021

	Budget Amounts			
	Original 2021	Final 2021	Actual Year-To-Date Thru 12/31/21	Variance Thru 12/31/21
Revenues				
Intergovernmental	$ 7,500	7,500	1,469	$ (6,031)
Interest Earnings	520	520	145	(375)
Total Revenues	8,020	8,020	1,614	(6,406)
Expenditures				
Current:				
Security/Persons and Property	2,500	2,500	2,500	-
Total Expenditures	2,500	2,500	2,500	-
Excess (Deficiency) of Revenues Over (under) Expenditures	5,520	5,520	(886)	(6,406)
Other Financing Sources (Uses):				
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	5,520	5,520	(886)	(6,406)
Fund Balance at Beginning of Year	66,888	$ 66,888	$ 45,289	$ 5,199
Fund Balance at End of Year	$ 72,408	$ 72,408	$ 44,403	$ (1,207)

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, 2021

	Budget Amounts			
	Original 2021	Final 2021	Actual Year-To-Date Thru 12/31/21	Variance Thru 12/31/21
Revenues				
Other Taxes	$ 51,005	51,005	78,624	$ 27,619
Interest Earnings	2,040	2,040	822	(1,218)
Total Revenues	53,045	53,045	79,446	26,401
Expenditures				
Economic Environment	44,751	54,751	47,236	7,515
Total Expenditures	44,751	54,751	47,236	7,515
Excess (Deficiency) of Revenues Over (under) Expenditures	8,294	(1,706)	32,210	33,916
Other Financing Sources (Uses)				
Transfers Out	(9,000)	(9,000)	(8,547)	453
Total Other Financing Sources and Uses	(9,000)	(9,000)	(8,547)	453
Net Change in Fund Balance	(706)	(10,706)	23,663	34,369
Fund Balance at Beginning of Year	245,162	$ 245,162	$ 269,325	$ 13,041
Fund Balance at End of Year	$ 244,456	$ 234,456	$ 292,988	$ 47,410

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, 2021

	Budget Amounts			
	Original 2021	Final 2021	Actual Year-To-Date Thru 12/31/21	Variance Thru 12/31/21
Revenues				
Intergovernmental	$ 9,153,643	9,153,643	1,037,166	$ (8,116,477)
Interest Earnings	-	-	21	21
Total Revenues	9,153,643	9,153,643	1,037,187	(8,116,456)
Expenditures				
Capitalized Expenditures	11,082,650	11,082,650	2,491,424	8,591,226
Total Expenditures	11,082,650	11,082,650	2,491,424	8,591,226
Excess (Deficiency) of Revenues Over (under) Expenditures	(1,929,007)	(1,929,007)	(1,454,237)	474,770
Other Financing Sources (Uses)				
Transfers In	1,994,007	1,994,007	1,560,718	(433,289)
Transfers Out	(65,000)	(65,000)	(106,166)	(41,166)
Total Other Financing Sources and Uses	1,929,007	1,929,007	1,454,552	(474,455)
Net Change in Fund Balance	-	-	315	315
Fund Balance at Beginning of Year	-	$ -	$ 160	$ 1,169
Fund Balance at End of Year	$ -	$ -	$ 475	$ 1,484

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, 2021

	Budget Amounts			
	Original 2021	Final 2021	Actual Year-To-Date Thru 12/31/21	Variance Thru 12/31/21
Revenues				
Charges for Services	$ 601,365	$ 601,365	$ 1,337,996	$ 736,631
Interest Earnings	23,625	23,625	13,009	(10,616)
Total Revenues	624,990	624,990	1,351,005	726,015
Expenditures				
Current:				
Transportation	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	624,990	624,990	1,351,005	726,015
Other Financing Sources (Uses):				
Transfers In	-	-	89,217	89,217
Transfers Out	(1,106,250)	(1,106,250)	(667,435)	438,815
Total Other Financing Sources and Uses	(1,106,250)	(1,106,250)	(578,218)	528,032
Net Change in Fund Balance	(481,260)	(481,260)	772,787	1,254,047
Fund Balance at Beginning of Year	3,174,266	$ 3,174,266	$ 3,627,606	$ 687,764
Fund Balance at End of Year	$ 2,693,006	$ 2,693,006	$ 4,400,393	$ 1,941,811

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, 2021

	Budget Amounts			
	Original 2021	Final 2021	Actual Year-To-Date Thru 12/31/21	Variance Thru 12/31/21
Revenues				
Charges for Services	$ 521,880	521,880	847,880	$ 326,000
Interest Earnings	14,280	14,280	6,325	(7,955)
Total Revenues	536,160	536,160	854,205	318,045
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	536,160	536,160	854,205	318,045
Other Financing Sources (Uses)				
Transfers Out	(1,942,777)	(1,942,777)	(1,909,841)	32,936
Total Other Financing Sources and Uses	(1,942,777)	(1,942,777)	(1,909,841)	32,936
Net Change in Fund Balance	(1,406,617)	(1,406,617)	(1,055,636)	350,981
Fund Balance at Beginning of Year	1,484,830	$ 1,484,830	$ 1,455,044	$ (29,786)
Fund Balance at End of Year	$ 78,213	$ 78,213	$ 399,408	$ 321,195

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, 2021

	Budget Amounts			
	Original 2021	Final 2021	Actual Year-To-Date Thru 12/31/21	Variance Thru 12/31/21
Revenues				
Other Taxes	$ 600,000	600,000	2,313,268	$ 1,713,268
Interest Earnings	30,000	30,000	10,817	(19,183)
Total Revenues	630,000	630,000	2,324,085	1,694,085
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	630,000	630,000	2,324,085	1,694,085
Other Financing Sources (Uses)				
Transfers In				-
Transfers Out	(1,632,948)	(1,632,948)	(1,618,316)	14,632
Total Other Financing Sources and Uses	(1,632,948)	(1,632,948)	(1,618,316)	14,632
Net Change in Fund Balance	(1,002,948)	(1,002,948)	705,769	1,708,717
Fund Balance at Beginning of Year	2,698,127	$ 2,698,127	$ 3,316,589	$ 618,462
Fund Balance at End of Year	$ 1,695,179	$ 1,695,179	$ 4,022,358	$ 2,327,179

CITY OF BATTLE GROUND
Fire 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, 2021

	Budget Amounts			
	Original 2021	Final 2021	Actual Year-To-Date Thru 12/31/21	Variance Thru 12/31/21
Revenues				
Charges for Services	$ 170,611	370,611	259,059	$ (111,552)
Interest Earnings			2,370	2,370
Total Revenues	170,611	370,611	261,429	(109,182)
Expenditures				
Current:				
Economic Environment	650,000	850,000	759,244	90,756
Total Expenditures	650,000	850,000	759,244	90,756
Excess (Deficiency) of Revenues Over (under) Expenditures	(479,389)	(479,389)	(497,815)	(18,426)
Net Change in Fund Balance	(479,389)	(479,389)	(497,815)	(18,426)
Fund Balance at Beginning of Year	479,389	$ 479,389	$ 497,815	$ 18,426
Fund Balance at End of Year	$ -	$ -	$ -	$ -

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, 2021

	Budget Amounts			
	Original 2021	Final 2021	Actual Year-To-Date Thru 12/31/21	Variance Thru 12/31/21
Revenues				
Contributions/Donations	$ 110,250	110,250	103,966	$ (6,284)
Total Revenues	110,250	110,250	103,966	(6,284)
Expenditures				
Debt service:				
Principal Retirement	2,560,000	2,560,000	2,560,000	-
Interest/Fiscal Charges	340,225	340,225	307,288	32,937
Total Expenditures	2,900,225	2,900,225	2,867,288	32,937
Excess (Deficiency) of Revenues Over (under) Expenditures	(2,789,975)	(2,789,975)	(2,763,322)	26,653
Other Financing Sources (Uses)				
Transfers In	2,789,975	2,789,975	2,763,322	(26,653)
Total Other Financing Sources and Uses	2,789,975	2,789,975	2,763,322	(26,653)
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, 2021

	Budget Amounts			
	Original 2021	Final 2021	Actual Year-To-Date Thru 12/31/21	Variance Thru 12/31/21
Revenues				
Intergovernmental	$			$ -
Charges for Services	3,380	3,380	8,541	5,161
Interest Earnings	1,873	1,873	512	(1,361)
Rents and Royalties	110,348	110,348	77,128	(33,220)
Contributions/Donations	9,500	9,500	18,500	9,000
Miscellaneous	3,000	3,000	66,939	63,939
Total Revenues	128,101	128,101	171,620	43,519
Expenditures				
Current:				
Culture and Recreation	809,544	809,544	712,983	(96,561)
Total Expenditures	809,544	809,544	712,983	(96,561)
Excess (Deficiency) of Revenues Over (under) Expenditures	(681,443)	(681,443)	(541,363)	140,080
Other Financing Sources (Uses)				
Insurance Recoveries	-	-	-	-
Sale of Capital Assets	-	-	6,980	6,980
Transfers In	665,000	665,000	665,068	68
Transfers Out				-
Total Other Financing Sources and Uses	665,000	665,000	672,048	7,048
Net Change in Fund Balance	(16,443)	(16,443)	130,685	147,128
Fund Balance at Beginning of Year	422,136	$ 422,136	$ 579,513	$ 157,377
Fund Balance at End of Year	$ 405,693	$ 405,693	$ 710,198	$ 304,505

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, 2021

	Budget Amounts		Actual Year-To-Date Thru 12/31/21	Variance Thru 12/31/21
	Original 2021	Final 2021		
Revenues				
Interest Earnings	$ -	$ -	$ 113	$ 113
Total Revenues	-	-	113	113
Expenditures				
Current:				
General Government	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	-	-	113	113
Other Financing Sources (Uses)				
Insurance recoveries	-	-	42,167	42,167
Transfers In				-
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	-	-	42,167	42,167
Net Change in Fund Balance	-	-	42,280	42,280
Fund Balance at Beginning of Year	8,185	$ 8,185	$ 51,696	$ 43,511
Fund Balance at End of Year	$ 8,185	$ 8,185	$ 93,976	$ 85,791

