

City of Battle Ground, Washington

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ending December 31, 2022

CITY OF BATTLE GROUND, WASHINGTON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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

City of Battle Ground
Annual Comprehensive Financial Report For the Fiscal Year Ended December 31, 2022

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INTRODUCTORY SECTION

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City of Battle Ground

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(360) 342-5000 Fax (360) 342-5029

June 28, 2023

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, 2022. The ACFR includes all city operations and activities for which the city is financially accountable. All the funds in this report pertain to the operations of the City of Battle Ground.

This report meets the requirements of RCW 43.09.230, which requires a financial report covering each fiscal year and is prepared in accordance with Generally Accepted Accounting Principles (GAAP). State law requires an annual audit of the city's financial statements and records by the Office of the Washington State Auditor. The State Auditor conducts its audit in accordance with Generally Accepted Auditing Standards (GAAS) as established by the American Institute of Certified Public Accountants (AICPA) and provides an independent opinion on the city's financial position, results of operations, and the cash flows of its proprietary fund types. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Battle Ground for the fiscal year ended December 31, 2022 are free of material misstatement.

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

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

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

Profile of the City

The City of Battle Ground is located just west of the Cascade Mountains in the center of Clark County, Washington. The predominant character of the city is residential but also serves as a significant commercial center for the surrounding area. The area was founded in 1855 and the city formally incorporated on June 18, 1951. The city changed from a mayor/council form of government to council/manager form of government following a vote of the public on November 5, 1996. The city operates as an optional code city under the Revised Code of Washington (RCW) Chapter 35A. Council members are elected to staggered four-year terms.

Biennially, at the first meeting of the new council, the members elect presiding officers to serve as mayor and as deputy mayor. City council is responsible for establishing policies, passing ordinances, adopting the budget, appointing committees, and hiring the city manager. The city manager is responsible for carrying out the policies and ordinances of the council, managing the daily operations of the city, and appointing the directors of the city's departments as well as the deputy city manager.

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

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

Local Economy

The City of Battle Ground has evolved from a small town to a major retail trade area for north Clark County. As a result, sales tax is the city's largest single source of revenue within its governmental funds. The city has six major retail and professional centers, Millcreek Town Center, Fred Meyer Complex, Battle Ground Plaza, Gardner Center, Battle Ground Market Center, and the Safeway complex. Battle Ground's sales activity has grown significantly in recent years. In 2022, the city experienced an increase of 7.8 percent in its sales tax receipts to $6.1 million after increases of 9.8 percent and 27.8 percent in 2020 and 2021, respectively. During the pandemic in 2020, the city experienced an increase in retail trade by 22.2 percent and it has continued to grow each year. This is likely due to customers shopping locally and having items delivered. Construction saw a significant increase in 2021 of 53.8 percent and it continued into 2022 increasing 16.0 percent over 2021. The other sales tax source that has seen significant growth since the onset of the pandemic is food services. With the addition of several new restaurants within the city, this source continues to grow, there was an 18.2 percent increase in 2021 and 16.3 percent increase in 2022.

The city's assessed valuation for its 2022 property tax levy was approximately $3.0 billion, a 13.0 percent increase over 2021. For 2023 tax collections, the assessed value is approximately $3.7 billion, an increase of 21.0 percent. This is due to overall assessed valuation increases as well as new construction added to property tax rolls of approximately $166.4 million. 2022 property tax revenue was $3.7 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 2022. The city also experienced record high real estate excise taxes, home sales, in 2022 bringing in $2.4 million 3.4 percent more than 2021.

The unemployment rate has continued to slowly decline and reached 3.6 percent in February 2023 compared to 3.9 percent in February 2022. Federal funds were distributed to state unemployment along with local jurisdictions in order to stimulate the economy. The city received $5.9 million in American Recovery Plan Act funds to assist with long term recovery from the pandemic. City council has obligated the funds to water and sewer infrastructure projects promoting a long-term rate stabilization by paying for required infrastructure. During 2022, the city started these projects, 1.46 MG Water reservoir, Well improvements, and Equalization Sewer Basin, total expended during 2022 was $224,566.

The 2022 population of approximately 21,780 in the City of Battle Ground increased at an annual rate of 2 percent. Currently, the residents of the city account for approximately 22.6 percent of its greater trade area of 96,213 and 4.2 percent of 520,900 residents county-wide. The City of Battle Ground is the third largest city in Clark County. Major employers in the area include retail, public education, transportation, health services, and the construction industry.

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

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

Long-term Financial Planning and Major Initiatives

Although growth has provided increased revenues to the general fund in recent years, the general fund is not immune from the impacts of what is commonly referred to as a "structural deficit" as revenues lag rising costs. Unfunded mandates from both the state and federal governments, ongoing impacts of voter initiatives, deferred maintenance, and increasing operational costs continue to contribute to this funding challenge. To address this funding challenge, in 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 2022 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.

In response to state legislation passed in 2022, city council passed Ordinance 22-05 on July 18, 2022 enacting 0.1 percent Transportation Benefit District sales and use tax to assist in funding street preservation in the city of Battle Ground. This tax will assist in spreading the costs of road preservation to all those who physically drive on city roads versus the burden being strictly on those who reside in the city. This tax will become effective January 1, 2023.

Clark County voters passed a 0.1 percent public safety sales tax in August of 2022 with an effective date of January 1, 2023. This tax will be shared with local jurisdictions per state law with 60 percent of collections going to the county and 40 percent being split amongst the cities in the county based upon population. This tax will assist the city in funding its public safety efforts related to policing in the city.

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 2023 and beyond, this growth requires extensive planning for infrastructure and services to support this anticipated growth. The city annually updates a six-year capital improvement program and six-year budget forecasts. The capital improvement planning document guides the ability to plan for capital needs and allocate short and long-term resources appropriately within the fiscal constraints of the six-year budget forecasts. With the passage of the 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 in the 2022 budget.

Utility Services

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

The city's partnership with the Discovery Clean Water Alliance (DCWA) for treatment of wastewater comes with large capital needs. The distance sewage must flow to get to the Salmon Creek Treatment Plant (SCTP) is 16.8 miles from the city's equalization basin which regulates and equalizes the flow from the city as it leaves for treatment. With the growing needs of the city and other members of DCWA, an expansion of the SCTP is underway.

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, 2021. The city has received a Certificate of Achievement for the last 20 years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

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

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

Respectfully submitted,

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

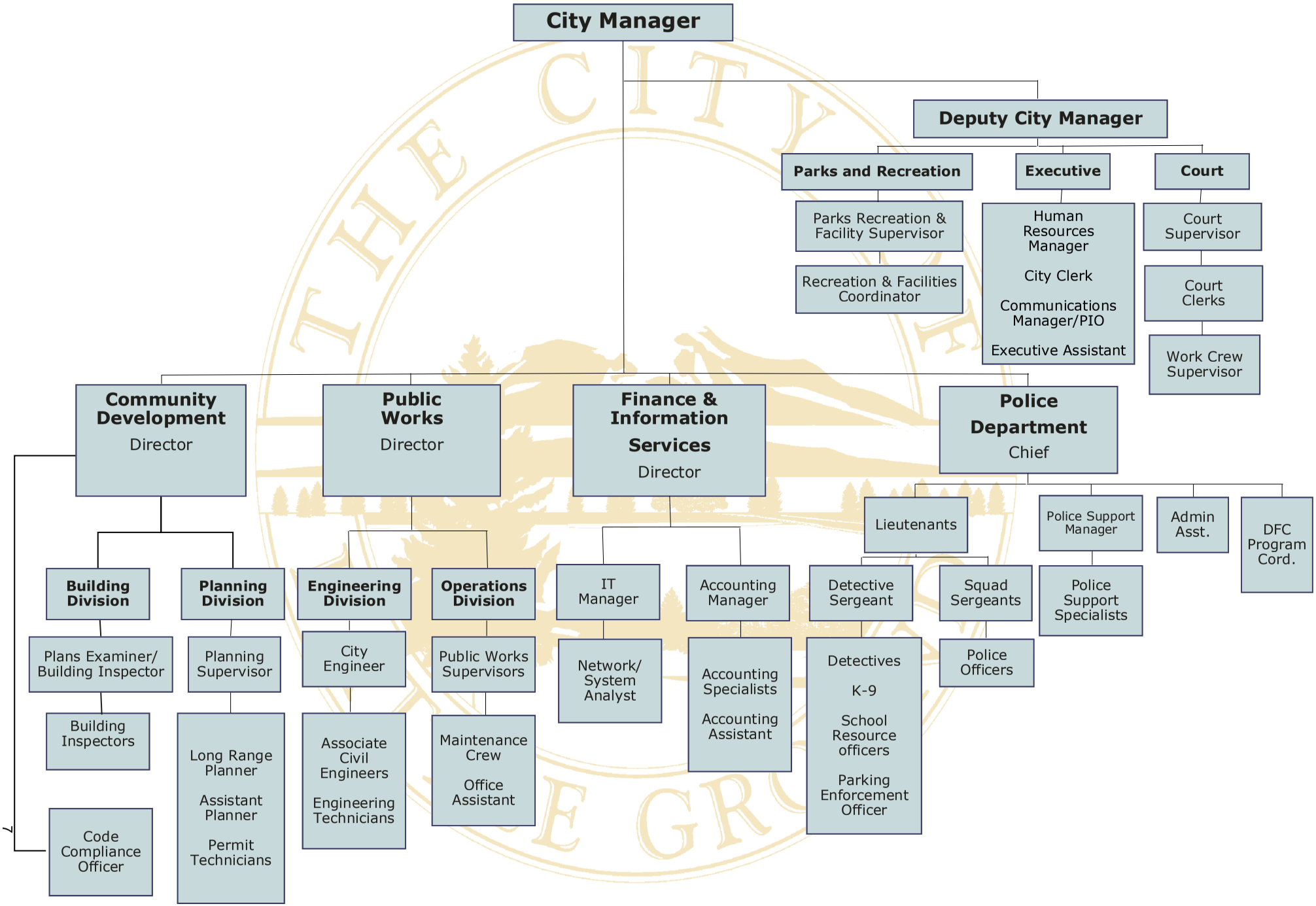
City of Battle Ground Washington

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO


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

CITY OF BATTLE GROUND

List of Elected & Appointed Officials
As of December 31, 2022



Mayor
Philip Johnson



Deputy Mayor
Cherish DesRochers



Councilmember
Shane Bowman



Councilmember
Tricia Davis



Councilmember
Adrian Cortes



Councilmember
Troy McCoy



Councilmember
Shauna Walters

APPOINTED OFFICIALS

CITY STAFF

City Manager
Erin Erdman

Deputy City Manager
Robert Ferrier

Finance & Information Services Director
Meagan Lowery, CGAP

Chief of Police
Mike Fort

Public Works Director
Mark Herceg

Community Development Director
Sam Crummett

FINANCIAL SECTION

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Office of the Washington State Auditor
Pat McCarthy

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

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the financial section of our report.

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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General and Street funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Matters of Emphasis

As discussed in Note 20 to the financial statements, in 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. 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 conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed;

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 28, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,



Pat McCarthy, State Auditor

Olympia, WA

June 28, 2023

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, 2022. This information should be read in conjunction with the basic financial statements and notes to the financial statements that follow. The discussion and analysis include comparative data for 2021.

2022 FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the city exceeded its liabilities and deferred inflows by $185.1 million (*net position*), a $18.6 million, 11.2 percent, increase from 2021. Of the city's $185.1 million net position amount, $54.1 million represents unrestricted net position of which $17.5 million is unrestricted net position of the governmental activities and $36.6 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 62.2 percent of total net position, with a value of $115.2 million, an increase of $5.3 million over 2021.

- The city's total governmental funds reported combined ending fund balances of $32.4 million, an increase of $7.4 million over 2021. Of the total $11.8 million of restricted fund balance, $11.5 million is restricted for capital purposes. Remaining fund balances include $356,908 committed to economic stabilization; $2.2 million assigned to LEOFF 1, parks, insurance reserve and streets; and $18.0 million is unassigned to the general fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serve as an introduction to the city's basic financial statements and is intended to assist users in interpretation of the basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

Government-wide Financial Statements

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

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

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

Statement of Net Position

This statement presents financial information on all of the city's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the city is improving or deteriorating.

Statement of Activities

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

Fund Financial Statements

A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities or meet certain objectives. Funds are often set up in accordance with special regulations, restrictions, or limitations. The city, like other state and local governments, uses fund accounting to ensure and show compliance with finance-related legal requirements. All the city's funds are divided into two categories: governmental funds or proprietary funds.

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

Fiduciary Fund

Fiduciary funds account for financial transactions which are not derived from the City's own source revenues and the City does not have administrative involvement. The Fiduciary Fund for the City accounts for the City's court remittances to the Washington State Administrative Office of the Courts and Clark County.

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 $185.1 million at December 31, 2022 as compared to $166.5 million at December 31, 2021. The following is a condensed version of the *Government-wide Statement of Net Position*.

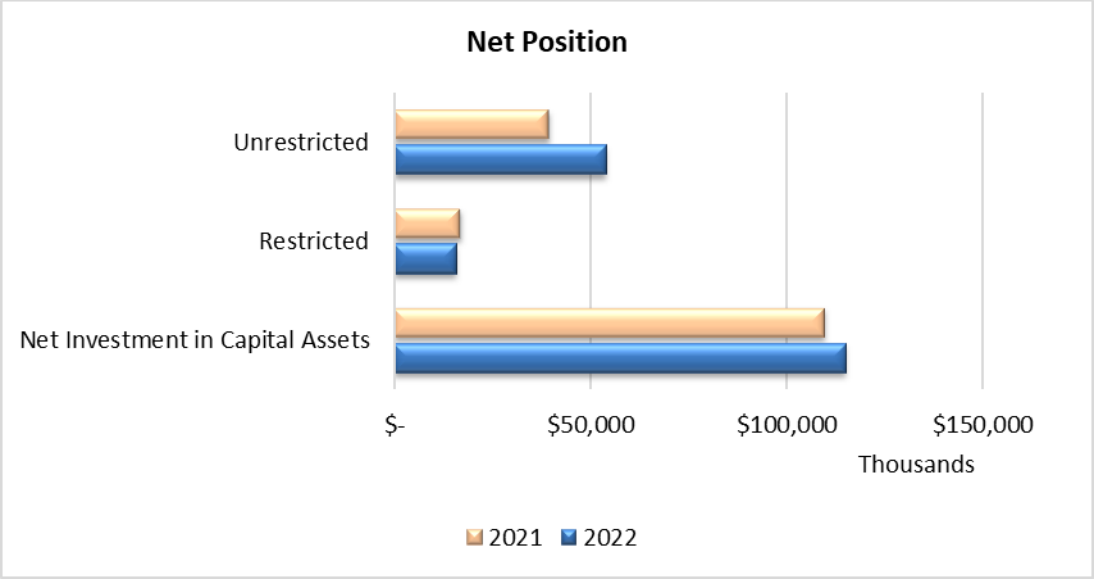
Net position						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	$ 45,025,126	$ 37,948,833	38,155,059	34,807,448	$ 83,180,185	$ 72,756,281
Capital assets (net of depr)	60,176,008	57,399,490	65,598,342	63,998,950	125,774,350	121,398,440
Total assets	105,201,134	95,348,323	103,753,401	98,806,398	208,954,535	194,154,721
Deferred Outflow of Resources	2,258,094	750,279	393,535	207,094	2,651,629	957,373
Liabilities						
Current and other liabilities	9,690,278	6,752,878	947,503	951,386	10,637,781	7,704,264
Noncurrent	5,559,824	6,775,870	7,563,689	8,304,481	13,123,513	15,080,351
Total liabilities	15,250,102	13,528,748	8,511,192	9,255,867	23,761,294	22,784,615
Deferred Inflow of Resources	2,471,693	5,099,787	264,543	728,178	2,736,236	5,827,965
Net position						
Net investment in capital assets	56,997,362	53,834,490	58,206,799	56,104,281	115,204,161	109,938,771
Restricted	15,259,958	15,959,529	553,998	998,813	15,813,956	16,958,342
Unrestricted	17,480,113	7,676,048	36,610,404	31,926,353	54,090,517	39,602,401
Total net position	$ 89,737,433	$ 77,470,067	$ 95,371,201	$ 89,029,447	$ 185,108,634	$ 166,499,514

The largest portion of the city's net position is its net investment in capital assets. This category makes up 62.2 percent of the city's total net position and though the city uses these capital assets to provide services to its citizens, these assets are not available for future spending.

Restricted net position makes up 8.5 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 $54.1 million is unrestricted and may be used to meet the city's ongoing obligations to its citizens and creditors. Although this amount is unrestricted, a significant portion has been reserved or set aside for various purposes. The increase of $14.5 million in unrestricted fund balance primarily comes from $14.0 million in capital grants and contributions. Of this amount, $11.1 million comes from new development contributed capital and $2.5 million in grant funded projects, reducing the use of city funds for those projects.

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.

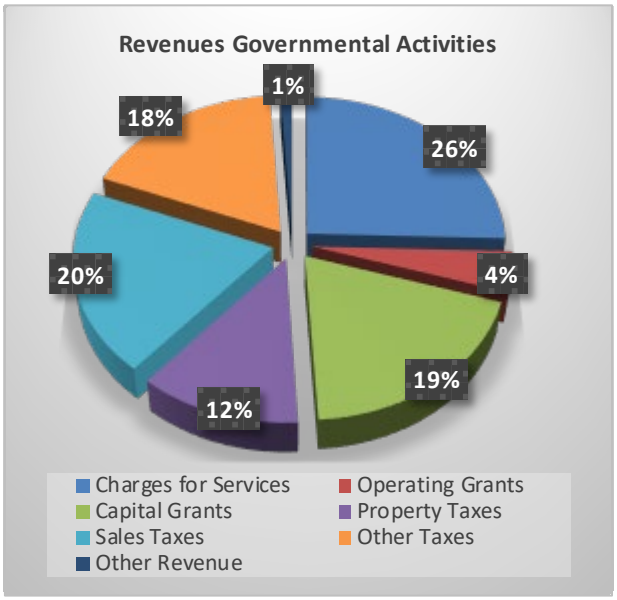


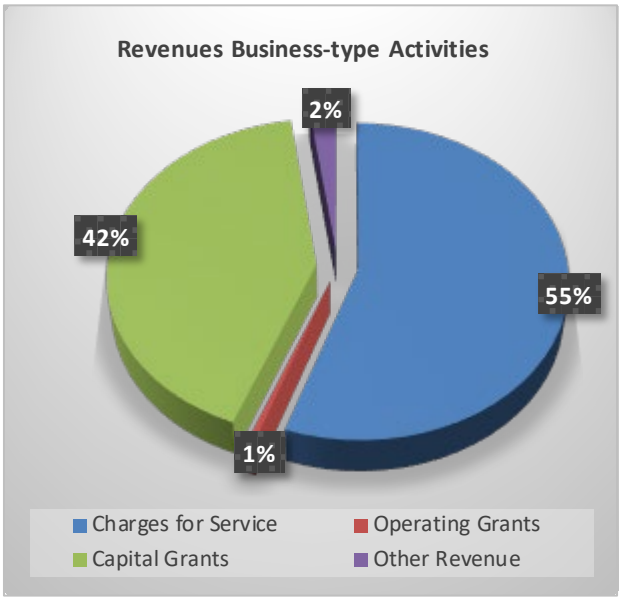
Statement of Activities

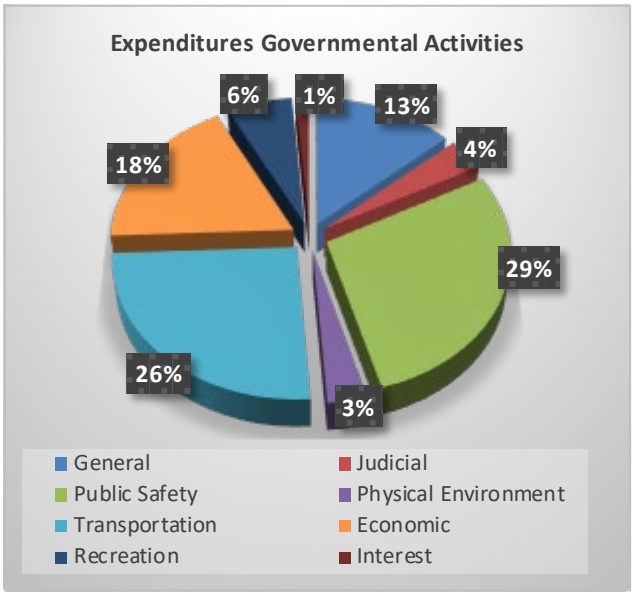
The *Statement of Activities* reports the change in net position for the fiscal year. At December 31, 2022, total ending net position increased by $18.6 million, or 11.2 percent. Business-type funds increased by $6.3 million, or 7.1 percent, primarily due to infrastructure contributions by developers. Net position of governmental activities increased by $12.3 million, or 15.8 percent, due to increased tax revenue, federal/state capital grant funding, building activity remaining strong, and expenditures coming under budget across all funds.

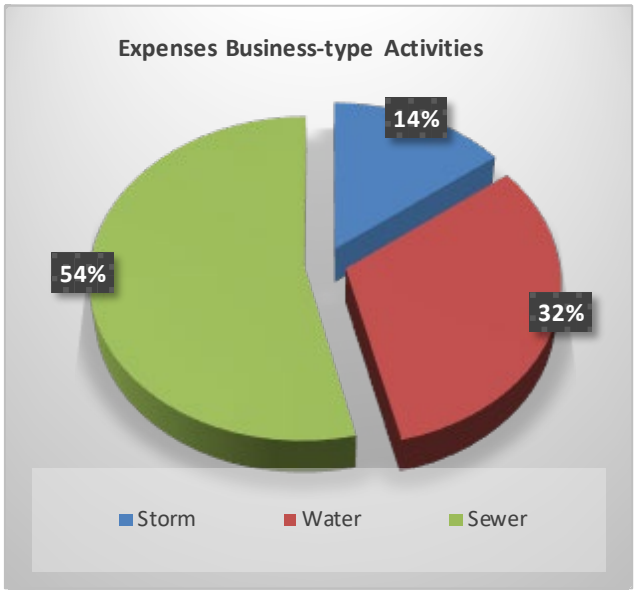
The full statement is a tabular depiction of the relationship of revenues and expenses for the city's governmental activities and proprietary funds. The graphs that follow illustrate the sources of revenue and the balance of governmental versus business type expenses for 2022.

Statement of Activities						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	$ 7,768,019	$ 7,773,616	$ 10,780,248	$ 9,973,825	$ 18,548,267	$ 17,747,441
Operating Grants	1,322,960	1,058,494	101,616	17,395	1,424,576	1,075,889
Capital Grants	5,864,679	4,637,149	8,149,527	10,936,910	14,014,206	15,574,059
General Revenue						
Property Taxes	3,701,555	3,495,531	-	-	3,701,555	3,495,531
Sales Taxes	6,051,634	5,617,753	-	-	6,051,634	5,617,753
Other Taxes	5,439,861	5,238,670	-	-	5,439,861	5,238,670
Interest Income	142,924	60,480	114,607	88,415	257,531	148,895
Other Revenues	470,192	625,268	120,065	230,652	590,257	855,920
Transfers	-	-	224,566	-	224,566	-
Total Revenues	30,761,824	28,506,961	19,490,629	21,247,197	50,252,453	49,754,158
Expenses						
General Government	2,450,571	2,206,627	-	-	2,450,571	2,206,627
Judicial	673,424	665,347	-	-	673,424	665,347
Public Safety	5,258,294	4,010,312	-	-	5,258,294	4,010,312
Physical Environment	583,333	401,717	-	-	583,333	401,717
Transportation	4,635,628	4,309,325	-	-	4,635,628	4,309,325
Economic Environment	3,306,249	3,945,702	-	-	3,306,249	3,945,702
Culture and Recreation	1,137,528	912,321	-	-	1,137,528	912,321
Storm Drainage	-	-	1,915,524	1,675,682	1,915,524	1,675,682
Water	-	-	4,166,567	3,760,859	4,166,567	3,760,859
Sewer	-	-	7,066,784	6,848,172	7,066,784	6,848,172
Interest Expense	224,865	258,751	-	-	224,865	258,751
Transfers	224,566		-	-	224,566	
Total Expenses	18,494,458	16,710,102	13,148,875	12,284,713	31,643,333	28,994,815
Change in Net Position	12,267,366	11,796,859	6,341,754	8,962,484	18,609,120	20,759,343
Net Position - beginning	77,470,067	65,673,208	89,029,447	80,066,963	166,499,514	145,740,171
Net Position - ending	$ 89,737,433	$ 77,470,067	$ 95,371,201	$ 89,029,447	$ 185,108,634	$ 166,499,514









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 $1.29 (2021) to $1.22 (2022) of assessed valuations due to increasing assessed valuations, 13.1 percent increase from 2021 to 2022. The tax levy for 2022 tax collections increased $206,024 over the 2021 levy primarily due to new construction, $156,043. Remaining increase is due to the City Council taking the full 1 percent allowed in addition to banked capacity of .64 percent. 2022 property tax collections were $3,701,555.

The sales tax rate in the city is 8.4 percent on all retail sales. Retail sales and use tax collected increased $440,517 (7.8%) from the prior year due to continuing improvement in the local economy and employment. In 2022, sales and use tax revenue was $6,051,634.

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 2022 city utility tax rate was 12 percent. These "other taxes" generated $2,939,552 of revenue.

Revenues tied to residential development and home purchases remained strong in 2022. Fees for building permits, building plan checks, and zoning and subdivision services were $2.2 million as compared to $2.2 million in 2021. Real estate excise tax was approximately $2.3 million and $2.4 million for 2021 and 2022 respectively.

Governmental activities expenses increased $1,708,450 (10.2%) over 2021. The City had increases in expenses due to collective bargaining agreements with built-in salary and benefit adjustments, costs of providing health care, increases in retirement costs, and inflationary increases tied to maintaining current service levels. The City also added two employees in 2022. In addition, the city increased the pavement preservation program along with adding seasonal workers to the parks department.

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 $806,423 (8.1%) over 2021. This was primarily due to the number of customers increasing from new customers due to development as well as rate increases for current customers. Rates are indexed per recommendations from internal utility rate studies to determine the appropriate rate based on future capital needs as well as inflationary adjustments for operations.

- The storm drainage fund had an overall increase in net position of $1.6 million (9.2%) primarily due to new development capital contributions and new accounts due to development.

- The water fund had an overall increase in net position of $446,676 (1.6%) primarily due to rate increase and new development capital contributions.

- The sewer fund had an overall increase in net position of $4.1 million (9.9%) 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, 2022, the city's governmental funds reported combined fund balances of $32.4 million, an increase of $7.4 million over 2021. $18.0 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 specific purposes in the amount of $11,812,207; committed for particular purposes in the amount of $356,908; or 3) assigned for particular purposes in the amount of $2,184,710.

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 $18,007,378, while total fund balance increased to $19,657,632. 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 123.4% of total general fund expenditures, while total fund balance represents approximately 134.7% of that same amount.

Statement of Governmental Fund Balances

	2022	2021	$ Change
General Fund			
Restricted	22,185	-	22,185
Committed	356,908	355,611	1,297
Assigned	1,271,161	1,001,277	269,884
Unassigned	18,007,378	13,445,577	4,561,801
Total General Fund	$ 19,657,632	$ 14,802,465	$ 4,855,167
All Other Governmental Funds			
Restricted	11,790,022	9,160,025	2,629,997
Assigned	913,549	990,615	(77,066)
Total All Other Governmental Funds	$ 12,703,571	$ 10,150,640	$ 2,552,931
Total Governmental Fund Balance	$ 32,361,203	$ 24,953,105	$ 7,408,098

The $7.4 million increase to the governmental fund balance is primarily due to the strong development activity in the city. The city experienced a $0.4 million increase in sales tax revenue and development charges for service, including impact fees, brought in $6.6 million as result of new development in the city.

Business-Type Funds Analysis

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

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

The water fund and the sewer fund are the two largest enterprise funds of the city. The water fund accounts for 30.8%, the sewer fund 48.5%, and the storm drainage fund 20.8% of the total net position for enterprise funds. The water fund had total net position at year-end of $29.1 million, the sewer fund $45.8 million, and the storm drainage fund $19.6 million. The utility funds each showed an operating loss, primarily for depreciation expense.

After capital contributions and interest earnings, the storm drainage, sewer, and water funds reported an increase in net position.

Total water fund operating revenues for 2022 were $3.4 million which is an increase of $196,220 from 2021. Total operating expenses were $4.1 million as compared to $3.7 million in 2021. This increase is primarily due to an increase in the amount of water purchased for distribution.

Total sewer fund operating revenues for 2022 were $5.6 million as compared to $5.2 million in 2021. The increase is due to rate increase as well as new customers as new homes are built in the city. Total operating expenses were $6.9 million as compared to $6.7 million in 2021. This increase is primarily due cost allocation increase to the general fund as well as increased repairs and maintenance to the system.

Total storm drainage operating revenues for 2022 were $1.8 million which was a $155,219 increase from 2021. The increase is due to rate increase as well as new customers as new homes are built in the city. Total operating expenses were $1.9 million for 2022 as compared to $1.7 million in 2021. This increase is due to a new position added at the end of 2021 but was there all of 2022 as well as increased professional services.

Statement of Proprietary Fund Net Position

	Business-type Activities Enterprise Funds						Governmental Activities	
	Storm Drainage		Water		Sewer		Internal Service	
	2022	2021	2022	2021	2022	2021	2022	2021
Net Position								
Net Investment in Capital Assets	15,415,833	14,094,238	16,317,869	16,335,533	26,473,097	25,674,510	481,418	513,118
Restricted (Pension)	100,874	250,047	93,477	249,194	61,869	201,794	-	-
Restricted (Debt Service)	-	-	-	-	297,778	297,778	-	-
Unrestricted	4,094,130	3,619,522	12,691,867	12,071,810	18,984,689	15,515,368	1,051,602	838,399
Total Net Position	$ 19,610,837	$ 17,963,807	$ 29,103,213	$ 28,656,537	$ 45,817,433	$ 41,689,450	$ 1,533,020	$ 1,351,517

GENERAL FUND BUDGETARY HIGHLIGHTS

The city appropriated funds through the adoption of the 2022 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 2022 budget	Final 2022 Budget	Change Increase (Decrease)	Actual at 12/31/2022	Variance Positive (Negative)	Percentage of Actual to Budget
Revenues:						
Taxes	$ 10,858,296	$ 10,858,296	$ -	$ 12,704,268	$ 1,845,972	117%
License and permits	1,221,374	1,221,374	-	1,871,670	650,296	153%
Intergovernmental	2,331,537	2,331,537	-	1,186,598	(1,144,939)	51%
Charges for services	3,692,904	4,247,904	555,000	4,400,938	153,034	104%
Other revenues	448,673	439,673	(9,000)	516,579	76,906	117%
Total revenues	18,552,784	19,098,784	546,000	20,680,053	1,581,269	108%
Expenditures:						
General government	4,126,460	4,141,460	15,000	3,389,794	751,666	82%
Judicial	937,746	937,746	-	800,824	136,922	85%
Security/Persons and property	5,805,942	5,895,942	90,000	5,610,724	285,218	95%
Physical Environment	723,759	778,759	55,000	600,457	178,302	77%
Economic Environment	2,956,517	3,519,872	563,355	3,025,471	494,401	86%
All other expenditures	3,655,000	3,715,000	60,000	2,668,799	1,046,201	72%
Total Expenditures	18,205,424	18,988,779	783,355	16,096,069	2,892,710	85%

Increases in appropriations were related to increased impact fee activity, engineer review fees for development, additional building inspector position, police overtime emphasis patrols, and funding for Community Center Landscaping Renovation project.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The city's investment in capital assets, including construction in progress, totals $125.8 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 $4,375,910 million in 2022.

	Governmental Activities		Business-Type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
Land	$ 15,863,212	$ 15,520,855	$ 4,175,420	$ 3,987,945	$ 20,038,632	$ 19,508,800
Construction in progress	3,685,107	1,973,260	901,975	1,102,169	4,587,082	3,075,429
Buildings	9,318,034	9,660,754	1,226,029	1,272,396	10,544,063	10,933,150
Machinery and equipment	835,525	846,380	301,594	344,343	1,137,119	1,190,723
Infrastructure	29,852,698	28,704,838	53,412,920	50,597,915	83,265,618	79,302,753
Improvements other than buildings	621,432	693,403	19,731	21,375	641,163	714,778
Intangible assets	-	-	5,560,673	6,672,807	5,560,673	6,672,807
Total	$ 60,176,008	$ 57,399,490	$ 65,598,342	$ 63,998,950	$ 125,774,350	$ 121,398,440

Major capital events during the 2022 fiscal year included the following:

- Replacement of police and public works vehicles.
- Purchase of right of ways for W15th Ave/W Main street intersection and SR 502/503 turn lane improvements

- Completed the following public works projects:

    - ADA ramp
    - Country Terrace Subdivision safety upgrades
    - Police parking lot rehabilitation
    - Hidden Meadows Traffic Calming
    - Stormwater Decant facility expansion
    - Gardner pump station replacement
    - E. Main Water line replacement
    - CAM Academy Water Line replacement
    - SR503 Gravity Line

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, 2022, the city had total long-term debt outstanding of $10,564,741. Of this amount, $3,040,000 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 $52.2 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, 2022 there were outstanding government long-term loans made by the State of Washington under the Public Works Trust Fund Loan Program of $100,000 for West Main Street improvements. USDA sewer revenue bonds of $5,599,649 and water revenue bonds of $1,791,894 were also outstanding at year end.

The table below is a comparison of the summary for outstanding debt at December 31, 2021 and 2022.

Outstanding Debt

	Governmental Activities		Business-Type Activies		Total Activities	
	2022	2021	2022	2021	2022	2021
General obligation bonds	$ 3,040,000	$ 3,365,000	$ -	$ -	$ 3,040,000	$ 3,365,000
Government loans	100,000	200,000	-	-	100,000	200,000
Revenue bonds	-	-	7,391,543	7,894,669	7,391,543	7,894,669
Leases	38,647	-	-	-	38,647	-
Total	$ 3,178,647	$ 3,565,000	$ 7,391,543	$ 7,894,669	$ 10,570,190	$ 11,459,669

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 96,213 people. For the period 2013-2022, the population of Battle Ground increased 20.1 percent, from 18,130 to 21,780 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 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.

On July 18, 2022, City Council adopted an ordinance for a one-tenth of one percent (0.1%) sales and use tax to fund the Battle Ground Transportation Benefit District (TBD). The sales and use tax will take effect on January 1, 2023. This sales tax will enable the city to continue to fund the city's road preservation efforts by Battle Ground citizens sharing the costs with customers coming into Battle Ground to shop and driving on the roads.

The 2022 budget reflected a conservative outlook due to regional national economic concerns due to the 2020 pandemic. Development has continued to remain strong in the city. Retail sales have continued to grow as consumers changed their shopping habits, opting to have food and items shipped to their home.