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, 2021

	Budget Amounts			
	Original 2021	Final 2021	Actual Year-To-Date Thru 12/31/21	Variance Thru 12/31/21
Revenues				
Interest Earnings	$ 312	312	490	$ 178
Total Revenues	312	312	490	178
Expenditures				
Current:				
General Government	100,000	100,000	43,328	(56,672)
Total Expenditures	100,000	100,000	43,328	(56,672)
Excess (Deficiency) of Revenues Over (under) Expenditures	(99,688)	(99,688)	(42,838)	56,850
Other Financing Sources (Uses)				
Transfers In	100,000	100,000	100,000	-
Total Other Financing Sources and Uses	100,000	100,000	100,000	-
Net Change in Fund Balance	312	312	57,162	56,850
Fund Balance at Beginning of Year	89,590	$ 89,590	$ 139,941	$ 50,351
Fund Balance at End of Year	$ 89,902	$ 89,902	$ 197,103	$ 107,201

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, 2021

	Budget Amounts			
	Original 2021	Final 2021	Actual Year-To-Date Thru 12/31/21	Variance Thru 12/31/21
Revenues				
Interest Earnings	$ 4,080	4,080	1,053	$ (3,027)
Total Revenues	4,080	4,080	1,053	(3,027)
Expenditures				
Current:				
General Government	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	4,080	4,080	1,053	(3,027)
Other Financing Sources (Uses)				
Transfers In				-
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	4,080	4,080	1,053	(3,027)
Fund Balance at Beginning of Year	355,430	$ 355,430	$ 354,558	$ (872)
Fund Balance at End of Year	$ 359,510	$ 359,510	$ 355,611	$ (3,899)

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, 2021

	Vehicle Rental and Replacement	Technology Rental and Replacement	Total Internal Service Funds
Assets			
Cash and Cash Equivalents	$ 465,209	$ 285,007	$ 750,216
Investments	59,849	36,666	96,515
Receivables			
Interest Receivable	59	36	95
Total Current Assets	525,117	321,709	846,826
Noncurrent Assets			
Property, Plant and Equipment (Net)	485,840	27,278	513,118
Total Noncurrent Assets	485,840	27,278	513,118
Total Assets	1,010,957	348,987	1,359,944
Liabilities			
Current Liabilities			
Accounts Payable	-	8,427	8,427
Total Current Liabilities	-	8,427	8,427
Total Liabilities	-	8,427	8,427
Net Position			
Net Investment in Capital Assets	485,840	27,278	513,118
Unrestricted	525,117	313,282	838,399
Total Net Position	$ 1,010,957	$ 340,560	$ 1,351,517

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, 2021

	Vehicle Rental and Replacement	Technology Rental and Replacement	Total Internal Service Funds
Operating Revenues			
Charge for Services			
Vehicle Rental	$ 222,766	$ -	$ 222,766
Technology Rental	-	131,088	131,088
Grant Revenue			-
Total Operating Revenues	222,766	131,088	353,854
Operating Expenses			
Equipment and Supplies	-	39,780	39,780
Depreciation	148,764	13,639	162,403
Total Operating Expenses	148,764	53,419	202,183
Operating Income (loss)	74,002	77,669	151,671
Nonoperating Revenues (Expenses)			
Interest Earnings	1,523	811	2,334
Interest and Fiscal Charges	(72)		(72)
Gain/Loss on Sale of Capital Assets	26,483		26,483
Total Nonoperating Revenues (Expenses)	27,934	811	28,745
Income (Loss) before Contributions, Special Items, and Transfers	101,936	78,480	180,416
Special Item - Disposal of Operations			-
Transfers In			-
Transfers Out			-
Increase (Decrease) in Net Position	101,936	78,480	180,416
Total Net Position at Beginning of Year	909,021	262,080	1,171,101
Total Net Position at End of Year	$ 1,010,957	$ 340,560	$ 1,351,517

CITY OF BATTLE GROUND

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2021

	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	$ 222,766	$ -	$ 222,766
Receipts from interfund charges for technology rental services	-	131,088	131,088
Proceeds from Operating Grants	-		-
Cash payments to Suppliers		(31,353)	(31,353)
Net Cash Provided by Operating Activities	222,766	99,735	322,501
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(154,954)	-	(154,954)
Proceeds from Other Financing (Transfers)	-	-	-
Proceeds from sale of capital assets	26,483	-	26,483
Principal paid on capital lease	(86,887)	-	(86,887)
Interest Paid on capital lease	(2,613)	-	(2,613)
Net Cash Provided for Capital and Related Financing Activities	(217,971)	-	(217,971)
Cash Flows from Investing Activities			
Interest on Investments	1,495	787	2,282
Sale (purchase) of Investment Securities	(18,273)	(18,942)	(37,215)
Net Cash Used by Investing Activities	(16,778)	(18,155)	(34,933)
Net Increase (Decrease) in Cash and Cash Equivalents	(11,983)	81,580	69,597
Cash and Cash Equivalents at Beginning of Year	477,192	203,427	680,619
Cash and Cash Equivalents at End of Year	$ 465,209	$ 285,007	$ 750,216
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Net Operating Income (Loss)	$ 74,002	$ 77,669	$ 151,671
Adjustments to reconcile net operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation Expense	148,764	13,639	162,403
(Increase) Decrease in Receivables			-
Increase (Decrease) in Current Payables	-	8,427	8,427
	148,764	22,066	170,830
Net Cash Provided by Operating Activities	$ 222,766	$ 99,735	$ 322,501
Noncash Investing, Financing and Capital Activities			
Net Change in Fair Value of Investments	(681)	(417)	(1,098)

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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 source, the property tax.

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

DEBT CAPACITY

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

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

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

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how 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)

	2012	2013	2014	2015	2016
Governmental Activities					
Net investment in capital assets	$ 41,074,989	$ 40,562,231	$ 40,834,702	$ 40,356,369	$ 39,534,273
Restricted for:					
Capital	2,964,183	4,054,713	3,996,454	4,303,975	5,488,961
Pension					453,785
Debt	-	-	-	-	-
Drug Investigation	35,745	110,819	61,756	63,090	60,291
Tourist Promotion	114,327	118,049	130,359	144,631	153,483
Archeological Mitigation	100,000	-	-	-	-
Public Safety					
Unrestricted	2,392,860	3,066,444	2,513,942	1,661,667	2,295,387
Total governmental activities net position	$ 46,682,104	$ 47,912,256	$ 47,537,213	$ 46,529,732	$ 47,986,180
Business-type Activities					
Net investment in capital assets	$ 45,841,037	$ 45,207,967	$ 44,773,066	$ 50,545,433	$ 48,777,185
Restricted	804,132	2,400,355	298,336	299,804	301,875
Unrestricted	9,527,096	9,092,385	13,179,807	15,158,274	17,866,082
Total business-type activities net position	$ 56,172,265	$ 56,700,707	$ 58,251,209	$ 66,003,511	$ 66,945,142
Primary Government					
Net investment in capital assets	$ 86,916,026	$ 85,770,198	$ 85,607,768	$ 90,901,802	$ 88,311,458
Restricted for:					
Capital	3,768,315	6,455,068	3,996,454	4,303,975	5,488,961
Pension					453,785
Debt	-	-	298,336	299,804	301,875
Drug Investigation	35,745	110,819	61,756	63,090	60,291
Tourist Promotion	114,327	118,049	130,359	144,631	153,483
Archeological Mitigation	100,000	-	-	-	-
Public Safety					
Unrestricted	11,919,956	12,158,829	15,693,749	16,819,941	20,161,469
Total primary government net position	$ 102,854,369	$ 104,612,963	$ 105,788,422	$ 112,533,243	$ 114,931,322

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CITY OF BATTLE GROUND
Schedule 1
Net Position by Component
Last Ten Fiscal Years
(accural basis of accounting)

	2017	2018	2019	2020	2021
Governmental Activities					
Net investment in capital assets	$ 44,439,495	$ 47,192,935	$ 47,156,748	$ 48,276,704	$ 53,834,490
Restricted for:					
Capital	5,544,003	6,673,924	8,087,231	8,399,399	8,822,634
Pension	1,013,955	1,166,990	1,344,153	1,484,124	6,799,504
Debt	-		-	-	
Drug Investigation	68,921	55,388	61,378	45,289	44,403
Tourist Promotion	174,624	209,490	245,768	269,325	292,988
Archeological Mitigation	-				
Public Safety				497,815	
Unrestricted	3,039,376	2,992,465	5,326,561	6,700,552	7,676,048
Total governmental activities net position	$ 54,280,374	$ 58,291,192	$ 62,221,839	$ 65,673,208	$ 77,470,067
Business-type Activities					
Net investment in capital assets	$ 50,173,640	$ 50,237,762	$ 52,295,554	$ 52,425,451	$ 56,104,281
Restricted	297,778	297,778	297,778	297,778	998,813
Unrestricted	19,891,869	22,677,534	24,696,312	27,343,734	31,926,353
Total business-type activities net position	$ 70,363,287	$ 73,213,074	$ 77,289,644	$ 80,066,963	$ 89,029,447
Primary Government					
Net investment in capital assets	$ 94,613,135	$ 97,430,697	$ 99,452,302	$ 100,702,155	$ 109,938,771
Restricted for:					
Capital	5,544,003	6,673,924	8,087,231	8,399,399	8,822,634
Pension	1,013,955	1,166,990	1,344,153	1,484,124	7,500,539
Debt	297,778	297,778	297,778	297,778	297,778
Drug Investigation	68,921	55,388	61,378	45,289	44,403
Tourist Promotion	174,624	209,490	245,768	269,325	292,988
Archeological Mitigation	-	-	-	-	-
Public Safety				497,815	-
Unrestricted	22,931,245	25,669,999	30,022,873	34,044,286	39,602,401
Total primary government net position	$ 124,643,661	$ 131,504,266	$ 139,511,483	$ 145,740,171	$ 166,499,514

CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2012	2013	2014	2015	2016
Expenses					
Governmental activities					
General government	$ 2,634,653	$ 1,712,197	$ 1,835,205	$ 1,955,510	$ 1,884,953
Judicial	444,557	470,139	518,954	587,230	569,422
Public Safety	3,967,973	4,026,694	3,995,788	4,014,769	4,303,774
Physical Environment	1,638,224	1,826,061	2,038,449	2,332,297	2,325,492
Transportation	1,967,127	2,400,518	2,452,138	2,959,111	2,871,534
Economic Environment	722,507	781,901	797,619	838,813	849,069
Culture and Recreation	998,656	1,025,958	1,022,673	866,175	1,027,123
Interest on long-term debt	536,751	537,184	523,450	504,353	477,416
Total governmental activities expenses	$ 12,910,448	$ 12,780,652	$ 13,184,276	$ 14,058,258	$ 14,308,783
Business-type activities					
Storm Drainage	$ 712,377	$ 930,010	$ 1,062,553	$ 1,013,546	$ 1,158,748
Water	1,641,601	2,235,333	2,103,010	2,524,181	2,691,560
Sewer	3,439,502	4,162,154	4,077,452	5,639,263	5,181,762
Total business-type activities expenses	5,793,480	7,327,497	7,243,015	9,176,990	9,032,070
Total primary government expenses	$ 18,703,928	$ 20,108,149	$ 20,427,291	$ 23,235,248	$ 23,340,853
Program Revenues					
Governmental activities					
Charge for services					
General Government	$ 193,077	$ 573,328	$ 223,657	$ 268,480	$ 387,984
Judicial	405,806	455,060	466,472	447,779	446,311
Economic Environment	844,558	2,457,298	1,182,655	1,887,302	2,520,101
Other activities	203,460	193,857	201,268	331,963	201,667
Operating grants and contributions	445,149	771,126	742,824	891,157	1,104,258
Capital grant and contributions	4,299,828	932,403	1,129,275	1,409,148	528,232
Total government activities program revenues	$ 6,391,878	$ 5,383,072	$ 3,946,151	$ 5,235,829	$ 5,188,553
Business-type activities					
Storm Drainage	$ 667,903	$ 777,144	$ 883,677	$ 865,854	$ 1,035,170
Water	2,115,314	2,098,727	2,223,658	2,390,158	2,503,684
Sewer	2,629,799	2,905,225	3,148,635	3,238,712	3,565,701
Operating grants and contributions					
Capital grants and contributions	511,792	2,043,392	2,205,630	3,821,962	2,598,683
Total business-type activities program revenues	5,924,808	7,824,488	8,461,600	10,316,686	9,703,238
Total primary government program revenues	$ 12,316,686	$ 13,207,560	$ 12,407,751	$ 15,552,515	$ 14,891,791

continued on next page

CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2017	2018	2019	2020	2021
Expenses					
Governmental activities					
General government	$ 1,818,329	$ 1,994,437	$ 2,567,566	$ 2,335,730	$ 2,206,627
Judicial	730,455	602,107	246,734	571,181	665,347
Public Safety	6,766,840	7,305,827	7,531,825	8,558,547	4,010,312
Physical Environment	457,270	477,150	452,297	419,875	401,717
Transportation	3,279,449	3,291,877	3,566,592	3,197,724	4,309,325
Economic Environment	941,778	996,604	2,304,417	2,237,387	3,945,702
Culture and Recreation	1,049,993	1,042,660	899,601	875,202	912,321
Interest on long-term debt	460,347	430,418	400,222	352,877	258,751
Total governmental activities expenses	$ 15,504,461	$ 16,141,080	$ 17,969,254	$ 18,548,523	$ 16,710,102
Business-type activities					
Storm Drainage	$ 1,380,733	$ 1,332,675	$ 1,409,906	$ 1,420,125	$ 1,675,682
Water	2,914,232	2,985,843	2,919,154	3,376,589	3,760,859
Sewer	5,686,127	8,557,894	6,595,763	6,637,207	6,848,172
Total business-type activities expenses	9,981,092	12,876,412	10,924,823	11,433,921	12,284,713
Total primary government expenses	$ 25,485,553	$ 29,017,492	$ 28,894,077	$ 29,982,444	$ 28,994,815
Program Revenues					
Governmental activities					
Charge for services					
General Government	$ 342,546	$ 283,560	$ 378,297	$ 114,900	$ 163,248
Judicial	195,861	169,059	203,925	199,382	292,829
Economic Environment	2,167,138	2,367,537	4,776,072	4,257,368	6,968,109
Other activities	327,140	532,277	531,596	619,971	349,430
Operating grants and contributions	1,062,301	1,134,990	1,130,484	1,693,611	1,058,494
Capital grant and contributions	6,339,352	4,849,346	2,090,113	3,072,574	4,637,149
Total government activities program revenues	$ 10,434,338	$ 9,336,769	$ 9,110,487	$ 9,957,806	$ 13,469,259
Business-type activities					
Storm Drainage	$ 1,205,307	$ 1,386,111	$ 1,556,134	$ 1,601,371	$ 1,661,080
Water	2,728,712	2,884,377	2,862,375	2,855,522	3,227,474
Sewer	3,831,541	4,303,363	4,715,056	4,764,471	5,085,271
Operating grants and contributions		50,000	-	127,332	17,395
Capital grants and contributions	5,330,573	6,614,179	5,105,880	4,393,652	10,936,910
Total business-type activities program revenues	13,096,133	15,238,030	14,239,445	13,742,348	20,928,130
Total primary government program revenues	$ 23,530,471	$ 24,574,799	$ 23,349,932	$ 23,700,154	$ 34,397,389

CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2012	2013	2014	2015	2016
Net(Expenses)Revenue					
Government activities	(6,518,570)	(7,397,580)	(9,238,125)	(8,822,429)	(9,120,230)
Business activities	131,328	496,991	1,218,585	1,139,696	671,168
Total primary government net expense	(6,387,242)	(6,900,589)	(8,019,540)	(7,682,733)	(8,449,062)
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	2,479,566	2,532,873	2,601,477	2,752,356	2,816,320
Sales and use taxes	1,910,787	2,015,104	2,214,953	2,553,298	2,949,812
Business and occupation taxes	2,554,267	2,747,427	3,050,051	3,196,511	3,313,960
Excise taxes	331,585	526,572	625,117	690,792	978,371
Unrestricted grants and contributions	322,507	263,350	262,642	297,154	360,532
Investment earnings	40,689	18,265	57,522	50,427	72,726
Miscellaneous	94,749	89,750	204,787	92,392	82,457
Gain on sale of capital assets	-	(4,482)	-	-	2,500
Insurance recoveries	-	-	-	-	-
Special Item					
Transfers	1,078,857	138,057	-	-	-
Total governmental activities	8,813,007	8,326,916	9,016,549	9,632,930	10,576,678
Business-type activities					
Investment earnings	41,181	33,565	60,640	91,804	128,293
Miscellaneous	86,611	135,943	117,810	195,043	142,170
Special Item	-	-	-	7,019,290	-
Gain(loss) on sale of capital assets	171,492	-	-	-	-
Transfers	(1,078,857)	(138,057)	-	-	-
Total business-type activities	(779,573)	31,451	178,450	7,306,137	270,463
Total primary government	8,033,434	8,358,367	9,194,999	16,939,067	10,847,141
Changes in Net Position					
Governmental activities	2,294,437	929,336	(221,576)	810,501	1,456,448
Business-type activities	(648,245)	528,442	1,397,035	8,445,833	941,631
Total primary government	1,646,192	1,457,778	1,175,459	9,256,334	2,398,079

continued on next page

CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2017	2018	2019	2020	2021
Net(Expenses)Revenue					
Government activities	(5,070,123)	(6,804,311)	(8,858,767)	(8,590,717)	(3,240,843)
Business activities	3,115,041	2,361,618	3,314,622	2,308,427	8,643,417
Total primary government net expense	(1,955,082)	(4,442,693)	(5,544,145)	(6,282,290)	5,402,574
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	2,902,251	3,049,456	3,162,791	3,323,783	3,495,531
Sales and use taxes	3,521,944	3,723,445	4,002,428	4,396,312	5,617,753
Business and occupation taxes	3,187,273	3,357,670	3,448,257	3,098,913	2,915,471
Excise taxes	1,187,266	1,077,298	1,243,205	1,455,122	2,323,199
Unrestricted grants and contributions	347,317	362,403	373,645	401,637	475,559
Investment earnings	98,941	209,631	337,457	180,832	60,480
Miscellaneous	106,116	91,735	325,392	39,967	125,959
Gain on sale of capital assets	13,207	4,680	(105,126)	-	26,483
Insurance recoveries			1,365	-	-
Special Item				(829,480)	-
Transfers			-	(25,000)	(2,733)
Total governmental activities	11,364,317	11,876,318	12,789,414	12,042,086	15,037,702
Business-type activities					
Investment earnings	169,175	319,724	554,359	302,737	88,415
Miscellaneous	163,304	165,412	207,589	191,895	
Special Item					
Gain(loss) on sale of capital assets	(29,376)	3,033			227,919
Transfers				25,000	2,733
Total business-type activities	303,103	488,169	761,948	519,632	319,067
Total primary government	11,667,420	12,364,487	13,551,362	12,561,718	15,356,769
Changes in Net Position					
Governmental activities	6,294,194	5,072,007	3,930,647	3,451,369	11,796,859
Business-type activities	3,418,144	2,849,787	4,076,570	2,828,059	8,962,484
Total primary government	9,712,338	7,921,794	8,007,217	6,279,428	20,759,343

CITY OF BATTLE GROUND

Schedule 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accruaL basis of accounting)

	2012	2013	2014	2015	2016
General Fund					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Committed	840,256	843,012	2,181,206	2,159,935	2,455,518
Assigned	422,310	1,767,197	337,275	396,115	517,175
Unassigned	1,008,081	541,776	392,637	1,121,241	1,744,474
Total general fund	2,270,647	3,151,985	2,911,118	3,677,291	4,717,167
All Other Governmental Funds					
Restricted	3,214,255	4,283,581	4,188,568	4,511,696	5,705,734
Assigned					
Special revenue funds	203,397	131,345	202,032	121,375	255,040
Capital projects funds	156,339	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	$ 3,573,991	$ 4,414,926	$ 4,390,600	$ 4,633,071	$ 5,960,774

Continued on next page

CITY OF BATTLE GROUND

Schedule 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accruaL basis of accounting)

	2017	2018	2019	2020	2021
General Fund					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Committed	382,871	238,127	243,808	354,558	355,611
Assigned	483,837	466,644	699,040	771,150	1,001,277
Unassigned	4,934,676	5,840,214	7,391,039	8,628,277	13,445,577
Total general fund	5,801,384	6,544,985	8,333,887	9,753,985	14,802,465
All Other Governmental Funds					
Restricted	5,787,548	6,938,802	8,394,377	9,211,828	9,160,025
Assigned					
Special revenue funds	253,684	505,627	580,053	913,721	990,615
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	$ 6,041,232	$ 7,444,429	$ 8,974,430	$ 10,125,549	$ 10,150,640