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

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

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

CITY OF BATTLE GROUND
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-type Activities	Total Primary Government
Assets			
Cash and Cash Equivalents	$ 19,579,549	$ 29,922,285	$ 49,501,834
Investments	2,199,941	4,508,220	6,708,161
Receivables	2,486,028	1,738,774	4,224,802
Internal Balances	(839,718)	839,718	-
Restricted Assets			
Cash and Cash Equivalents	15,969,397	297,778	16,267,175
Investments	1,553,118	-	1,553,118
Receivables	904,592	-	904,592
Net Pension Asset	3,172,219	256,220	3,428,439
Capital Assets (not being depreciated)			
Land	15,863,212	4,175,420	20,038,632
Construction Work in Progress	3,685,107	901,975	4,587,082
Capital Assets (net of accumulated depreciation)			
Buildings	9,318,034	1,226,029	10,544,063
Improvements Other than Buildings	621,432	19,731	641,163
Intangible Assets	-	5,560,673	5,560,673
Machinery and Equipment	835,525	301,594	1,137,119
Infrastructure	29,852,698	53,412,920	83,265,618
Other Asset	-	592,064	592,064
Total Assets	105,201,134	103,753,401	208,954,535
Deferred Outflows of Resources			
Related to Pensions	2,224,073	258,217	2,482,290
Related to OPEB	34,021	-	34,021
Related to Asset Retirement Obligations	-	135,318	135,318
Total Deferred Outflows of Resources	2,258,094	393,535	2,651,629
Liabilities			
Accounts Payable	915,203	394,955	1,310,158
Other Current Liabilities	1,231,429	90,257	1,321,686
Accounts Payable and Other current liabilities Payable from Restricted Assets	625,687		625,687
Accrued Interest Payable	17,584	81,752	99,336
Customer Deposits	95,782	-	95,782
Unearned Revenue	405,728	46,092	451,820
Unearned Revenue from Restricted Assets	5,713,681		5,713,681
Noncurrent Liabilities			
Due within One Year	617,142	334,447	951,589
Total OPEB Liability	68,042	-	68,042
Due in More than One Year	3,444,998	7,220,662	10,665,660
Net Pension Liability	626,800	147,505	774,305
Total OPEB Liability	1,488,026	-	1,488,026
Asset Retirement Obligation	-	195,522	195,522
Total Liabilities	15,250,102	8,511,192	23,761,294
Deferred Inflows of Resources			
Related to Leases	259,239	-	259,239
Related to Pensions	2,212,454	264,543	2,476,997
Total Deferred Inflows of Resources	2,471,693	264,543	2,736,236
Net Position			
Net Investment in Capital Assets	56,997,362	58,206,799	115,204,161
Restricted for			
Capital	11,470,002	-	11,470,002
Public Safety	297,717	-	297,717
Pension	3,172,219	256,220	3,428,439
Debt Service	-	297,778	297,778
Drug Investigation	43,114	-	43,114
Tourist Promotion	276,906	-	276,906
Unrestricted	17,480,113	36,610,404	54,090,517
Total Net Position	$ 89,737,433	$ 95,371,201	$ 185,108,634

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, 2022

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	$ 3,591,891	$(1,141,320)	$ 156,746	$ 356,867	$ 224,566	(1,712,392)	$ -	$ (1,712,392)
Judicial	673,424	-	368,831	15,129	-	(289,464)	-	(289,464)
Public Safety	5,258,294	-	295,795	391,233	-	(4,571,266)	-	(4,571,266)
Physical Environment	583,333	-	10,568	10,002	19,998	(542,765)	-	(542,765)
Transportation	4,635,628	-	4,223	515,945	5,620,115	1,504,655	-	1,504,655
Economic Environment	3,306,249	-	6,575,446	-	-	3,269,197	-	3,269,197
Culture and Recreation	1,137,528	-	356,410	33,784	-	(747,334)	-	(747,334)
Interest Expense	224,865	-	-	-	-	(224,865)	-	(224,865)
TOTAL GOVERNMENTAL ACTIVITIES	19,411,212	(1,141,320)	7,768,019	1,322,960	5,864,679	(3,314,234)	-	(3,314,234)
Business Type Activities:								
Storm Drainage	1,611,583	303,941	1,732,666	101,616	1,714,186	-	1,632,944	1,632,944
Water	3,744,397	422,170	3,425,814	-	1,001,117	-	260,364	260,364
Sewer	6,651,575	415,209	5,621,768	-	5,434,224	-	3,989,208	3,989,208
TOTAL BUSINESS-TYPE ACTIVITIES	12,007,555	1,141,320	10,780,248	101,616	8,149,527	-	5,882,516	5,882,516
Total Primary Government	$ 31,418,767	$ -	$ 18,548,267	$ 1,424,576	$ 14,014,206	$ (3,314,234)	$ 5,882,516	$ 2,568,282
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes						3,701,555	-	3,701,555
Sales and Use Taxes						6,051,634	-	6,051,634
Business and Occupation Taxes						3,036,428	-	3,036,428
Excise Taxes						2,403,433	-	2,403,433
Grants and Contributions not Restricted to Specific Programs						404,383	-	404,383
Unrestricted Investment Earnings						142,924	114,607	257,531
Gain on Sale of Capital Assets						21,708	-	21,708
Miscellaneous						44,101	120,065	164,166
Transfers						(224,566)	224,566	-
Total General Revenues						15,581,600	459,238	16,040,838
Change in Net Position						12,267,366	6,341,754	18,609,120
Net Position - Beginning						77,470,067	89,029,447	166,499,514
Net Position - Ending						$ 89,737,433	$ 95,371,201	$ 185,108,634

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

CITY OF BATTLE GROUND
Governmental Funds
Balance Sheet
December 31, 2022

	General Fund	Street Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	$ 22,492,178	$ 1,884,320	$ -	$ 10,233,531	$ 34,610,029
Investments	1,772,312	285,133	-	1,553,118	3,610,563
Property Taxes Receivables	52,420	-	-	-	52,420
Utility Tax Receivable	653,619	-	-	-	653,619
Accounts Receivable	1,616,848	58,175	616,750	10,860	2,302,633
Lease Receivable	252,961	6,278	-	-	259,239
Interest Receivable	1,655	266	-	1,450	3,371
Municipal Court Receivable	119,202	-	-	-	119,202
Due from Other Funds	126,681	-	-	-	126,681
Total Assets	27,087,876	2,234,172	616,750	11,798,959	41,737,757
Liabilities					
Accounts Payable	536,193	482,326	483,018	9,408	1,510,945
Due to Other Funds	-	-	126,681	-	126,681
Other Accrued Liabilities	392,830	832,019	6,580	-	1,231,429
Unearned Revenues	5,713,681	-	-	-	5,713,681
Customer Deposits	95,782	-	-	-	95,782
Total Liabilities	6,738,486	1,314,345	616,279	9,408	8,678,518
Deferred Inflows of Resources					
Unavailable revenue-property taxes	44,063	-	-	-	44,063
Unavailable revenue-municipal court	119,202	-	-	-	119,202
Unavailable revenue-settlement	275,532	-	-	-	275,532
Deferred Inflows for Leases	252,961	6,278	-	-	259,239
Total Deferred Inflows of Resources	691,758	6,278	-	-	698,036
Fund Balances					
Restricted for:					
Capital	-	-	471	11,469,531	11,470,002
Public Safety	22,185	-	-	-	22,185
Drug Investigation	-	-	-	43,114	43,114
Tourist Promotion	-	-	-	276,906	276,906
Committed to:					-
Economic Stabilization	356,908	-	-	-	356,908
Assigned to:					-
LEOFF 1	253,514	-	-	-	253,514
Parks	878,107	-	-	-	878,107
Insurance Reserve	139,540	-	-	-	139,540
Street	-	913,549	-	-	913,549
Unassigned	18,007,378	-	-	-	18,007,378
Total Fund Balances	19,657,632	913,549	471	11,789,551	$ 32,361,203
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 27,087,876	$ 2,234,172	$ $ 616,750	$ 11,798,959	

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)	59,694,591
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds (see note 2A)	3,656,656
Long-term liabilities that are not due and payable in the current period and are not reported in the funds (see note 2A)	(6,668,319)
Net position of internal service funds - governmental activities (see note 2A)	693,302
Net position of governmental activities	$ 89,737,433

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, 2022

	General Fund	Street Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	$ 3,695,943	$ -	$ -	-	$ 3,695,943
Sales and Use Taxes	6,051,634	-	-	-	6,051,634
Other Taxes	2,956,691	59	-	2,489,804	5,446,554
License and Permits	1,871,670	-	-	-	1,871,670
Intergovernmental	1,186,598	420,334	1,321,349	1,052	2,929,333
Charges for Services	4,525,784	451,568	-	1,620,680	6,598,032
Fines and Forfeits	147,958	-	-	-	147,958
Interest Earnings	96,696	12,686	-	30,636	140,018
Rents and Royalties	358,691	4,164	-	-	362,855
Contributions/Donations	44,162	-	-	95,611	139,773
Miscellaneous	180,602	10	-	-	180,612
Total Revenues	21,116,429	888,821	1,321,349	4,237,783	27,564,382
Expenditures					
Current					
General Government	3,434,199	-	-	-	3,434,199
Judicial	800,824	-	-	-	800,824
Security/Persons and Property	5,610,724	-	-	2,500	5,613,224
Physical Environment	600,457	-	-	-	600,457
Transportation	-	2,052,335	-	-	2,052,335
Economic Environment	3,252,573	-	-	114,042	3,366,615
Culture and Recreation	818,459	-	-	-	818,459
Capital Expenditures					
General Government	67,199	-	-	-	67,199
Security/Persons and Property	-	-	160,983	-	160,983
Culture and Recreation	12,653	-	-	-	12,653
Transportation	-	12,483	2,449,304	-	2,461,787
Debt Service					
Principal Retirement	8,555	-	-	425,000	433,555
Interest/Fiscal Charges	246	-	-	226,312	226,558
Total Expenditures	14,605,889	2,064,818	2,610,287	767,854	20,048,848
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,510,540	(1,175,997)	(1,288,938)	3,469,929	7,515,534
Other Financing Sources (Uses)					
Lease Proceeds	47,203	-	-	-	47,203
Sale of Capital Assets	-	17,708	-	-	17,708
Insurance Recoveries	45,223	6,996	-	-	52,219
Transfers In	5,000	1,525,795	1,324,729	555,701	3,411,225
Transfers Out	(1,752,799)	(451,568)	(35,795)	(1,395,629)	(3,635,791)
Total Other Financing Sources and Uses	(1,655,373)	1,098,931	1,288,934	(839,928)	(107,436)
Net Change in Fund Balance	4,855,167	(77,066)	(4)	2,630,001	7,408,098
Fund Balance at Beginning of Year	14,802,465	990,615	475	9,159,550	24,953,105
Fund Balance at End of Year	$ 19,657,632	$ 913,549	$ 471	$ 11,789,551	$ 32,361,203

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, 2022

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

Net changes in fund balance - total governmental funds:	$	7,408,098
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.		(896,650)
The net effect of various miscellaneous transactions involving capital assets (I.e., sales, transfers, trade-ins, and donations) is to increase net position.		(75,906)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		4,472,209
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.		384,111
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.		914,066
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.		61,438
Change in Net Position of Governmental Activities	$	12,267,366

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, 2022

	Budget Amounts		Actual Year-To-Date Thru 12/31/22	Variance Thru 12/31/22
	Original 2022	Final 2022		
Revenues				
Property Taxes	$ 3,684,015	$ 3,684,015	$ 3,695,943	$ 11,928
Sales and Use Taxes	4,533,136	4,533,136	6,051,634	1,518,498
Other Taxes	2,641,145	2,641,145	2,956,691	315,546
License and Permits	1,221,374	1,221,374	1,871,670	650,296
Intergovernmental	2,331,537	2,331,537	1,186,598	(1,144,939)
Charges for Services	3,692,904	4,247,904	4,400,938	153,034
Fines and Forfeits	156,894	156,894	147,958	(8,936)
Interest Earnings	51,486	51,486	89,373	37,887
Rents and Royalties	171,554	171,554	154,873	(16,681)
Contributions/Donations	14,771	14,771	5,896	(8,875)
Miscellaneous	39,968	39,968	66,276	26,308
Total Revenues	18,538,784	19,093,784	20,627,850	1,534,066
Expenditures				
Current				
General Government	4,126,460	4,141,460	3,389,794	751,666
Judicial	937,746	937,746	800,824	136,922
Security/Persons and Property	5,805,942	5,895,942	5,610,724	285,218
Physical Environment	723,759	778,759	600,457	178,302
Economic Environment	2,956,517	3,519,872	3,025,471	494,401
Culture and Recreation	-	-	-	-
Capitalized Expenditures	20,000	20,000	67,199	(47,199)
Debt Service				
Principal Retirement	-	-	8,555	(8,555)
Interest/Fiscal Charges	-	-	246	(246)
Total Expenditures	14,570,424	15,293,779	13,503,270	1,790,509
Excess (Deficiency) of Revenues Over (under) Expenditures	3,968,360	3,800,005	7,124,580	3,324,575
Other Financing Sources (Uses)				
Capital Lease Proceeds	-	-	47,203	47,203
Transfers In	14,000	5,000	5,000	-
Transfers Out	(3,635,000)	(3,695,000)	(2,592,799)	1,102,201
Total Other Financing Sources and Uses	(3,621,000)	(3,690,000)	(2,540,596)	1,149,404
Net Change in Fund Balance	347,360	110,005	4,583,984	4,473,979
Fund Balance at Beginning of Year	8,692,730	8,692,730	13,445,577	4,752,847
Fund Balance at End of Year	$ 9,040,090	$ 8,802,735	$ 18,029,561	$ 9,226,826
Adjustment to generally accepted accounting principles (GAAP) basis:				
Parks Fund budgeted as separate fund			$ 878,108	
Insurance Reserve Fund budgeted as separate fund			139,541	
LEOFF I Reserve Fund budgeted as separate fund			253,514	
Economic Stabilization Fund budgeted as separate fund			356,908	
Fire Impact Fees Fund budgeted as a separate fund			-	
Fund Balance GAAP basis:			$ 19,657,632	

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, 2022

	Budget Amounts			
	Original 2022	Final 2022	Actual Year-To-Date Thru 12/31/22	Variance Thru 12/31/22
Revenues				
Other Taxes	$ -	-	59	$ 59
Intergovernmental	470,364	470,364	420,334	(50,030)
Charges for Services	231,893	231,893	451,568	219,675
Interest Earnings	4,000	4,000	12,686	8,686
Rents and Royalties	-	-	4,164	4,164
Miscellaneous	5,305	5,305	10	(5,295)
Total Revenues	711,562	711,562	888,821	177,259
Expenditures				
Current:				
Transportation	2,516,605	2,516,605	2,052,335	464,270
Capitalized Expenditures	12,500	12,500	12,483	17
Total Expenditures	2,529,105	2,529,105	2,064,818	464,287
Excess (Deficiency) of Revenues Over (under) Expenditures	(1,817,543)	(1,817,543)	(1,175,997)	641,546
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	17,708	17,708
Insurance Recoveries			6,996	6,996
Transfers In	1,540,000	1,540,000	1,525,795	(14,205)
Transfers Out	(231,893)	(231,893)	(451,568)	(219,675)
Total Other Financing Sources and Uses	1,308,107	1,308,107	1,098,931	(209,176)
Net Change in Fund Balance	(509,436)	(509,436)	(77,066)	432,370
Fund balance at beginning of year	771,909	$ 771,909	$ 990,615	$ 218,706
Fund balance at end of year	$ 262,473	$ 262,473	$ 913,549	$ 651,076

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, 2022

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Assets					
Current Assets					
Cash and Cash Equivalents	$ 3,323,646	$ 10,639,794	$ 15,958,845	$ 29,922,285	$ 938,917
Investments	500,676	1,585,626	2,421,918	4,508,220	142,496
Receivables (net)					
Accounts	172,502	308,912	737,686	1,219,100	
Interest	467	1,482	2,263	4,212	134
Grants	297,724	-	217,738	515,462	
Total Current Assets	4,295,015	12,535,814	19,338,450	36,169,279	1,081,547
Noncurrent Assets					
Restricted Cash and Cash Equivalents	-	-	297,778	297,778	-
Net Pension Asset	100,874	93,477	61,869	256,220	-
Property, Plant and Equipment (Net)	15,415,833	18,109,763	32,072,746	65,598,342	481,418
Other Asset	-	592,064	-	592,064	-
Total Noncurrent Assets	15,516,707	18,795,304	32,432,393	66,744,404	481,418
Total Assets	19,811,722	31,331,118	51,770,843	102,913,683	1,562,965
Deferred Outflows of Resources					
Deferred Outflows Related to Pensions	101,660	94,205	62,352	258,217	-
Deferred Outflows Related to Asset Retirement Obligations	-	135,318	-	135,318	-
Total Deferred Outflows	101,660	229,523	62,352	393,535	-
Liabilities					
Current Liabilities					
Accounts Payable	47,254	214,921	132,780	394,955	29,945
Accrued Interest Payable	-	8,572	73,180	81,752	-
Other Accrued Liabilities	37,112	30,797	22,348	90,257	-
Compensated Absences	10,650		180	10,830	-
Unearned Revenues	-	932	45,160	46,092	-
Bonds, Notes and Loans Payable	-	192,855	130,762	323,617	-
Total Current Liabilities	95,016	448,077	404,410	947,503	29,945
Noncurrent Liabilities					
Bonds, Notes and Loan Payable	-	1,599,039	5,468,887	7,067,926	-
Compensated Absences	45,305	64,463	42,968	152,736	-
Net Pension Liability	58,073	53,814	35,618	147,505	-
Asset Retirement Obligation	-	195,522	-	195,522	-
Total Noncurrent Liabilities	103,378	1,912,838	5,547,473	7,563,689	-
Total Liabilities	198,394	2,360,915	5,951,883	8,511,192	29,945
Deferred Inflows of Resources					
Deferred Inflows Related to Pensions	104,151	96,513	63,879	264,543	-
Net Position					
Net Investment in Capital Assets	15,415,833	16,317,869	26,473,097	58,206,799	481,418
Restricted for Pension	100,874	93,477	61,869	256,220	-
Restricted for Debt Service	-	-	297,778	297,778	-
Unrestricted	4,094,130	12,691,867	18,984,689	35,770,686	1,051,602
Total Net Position	$ 19,610,837	$ 29,103,213	$ 45,817,433	$ 94,531,483	$ 1,533,020
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)				839,718	
Net position of business-type activities				$ 95,371,201	

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, 2022

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Operating Revenues					
Charge for Services	$ 1,732,666	$ 3,420,389	$ 5,508,583	$ 10,661,638	$ 413,050
Miscellaneous	-	5,425	113,185	118,610	-
State and Federal Grants	101,616	-	-	101,616	-
Total Operating Revenues	1,834,282	3,425,814	5,621,768	10,881,864	413,050
Operating Expenses					
Personnel Services	671,484	555,393	375,502	1,602,379	-
Equipment and Supplies	64,838	1,492,940	76,543	1,634,321	39,372
Professional Services	208,096	255,937	101,412	565,445	-
Utilities	5,965	115,813	90,131	211,909	-
Repairs and Maintenance	120,394	117,304	213,257	450,955	-
Taxes	35,181	176,763	138,336	350,280	-
Intergovernmental services	-	-	3,364,432	3,364,432	-
Insurance	19,362	28,307	40,367	88,036	-
Allocated expenses	303,941	422,170	415,209	1,141,320	-
Other	39,914	23,578	49,115	112,607	-
Depreciation	446,349	911,088	2,015,336	3,372,773	199,081
Total Operating Expenses	1,915,524	4,099,293	6,879,640	12,894,457	238,453
Operating Income (loss)	(81,242)	(673,479)	(1,257,872)	(2,012,593)	174,597
Nonoperating Revenues (Expenses)					
Interest Earnings	14,086	44,607	55,914	114,607	2,906
Interest and Fiscal Charges	-	(61,267)	(170,596)	(231,863)	-
Gain (loss) on Sale of Capital Assets	-	(6,007)	(16,548)	(22,555)	4,000
Total Nonoperating Revenues (Expenses)	14,086	(22,667)	(131,230)	(139,811)	6,906
Income (Loss) before Contributions, Special Items, and Transfers	(67,156)	(696,146)	(1,389,102)	(2,152,404)	181,503
Capital Contributions	1,714,186	1,001,117	5,434,224	8,149,527	-
Transfers In	-	141,705	82,861	224,566	-
Change in Net Position	1,647,030	446,676	4,127,983	6,221,689	181,503
Total Net Position at Beginning of Year	17,963,807	28,656,537	41,689,450		$ 1,351,517
Total Net Position at End of Year	$ 19,610,837	$ 29,103,213	$ 45,817,433		$ 1,533,020

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds	120,065
Changes in net position of business-type activities	$ 6,341,754

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

CITY OF BATTLE GROUND
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2022

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:					
Cash received from Customers	$ 1,728,211	$ 3,473,703	$ 5,588,186	$ 10,790,100	$ -
Proceeds from Operating Grants	97,156	-	-	97,156	-
Receipts from vehicle interfund charges	-	-	-	-	275,392
Receipts from technology interfund charges	-	-	-	-	137,658
Cash payments to Suppliers	(472,246)	(2,054,132)	(4,043,148)	(6,569,526)	(47,799)
Cash payments to Employees	(684,640)	(592,034)	(418,680)	(1,695,354)	
Cash payments for Interfund Services Received	(343,761)	(442,858)	(464,110)	(1,250,729)	
Net Cash Provided by Operating Activities	324,720	384,679	662,248	1,371,647	365,251
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(742,875)	(334,847)	(1,387,855)	(2,465,577)	(137,437)
Proceeds from Other Financing (Transfers)		141,705	82,861	224,566	-
Proceeds from Sale of Capital Assets					4,000
Proceeds from Capital Grant	316,820			316,820	
Principal Paid on Current Debt		(180,158)	(322,962)	(503,120)	
Interest Paid on Revenue Bonds and Other Long Term Debt		(62,129)	(174,816)	(236,945)	
Capital Contributed-Paid in cash	104,280	634,035	3,631,172	4,369,487	
Gain (Loss) from disposal of property		-	-	-	
Net Cash Provided for Capital and Related Financing Activities	(321,775)	198,606	1,828,400	1,705,231	(133,437)
Cash Flows from Investing Activities:					
Interest on Investments	14,053	44,432	55,392	113,877	2,868
Proceeds or Purchase of Investment Securities	(66,696)	(263,651)	(583,039)	(913,386)	(45,981)
Net Cash Used by Investing Activities	(52,643)	(219,219)	(527,647)	(799,509)	(43,113)
Net Increase (Decrease) in Cash and Cash Equivalents	(49,698)	364,066	1,963,001	2,277,369	188,701
Cash and Cash Equivalents at Beginning of Year	3,373,344	10,275,728	14,293,622	27,942,694	750,216
Cash and Cash Equivalents at End of Year	$ 3,323,646	$ 10,639,794	$ 16,256,623	$ 30,220,063	$ 938,917

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, 2022

	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)	$ (81,242)	$ (673,479)	$ (1,257,872)	$ (2,012,593)	$ 174,597
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operations:					
Depreciation Expense	446,349	907,482	2,015,336	3,369,167	199,081
Asset Retirement Obligation amortization	-	3,606	-	3,606	-
Pension Expense (GASB 68)	(43,198)	(40,234)	(27,055)	(110,487)	-
(Increase) Decrease in Receivables	(8,916)	47,889	(33,582)	5,391	-
Increase (Decrease) in Current Payables	(18,315)	135,820	(18,456)	99,049	(8,427)
Increase (Decrease) in Accrued Employee Benefits	30,042	3,595	(16,123)	17,514	-
Total Adjustments	405,962	1,058,158	1,920,120	3,384,240	190,654
Net Cash Provided by Operating Activities	$ 324,720	$ 384,679	$ $ 662,248	$ $ 1,371,647	$ 365,251
Noncash Investing, Financing and Capital Activities					
Capital Assets Contributed	1,024,464	367,082	1,585,398	2,976,944	-
Net Change in Fair Value of Investments	(39,916)	(126,412)	(193,084)	(359,412)	(11,361)
Capital Assets Disposed of at loss	-	(6,007)	(16,548)	(22,555)	-

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, 2022

	Custodial Activities
Assets	
Cash and cash equivalents	$ 9,221
Total Assets	9,221
Liabilities	
Due to other governments	9,221
Total Liabilities	9,221
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, 2022

	Custodial Activities
Additions	
Court fees collected for other governments	128,366
Total Additions	128,366
Deductions	
Payments of court fees distributed to other governments	128,366
Total Deductions	128,366
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
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NOTE 8 RISK MANAGEMENT (RISK POOLS DISCLOSURE FOR POOL MEMBERS)
NOTE 9 PROPERTY TAX
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CITY OF BATTLE GROUND
Notes to Financial Statements
December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City of Battle Ground was incorporated in June 1951. It operates under the laws of the State of Washington applicable to noncharter code cities with a council-manager form of government. City council is composed of seven elected members with one selected to serve as the mayor. The City is a general purpose government and provides public safety, street construction and maintenance, parks and recreation, judicial administration, planning, economic development, and general administrative services. The City owns and operates water, storm drainage, and sewer utilities.

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

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

The government-wide financial statements (i.e., the *Statement of Net Position* and the *Statement of Activities*) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Our policy is to allocate indirect costs to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not properly included among program revenues are instead reported as general revenues.

As a general rule, the effect of interfund activity has been eliminated for the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

Fiduciary fund accounts for the financial transactions of the City's court remittances to the Washington State Administrative Office of the Courts and Clark County related to fees collected by the City on their behalf. The 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. The amounts collected are due immediately to the State of Washington or Clark County without further action required to be taken.

C. Measurement Focus, Basis of Accounting

1. Government-wide and Governmental Funds

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, due to the nature of the revenues, the City considers Intergovernmental revenues available if they are collected within 105 days of the end of the current fiscal period. For all other revenue classifications, the City considers revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

2. Proprietary Funds

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Principal operating revenues of the funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Budgetary information

1. Scope of Budget

The City of Battle Ground prepared an annual budget for 2022 in accordance with the Revised Code of Washington (RCW) Chapter 35A.33. All governmental funds are prepared on a modified accrual basis consistent with generally accepted accounting principles. These budgets are adopted at the fund level and constitute the legal authority for expenditures. Expenditures and other financing uses may not exceed budgeted appropriations at these levels. Any unexpended appropriation balances lapse at the end of the year.

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

2. Amending the Budget

The City manager is authorized to transfer budgeted amounts between departments within any fund. Any revisions that alter the total expenditures of a fund must be approved by the City council. When the council determines that it is in the best interest of the City to increase or decrease the appropriations for a particular fund, it may do so by ordinance.

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

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, 2022, the treasurer was holding $65,769,009 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, 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 cash and investments for governmental activities are $17,522,515 for grant revenues received in advance, opioid settlement, impact fees, drug investigation, and tourist funds. Restricted receivables, $904,592, is related to restricted fund activity. Accounts payable from these restricted assets are in the amount of $625,687. Unearned revenue for restricted assets, $5,713,681, is for the American Recovery Plan Act funding.

7. Capital Assets – See Note 4
   Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $10,000 ($5,000 for assets acquired with federal financial assistance) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Asset Category	Useful Life (years)
Buildings	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, 2022, the City reported compensated absences of $883,492 in governmental activities and $163,566 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. Customer Deposits
    Customer deposits represent facility rental and developer deposits.

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

Nonspendable	Unavailable fund balance due to its form and legally or contractually required to remain intact
Restricted	Fund balance is reported as restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
Committed	Fund balance can only be used for specific purposes as determined by formal action of City council. City council is the highest level of decision-making authority and can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.
Assigned	Assigned fund balance includes resources intended to be used by the City for specific purposes but are neither restricted nor committed. The City has not established a policy regarding the assignment of funds, so this category of fund balance represents the residual amounts not otherwise reported as nonspendable, restricted, or committed.
Unassigned	This classification represents fund balance not included in other categories. The general fund is the only fund which reports a positive unassigned fund balance.

Flow assumption: When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to use restricted resources first. When expenditure is incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's policy to spend committed resources first, then assigned, and unassigned, in that order. However, prior to the commencement of any project, the flow assumptions are reviewed to ensure that the proper resources are being used.

16. Fund Reserve Goals

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

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

Economic Stabilization Fund - City council adopted Resolution 2012-08 which created a cumulative reserve fund to maintain resources to provide continuing levels of service when projected revenue collections are not adequate. One-time revenues are placed in the fund and City council determines when to expend funds. This arrangement is disclosed as 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	$	438,797
Net pension asset		3,172,219
Deferred outflows related to pensions		2,224,073
Deferred outflows related to OPEB		34,021
Deferred inflows related to pensions		(2,212,454)
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	$	3,656,656

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	$	(3,040,000)
Accrued interest payable		(17,583)
Leases payable		(38,647)
Due to other governments		(100,000)
Total OPEB liability		(1,556,068)
Net pension liability		(626,800)
Compensated absences		(883,493)
Impact fee credits		(405,728)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	$	(6,668,319)

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	$	1,533,020
Less: Internal payable representing charges in excess of cost to business-type activities – prior years		(719,653)
Less: Internal payable representing charges in excess of cost to business-type activities – current year		(120,065)
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	$	693,302

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	$	2,655,417
Initiation of Lease		47,202
Depreciation expense		(3,592,956)
Amortization expense		(6,313)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$	(896,650)

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

Disposal of capital assets	$ (75,906)
Net adjustment to reduce fund balance – total governmental funds to arrive At changes in net position of governmental activities	$ (75,906)

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	$ 3,783,017
Unearned revenue	424,516
Municipal court revenue - unavailable	(16,468)
Tax revenues – unavailable	5,612
Settlement – unavailable	275,532
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ 4,472,209

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	$ 325,000
Governmental loans	100,000
Issuance of lease	(47,202)
Principal payment on leases	6,313
Net adjustment to increase net changes in fund balance-total governmental funds to arrive at changes in net position of governmental activities	$ 384,111

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	$ 4,382
Total OPEB liability	486,961
Net pension liability	(346,833)
Net pension asset	(3,627,285)
Deferred outflow of resources – related to pensions	1,503,024
Deferred inflow of resources – related to pensions	2,887,333
Deferred outflow of resources – related to OPEB	4,791
Accrued interest	1,693
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$ 914,066

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	$	181,503
Less: gain from charges to business-type activities		(120,065)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$	61,438

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	$	719,653
Internal receivable representing charges in excess of cost to business-type activities – current year		120,065
Net adjustment to increase net position – total enterprise funds to arrive at net position – business-type activities	$	839,718

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	$ 1,877,144
Cash on Hand	4,150
Local Government Investment Pool	34,924,219
Clark County Investment Pool	28,972,717
Fair Value of Securities Held in Safekeeping	8,261,279
	$ 74,039,509

Financial Statements	
Cash and Cash Equivalents	$ 49,501,834
Restricted Cash and Cash Equivalents	16,267,175
Investments	6,708,161
Restricted Investments	1,553,118
Fiduciary Funds	9,221
	$ 74,039,509

	Equivalents, Pooled Investments	Restricted Cash	Restricted Investments
Governmental Funds			
General Fund	$ 18,528,624	$ 5,735,866	$ -
Debt Service Fund	-	-	-
Street Fund	2,169,453	-	
Capital Projects Fund	-	-	
Other Governmental Funds	-	10,233,531	1,553,118
Proprietary Funds			
Storm Drainage	3,824,322	-	-
Water	12,225,420	-	-
Sewer	18,380,763	297,778	-
Internal Service	1,081,413	-	-
Fiduciary Funds	9,221	-	-
	$ 56,219,216	$ 16,267,175	$ 1,553,118
Grand Total Cash and Investments by Statements			$ 74,039,509

State and county investment pools are available for use by all City funds. In general, interest earned from pooled deposits and investments is allocated to each fund based on the average earnings and daily cash balance of each fund. Investments in the state and county investment pools are classified as cash equivalents on the financial statements. Investments include nonnegotiable certificates of deposit and securities held in safekeeping.

A. Deposits

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

B. Investments

Investments are subject to the following risks:

Credit rate risk

While the City does not have a written credit risk policy, the City invests in securities identified as eligible investments by state statutes. All debt securities in the City's investment portfolio are obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government and are not considered to have credit risk.

Custodial credit risk

The City's investment policy requires the City to execute custodial agreements with its bank or other custodial agents which are chartered by the United States government or the State of Washington. All investment security transactions are conducted on a delivery-versus-payment (DVP) basis.
A financial institution, designated by the finance director as primary agent to serve as a custodian acting on the City's behalf, holds securities purchased by the City. All transactions are evidenced by safekeeping receipts.

Concentration of credit risk

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

Interest rate risk

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

The City's investment policy specifies the maximum maturity for security types. Maturities range from one year for commercial paper up to 10 years for U.S. treasuries.

Issuer	Value	Less than 1 Year	2-5 Years
Local Government Investment Pool	34,924,219	34,924,219	-
Clark County Pool	28,972,717	28,972,717	-
Federal National Mortgage Association	1,879,692	-	1,879,692
Federal Farm Credit Bank	1,851,580	-	1,851,580
Federal Farm Credit Bank	1,821,170		1,821,170
Federal Farm Credit Bank	1,827,552	-	1,827,552
Federal Home Loan Bank	881,285	-	881,285
	$ 72,158,215	$ 63,896,936	$ 8,261,279

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	34,924,219	-	0.05	48.4%
Clark County Pool	28,972,717	-	1.28	40.2%
Federal National Mortgage Association	1,879,692	5/17/2024	2.38	2.6%
Federal Farm Credit Bank	1,851,580	11/4/2024	2.84	2.6%
Federal Farm Credit Bank	1,821,170	6/17/2025	3.30	2.5%
Federal Farm Credit Bank	1,827,552	11/17/2025	3.88	2.5%
Federal Home Loan Bank	881,285	9/30/2026	4.75	1.2%
	$ 72,158,215			100%
Portfolio weighted average maturity			0.91	

1. Investments Measured at Amortized Cost

Investments Measured at Amortized Cost	City's Own Investments
Local Government Investment Pool	34,924,219
Total Investments Measured at Amortized Cost Cash Equivalents Statement of Net Position	$ 34,924,219

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, 2022, the City held $34,924,219 of investments at amortized cost in the LGIP. Average days to maturity of the LGIP was 19 days.

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

2. Investments Measured at Fair Value

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

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

Investments by Fair Value Level	Fair Value 12/31/2022	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal National Mortgage Association	$ 3,700,862	$ -	$ 3,700,862	$ -
Federal Farm Credit Bank	3,679,132		3,679,132	
Federal Home Loan Bank	881,285		881,285	
Investments by Fair Value Level	$ 8,261,279	$ -	$ 8,261,279	$ -
Investments Not Subject to Catergorization				
Clark County Investment Pool	$ 28,972,717			
Total not subject to categorization	28,972,717			
Total Investments	$ 37,233,996			

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, 2022, the City held $28,972,717 of investments at fair value in the CCIP. Weighted average days to maturity of the CCIP was 467 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, 2022.

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, 2022.

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, 2022.