CITY OF BATTLE GROUND

Schedule 4

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2012	2013	2014	2015	2016
Revenues					
Taxes	$ 7,303,670	$ 7,840,470	$ 8,544,130	$ 9,291,615	$ 10,335,734
Licenses, fees, and permits	325,113	775,452	505,827	826,011	841,949
Intergovernmental	4,702,012	1,421,076	992,049	1,062,872	1,385,585
Charges for services	2,009,709	3,136,021	2,105,905	2,452,856	2,953,275
Fines and penalties	284,160	267,847	258,072	262,732	260,696
Investment earnings	40,689	18,436	55,088	47,756	69,705
Rents and royalties	256,760	277,270	267,868	295,559	272,099
Contributions/donations	221,914	219,100	278,680	139,191	127,917
Other revenues	95,509	189,615	208,130	92,391	89,354
Total governmental funds	15,239,536	14,145,287	13,215,749	14,470,983	16,336,314
Expenditures					
General Government	2,456,744	2,573,394	2,795,271	2,732,778	2,692,214
Judicial	444,557	470,139	518,954	587,723	579,154
Security/persons and property	3,547,893	3,787,018	3,844,787	3,887,783	3,944,592
Physical environment	1,594,245	1,761,171	2,017,648	2,282,573	2,296,398
Transportation	907,265	759,740	866,029	1,046,103	1,109,050
Economic environment	722,507	781,901	797,619	829,749	876,787
Culture and recreation	554,861	583,251	592,725	585,329	607,717
Capital outlay	7,741,594	1,097,127	503,473	95,466	691,716
Debt service					
Principal	532,951	562,653	801,358	831,761	846,383
Interest	552,983	541,525	525,437	503,159	482,069
Total expenditures	19,055,600	12,917,919	13,263,301	13,382,424	14,126,080
Excess of revenues over (under) expenditures	(3,816,064)	1,227,368	(47,552)	1,088,559	2,210,234
Other Financing Sources (Uses)					
Sale of capital assets	36,457	14,660	-	-	-
Long-term debt proceeds	-	-	-	-	270,594
Premiums on Bonds Issued	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-
Payments to Refunding Escrow	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Transfers in	1,640,198	1,723,148	2,174,409	1,652,267	1,754,897
Transfers out	(1,640,198)	(1,723,148)	(2,392,050)	(1,732,182)	(1,868,145)
Total other financing sources (uses)	36,457	14,660	(217,641)	(79,915)	157,346
Net changes in fund balances	$ (3,779,607)	$ 1,242,028	$ (265,193)	$ 1,008,644	$ 2,367,580
Debt service as a percentage of noncapital expenditures	9.60%	9.34%	10.40%	10.05%	9.89%

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)

	2017	2018	2019	2020	2021
Revenues					
Taxes	$ 11,529,561	$ 11,333,623	$ 12,141,540	$ 12,437,585	$ 14,178,787
Licenses, fees, and permits	963,119	1,181,600	1,423,090	1,370,663	2,163,860
Intergovernmental	5,246,958	2,362,444	1,334,014	2,401,530	2,419,182
Charges for services	2,557,087	2,797,512	4,843,131	4,637,700	6,761,540
Fines and penalties	241,915	243,280	235,272	153,836	153,754
Investment earnings	98,942	198,777	319,084	171,912	58,145
Rents and royalties	282,302	277,815	281,039	141,495	238,187
Contributions/donations	141,294	141,134	128,784	134,215	132,028
Other revenues	106,116	87,388	314,914	40,169	109,524
Total governmental funds	21,167,294	18,623,573	21,020,868	21,489,105	26,215,007
Expenditures					
General Government	2,573,435	2,813,508	3,221,339	3,214,508	3,099,318
Judicial	737,822	700,282	290,854	588,904	717,465
Security/persons and property	6,629,465	7,318,752	7,611,206	8,227,704	4,917,503
Physical environment	439,352	489,047	473,904	428,944	462,356
Transportation	1,436,015	1,053,875	1,203,556	726,195	-
Economic environment	954,108	1,050,336	2,363,308	2,286,466	4,088,629
Culture and recreation	621,871	669,837	562,309	538,844	593,638
Capital outlay	4,974,887	797,012	400,133	1,130,518	4,383,314
Debt service					
Principal	886,541	904,123	1,085,141	1,656,184	2,617,250
Interest	469,122	437,237	411,426	371,345	308,378
Total expenditures	19,722,618	16,234,009	17,623,176	19,169,612	21,187,851
Excess of revenues over (under) expenditures	1,444,676	2,389,564	3,397,692	2,319,493	5,027,156
Other Financing Sources (Uses)					
Sale of capital assets	-	2,210	-	99,990	6,980
Long-term debt proceeds	-	-	-	-	
Premiums on Bonds Issued	-	-	-	-	
Refunding Bonds Issued	-	-	-	-	
Payments to Refunding Escrow	-	-	-	-	
Insurance recoveries	-	4,344	1,128	43,734	42,167
Transfers in	2,343,505	2,009,069	2,058,926	2,859,953	5,993,127
Transfers out	(2,623,507)	(2,258,390)	(2,138,843)	(2,751,953)	(5,995,859)
Total other financing sources (uses)	(280,002)	(242,767)	(78,789)	251,724	46,415
Net changes in fund balances	$ 1,164,674	$ 2,146,797	$ 3,318,903	$ 2,571,217	$ 5,073,571
Debt service as a percentage of noncapital expenditures	9.19%	8.69%	8.69%	11.24%	17.41%

REVENUE CAPACITY

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

Schedule 5 – Tax Revenues by Source, Governmental Funds
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

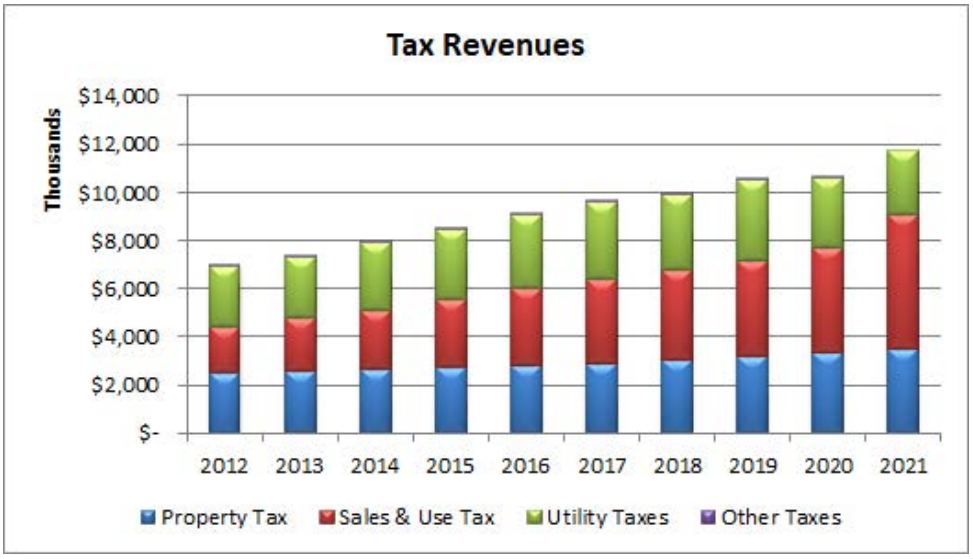
Schedule 5

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
2012	2,507,031	1,910,787	2,534,798	6,980	6,959,596
2013	2,551,368	2,217,875	2,518,789	14,304	7,302,336
2014	2,654,010	2,446,729	2,790,599	8,992	7,900,330
2015	2,758,389	2,791,726	2,924,491	15,347	8,489,953
2016	2,819,856	3,233,490	2,992,741	7,586	9,053,673
2017	2,906,406	3,521,944	3,187,273	10,281	9,625,904
2018	3,049,015	3,723,445	3,140,647	7,805	9,920,912
2019	3,158,747	4,002,428	3,383,862	8,494	10,557,575
2020	3,333,686	4,396,312	2,889,763	8,149	10,627,911
2021	3,492,300	5,617,753	2,657,606	9,930	11,777,589
Change 2020-2021	4.76%	27.78%	-8.03%	21.85%	10.82%



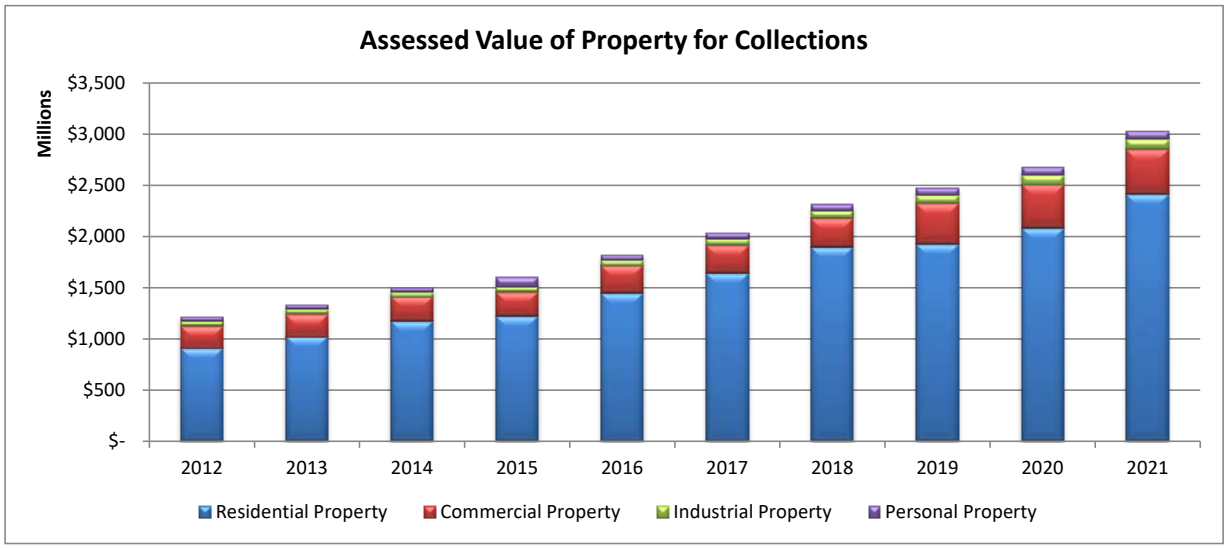
CITY OF BATTLE GROUND

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			
2012	2013	910,595,226	217,850,315	44,230,062	42,122,439	1,214,798,042	2.09
2013	2014	1,023,444,568	221,344,978	45,728,146	42,265,819	1,332,783,511	1.96
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