NOTE 4 - CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION

A. Capital assets activity for the year ended December 31, 2022 is as follows:

	Beginning Balance 01/01/2022	Increases	Decreases	Ending Balance 12/31/2022
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 15,520,855	$ 342,357		$ 15,863,212
Construction in progress	1,973,260	2,296,939	585,092	3,685,107
Total capital assets, not being depreciated	17,494,115	2,639,296	585,092	19,548,319
Capital assets, being depreciated/depleted:				
Buildings	16,057,492	171,489	129,202	16,099,779
Machinery & Equipment	4,081,885	202,257	293,503	3,990,639
Infrastructure	97,915,332	4,177,867		102,093,199
Improvements other than buildings	1,436,225			1,436,225
Total capital assets being depreciated	119,490,934	4,551,613	422,705	123,619,842
Less accumulated depreciation for:				
Buildings	6,396,738	438,303	53,296	6,781,745
Machinery & Equipment	3,235,505	251,756	293,500	3,193,761
Infrastructure	69,210,494	3,030,007		72,240,501
Improvements other than buildings	742,822	71,971		814,793
Total accumulated depreciation	79,585,559	3,792,037	346,796	83,030,800
Total capital assets, being depreciated, net	39,905,375	759,576	75,909	40,589,042
Right to use assets, being amortized:				
Machinery & Equipment		47,202		47,202
Total right to use assets being amortized	-	47,202	-	47,202
Less accumulated amortization for:				
Right to use assets				
Mahinery & Equipment		8,555		8,555
Total accumulated amortization	-	8,555	-	8,555
Total capital assets, being amortized, net	-	38,647	-	38,647
Governmental activities capital assets, net	$ 57,399,490	$ 3,437,519	$ 661,001	$ 60,176,008

	Beginning Balance 01/01/2022	Increases	Decreases	Ending Balance 12/31/2022
Business-type Activities				
Capital assets, not being depreciated				
Land	$ 3,987,945	$ 187,475		$ 4,175,420
Construction in progress	1,102,169	2,433,069	2,633,263	901,975
Total capital assets, not being depreciated	5,090,114	2,620,544	2,633,263	5,077,395
Capital assets, being depreciated/depleted:				
Buildings	1,854,755			1,854,755
Machinery and equipment	862,818	37,450		900,268
Infrastructure	82,650,203	4,966,371	54,250	87,562,324
Improvements other than buildings	32,884			32,884
Intangible assets	18,535,576			18,535,576
Total capital assets being depreciated	103,936,236	5,003,821	54,250	108,885,807
Less accumulated depreciation for:				
Buildings	582,359	46,367		628,726
Machinery and equipment	518,475	80,199		598,674
Infrastructure	32,052,288	2,128,813	31,697	34,149,404
Improvements other than buildings	11,509	1,644		13,153
Intangible assets	11,862,769	1,112,134		12,974,903
Total accumulated depreciation	45,027,400	3,369,157	31,697	48,364,860
Total capital assets, being depreciated, net	58,908,836	1,634,664	22,553	60,520,947
Business-type activities capital assets, net	$ 63,998,950	$ 4,255,208	$ 2,655,816	$ 65,598,342

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

Governmental Activities	
General Government	$ 373,383
Public Safety	185,440
Physical Environment	13,639
Transportation	2,857,751
Culture and Recreation	370,379
Total Depreciation - Governmental Activities	$ 3,800,592

Business-type Activities	
Storm Drainage	$ 446,349
Water	907,472
Sewer	2,015,336
Total Depreciation -Business-Type Activities	$ 3,369,157

A. 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.

B. Capital Construction Commitments

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

Project	Fund	Project to Date	Remaining Commitment
Governmental type construction projects			
Small Cities ATMS (Camas/Washougal)	General	$ 60,522	$ 167,483
Small Cities ATMS (Battle Ground)	Capital	14,936	85,112
SR503 Shared Use Pathway	Capital	800,462	209,415
Landmark Church Building Demolition	Capital	70,303	4,649
SR503/SR502 Intersection Improvements	Capital	209,857	4,520,419
Business type construction projects			
Well #12 Installation	Water	-	24,119
Well #2 Pipe repair	Water	-	7,043
	Total	$ 1,156,080	$ 5,018,240

NOTE 5 – INTERFUND TRANSACTIONS

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

		Transfers Out					
		General Fund	Special Revenue Funds	Capital Fund	Other Governmental Funds	Internal Service Funds	Total Transfers
Transfers In	General Fund	-	-	-	5,000	-	5,000
	Special Revenue Funds	1,490,000	-	35,795	-	-	1,525,795
	Debt Service Fund	-	-	-	555,701	-	555,701
	Capital Funds	38,233	451,568	-	834,928	-	1,324,729
	Enterprise Funds	224,566	-	-	-	-	224,566
	Internal Service Funds	-	-	-	-	-	-
	Total	**$ 1,752,799**	**$ 451,568**	**$ 35,795**	**$ 1,395,629**	**$ -**	**$ 3,635,791**

The City uses the General Fund to pay the City's Capital Fund expenditures which are reimbursable by state and federal grants. This is short term in nature and the balances are shown as Due to Other Funds and Due From Other Funds on the fund statements for $126,680.

NOTE 6 – LEASES

A. City as Lessor

At December 31, 2022, the City had eight lease receivables in which it is acting as Lessor. During 2022, the City recognized $88,842 in lease principal payments and $1,566 in lease interest revenue.

The Governmental Activities has eight leases, six for office space at Battle Ground City Hall, one for city owned land, and one for baseball fields.

City Hall Office Space (6):	Ends: May 31, 2023, December 31, 2023, August 30, 2024 (2), and September 31, 2024	Period Payments: Monthly
Land:	Ends: June 30, 2024	Period Payments: Monthly
Baseball Field:	Ends: December 31, 2023	Period Payments: Annual

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

Lease Receivables

Governmental Activities

	Principal	Interest	Total Requirements
2023	81,500	6,696	88,196
2024	49,506	4,899	54,405
2025	14,223	4,026	18,249
2026	15,256	3,540	18,796
2027	16,164	3,020	19,184
2028-2032	82,590	6,726	89,316
	$ 259,239	$ 28,907	$ 288,146

City as Lessee

At December 31, 2022, the City has one lease in which it is acting as the Lessee for office equipment. Refer to Note 4, Capital Assets, for information related to the Right to Use assets accounted for through these leases.

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

Copiers: Ends: February 3, 2027 Period Payments: Monthly

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

Lease Payables

Governmental Activities

	Principal	Interest	Total Requirements
2023	9,365	235	9,600
2024	9,429	171	9,600
2025	9,494	106	9,600
2026	9,559	41	9,600
2027	800	0	800
	$ 38,647	$ 553	$ 39,200

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 $3,040,000 in outstanding direct placement general obligation bonds (non-voted) as of December 31, 2022. 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 12/31/2022
2010B LTGO Bonds	Road Improvements	4,280,000	12/8/2010	12/1/2030	6.25%-7.0%	3,040,000
Total LTGO Bonds		$ 4,280,000				$ 3,040,000

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
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	385,000	114,100	499,100
2028-2030	1,245,000	176,400	1,421,400
	$ 3,040,000	$ 982,063	$ 4,022,063

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 12/31/2022
2003 PWTF Loan	Governmental	2,000,000	6/30/2003	6/1/2023	0.5%	100,000
		$ 2,000,000				$ 100,000

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

Direct Borrowing Loans - Governmental Activities			
	Principal	Interest	Total Requirements
2023	100,000	500	100,500
	$ 100,000	$ 500	$ 100,500

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 12/31/2022
2012 Revenue Bonds	Sewer Facility	6,909,000	1/25/2012	1/25/2052	3.00%	5,599,648
2015 Revenue Bonds	Water Meters	2,774,409	5/7/2015	5/7/2030	3.26%	1,791,894
		$ 9,683,409				$ 7,391,542

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

Direct Placement - 2012 Sewer Revenue Bonds			
	Principal	Total Interest	Requirements
2023	130,762	167,016	297,778
2024	134,714	163,064	297,778
2025	138,786	158,992	297,778
2026	142,981	154,797	297,778
2027	147,302	150,476	297,778
2028-2032	806,048	682,842	1,488,890
2033-2037	935,452	553,438	1,488,890
2038-2042	1,085,630	403,260	1,488,890
2043-2047	1,259,918	228,972	1,488,890
2048-2051	818,057	42,813	860,870
	$ 5,599,650	$ 2,705,670	$ 8,305,320

Direct Placement - 2015 Water Revenue Bonds			
	Principal	Total Interest	Requirements
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	249,912	27,580	277,492
2028-2030	688,254	31,378	719,632
	$ 1,791,894	$ 242,892	$ 2,034,786

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, 2022, 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, 2022 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	$ 3,365,000	$ -	$ (325,000)	$ 3,040,000	$ 335,000
Total bonds payable	3,365,000	-	(325,000)	3,040,000	335,000
Government loan	200,000	-	(100,000)	100,000	100,000
Leases	-	47,202	(8,555)	38,647	9,365
Compensated absences	887,874	540,877	(545,258)	883,493	172,777
Total OPEB Liability	2,043,029	-	(486,961)	1,556,068	68,042
Net Pension Liability	279,967	346,833	-	626,800	-
Long-term liabilities	$ 6,775,870	$ 934,912	$ (1,465,774)	$ 6,245,008	$ 685,184
Business-type Activities					
Revenue bonds	7,894,669	-	(503,126)	7,391,543	323,617
Compensated absences	165,165	100,734	(102,333)	163,566	10,830
Net Pension Liability	66,900	80,605	-	147,505	-
Asset Retirement Obligation	177,747	17,775	-	195,522	-
Long-term liabilities	$ 8,304,481	$ 199,114	$ (605,459)	$ 7,898,136	$ 334,447

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

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

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

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

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

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

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

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

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

NOTE 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 2022 collections was $1.22 per $1,000 on an assessed valuation of $3,024,694,829 for a total regular levy of $3,684,016.

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 2022:

Aggregate Pension Amounts – All Plans	
Pension liabilities	$ 774,305
Pension assets	3,428,439
Deferred outflows of resources	2,482,290
Deferred inflows of resources	2,476,998
Pension expense/expenditures	194,308

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 2022 were as follows:

PERS Plan 1		
Actual Contribution Rates:	**Employer**	**Employee**
January – August 2022		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Total	**10.25%**	**6.00%**
September – December 2022		
PERS Plan 1	6.36%	
Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Total	**10.39%**	**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 2022 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	**Employer 2/3**	**Employee 2**
January – August 2022		
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%**
September – December 2022		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
Total	**10.39%**	**6.36%**

The City's actual PERS plan contributions were $175,770 to PERS Plan 1 and $297,566 to PERS Plan 2/3 for the year ended December 31, 2022.

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 2022. 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 2022.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2022 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	**Employer**	**Employee**
January – December 2022		
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 $153,000 for the year ended December 31, 2022.

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, 2022, the state contributed $81,388,085 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is $94,697.

Actuarial Assumptions

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

Additional assumptions for subsequent events and law changes are current as of the 2021 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2022. Plan liabilities were rolled forward from June 30, 2021, to June 30, 2022, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation

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

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

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status, 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.

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

<u>Method changes</u>

Methods did not change from the prior contribution rate setting June 30, 2019 Actuarial Valuation Report (AVR), however OSA introduced a temporary method change to produce asset and liability measures for the June 30, 2020 AVR. There were also the following assumption changes:

- OSA updated the Joint-and-Survivor Factors and Early Retirement Factors in the model. Those factors are used to value benefits for early retirement and survivors of members that are deceased prior to retirement. These factors match the administrative factors provided to DRS for future implementation that reflect current demographic and economic assumptions.

- OSA updated the economic assumptions based on the 2021 action of the PFC and the LEOFF Plan 2 Retirement Board. The investment return assumption was reduced from 7.5% (7.4% for LEOFF 2) to

7.0%, and the salary growth assumption was lowered from 3.5% to 3.25%. This action is a result of recommendations from OSA's biennial economic experience study.

Discount Rate

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

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

Long-Term Expected Rate of Return

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

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the table below. The inflation component used to create the table is 2.20 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

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

Sensitivity of the Net Pension Liability/(Asset)

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

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
PERS 1	1,034,460	774,305	547,250
PERS 2/3	1,583,901	(1,344,989)	(3,751,258)
LEOFF 1	(144,095)	(164,429)	(182,062)
LEOFF 2	(88,369)	(1,919,021)	(3,417,253)

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, 2022, the City reported its proportionate share of the net pension liabilities (assets) as follows:

Plan	Liability or Asset
PERS 1	774,305
PERS 2/3	(1,344,989)
LEOFF 1	(164,429)
LEOFF 2	(1,919,021)

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	(164,429)	(1,919,021)
LEOFF - State's proportionate share of the net pension asset associated with the employer	(1,112,193)	(1,243,100)
Total	(1,276,622)	(3,162,121)

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

	Proportionate Share 6/30/21	Proportionate Share 6/30/22	Change in Proportion
PERS 1	0.02840%	0.02781%	-0.00059%
PERS 2/3	0.03649%	0.03627%	-0.00022%
LEOFF 1	0.00558%	0.00573%	0.00015%
LEOFF 2	0.06326%	0.07061%	0.00735%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2022 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 2022. 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 2022, the state of Washington contributed 39% of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61% of employer contributions.

Pension Expense

For the year ended December 31, 2022, the City recognized pension expense as follows:

	Pension Expense
PERS 1	339,296
PERS 2/3	(445,423)
LEOFF 1	(11,182)
LEOFF 2	311,616
Total	194,308

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2022, 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	$ -	$ (128,325)
Contributions subsequent to the measurement date	89,686	-
Total	$ 89,686	$ (128,325)
PERS 2/3	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 333,257	$ (30,447)
Net difference between projected and actual investment earnings on pension plan investments	-	(994,361)
Changes of assumptions	749,646	(196,284)
Changes in proportion and differences between contributions and proportionate share of contributions	32,885	(39,264)
Contributions subsequent to the measurement date	149,995	-
Total	$ 1,265,783	$ (1,260,356)
LEOFF 1	**Deferred Outflows**	**Deferred Inflows**

	of Resources	of Resources
Net difference between projected and actual investment earnings on pension plan investments	$ -	$ (20,531)
Total	$ -	$ (20,531)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 455,991	$ (17,805)
Net difference between projected and actual investment earnings on pension plan investments	-	(642,562)
Changes of assumptions	486,142	(167,094)
Changes in proportion and differences between contributions and proportionate share of contributions	105,229	(240,325)
Contributions subsequent to the measurement date	79,459	-
Total	$ 1,126,821	$ (1,067,786)

TOTAL ALL PLANS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 789,248	$ (48,252)
Net difference between projected and actual investment earnings on pension plan investments	-	(1,785,779)
Changes of assumptions	1,235,788	(363,378)
Changes in proportion and differences between contributions and proportionate share of contributions	138,114	(279,589)
Contributions subsequent to the measurement date	319,140	-
Total	$ 2,482,290	$ (2,476,998)

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, 2023. 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
2023	$ (54,304)	$ (306,964)	$ (8,696)	$ (214,982)
2024	(49,323)	(276,607)	(7,873)	(188,108)
2025	(61,874)	(336,839)	(9,845)	(245,982)
2026	37,176	454,881	5,882	263,993
2027	-	163,133	-	65,402
Thereafter	-	157,829	-	299,253

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS

The following table represents the aggregate other postemployment 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 Postemployment Benefits Other than Pensions* for the year 2022:

OPEB Liabilities	$	1,556,068
Deferred Outflows of Resources – OPEB		34,021
OPEB expense/expenditures		(413,767)

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, 2022, 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, 2022, benefit payments made by the City were $44,405.

Actuarial Assumptions

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

The City's total OPEB liability of $1,556,068 was measured as of June 30, 2022 with a valuation date of June 30, 2022. 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, at June 30, 2022:

- Inflation: 2.75% total economic inflation
- Discount Rate: 2.16% beginning of measurement year, 3.54% end of measurement year
- Healthcare cost trend rate: Initial rate ranges from about 2-11% reaching an ultimate rate of approximately 4.3% in 2075.
- Projected Salary changes: 3.5% + service based increases
- Post-Retirement Participation Percentage: 65%

- Percentage with Souse Coverage 45%

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. No age offset was applied. 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.

Specific assumptions are as follows:

It was assumed that two thirds of members will select a uniform Medical Plan (UMP) and one third will select a Kaiser Permanente (KP) plan. The specific assumptions are as follows:

- UMP pre and post Medicare costs and premiums are equal to the Uniform Medical Plan Classic.
- The KP pre-Medicare costs and premiums are 50/50 blend of KP WA Classic and KP WA Value.
- The KP post-Medicare costs premiums are equal to KP WA Medicare.

The estimated retirement service for each active cohort was based on the average entry age of 35, with a maximum service of one year. For example, an age 47 member is assumed to have 12 years of service. Service is a component of benefit eligibility. Assumptions for retirement, disability, termination and mortality are consistent with the most recent PEBB OPEB valuation. For simplicity, Plan 2 decrement rates were assumed. Additionally, all employees were assumed to be retirement eligible at age 55 and all employees retire at age 70. Based on an average expected retirement age of 65, an active mortality rate for ages less than 65 and retiree mortality rate for ages 65+ was applied. Each cohort is assumed to be a 50/50 male/female split. It was assumed that a 45% likelihood that current and future retirees cover a spouse. It was further assumed that eligible spouses are the same age as the primary member.

Dental benefits are not included when including the Total OPEB Liability, as dental benefits represent less two percent of the accrued benefit obligations under the 2020 PEBB OPEB AVR.

Sensitivity of the Total OPEB Liability

The table below presents the City's total OPEB liability calculated using the discount rate of 3.54 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 (2.54 percent) or 1-percentage point higher (4.54 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	$1,405,976	$1,556,068	$1,728,594

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	$1,556,068	$1,399,851

Changes in the Total OPEB Liability

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

Total OPEB Liability at December 31, 2021	$	2,043,029
Interest		43,343
Changes in Experience Data and Assumptions		(457,110)
Estimated Benefit Payments		(73,194)
Net Changes		(486,961)
Total OPEB Liability at December 21, 2022	$	1,556,068

The City reported $(413,767) as OPEB expense for the calendar year 2022.

At December 31, 2022, the City reported deferred outflows of resources only for deferred outflows subsequent to the measurement date in the amount of $34,021. This will be recognized as expense in the period ending December 31, 2023.

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

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

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

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

NOTE 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.

The Washington State supreme court on February 25, 2021 issued a decision, through State of Washington v. Blake, declaring RCW 69.50.4013, state's main drug possession of a controlled substance statue, as unconstitutional. In response, the state passed ESSB 5187 establishing the Blake Refund Bureau with Administrative Office of the Court (AOC). The City is to refund any cases in which contact information is present within the municipal court until June 30, 2023, to be reimbursed by a state grant. At that time, any remaining refunds will go through AOC, funded by the state. At this time the City believes we will have all refunds issued before the state allotment expires. The City does not have the information necessary to estimate any potential liability, any mitigation received or allocated from the state.

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	Internal Service Funds	Total Governmental Activities
Accounts	71,878	-	-	-	-	71,878
Property taxes	52,420	-	-	-	-	52,420
Sales taxes	1,085,662	-	-	-	-	1,085,662
Interest	1,655	266	-	1,450	134	3,505
Motor Vehicle Fuel Tax	-	58,175	-	-	-	58,175
Other taxes	653,619	-	-	10,860	-	664,479
Municipal court	119,202	-	-	-	-	119,202
State	44,764	-	-	-	-	44,764
Grants	414,546	-	616,750	-	-	1,031,296
Leases	252,961	6,278	-	-	-	259,239
	$ 2,696,707	$ 64,719	$ 616,750	$ 12,310	$ 134	$ 3,390,620

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 2022.