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

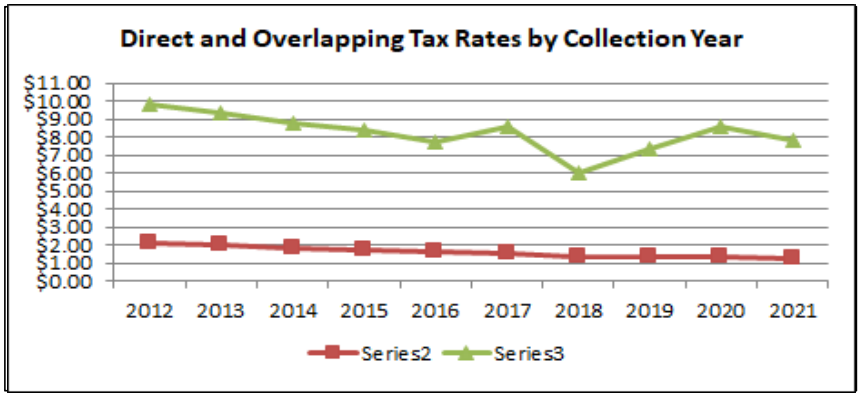
Schedule 7

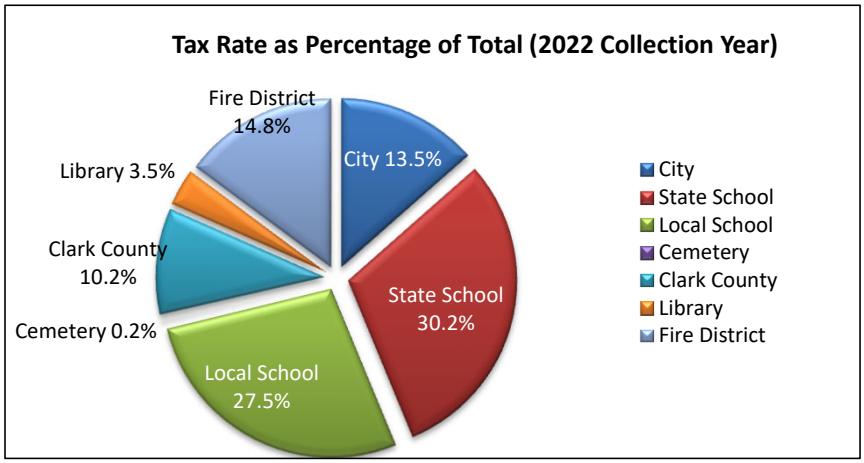
Property Tax Rates

Direct and Overlapping Governments

Last Ten Fiscal Years

Assessed Year	Collection Year	Direct City Rate	Overlapping Rates State School	Local School	Clark County	Public Library	Cemetery	Fire District 3	Total Average Levy Rate
2012	2013	2.09	2.49	5.21	1.64	0.50	0.04	0.00	11.97
2013	2014	1.96	2.35	4.99	1.52	0.50	0.04	0.00	11.36
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





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.

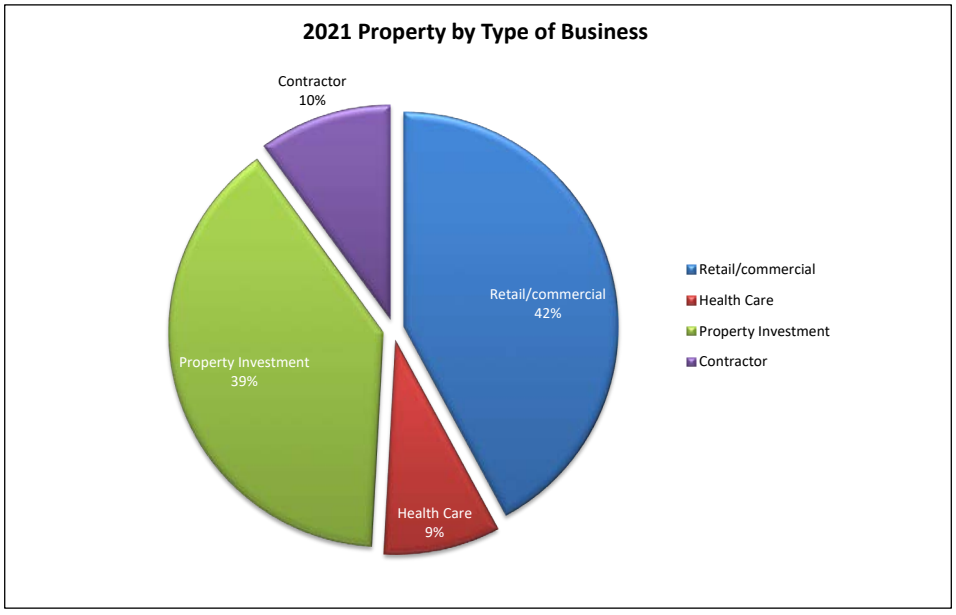
CITY OF BATTLE GROUND

Schedule 8

Principal Property Taxpayers

Current Year and Nine Years Ago

		2021			2012		
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
Scotton Landing II LLC	Property Investment	$ 27,468,720	1	1.03%			
Tapani Underground Inc	Contractor-Excavating	20,912,110	2	0.78%			
Fred Meyer Store	Retail	20,128,499	3	0.75%	17,532,728	1	1.44%
SOP LLC	Property Investment	18,165,100	4	0.68%			
Wal-Mart Real Estate Business Trust	Retail/commercial	16,511,700	5	0.62%			
Battle Ground Market Center	Retail/commercial	16,426,500	6	0.61%	15,466,900	2	1.27%
The Vancouver Clinic	Health Care	14,350,938	7	0.54%	12,978,700	3	1.07%
Mobile Estates LLC	Property Investment	10,091,000	8	0.38%	6,925,300	8	0.57%
Heldig LLC	Property Investment	10,084,100	9	0.38%			
Westwood Commons	Commercial	9,877,100	10	0.37%	5,910,800	10	0.49%
Hi-School Properties LLC	Retail/commercial				7,109,756	6	0.59%
Dennis Pavlina	Property Investment				7,986,563	5	0.66%
Samuel and Shelley Walker	Property Investment				8,354,400	4	0.69%
NW Natural Gas	Utility				6,350,137	9	0.52%
Oldcastle Glass Inc.	Manufacturing				6,980,340	7	0.57%
Total Principal Property Tax Payers		164,015,767		6.13%	95,595,624		7.87%
All Other City Taxpayers		2,511,075,691		93.87%	1,119,202,418		92.13%
Total City Taxpayers		2,675,091,458		100.00%	$ 1,214,798,042		100.00%



Source: Clark County Assessor's Office Top Taxpayer Report

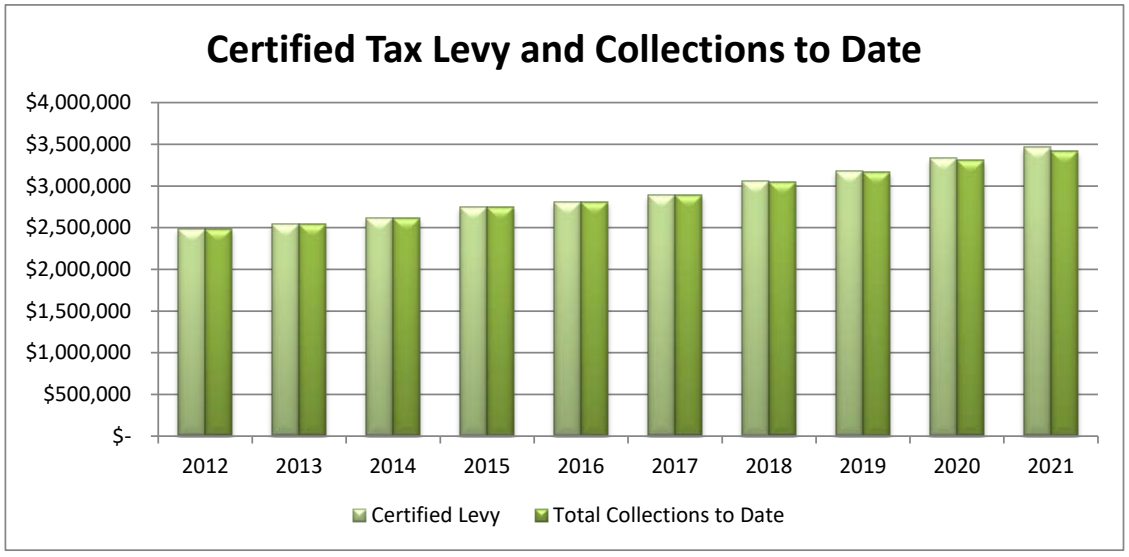
CITY OF BATTLE GROUND

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
2012	2,486,187	2,423,459	97.48%	62,679	2,486,138	100.00%
2013	2,542,871	2,491,852	97.99%	50,896	2,542,748	100.00%
2014	2,612,427	2,564,034	98.15%	48,275	2,612,309	100.00%
2015	2,747,180	2,707,983	98.57%	38,599	2,746,582	99.98%
2016	2,807,748	2,772,332	98.74%	35,148	2,807,480	99.99%
2017	2,893,525	2,851,452	98.55%	41,682	2,893,134	99.99%
2018	3,052,811	3,022,188	99.00%	27,743	3,049,931	99.90%
2019	3,173,966	3,147,756	99.17%	21,720	3,169,476	99.69%
2020	3,331,136	3,306,744	99.27%	15,160	3,321,904	99.27%
2021	3,462,275	3,421,794	98.83%	-	3,421,794	98.83%