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 $218,184 in 2022.

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, 2022, of $195,522 and a Deferred Outflow of $135,318. This liability was increased by 10%, the December 2022 construction cost increase from the 2021 liability amount. The obligation will be paid from operating income; no assets have been set aside to fund this obligation.

NOTE 17 – 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 18 – TAX ABATEMENT

Multifamily Tax Exemption Program

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

Program eligibility includes:

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

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

As of December 31, 2022, the City has entered into one developer agreement for a multi-family housing complex. This project is still in the planning stages, and no tax abatement has occurred as of the date of this report.

NOTE 19 – 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 1/1/22	Additions	Applied	At 12/31/22
Traffic Impact Fees	$797,882	$ -	$(415,005)	$ 382,877
Park Impact Fees	32,362	-	(9,511)	22,851
	$830,244	$ -	$(424,516)	$ 405,728

System Development Charge Credits	At 1/1/22	Additions	Applied	At 12/31/22
Water SDC credits	$ 932	$ -	$ -	932
Sewer SDC credits	501,512	378,008	(834,360)	45,160
	$502,444	$378,008	$(834,360)	$ 46,092

Grant Revenue

The City has received $5,938,247 for the American Rescue Plan Act of 2021 to date. This federal appropriation was given to state and local governments to offset the long term impacts of the COVID-19 pandemic. As of December 31, 2022 the City has expended $224,566 of these funds leaving $5,713,681 in unexpended grant funds. This grant award was given to the City in advance of expending the funds on allowable costs. These funds are reported as restricted assets, see note 1.

NOTE 20 – ACCOUNTING AND REPORTING CHANGES

GASB Statements

For the fiscal year ended December 31, 2022, the City implemented the following GASB pronouncements:

GASB Statement 87 – Leases

This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the rights to use an underlying asset. See Note 6.

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REQUIRED SUPPLEMENTARY INFORMATION

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

Total OPEB liability	2022	2021	2020	2019	2018
Interest	$ 43,343	$ 43,680	$ 55,229	$ 65,858	$ 63,170
Changes of assumptions or other inputs	(457,110)	50,501	395,359	(138,511)	(69,684)
Benefit payments	(73,194)	(54,936)	(49,134)	(53,022)	(59,467)
Net change in total OPEB liability	(486,961)	39,245	401,454	(125,675)	(65,981)
Total OPEB liability beginning	2,043,029	2,003,784	1,602,330	1,728,005	1,793,986
Total OPEB liability ending	$ 1,556,068	$ 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	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%
2022	3.54%

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground

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

PERS 1

As of June 30

Last Nine 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
2022	0.027809%	$ 774,305	$ 4,539,723	17.06%	76.56%
2021	0.028403%	346,867	4,555,972	7.61%	88.74%
2020	0.026675%	941,772	3,883,769	24.25%	68.64%
2019	0.027849%	1,070,893	3,904,329	27.43%	67.12%
2018	0.029068%	1,298,187	3,883,356	33.43%	63.22%
2017	0.028947%	1,373,558	3,656,273	37.57%	61.24%
2016	0.028463%	1,528,597	3,693,562	41.39%	57.03%
2015	0.029242%	1,529,629	3,351,697	45.64%	59.10%
2014	0.028952%	1,458,471	3,191,502	45.70%	61.19%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground

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

PERS 2/3

As of June 30

Last Nine 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
2022	0.036265%	$ (1,344,989)	$ 4,539,723	-29.63%	106.73%
2021	0.036488%	(3,634,792)	4,555,972	-79.78%	120.29%
2020	0.034735%	444,241	3,883,769	11.44%	97.22%
2019	0.035960%	349,294	3,904,329	8.95%	97.77%
2018	0.037318%	637,172	3,883,356	16.41%	95.77%
2017	0.037233%	1,293,669	3,656,273	35.38%	90.97%
2016	0.036471%	1,836,286	3,693,562	49.72%	85.82%
2015	0.037773%	1,349,651	3,351,697	40.27%	89.20%
2014	0.037276%	753,483	3,191,502	23.61%	93.29%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground
Schedule of Proportionate Share of the Net Pension Liability (Asset)
LEOFF 1
As of June 30
Last Nine 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
2022	0.005732%	$ (164,429)	$ (1,112,193)	$ (1,276,622)	N/A	N/A	169.62%
2021	0.005579%	(191,112)	(1,292,678)	(1,483,790)	N/A	N/A	187.45%
2020	0.005444%	(102,810)	(695,404)	(798,214)	N/A	N/A	146.88%
2019	0.005327%	(105,294)	(712,206)	(817,500)	N/A	N/A	148.78%
2018	0.005234%	(95,023)	(642,736)	(737,759)	N/A	N/A	144.42%
2017	0.005180%	(78,592)	(531,594)	(610,186)	N/A	N/A	135.96%
2016	0.005107%	(52,617)	(355,898)	(408,515)	N/A	N/A	123.74%
2015	0.005052%	(60,888)	(411,845)	(472,733)	N/A	N/A	127.36%
2014	0.005011%	(60,773)	(411,067)	(471,840)	N/A	N/A	126.91%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground

Schedule of Proportionate Share of the Net Pension Liability

LEOFF 2

As of June 30

Last Nine 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
2022	0.070612%	$ (1,919,021)	$ (1,243,100)	$ (3,162,121)	$ 2,791,632	-68.74%	116.09%
2021	0.063264%	(3,674,635)	(2,370,541)	(6,045,176)	2,439,355	-150.64%	142.00%
2020	0.061507%	(1,254,653)	(802,256)	(2,056,909)	2,275,632	-55.13%	115.83%
2019	0.068791%	(1,593,676)	(1,043,644)	(2,637,320)	2,366,778	-67.34%	119.43%
2018	0.069907%	(1,419,264)	(919,416)	(2,338,680)	2,326,869	-60.99%	118.50%
2017	0.067405%	(935,363)	(606,753)	(1,542,116)	2,109,925	-44.33%	113.36%
2016	0.068973%	(401,168)	(261,532)	(662,700)	2,255,979	-17.78%	106.04%
2015	0.072053%	(740,561)	(489,682)	(1,230,243)	2,091,273	-35.41%	111.67%
2014	0.070077%	(929,952)	(607,276)	(1,537,228)	1,950,149	-47.69%	116.75%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground
Schedule of Employer Contributions
PERS 1
As of December 31
Last Nine 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
2022	$ 175,770	$ (175,770)	$ -	$ 4,678,704	3.76%
2021	191,467	(191,467)	-	4,459,857	4.29%
2020	203,306	(203,306)	-	4,237,877	4.80%
2019	194,124	(194,124)	-	3,925,573	4.95%
2018	198,244	(198,244)	-	3,915,896	5.06%
2017	184,536	(184,536)	-	3,764,693	4.90%
2016	168,403	(168,403)	-	3,530,474	4.77%
2015	148,282	(148,282)	-	3,382,133	4.38%
2014	132,646	(132,646)	-	3,288,709	4.03%

City of Battle Ground
Schedule of Employer Contributions
PERS 2/3
As of December 31
Last Nine 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
2022	$ 297,566	$ (297,566)	$ -	$ 4,678,704	6.36%
2021	318,620	(318,620)	-	4,459,857	7.14%
2020	335,641	(335,641)	-	4,237,877	7.92%
2019	303,049	(303,049)	-	3,925,573	7.72%
2018	293,681	(293,681)	-	3,915,896	7.50%
2017	258,577	(258,577)	-	3,764,693	6.87%
2016	219,948	(219,948)	-	3,530,474	6.23%
2015	190,375	(190,375)	-	3,382,133	5.63%
2014	164,325	(164,325)	-	3,288,709	5.00%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground
Schedule of Employer Contributions
LEOFF 2
As of December 31
Last Nine 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
2022	$ 153,000	$ (153,000)	$ -	$ 2,907,388	5.26%
2021	135,928	(135,928)	-	2,599,558	5.23%
2020	118,396	(118,396)	-	2,276,264	5.20%
2019	124,743	(124,743)	-	2,347,732	5.31%
2018	125,335	(125,335)	-	2,387,329	5.25%
2017	113,887	(113,887)	-	2,207,554	5.16%
2016	106,584	(106,584)	-	2,110,577	5.05%
2015	104,689	(104,689)	-	2,073,049	5.05%
2014	103,449	(103,449)	-	2,048,503	5.05%

City of Battle Ground

Notes to Required Supplemental Information - Pension

As of December 31
Last Nine 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	8/31/2022	10.25%	
9/1/2022	current	10.39%	*

* 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	8/31/2022	10.25%	
9/1/2022	current	10.39%	*

* 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 Date	Through this Date	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.

Debt Service Fund

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

CITY OF BATTLE GROUND
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2022

	Combined Special Revenue Funds	Combined Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Cash and Cash Equivalents	$ 276,556	$ 9,956,975	$ -	$ 10,233,531
Investments	41,973	1,511,145	-	1,553,118
Restricted Cash and Cash Equivalents:	-	-	-	-
Restricted Investments		-		-
Accounts Receivable	10,860	-	-	10,860
Interest Receivable	39	1,411	-	1,450
Total Assets	329,428	11,469,531	-	11,798,959
Liabilities				
Accounts Payable	9,408	-	-	9,408
Other Accrued Liabilities	-	-	-	-
Total Liabilities	9,408	-	-	9,408
Fund Balances				
Restricted for:				
Capital	-	11,469,531	-	11,469,531
Drug Investigation	43,114	-	-	43,114
Tourist Promotion	276,906	-	-	276,906
Total Fund Balances	320,020	11,469,531	-	11,789,551
Total Liabilities and Fund Balance	$ 329,428	$ 11,469,531	$ -	$ 11,798,959

CITY OF BATTLE GROUND
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended December 31, 2022

	Combined Special Revenue Funds	Combined Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues				
Other Taxes	$ 96,876	2,392,928	$ -	$ 2,489,804
Intergovernmental	1,052	-	-	1,052
Charges for Services	-	1,620,680	-	1,620,680
Interest Earnings	1,243	29,393	-	30,636
Contributions/Donations	-	-	95,611	95,611
Total Revenues	99,171	4,043,001	95,611	4,237,783
Expenditures				
Current:				
Security/Persons and Property	2,500	-	-	2,500
Economic Environment	114,042	-	-	114,042
Debt Service				
Principal Retirement	-	-	425,000	425,000
Interest/Fiscal Charges	-	-	226,312	226,312
Total Expenditures	116,542	-	651,312	767,854
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,371)	4,043,001	(555,701)	3,469,929
Other Financing Sources (Uses)				
Transfers In	-	-	555,701	555,701
Transfers Out	-	(1,395,629)	-	(1,395,629)
Total Other Financing Sources and Uses	-	(1,395,629)	555,701	(839,928)
Net Change in Fund Balance	(17,371)	2,647,372	-	2,630,001
Fund Balance at Beginning of Year	337,391	8,822,159	-	9,159,550
Fund Balance at End of Year	$ 320,020	$ 11,469,531	$ -	$ 11,789,551

CITY OF BATTLE GROUND
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2022

	Drug Investigation Fund	Lodging Tax Reserve	Total Nonmajor Special Revenue Funds
Assets			
Cash and Cash Equivalents	$ 37,428	$ 239,128	$ 276,556
Investments	5,681	36,292	41,973
Accounts Receivable (net)	-	10,860	10,860
Interest Receivable	5	34	39
Total Assets	43,114	286,314	329,428
Liabilities			
Accounts Payable		9,408	9,408
Total Liabilities	-	9,408	9,408
Fund Balances			
Restricted for:			
Drug Investigation	43,114	-	43,114
Tourist Promotion	-	276,906	276,906
Total Fund Balances	43,114	276,906	320,020
Total Liabilities and Fund Balances	43,114	$ 286,314	$ 329,428

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, 2022

	Drug Investigation Reserve	Lodging Tax Reserve	Total Nonmajor Special Revenue Funds
Revenues			
Other Taxes	$ -	$ 96,876	$ 96,876
Intergovernmental	1,052	-	1,052
Charges for Services	-	-	-
Interest Earnings	159	1,084	1,243
Miscellaneous	-	-	-
Total Revenues	1,211	97,960	99,171
Expenditures			
Current:			
Security/Persons and Property	2,500	-	2,500
Economic Environment	-	114,042	114,042
Total Expenditures	2,500	114,042	116,542
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,289)	(16,082)	(17,371)
Other Financing Sources (Uses)			
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	(1,289)	(16,082)	(17,371)
Fund Balance at Beginning of Year	44,403	$ 292,988	$ 337,391
Fund Balance at End of Year	43,114	$ 276,906	$ 320,020

CITY OF BATTLE GROUND
Nonmajor Capital Project Funds
Combining Balance Sheet
December 31, 2022

	Transportation Impact Fees	Park Impact Fee	Real Estate Excise Tax	Total Nonmajor Capital Projects Funds
Assets				
Cash and Cash Equivalents	3,337,899	1,173,653	5,445,423	$ 9,956,975
Investments	506,584	178,122	826,439	1,511,145
Restricted: Cash and Cash Equivalents				-
Restricted: Investments				-
Accounts Receivable (net)				-
Interest Receivable	473	166	772	1,411
Total Assets	3,844,956	1,351,941	6,272,634	11,469,531
Liabilities				
Total Liabilities	-	-	-	-
Fund Balances				
Restricted for:				
Capital	3,844,956	1,351,941	6,272,634	11,469,531
Total Fund Balances	3,844,956	1,351,941	6,272,634	11,469,531
Total Liabilities and Fund Balances	$ 3,844,956	$ 1,351,941	$ 6,272,634	$ 11,469,531

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, 2022

	Transportation Impact Fees	Park Impact Fee	Real Estate Excise Tax	Total Nonmajor Capital Project Funds
Revenues				
Other Taxes	$ -	$ -	$ 2,392,928	$ 2,392,928
Intergovernmental	-	-	-	-
Charges for Services	667,671	953,009	-	1,620,680
Interest Earnings	17,521	(476)	12,348	29,393
Total Revenues	685,192	952,533	2,405,276	4,043,001
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	685,192	952,533	2,405,276	4,043,001
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	(1,240,629)	-	(155,000)	(1,395,629)
Total Other Financing Sources (Uses)	(1,240,629)	-	(155,000)	(1,395,629)
Net Change in Fund Balance	(555,437)	952,533	2,250,276	2,647,372
Fund Balance at Beginning of Year	4,400,393	399,408	4,022,358	8,822,159
Fund Balance at End of Year	$ 3,844,956	$ 1,351,941	$ 6,272,634	$ 11,469,531

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, 2022

	Budget Amounts		Actual Year-To-Date Thru 12/31/22	Variance Thru 12/31/22
	Original 2022	Final 2022		
Revenues				
Intergovernmental	$ 5,500	5,500	1,052	$ (4,448)
Interest Earnings	693	693	159	(534)
Total Revenues	6,193	6,193	1,211	(4,982)
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	3,693	3,693	(1,289)	(4,982)
Other Financing Sources (Uses):				
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	3,693	3,693	(1,289)	(4,982)
Fund Balance at Beginning of Year	50,810	$ 50,810	$ 44,403	$ (6,407)
Fund Balance at End of Year	$ 54,503	$ 54,503	$ 43,114	$ (11,389)

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, 2022

	Budget Amounts			
	Original 2022	Final 2022	Actual Year-To-Date Thru 12/31/22	Variance Thru 12/31/22
Revenues				
Other Taxes	$ 50,000	50,000	96,876	$ 46,876
Interest Earnings	2,959	2,959	1,084	(1,875)
Total Revenues	52,959	52,959	97,960	45,001
Expenditures				
Economic Environment	77,595	120,345	114,042	6,303
Total Expenditures	77,595	120,345	114,042	6,303
Excess (Deficiency) of Revenues Over (under) Expenditures	(24,636)	(67,386)	(16,082)	51,304
Other Financing Sources (Uses)				
Transfers Out	(9,000)	-	-	-
Total Other Financing Sources and Uses	(9,000)	-	-	-
Net Change in Fund Balance	(33,636)	(67,386)	(16,082)	51,304
Fund Balance at Beginning of Year	268,619	$ 268,619	$ 292,988	$ 24,369
Fund Balance at End of Year	$ 234,983	$ 201,233	$ 276,906	$ 75,673

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, 2022

	Budget Amounts			
	Original 2022	Final 2022	Actual Year-To-Date Thru 12/31/22	Variance Thru 12/31/22
Revenues				
Intergovernmental	$ 8,946,666	8,946,666	1,321,349	$ (7,625,317)
Interest Earnings	-	-		-
Total Revenues	8,946,666	8,946,666	1,321,349	(7,625,317)
Expenditures				
Current:				
Security/Persons and Property		-	160,983	(160,983)
Capitalized Expenditures	9,950,700	10,035,700	2,449,304	7,586,396
Total Expenditures	9,950,700	10,035,700	2,610,287	7,425,413
Excess (Deficiency) of Revenues Over (under) Expenditures	(1,004,034)	(1,089,034)	(1,288,938)	(199,904)
Other Financing Sources (Uses)				
Transfers In	1,054,034	1,139,034	1,324,729	185,695
Transfers Out	(50,000)	(50,000)	(35,795)	14,205
Total Other Financing Sources and Uses	1,004,034	1,089,034	1,288,934	199,900
Net Change in Fund Balance	-	-	(4)	(4)
Fund Balance at Beginning of Year	-	$ -	$ 475	$ 475
Fund Balance at End of Year	$ -	$ -	$ 471	$ 471

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, 2022

	Budget Amounts			
	Original 2022	Final 2022	Actual Year-To-Date Thru 12/31/22	Variance Thru 12/31/22
Revenues				
Charges for Services	$ 647,280	$ 647,280	$ 667,671	$ 20,391
Interest Earnings	20,000	20,000	17,521	(2,479)
Total Revenues	667,280	667,280	685,192	17,912
Expenditures				
Current:				
Transportation	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	667,280	667,280	685,192	17,912
Other Financing Sources (Uses):				
Transfers In				-
Transfers Out	(1,157,063)	(1,242,063)	(1,240,629)	1,434
Total Other Financing Sources and Uses	(1,157,063)	(1,242,063)	(1,240,629)	1,434
Net Change in Fund Balance	(489,783)	(574,783)	(555,437)	19,346
Fund Balance at Beginning of Year	3,146,346	$ 3,146,346	$ 4,400,393	$ 1,254,047
Fund Balance at End of Year	$ 2,656,563	$ 2,571,563	$ 3,844,956	$ 1,273,393

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, 2022

	Budget Amounts			
	Original 2022	Final 2022	Actual Year-To-Date Thru 12/31/22	Variance Thru 12/31/22
Revenues				
Charges for Services	$ 457,240	457,240	953,009	$ 495,769
Interest Earnings	2,000	2,000	(476)	(2,476)
Total Revenues	459,240	459,240	952,533	493,293
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	459,240	459,240	952,533	493,293
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	459,240	459,240	952,533	493,293
Fund Balance at Beginning of Year	48,427	$ 48,427	$ 399,408	$ 350,981
Fund Balance at End of Year	$ 507,667	$ 507,667	$ 1,351,941	$ 844,274

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, 2022

	Budget Amounts			
	Original 2022	Final 2022	Actual Year-To-Date Thru 12/31/22	Variance Thru 12/31/22
Revenues				
Other Taxes	$ 800,000	800,000	2,392,928	$ 1,592,928
Interest Earnings	20,200	20,200	12,348	(7,852)
Total Revenues	820,200	820,200	2,405,276	1,585,076
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	820,200	820,200	2,405,276	1,585,076
Other Financing Sources (Uses)				
Transfers In				-
Transfers Out	(155,000)	(155,000)	(155,000)	-
Total Other Financing Sources and Uses	(155,000)	(155,000)	(155,000)	-
Net Change in Fund Balance	665,200	665,200	2,250,276	1,585,076
Fund Balance at Beginning of Year	2,313,642	$ 2,313,642	$ 4,022,358	$ 1,708,716
Fund Balance at End of Year	$ 2,978,842	$ 2,978,842	$ 6,272,634	$ 3,293,792

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, 2022

	Budget Amounts			
	Original 2022	Final 2022	Actual Year-To-Date Thru 12/31/22	Variance Thru 12/31/22
Revenues				
Contributions/Donations	$ 101,391	101,391	95,611	$ (5,780)
Total Revenues	101,391	101,391	95,611	(5,780)
Expenditures				
Debt service:				
Principal Retirement	425,000	425,000	425,000	-
Interest/Fiscal Charges	226,313	226,313	226,312	1
Total Expenditures	651,313	651,313	651,312	1
Excess (Deficiency) of Revenues Over (under) Expenditures	(549,922)	(549,922)	(555,701)	(5,779)
Other Financing Sources (Uses)				
Transfers In	549,922	549,922	555,701	5,779
Total Other Financing Sources and Uses	549,922	549,922	555,701	5,779
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	$ -	$ -	$ -	$ -

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, 2022

	Budget Amounts			
	Original 2022	Final 2022	Actual Year-To-Date Thru 12/31/22	Variance Thru 12/31/22
Revenues				
Charges for Services	$ 164,285	164,285	227,102	$ 62,817
Interest Earnings				-
Total Revenues	164,285	164,285	227,102	62,817
Expenditures				
Current:				
Economic Environment	832,710	832,710	227,102	605,608
Total Expenditures	832,710	832,710	227,102	605,608
Excess (Deficiency) of Revenues Over (under) Expenditures	(668,425)	(668,425)	-	668,425
Net Change in Fund Balance	(668,425)	(668,425)	-	668,425
Fund Balance at Beginning of Year	668,425	$ 668,425	$ -	$ (668,425)
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, 2022

	Budget Amounts			
	Original 2022	Final 2022	Actual Year-To-Date Thru 12/31/22	Variance Thru 12/31/22
Revenues				
Intergovernmental	$			$ -
Charges for Services	7,358	7,358	11,484	4,126
Interest Earnings	3,439	3,439	4,868	1,429
Rents and Royalties	104,403	104,403	203,818	99,415
Contributions/Donations	6,500	44,766	38,266	(6,500)
Miscellaneous	162	162	114,326	114,164
Total Revenues	121,862	160,128	372,762	212,634
Expenditures				
Current:				
Culture and Recreation	855,034	973,300	932,199	41,101
Capitalized Expenditures	-	-	-	-
Culture and Recreation	15,000	15,000	12,653	2,347
Total Expenditures	870,034	988,300	944,852	43,448
Excess (Deficiency) of Revenues Over (under) Expenditures	(748,172)	(828,172)	(572,090)	256,082
Other Financing Sources (Uses)				
Transfers In	680,000	740,000	740,000	-
Transfers Out				-
Total Other Financing Sources and Uses	680,000	740,000	740,000	-
Net Change in Fund Balance	(68,172)	(88,172)	167,910	256,082
Fund Balance at Beginning of Year	563,069	$ 563,069	$ 710,198	$ 147,129
Fund Balance at End of Year	$ 494,897	$ 474,897	$ 878,108	$ 403,211

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, 2022

	Budget Amounts			
	Original 2022	Final 2022	Actual Year-To-Date Thru 12/31/22	Variance Thru 12/31/22
Revenues				
Interest Earnings	$ 275	$ 275.00	$ 343	$ 68
Total Revenues	275	275.00	343	68
Expenditures				
Current:				
General Government	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	275	275	343	68
Other Financing Sources (Uses)				
Insurance recoveries	-	-	45,223	45,223
Transfers In				-
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	-	-	45,223	45,223
Net Change in Fund Balance	275	275	45,566	45,291
Fund Balance at Beginning of Year	51,695	$ 51,695	$ 93,976	$ 42,281
Fund Balance at End of Year	$ 51,970	$ 51,970	$ 139,542	$ 87,572

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, 2022

	Budget Amounts			
	Original 2022	Final 2022	Actual Year-To-Date Thru 12/31/22	Variance Thru 12/31/22
Revenues				
Interest Earnings	$ 1,387	1,387	815	$ (572)
Total Revenues	1,387	1,387	815	(572)
Expenditures				
Current:				
General Government	100,000	100,000	44,405	55,595
Total Expenditures	100,000	100,000	44,405	55,595
Excess (Deficiency) of Revenues Over (under) Expenditures	(98,613)	(98,613)	(43,590)	55,023
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	1,387	1,387	56,410	55,023
Fund Balance at Beginning of Year	140,253	$ 140,253	$ 197,103	$ 56,850
Fund Balance at End of Year	$ 141,640	$ 141,640	$ 253,513	$ 111,873

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, 2022

	Budget Amounts			
	Original 2022	Final 2022	Actual Year-To-Date Thru 12/31/22	Variance Thru 12/31/22
Revenues				
Interest Earnings	$ 2,861	2,861	1,297	$ (1,564)
Total Revenues	2,861	2,861	1,297	(1,564)
Expenditures				
Current:				
General Government	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	2,861	2,861	1,297	(1,564)
Other Financing Sources (Uses)				
Transfers In				-
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	2,861	2,861	1,297	(1,564)
Fund Balance at Beginning of Year	358,638	$ 358,638	$ 355,611	$ (3,027)
Fund Balance at End of Year	$ 361,499	$ 361,499	$ 356,908	$ (4,591)

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, 2022

	Vehicle Rental and Replacement	Technology Rental and Replacement	Total Internal Service Funds
Assets			
Cash and Cash Equivalents	$ 589,089	$ 349,828	$ 938,917
Investments	89,404	53,092	142,496
Receivables			
Interest Receivable	84	50	134
Total Current Assets	678,577	402,970	1,081,547
Noncurrent Assets			
Property, Plant and Equipment (Net)	457,522	23,896	481,418
Total Noncurrent Assets	457,522	23,896	481,418
Total Assets	1,136,099	426,866	1,562,965
Liabilities			
Current Liabilities			
Accounts Payable	29,472	473	29,945
Total Current Liabilities	29,472	473	29,945
Total Liabilities	29,472	473	29,945
Net Position			
Net Investment in Capital Assets	457,522	23,896	481,418
Unrestricted	649,105	402,497	1,051,602
Total Net Position	$ 1,106,627	$ 426,393	$ 1,533,020

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, 2022

	Vehicle Rental and Replacement	Technology Rental and Replacement	Total Internal Service Funds
Operating Revenues			
Charge for Services			
Vehicle Rental	$ 275,392	$ -	$ 275,392
Technology Rental	-	137,658	137,658
Total Operating Revenues	275,392	137,658	413,050
Operating Expenses			
Equipment and Supplies	-	39,372	39,372
Depreciation	185,442	13,639	199,081
Total Operating Expenses	185,442	53,011	238,453
Operating Income (loss)	89,950	84,647	174,597
Nonoperating Revenues (Expenses)			
Interest Earnings	1,720	1,186	2,906
Interest and Fiscal Charges	-	-	-
Gain/Loss on Sale of Capital Assets	4,000	-	4,000
Total Nonoperating Revenues (Expenses)	5,720	1,186	6,906
Income (Loss) before Contributions, Special Items, and Transfers	95,670	85,833	181,503
Special Item - Disposal of Operations			-
Transfers In	-		-
Transfers Out	-		-
Increase (Decrease) in Net Position	95,670	85,833	181,503
Total Net Position at Beginning of Year	1,010,957	340,560	1,351,517
Total Net Position at End of Year	$ 1,106,627	$ 426,393	$ 1,533,020

CITY OF BATTLE GROUND

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2022

	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	$ 275,392	$ -	$ 275,392
Receipts from interfund charges for technology rental services	-	137,658	137,658
Proceeds from Operating Grants	-	-	-
Cash payments to Suppliers		(47,799)	(47,799)
Net Cash Provided by Operating Activities	275,392	89,859	365,251
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(127,653)	(9,784)	(137,437)
Proceeds from sale of capital assets	4,000	-	4,000
Net Cash Provided for Capital and Related Financing Activities	(123,653)	(9,784)	(133,437)
Cash Flows from Investing Activities			
Interest on Investments	1,696	1,172	2,868
Sale (purchase) of Investment Securities	(29,555)	(16,426)	(45,981)
Net Cash Used by Investing Activities	(27,859)	(15,254)	(43,113)
Net Increase (Decrease) in Cash and Cash Equivalents	123,880	64,821	188,701
Cash and Cash Equivalents at Beginning of Year	465,209	285,007	750,216
Cash and Cash Equivalents at End of Year	$ 589,089	$ 349,828	$ 938,917
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Net Operating Income (Loss)	$ 89,950	$ 84,647	$ 174,597
Adjustments to reconcile net operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation Expense	185,442	13,639	199,081
Increase (Decrease) in Current Payables		(8,427)	(8,427)
	185,442	5,212	190,654
Net Cash Provided by Operating Activities	$ 275,392	$ 89,859	$ 365,251
Noncash Investing, Financing and Capital Activities			
Net Change in Fair Value of Investments	(7,128)	(4,233)	(11,361)

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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
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DEMOGRAPHIC AND ECONOMIC INFORMATION

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

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

OPERATING INFORMATION

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

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

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

FINANCIAL TRENDS

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

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

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

	2013	2014	2015	2016	2017
Governmental Activities					
Net investment in capital assets	$ 40,562,231	$ 40,834,702	$ 40,356,369	$ 39,534,273	$ 44,439,495
Restricted for:					
Capital	4,054,713	3,996,454	4,303,975	5,488,961	5,544,003
Pension	-	-	-	453,785	1,013,955
Drug Investigation	110,819	61,756	63,090	60,291	68,921
Tourist Promotion	118,049	130,359	144,631	153,483	174,624
Public Safety	-	-	-	-	-
Unrestricted	3,066,444	2,513,942	1,661,667	2,295,387	3,039,376
Total governmental activities net position	$ 47,912,256	$ 47,537,213	$ 46,529,732	$ 47,986,180	$ 54,280,374
Business-type Activities					
Net investment in capital assets	$ 45,207,967	$ 44,773,066	$ 50,545,433	$ 48,777,185	$ 50,173,640
Restricted	2,400,355	298,336	299,804	301,875	297,778
Unrestricted	9,092,385	13,179,807	15,158,274	17,866,082	19,891,869
Total business-type activities net position	$ 56,700,707	$ 58,251,209	$ 66,003,511	$ 66,945,142	$ 70,363,287
Primary Government					
Net investment in capital assets	$ 85,770,198	$ 85,607,768	$ 90,901,802	$ 88,311,458	$ 94,613,135
Restricted for:					
Capital	6,455,068	3,996,454	4,303,975	5,488,961	5,544,003
Pension	-	-	-	453,785	1,013,955
Debt	-	298,336	299,804	301,875	297,778
Drug Investigation	110,819	61,756	63,090	60,291	68,921
Tourist Promotion	118,049	130,359	144,631	153,483	174,624
Public Safety	-	-	-	-	-
Unrestricted	12,158,829	15,693,749	16,819,941	20,161,469	22,931,245
Total primary government net position	$ 104,612,963	$ 105,788,422	$ 112,533,243	$ 114,931,322	$ 124,643,661

Continued on next page

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

	2018	2019	2020	2021	2022
Governmental Activities					
Net investment in capital assets	$ 47,192,935	$ 47,156,748	$ 48,276,704	$ 53,834,490	$ 56,997,362
Restricted for:					
Capital	6,673,924	8,087,231	8,399,399	8,822,634	11,470,002
Pension	1,166,990	1,344,153	1,484,124	6,799,504	3,172,219
Drug Investigation	55,388	61,378	45,289	44,403	43,114
Tourist Promotion	209,490	245,768	269,325	292,988	276,906
Public Safety	-	-	497,815	-	297,717
Unrestricted	2,992,465	5,326,561	6,700,552	7,676,048	17,480,113
Total governmental activities net position	$ 58,291,192	$ 62,221,839	$ 65,673,208	$ 77,470,067	$ 89,737,433
Business-type Activities					
Net investment in capital assets	$ 50,237,762	$ 52,295,554	$ 52,425,451	$ 56,104,281	$ 58,206,799
Restricted	297,778	297,778	297,778	998,813	553,998
Unrestricted	22,677,534	24,696,312	27,343,734	31,926,353	36,610,404
Total business-type activities net position	$ 73,213,074	$ 77,289,644	$ 80,066,963	$ 89,029,447	$ 95,371,201
Primary Government					
Net investment in capital assets	$ 97,430,697	$ 99,452,302	$ 100,702,155	$ 109,938,771	$ 115,204,161
Restricted for:					
Capital	6,673,924	8,087,231	8,399,399	8,822,634	11,470,002
Pension	1,166,990	1,344,153	1,484,124	7,500,539	3,428,439
Debt	297,778	297,778	297,778	297,778	297,778
Drug Investigation	55,388	61,378	45,289	44,403	43,114
Tourist Promotion	209,490	245,768	269,325	292,988	276,906
Public Safety	-	-	497,815	-	297,717
Unrestricted	25,669,999	30,022,873	34,044,286	39,602,401	54,090,517
Total primary government net position	$ 131,504,266	$ 139,511,483	$ 145,740,171	$ 166,499,514	$ 185,108,634

CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2013	2014	2015	2016	2017
Expenses					
Governmental activities					
General government	$ 1,712,197	$ 1,835,205	$ 1,955,510	$ 1,884,953	$ 1,818,329
Judicial	470,139	518,954	587,230	569,422	730,455
Public Safety	4,026,694	3,995,788	4,014,769	4,303,774	6,766,840
Physical Environment	1,826,061	2,038,449	2,332,297	2,325,492	457,270
Transportation	2,400,518	2,452,138	2,959,111	2,871,534	3,279,449
Economic Environment	781,901	797,619	838,813	849,069	941,778
Culture and Recreation	1,025,958	1,022,673	866,175	1,027,123	1,049,993
Interest on long-term debt	537,184	523,450	504,353	477,416	460,347
Total governmental activities expenses	$ 12,780,652	$ 13,184,276	$ 14,058,258	$ 14,308,783	$ 15,504,461
Business-type activities					
Storm Drainage	$ 930,010	$ 1,062,553	$ 1,013,546	$ 1,158,748	$ 1,380,733
Water	2,235,333	2,103,010	2,524,181	2,691,560	2,914,232
Sewer	4,162,154	4,077,452	5,639,263	5,181,762	5,686,127
Total business-type activities expenses	7,327,497	7,243,015	9,176,990	9,032,070	9,981,092
Total primary government expenses	$ 20,108,149	$ 20,427,291	$ 23,235,248	$ 23,340,853	$ 25,485,553
Program Revenues					
Governmental activities					
Charge for services					
General Government	$ 573,328	$ 223,657	$ 268,480	$ 387,984	$ 342,546
Judicial	455,060	466,472	447,779	446,311	195,861
Economic Environment	2,457,298	1,182,655	1,887,302	2,520,101	2,167,138
Other activities	193,857	201,268	331,963	201,667	327,140
Operating grants and contributions	771,126	742,824	891,157	1,104,258	1,062,301
Capital grant and contributions	932,403	1,129,275	1,409,148	528,232	6,339,352
Total government activities program revenues	$ 5,383,072	$ 3,946,151	$ 5,235,829	$ 5,188,553	$ 10,434,338
Business-type activities					
Storm Drainage	$ 777,144	$ 883,677	$ 865,854	$ 1,035,170	$ 1,205,307
Water	2,098,727	2,223,658	2,390,158	2,503,684	2,728,712
Sewer	2,905,225	3,148,635	3,238,712	3,565,701	3,831,541
Operating grants and contributions					
Capital grants and contributions	2,043,392	2,205,630	3,821,962	2,598,683	5,330,573
Total business-type activities program revenues	7,824,488	8,461,600	10,316,686	9,703,238	13,096,133
Total primary government program revenues	$ 13,207,560	$ 12,407,751	$ 15,552,515	$ 14,891,791	$ 23,530,471