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

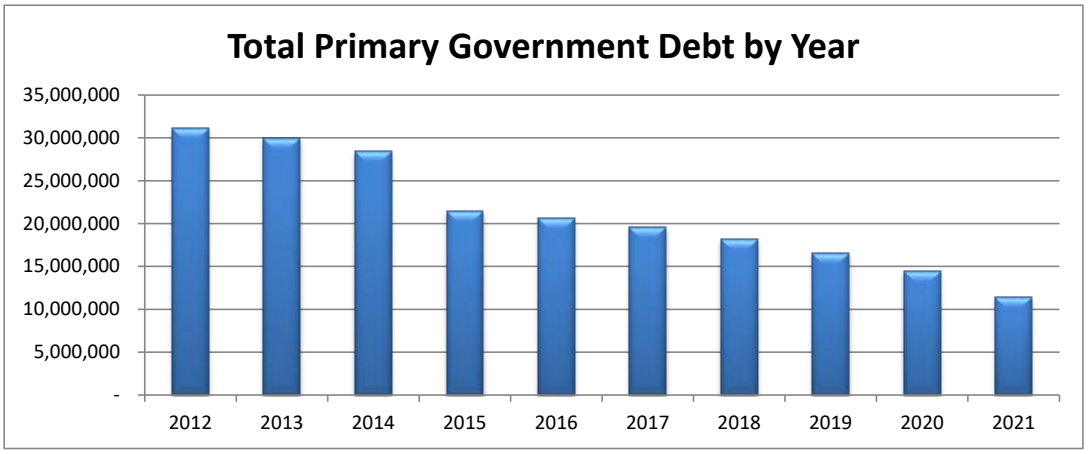
CITY OF BATTLE GROUND

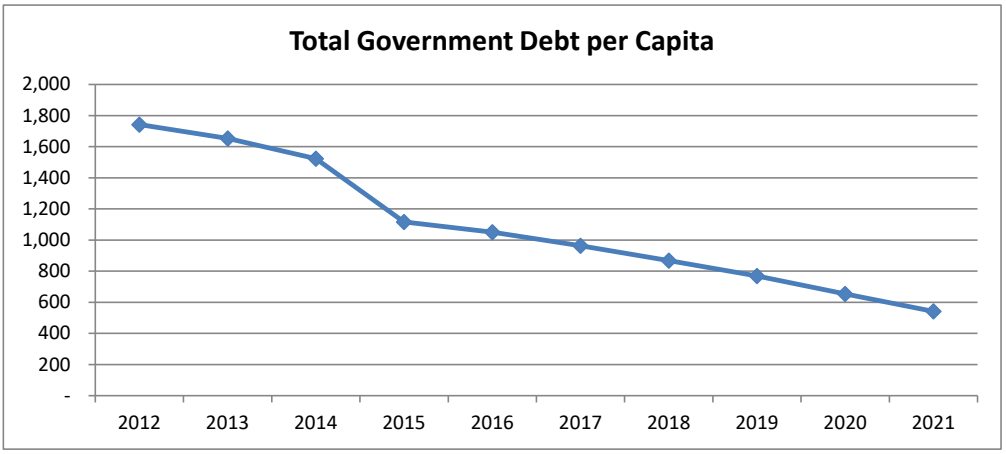
Schedule 10

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	Capital Leases	Revenue Bonds	Public Works Trust Fund Loans	Total Primary Government	Percentage of Personal Income	Population	Per Capita
2012	12,335,000	1,100,000	51,808	6,863,746	10,825,818	31,176,372	6.24%	17,893	1,742
2013	11,895,000	1,000,000	568,597	6,771,191	9,738,533	29,973,321	5.92%	18,130	1,653
2014	11,205,000	900,000	467,635	6,675,840	9,197,698	28,446,173	5.45%	18,685	1,522
2015	10,485,000	800,000	579,894	9,352,015	269,992	21,486,901	4.00%	19,250	1,116
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	0.96%	21,160	542





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

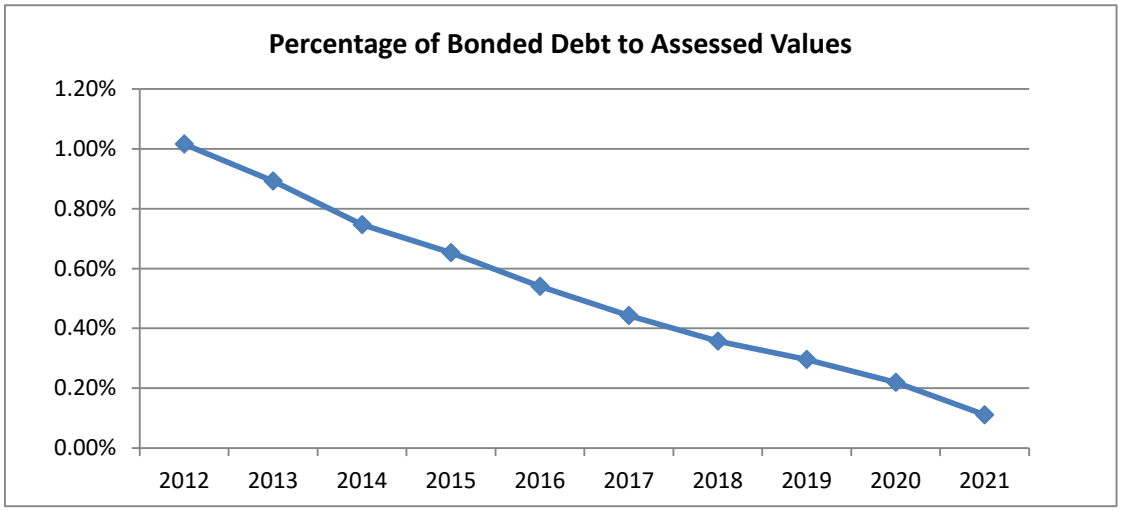
CITY OF BATTLE GROUND

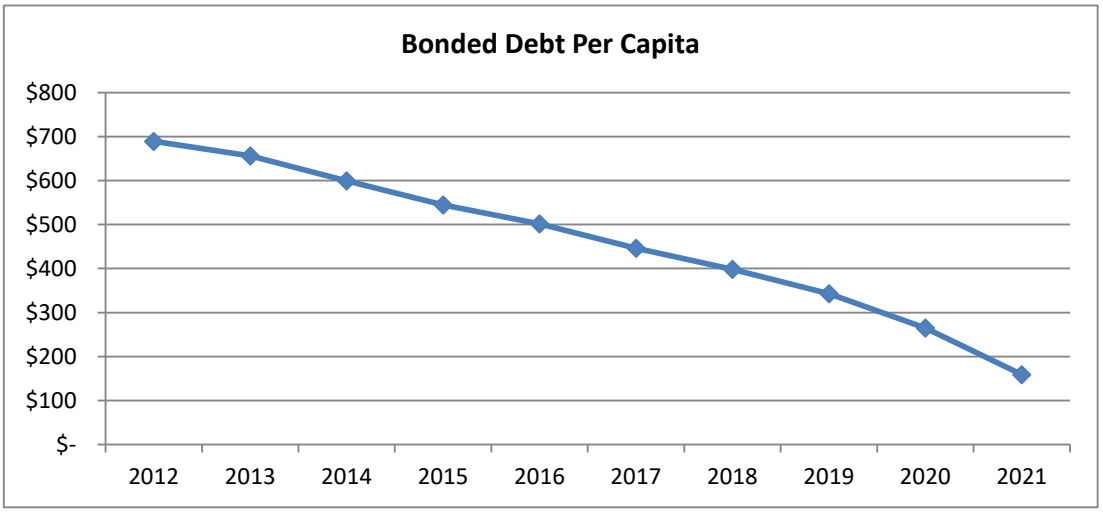
Schedule 11

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
2012	12,335,000	1,214,798,042	1.02%	17,893	689
2013	11,895,000	1,332,783,511	0.89%	18,130	656
2014	11,205,000	1,501,398,094	0.75%	18,685	600
2015	10,485,000	1,606,931,280	0.65%	19,250	545
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





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

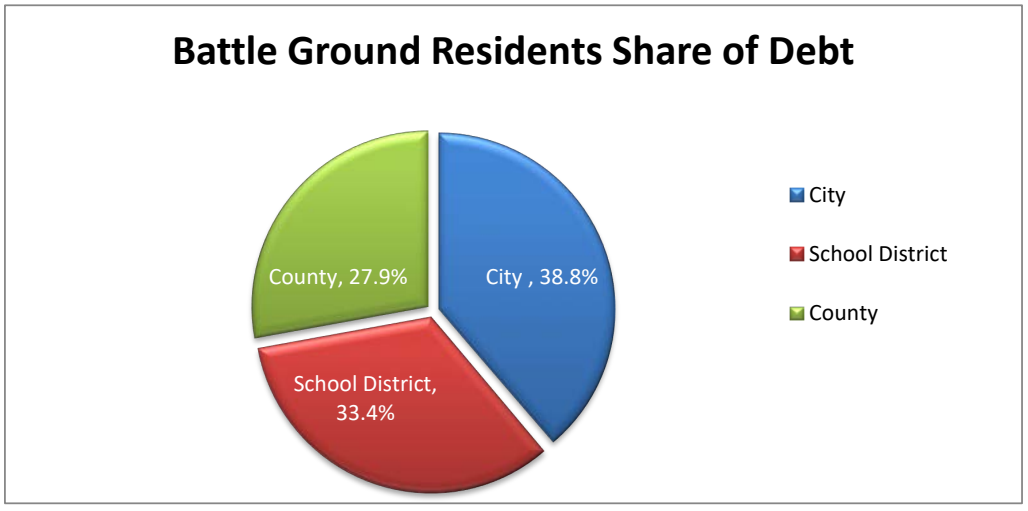
Schedule 12

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	$ 3,365,000		
Public Works Trust Fund Loan	200,000		
Total Direct	$ 3,565,000	100.00%	$ 3,565,000
Overlapping: (GO debt repaid with property taxes)			
Battle Ground School District	13,805,159	22.23%	3,068,740
Clark County	69,425,340	3.69%	2,562,216
Total Overlapping	$ 83,230,499		$ 5,630,957
Total direct and overlapping debt	$ 86,795,499		$ 9,195,957

Property Valuation (2021 Assessment for 2022 Tax Collections)

City Assessed Valuation	$ 3,024,694,829
School Assessed Valuation	$ 13,607,014,047
County Assessed Valuation	$ 81,956,569,617



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 (2021 assessment for 2022 revenue)		$ 3,024,694,829
Debt limit:		
General purpose debt limit without a vote (1.5%)		45,370,422
General purpose debt limit with a vote (1.0%)		30,246,948
Utility purpose debt limit with a vote (2.5%)		60,493,897
Open space, park, capital facilities debt limit with a vote (2.5%)		75,617,371
Total debt limit		$ 211,728,638
Debt applicable to limit:		
General purpose debt limit without a vote (1.5%)	3,365,000	
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		3,365,000
Legal debt margin		$ 208,363,638

	2012	2013	2014	2015	2016
Assessed Valuation	$ 1,214,798,042	$ 1,332,783,511	$ 1,501,398,094	$ 1,606,931,280	$ 1,824,114,773
General purpose debt limit (1.5%)	18,221,971	19,991,753	22,520,971	24,103,969	27,361,722
Total net debt applicable to limit	12,335,000	11,895,000	11,205,000	10,485,000	9,755,000
Available non-voted debt capacity	$ 5,886,971	$ 8,096,753	$ 11,315,971	$ 13,618,969	$ 17,606,722
Total net debt applicable to the limit as a percentage of debt limit	67.69%	59.50%	49.75%	43.50%	35.65%

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CITY OF BATTLE GROUND

Schedule 13

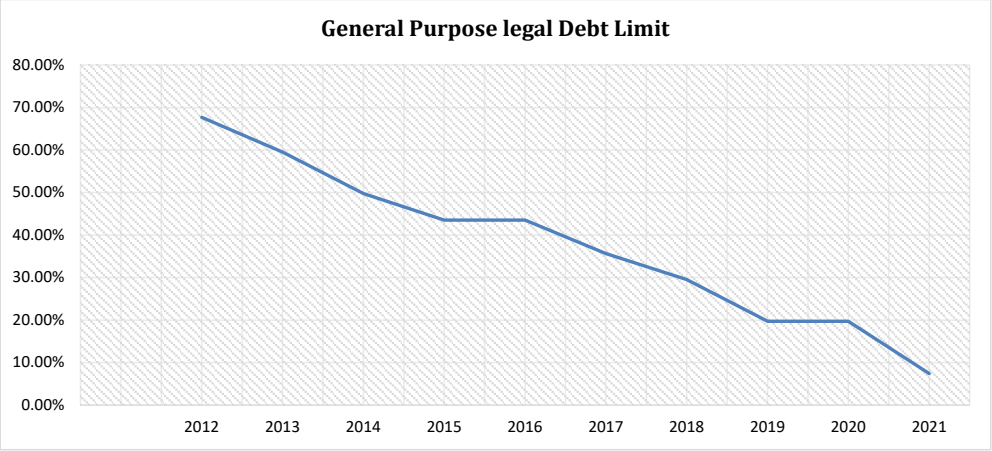
Legal Debt Margin Information

Last Ten Fiscal Years

	2017	2018	2019	2020	2021
Assessed Valuation	$ 2,033,273,795	$ 2,313,732,400	$ 2,473,570,612	$ 2,675,091,458	$ 3,024,694,829
General purpose debt limit (1.5%)	30,499,107	34,705,986	37,103,559	40,126,372	45,370,422
Total net debt applicable to limit	9,005,000	8,255,000	7,325,000	5,825,000	3,365,000
Available non-voted debt capacity	$ 21,494,107	$ 26,450,986	$ 29,778,559	$ 34,301,372	$ 42,005,422
Total net debt applicable to the limit as a percentage of debt limit	35.65%	29.53%	19.74%	14.52%	7.42%

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	
2012	2,206,060	1,835,102	370,958	-	-	-	-
2013	2,504,650	1,612,307	892,343	-	-	-	-
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

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. 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 exceeds required coverage

Sewer Fund

Fiscal Year	Operating Revenues	Less: Operating Expenses	Net Revenue Available	Debt Service [(1)]			Reserve Requirement
				Principal	Interest	Total	
2012	2,967,278	1,595,504	1,371,774	1,132,539	165,630	1,298,169	-
2013	4,477,286	2,137,092	2,340,194	1,179,840	261,512	1,441,352	297,778
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

(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

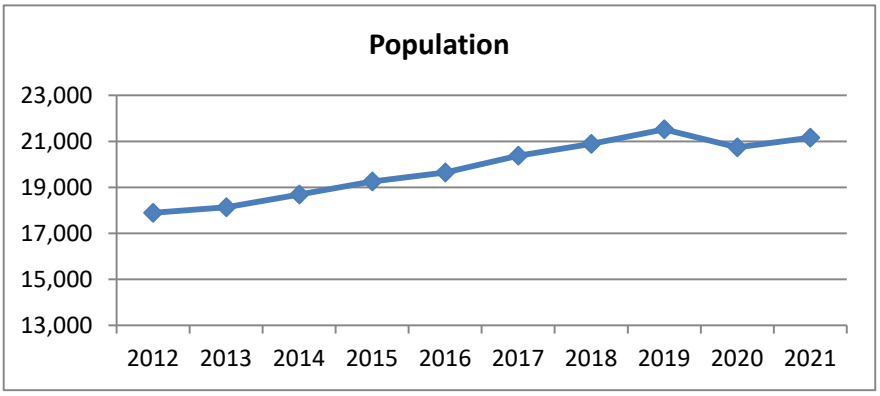
CITY OF BATTLE GROUND

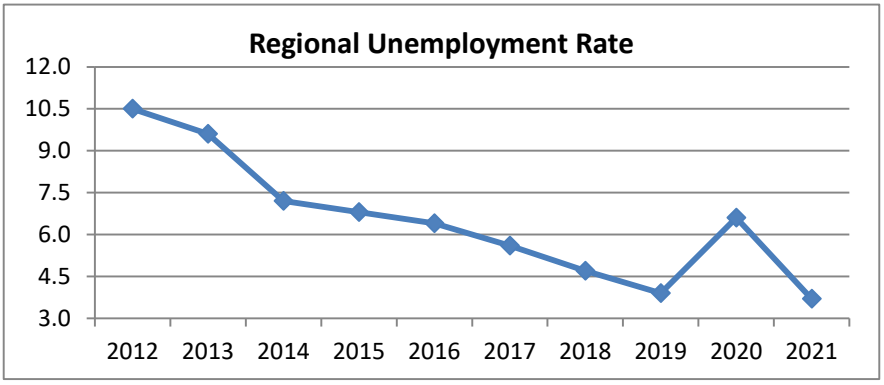
Schedule 15

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]
2012	17,893	710,262,635	39,695	12,941	10.5
2013	18,130	735,479,710	40,567	13,174	9.6
2014	18,685	806,313,805	43,153	13,263	7.2
2015	19,250	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





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 ending 2021
(5) Washington State Employment Security Department - Clark County

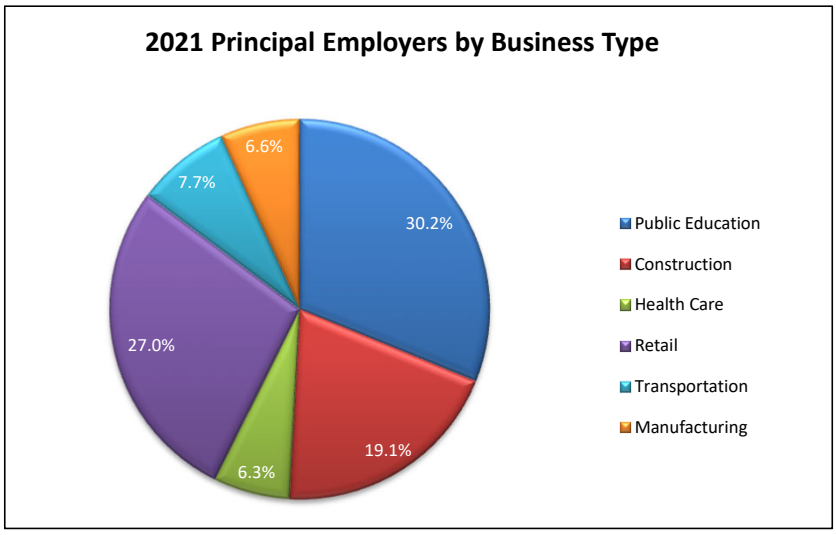
CITY OF BATTLE GROUND

Schedule 16

Principal Employers,

Last Ten Fiscal Years

		2021			2012	
Employer	**Type of Business**	**Employees**	**Rank**	**% of Labor Force**	**Employees**	**Rank**
Battle Ground School District	Public Education	791	1	30.2%	690	1
Tapani Underground Inc.	Construction	500	2	19.1%	225	3
Fred Meyer	Retail	264	3	10.1%	235	2
Walmart	Retail	243	4	9.3%		
Student First	Transportation	203	5	7.7%		
Anderson Plastics/Anderson Dairy	Manufacturing	172	6	6.6%	171	4
Vancouver Clinic	Healthcare	165	7	6.3%	108	5
Albertson's	Retail	104	8	4.0%	62	9
Safeway	Retail	96	9	3.7%	87	7
City of Battle Ground	Government	84	10	3.2%	92	6
JRT Mechanical	Manufacturing				78	8
Perterman Bus Company	Transportation					
Green Willow Trucking	Service					
United Tempering Systems	Light Industrial					
Tapani Plumbing, Inc.	Service				56	10
	Total	2,622			1,804	



Source: City of Battle Ground Community Development Department

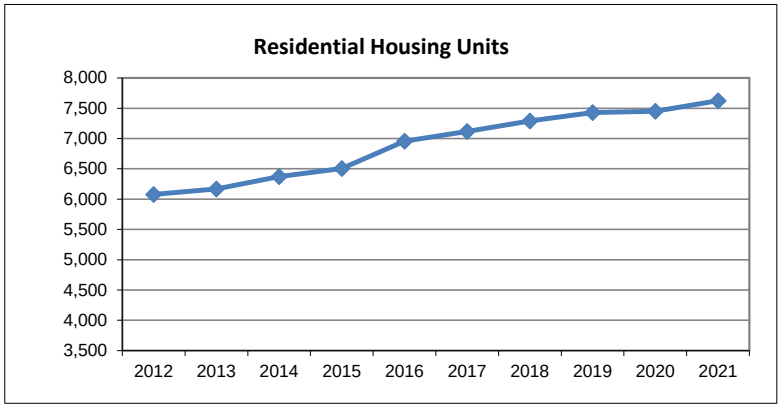
CITY OF BATTLE GROUND

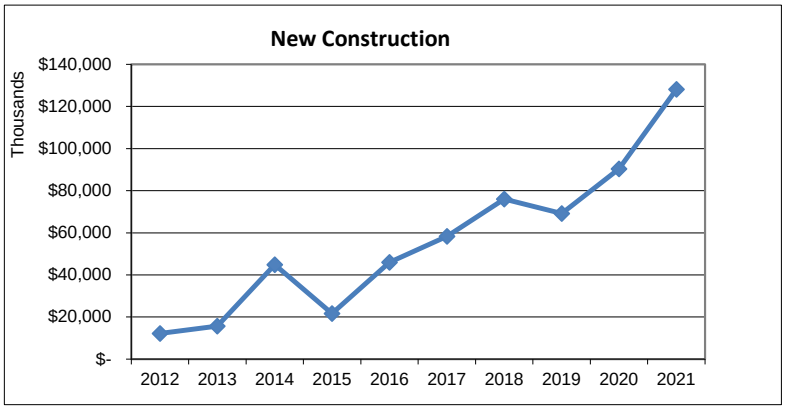
Schedule 17

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
2012	17,893	6,078	12,203,275	1,214,798,042	1.0%
2013	18,130	6,169	15,635,245	1,332,783,511	1.2%
2014	18,685	6,371	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	7,267	69,108,504	2,473,570,612	2.8%
2020	22,180	7,685	90,426,090	2,675,091,458	3.4%
2021	21,160	7,625	128,116,289	3,024,694,829	4.2%





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

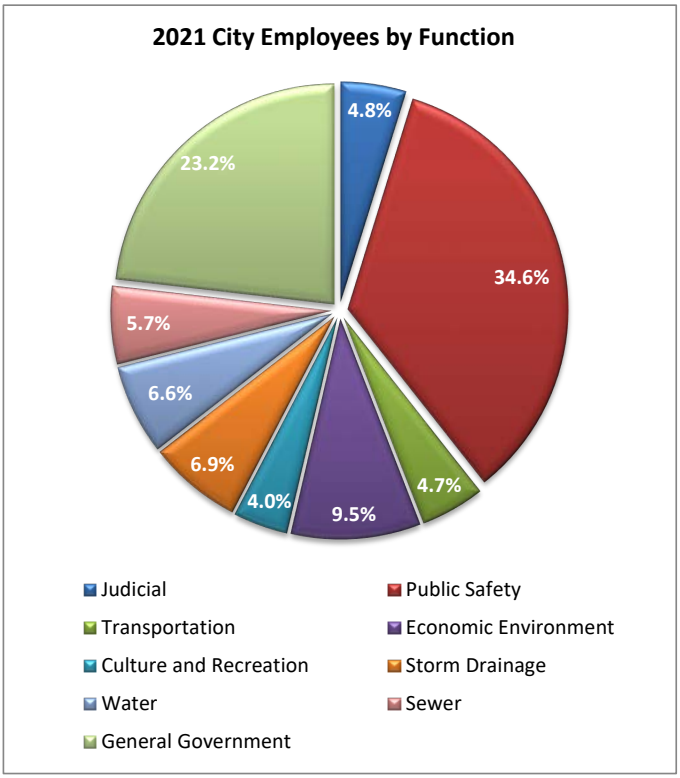
CITY OF BATTLE GROUND

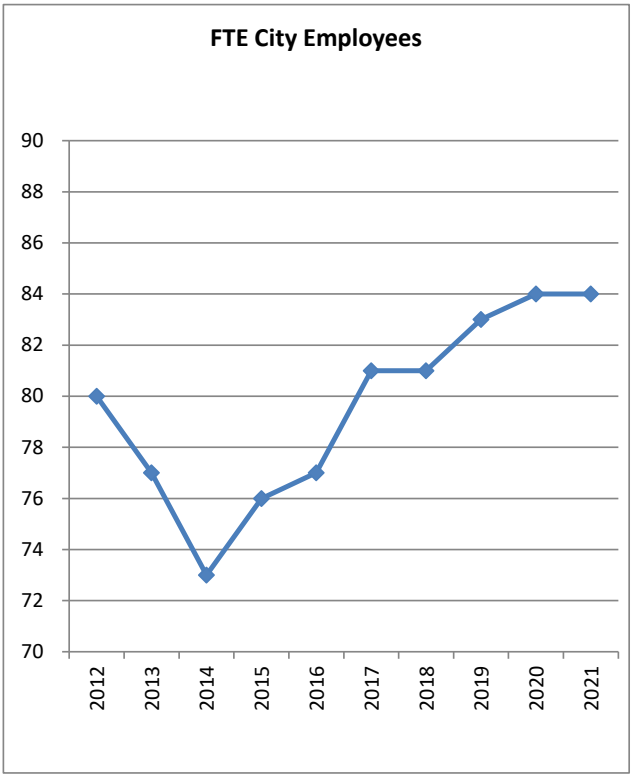
Table 18

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

Last Ten Fiscal Years

Function/Program	2012*	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
General Government	12.00	12.00	12.00	13.00	13.00	18.88	18.84	20.16	19.54	19.47
Judicial	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Public Safety	30.00	27.00	25.00	27.00	27.00	28.00	28.00	28.00	29.07	29.07
Transportation	7.00	4.00	5.00	7.00	7.00	4.09	3.55	3.48	3.68	3.98
Economic Environment	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Culture and Recreation	3.00	4.00	4.00	4.50	3.50	3.42	3.35	3.27	3.37	3.35
Utilities/Public Works	6.00	5.00	1.00							
Storm Drainage	3.00	3.00	4.00	3.50	4.50	5.11	5.25	5.61	5.92	5.76
Water	4.00	6.00	6.00	5.00	6.00	5.55	5.78	6.03	5.48	5.56
Sewer	4.00	5.00	4.00	4.00	4.00	3.95	4.23	4.45	4.94	4.81
Totals	80.00	77.00	73.00	76.00	77.00	81.00	81.00	83.00	84.00	84.00





Source: Department of Human Resources City of Battle Ground

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

*2012 the City reallocated staff for direct costing

CITY OF BATTLE GROUND

Schedule 19

Operating Indictors by Function/Program

Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016
General Government					
Population	17,780	18,130	18,237	19,250	19,640
Housing Units	6,078	6,169	6,371	6,506	6,956
Judicial					
Total number of cases filed	4,379	3,565	3,626	3,303	3,312
Total hearings scheduled	8,859	7,701	7,601	7,819	8,780
Total warrants issued	796	639	508	457	420
Public Safety (Law Enforcement)					
Citations issued	3,060	2,618	2,692	2,615	2,621
Reports written	2,583	2,599	2,697	2,524	2,456
Number of calls for service	13,022	13,063	14,141	14,239	14,660
Arrests	1,449	1,260	1,450	1,467	1,458
Transportation					
Right of way	66	109	72	50	96
Hours street sweeping	858	867	1,010	1,026	1,036
Curb painting (hours)	21	4	52	50	73
Crack sealing (hours)	-	-	-	200	559
Culture and Recreation					
Hours park mowing	747	900	945	900	632
Trash pick-up	826	678	902	800	1,370
Weed spraying	-	10	18	20	32
Water					
Number of water accounts	5,318	5,420	5,498	5,534	5,622
Average daily production (gallons)	1,376,000	1,341,026	1,394,995	1,486,384	1,486,788
Storm Drainage					
Number of drainage accounts	5,604	5,733	5,862	5,891	6,004
Ditch maintenance (Hours)	422	422	2,660	2,700	1,882
Clean catch basins	800	330	302	312	624
Sewer					
Number of sewer accounts	5,452	5,546	5,626	5,650	5,727
Clean sewer lines (feet)	16,744	19,010	50,000	5,552	13,720
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	2017	2018	2019	2020	2021
General Government					
Population	20,370	20,890	21,520	22,180	21,160
Housing Units	7,118	7,290	7,427	7,575	7,625
Judicial					
Total number of cases filed	3,273	3,153	2,784	1,536	1,723
Total hearings scheduled	9,367	10,415	11,750	7,506	7,595
Total warrants issued	406	667	863	546	547
Public Safety (Law Enforcement)					
Citations issued	2,670	2,242	2,218	822	1,101
Reports written	2,706	2,641	2,680	1,782	1,891
Number of calls for service	14,898	14,321	16,613	12,348	11,782
Arrests	1,334	916	923	501	467
Transportation					
Right of way	113	110	262	244	67
Hours street sweeping	1,011	1,025	700	950	1,576
Curb painting (hours)	30	42	100	18	12
Crack sealing (hours)	338	404	14	-	736
Culture and Recreation					
Hours park mowing	582	637	707	884	800
Trash pick-up	1,555	932	982	874	644
Weed spraying	7	16	56	60	148
Water					
Number of water accounts	5,727	5,805	6,113	6,284	6,496
Average daily production (gallons)	1,563,421	1,636,996	1,545,000	1,592,324	1,727,854
Storm Drainage					
Number of drainage accounts	6,186	6,294	6,652	6,830	7,193
Ditch maintenance (Hours)	249	1,758	1,848	2,220	1,856
Clean catch basins	546	450	176	176	137
Sewer					
Number of sewer accounts	5,892	6,145	6,356	6,534	6,896
Clean sewer lines (feet)	46,500	9,300	5,100	5,100	900
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	2012	2013	2014	2015	2016
General government					
Square feet administrative space	31,110	31,110	31,110	31,110	31,110
Public Safety					
Police					
Police vehicles	20	23	23	23	22
Square feet of administrative space	18,277	18,277	18,277	18,277	18,277
Physical Environment					
Fire trucks	3	3	2	2	2
Square feet for fire facilities	9,029	9,029	9,029	9,029	9,029
Transportation					
Miles of road	78	79	80	81	81
Number of street lights	1,868	1,902	1,947	2,027	2,046
Culture and Recreation					
Acreage	219	219	220	139	140
Park facilities	6	6	6	6	7
Water					
Supply and distribution mains (miles)	70	70	72	73	73
Number of hydrants	672	682	701	712	716
Storage	6	6	6	6	6
Wells	7	7	7	7	7
Storm Drainage					
Miles of storm drains (miles)	29	30	31	32	32
Storm water facilities (acres)	32	34	35	39	39
Wetlands/open space (acres)	85	85	85	85	85
Sewer					
Capacity (MGD)	3	3	3	3	3
Miles of sewage mains	58	59	60	61	61
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	2017	2018	2019	2020	2021
General government					
Square feet of administrative space	31,110	31,110	31,110	31,110	31,110
Public Safety					
Police					
Police vehicles	22	20	20	20	20
Square feet of administrative space	18,277	18,277	18,277	18,277	18,277
Physical Environment					
Fire trucks	2	2	2	-	-
Square feet for fire facilities	9,029	9,029	9,029	9,029	9,029
Transportation					
Miles of road	76	81	81	81	81
Number of street lights	2,156	2,318	2,318	2,318	2,318
Culture and Recreation					
Acreage	142	142	142	142	142
Park facilities	8	8	8	8	8
Water					
Supply and distribution mains (miles)	75	79	79	79	79
Number of hydrants	730	751	751	751	751
Storage	6	6	6	6	6
Wells	7	7	7	7	7
Storm Drainage					
Miles of storm drains (miles)	34	37	37	37	37
Storm water facilities (acres)	42	49	49	49	49
Wetlands/open space (acres)	85	88	88	88	88
Sewer					
Capacity (MGD)	3	3	3	3	3
Miles of sewage mains	63	66	66	66	66
Square feet of administrative space	4,051	4,051	4,051	4,051	4,051