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CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2018	2019	2020	2021	2022
Expenses					
Governmental activities					
General government	$ 1,994,437	$ 2,567,566	$ 2,335,730	$ 2,206,627	$ 2,450,571
Judicial	602,107	246,734	571,181	665,347	673,424
Public Safety	7,305,827	7,531,825	8,558,547	4,010,312	5,258,294
Physical Environment	477,150	452,297	419,875	401,717	583,333
Transportation	3,291,877	3,566,592	3,197,724	4,309,325	4,635,628
Economic Environment	996,604	2,304,417	2,237,387	3,945,702	3,306,249
Culture and Recreation	1,042,660	899,601	875,202	912,321	1,137,528
Interest on long-term debt	430,418	400,222	352,877	258,751	224,865
Total governmental activities expenses	$ 16,141,080	$ 17,969,254	$ 18,548,523	$ 16,710,102	$ 18,269,892
Business-type activities					
Storm Drainage	$ 1,332,675	$ 1,409,906	$ 1,420,125	$ 1,675,682	$ 1,915,524
Water	2,985,843	2,919,154	3,376,589	3,760,859	4,166,567
Sewer	8,557,894	6,595,763	6,637,207	6,848,172	7,066,784
Total business-type activities expenses	12,876,412	10,924,823	11,433,921	12,284,713	13,148,875
Total primary government expenses	$ 29,017,492	$ 28,894,077	$ 29,982,444	$ 28,994,815	$ 31,418,767
Program Revenues					
Governmental activities					
Charge for services					
General Government	$ 283,560	$ 378,297	$ 114,900	$ 163,248	$ 156,746
Judicial	169,059	203,925	199,382	292,829	368,831
Economic Environment	2,367,537	4,776,072	4,257,368	6,968,109	6,575,446
Other activities	532,277	531,596	619,971	349,430	666,996
Operating grants and contributions	1,134,990	1,130,484	1,693,611	1,058,494	1,322,960
Capital grant and contributions	4,849,346	2,090,113	3,072,574	4,637,149	5,864,679
Total government activities program revenues	$ 9,336,769	$ 9,110,487	$ 9,957,806	$ 13,469,259	$ 14,955,658
Business-type activities					
Storm Drainage	$ 1,386,111	$ 1,556,134	$ 1,601,371	$ 1,661,080	$ 1,732,666
Water	2,884,377	2,862,375	2,855,522	3,227,474	3,425,814
Sewer	4,303,363	4,715,056	4,764,471	5,085,271	5,621,768
Operating grants and contributions	50,000	-	127,332	17,395	101,616
Capital grants and contributions	6,614,179	5,105,880	4,393,652	10,936,910	8,149,527
Total business-type activities program revenues	15,238,030	14,239,445	13,742,348	20,928,130	19,031,391
Total primary government program revenues	$ 24,574,799	$ 23,349,932	$ 23,700,154	$ 34,397,389	$ 33,987,049

CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2013	2014	2015	2016	2017
Net(Expenses)Revenue					
Government activities	(7,397,580)	(9,238,125)	(8,822,429)	(9,120,230)	(5,070,123)
Business activities	496,991	1,218,585	1,139,696	671,168	3,115,041
Total primary government net expense	(6,900,589)	(8,019,540)	(7,682,733)	(8,449,062)	(1,955,082)
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	2,532,873	2,601,477	2,752,356	2,816,320	2,902,251
Sales and use taxes	2,015,104	2,214,953	2,553,298	2,949,812	3,521,944
Business and occupation taxes	2,747,427	3,050,051	3,196,511	3,313,960	3,187,273
Excise taxes	526,572	625,117	690,792	978,371	1,187,266
Unrestricted grants and contributions	263,350	262,642	297,154	360,532	347,317
Investment earnings	18,265	57,522	50,427	72,726	98,941
Miscellaneous	89,750	204,787	92,392	82,457	106,116
Gain on sale of capital assets	(4,482)	-	-	2,500	13,207
Insurance recoveries	-	-	-	-	
Special Item					
Transfers	138,057	-	-	-	
Total governmental activities	8,326,916	9,016,549	9,632,930	10,576,678	11,364,317
Business-type activities					
Investment earnings	33,565	60,640	91,804	128,293	169,175
Miscellaneous	135,943	117,810	195,043	142,170	163,304
Special Item	-	-	7,019,290	-	
Gain(loss) on sale of capital assets	-	-	-	-	(29,376)
Transfers	(138,057)	-	-	-	
Total business-type activities	31,451	178,450	7,306,137	270,463	303,103
Total primary government	8,358,367	9,194,999	16,939,067	10,847,141	11,667,420
Changes in Net Position					
Governmental activities	929,336	(221,576)	810,501	1,456,448	6,294,194
Business-type activities	528,442	1,397,035	8,445,833	941,631	3,418,144
Total primary government	1,457,778	1,175,459	9,256,334	2,398,079	9,712,338

continued on next page

CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2018	2019	2020	2021	2022
Net(Expenses)Revenue					
Government activities	(6,804,311)	(8,858,767)	(8,590,717)	(3,240,843)	(3,314,234)
Business activities	2,361,618	3,314,622	2,308,427	8,643,417	5,882,516
Total primary government net expense	(4,442,693)	(5,544,145)	(6,282,290)	5,402,574	2,568,282
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	3,049,456	3,162,791	3,323,783	3,495,531	3,701,555
Sales and use taxes	3,723,445	4,002,428	4,396,312	5,617,753	6,051,634
Business and occupation taxes	3,357,670	3,448,257	3,098,913	2,915,471	3,036,428
Excise taxes	1,077,298	1,243,205	1,455,122	2,323,199	2,403,433
Unrestricted grants and contributions	362,403	373,645	401,637	475,559	404,383
Investment earnings	209,631	337,457	180,832	60,480	142,924
Miscellaneous	91,735	325,392	39,967	125,959	44,101
Gain on sale of capital assets	4,680	(105,126)	-	26,483	21,708
Insurance recoveries		1,365	-	-	-
Special Item			(829,480)	-	-
Transfers		-	(25,000)	(2,733)	(224,566)
Total governmental activities	11,876,318	12,789,414	12,042,086	15,037,702	15,581,600
Business-type activities					
Investment earnings	319,724	554,359	302,737	88,415	114,607
Miscellaneous	165,412	207,589	191,895		120,065
Special Item					-
Gain(loss) on sale of capital assets	3,033			227,919	-
Transfers			25,000	2,733	224,566
Total business-type activities	488,169	761,948	519,632	319,067	459,238
Total primary government	12,364,487	13,551,362	12,561,718	15,356,769	16,040,838
Changes in Net Position					
Governmental activities	5,072,007	3,930,647	3,451,369	11,796,859	12,267,366
Business-type activities	2,849,787	4,076,570	2,828,059	8,962,484	6,341,754
Total primary government	7,921,794	8,007,217	6,279,428	20,759,343	18,609,120

CITY OF BATTLE GROUND

Schedule 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accruaL basis of accounting)

	2013	2014	2015	2016	2017
General Fund					
Restricted	$ -	$ -	$ -	$ -	$ -
Committed	843,012	2,181,206	2,159,935	2,455,518	382,871
Assigned	1,767,197	337,275	396,115	517,175	483,837
Unassigned	541,776	392,637	1,121,241	1,744,474	4,934,676
Total general fund	3,151,985	2,911,118	3,677,291	4,717,167	5,801,384
All Other Governmental Funds					
Restricted	4,283,581	4,188,568	4,511,696	5,705,734	5,787,548
Assigned					
Special revenue funds	131,345	202,032	121,375	255,040	253,684
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	$ 4,414,926	$ 4,390,600	$ 4,633,071	$ 5,960,774	$ 6,041,232

Continued on next page

CITY OF BATTLE GROUND

Schedule 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accruaL basis of accounting)

	2018	2019	2020	2021	2022
General Fund					
Restricted	$ -	$ -	$ -	$ -	$ 22,185
Committed	238,127	243,808	354,558	355,611	356,908
Assigned	466,644	699,040	771,150	1,001,277	1,271,161
Unassigned	5,840,214	7,391,039	8,628,277	13,445,577	18,007,378
Total general fund	6,544,985	8,333,887	9,753,985	14,802,465	19,657,632
All Other Governmental Funds					
Restricted	6,938,802	8,394,377	9,211,828	9,160,025	11,790,022
Assigned					
Special revenue funds	505,627	580,053	913,721	990,615	913,549
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	$ 7,444,429	$ 8,974,430	$ 10,125,549	$ 10,150,640	$ 12,703,571

CITY OF BATTLE GROUND

Schedule 4

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2013	2014	2015	2016	2017
Revenues					
Taxes	$ 7,840,470	$ 8,544,130	$ 9,291,615	$ 10,335,734	$ 11,529,561
Licenses, fees, and permits	775,452	505,827	826,011	841,949	963,119
Intergovernmental	1,421,076	992,049	1,062,872	1,385,585	5,246,958
Charges for services	3,136,021	2,105,905	2,452,856	2,953,275	2,557,087
Fines and penalties	267,847	258,072	262,732	260,696	241,915
Investment earnings	18,436	55,088	47,756	69,705	98,942
Rents and royalties	277,270	267,868	295,559	272,099	282,302
Contributions/donations	219,100	278,680	139,191	127,917	141,294
Other revenues	189,615	208,130	92,391	89,354	106,116
Total governmental funds	14,145,287	13,215,749	14,470,983	16,336,314	21,167,294
Expenditures					
General Government	2,573,394	2,795,271	2,732,778	2,692,214	2,573,435
Judicial	470,139	518,954	587,723	579,154	737,822
Security/persons and property	3,787,018	3,844,787	3,887,783	3,944,592	6,629,465
Physical environment	1,761,171	2,017,648	2,282,573	2,296,398	439,352
Transportation	759,740	866,029	1,046,103	1,109,050	1,436,015
Economic environment	781,901	797,619	829,749	876,787	954,108
Culture and recreation	583,251	592,725	585,329	607,717	621,871
Capital outlay	1,097,127	503,473	95,466	691,716	4,974,887
Debt service					
Principal	562,653	801,358	831,761	846,383	886,541
Interest	541,525	525,437	503,159	482,069	469,122
Total expenditures	12,917,919	13,263,301	13,382,424	14,126,080	19,722,618
Excess of revenues over (under) expenditures	1,227,368	(47,552)	1,088,559	2,210,234	1,444,676
Other Financing Sources (Uses)					
Sale of capital assets	14,660	-	-	-	-
Long-term debt proceeds	-	-	-	270,594	-
Proceeds of Lease	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Transfers in	1,723,148	2,174,409	1,652,267	1,754,897	2,343,505
Transfers out	(1,723,148)	(2,392,050)	(1,732,182)	(1,868,145)	(2,623,507)
Total other financing sources (uses)	14,660	(217,641)	(79,915)	157,346	(280,002)
Net changes in fund balances	$ 1,242,028	$ (265,193)	$ 1,008,644	$ 2,367,580	$ 1,164,674
Debt service as a percentage of noncapital expenditures	9.34%	10.40%	10.05%	9.89%	9.19%

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)

	2018	2019	2020	2021	2022
Revenues					
Taxes	$ 11,333,623	$ 12,141,540	$ 12,437,585	$ 14,178,787	$ 15,194,131
Licenses, fees, and permits	1,181,600	1,423,090	1,370,663	2,163,860	1,871,670
Intergovernmental	2,362,444	1,334,014	2,401,530	2,419,182	2,929,333
Charges for services	2,797,512	4,843,131	4,637,700	6,761,540	6,598,032
Fines and penalties	243,280	235,272	153,836	153,754	147,958
Investment earnings	198,777	319,084	171,912	58,145	140,018
Rents and royalties	277,815	281,039	141,495	238,187	362,855
Contributions/donations	141,134	128,784	134,215	132,028	139,773
Other revenues	87,388	314,914	40,169	109,524	180,612
Total governmental funds	18,623,573	21,020,868	21,489,105	26,215,007	27,564,382
Expenditures					
General Government	2,813,508	3,221,339	3,214,508	3,099,318	3,434,199
Judicial	700,282	290,854	588,904	717,465	800,824
Security/persons and property	7,318,752	7,611,206	8,227,704	4,917,503	5,613,224
Physical environment	489,047	473,904	428,944	462,356	600,457
Transportation	1,053,875	1,203,556	726,195	1,856,666	2,052,335
Economic environment	1,050,336	2,363,308	2,286,466	4,088,629	3,366,615
Culture and recreation	669,837	562,309	538,844	593,638	818,459
Capital outlay	797,012	400,133	1,130,518	2,526,648	2,702,622
Debt service					
Principal	904,123	1,085,141	1,656,184	2,617,250	433,555
Interest	437,237	411,426	371,345	308,378	226,558
Total expenditures	16,234,009	17,623,176	19,169,612	21,187,851	20,048,848
Excess of revenues over (under) expenditures	2,389,564	3,397,692	2,319,493	5,027,156	7,515,534
Other Financing Sources (Uses)					
Sale of capital assets	2,210	-	99,990	6,980	17,708
Long-term debt proceeds	-	-	-	-	-
Proceeds of Lease	-	-	-	-	47,203
Insurance recoveries	4,344	1,128	43,734	42,167	52,219
Transfers in	2,009,069	2,058,926	2,859,953	5,993,127	3,411,225
Transfers out	(2,258,390)	(2,138,843)	(2,751,953)	(5,995,859)	(3,635,791)
Total other financing sources (uses)	(242,767)	(78,789)	251,724	46,415	(107,436)
Net changes in fund balances	$ 2,146,797	$ 3,318,903	$ 2,571,217	$ 5,073,571	$ 7,408,098
Debt service as a percentage of noncapital expenditures	8.69%	8.69%	11.24%	15.68%	3.81%

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

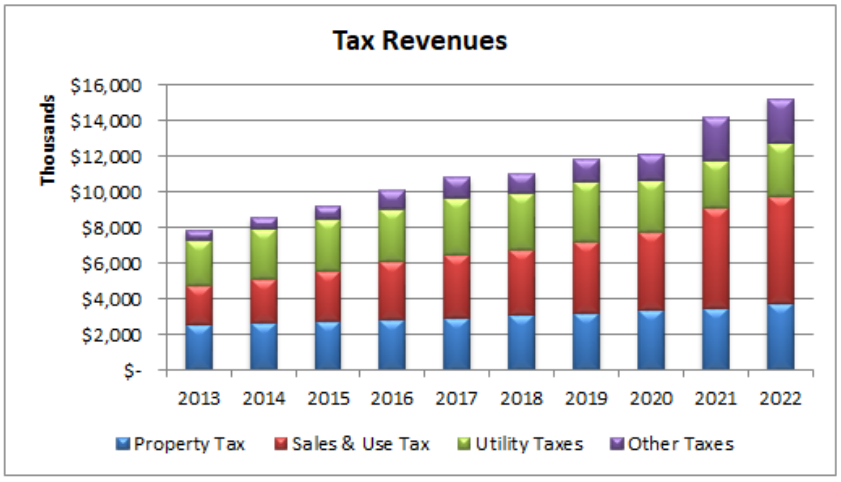
Schedule 5

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
2013	2,551,368	2,217,875	2,518,789	552,439	7,840,471
2014	2,654,010	2,446,729	2,790,599	652,793	8,544,131
2015	2,758,389	2,791,726	2,924,491	724,384	9,198,990
2016	2,819,856	3,233,490	2,992,741	1,015,911	10,061,998
2017	2,906,406	3,521,944	3,187,273	1,187,924	10,803,547
2018	3,049,015	3,723,445	3,140,647	1,134,017	11,047,124
2019	3,158,747	4,002,428	3,383,862	1,307,601	11,852,638
2020	3,333,686	4,396,312	2,889,763	1,494,145	12,113,907
2021	3,492,300	5,617,753	2,657,606	2,401,822	14,169,481
2022	3,695,943	6,058,270	2,939,552	2,500,308	15,194,073
Change 2021-2022	5.83%	7.84%	10.61%	4.10%	7.23%



Source: City of Battle Ground financial records

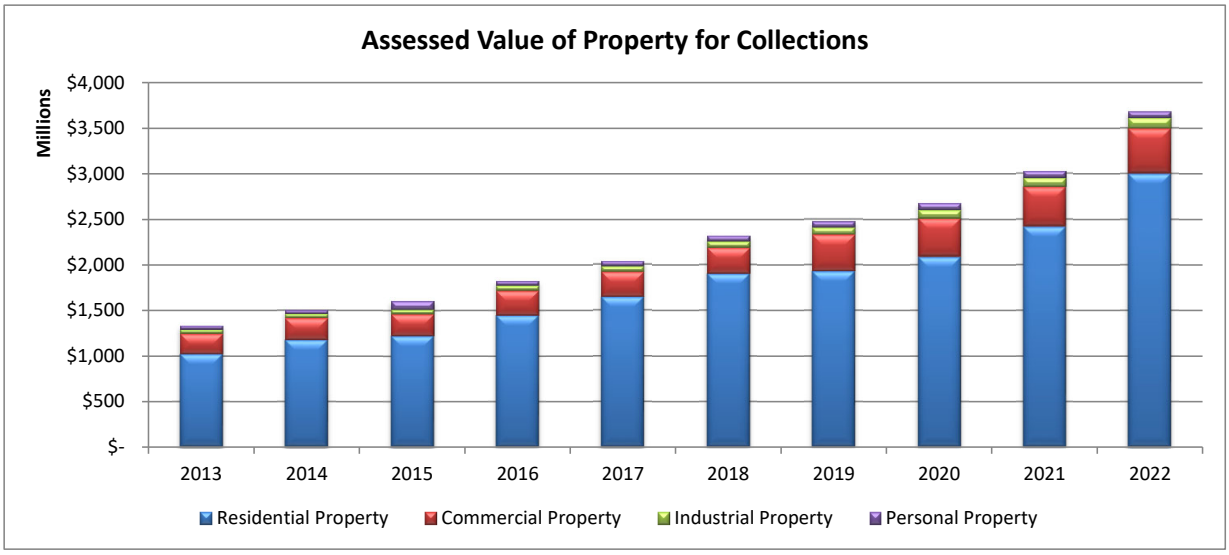
CITY OF BATTLE GROUND

Schedule 6

Assessed Value of Taxable Property

Last Ten Fiscal Years

Assessed Year	Collection Year	Real Property Assessed Value: Residential Property	Real Property Assessed Value: Commercial Property	Real Property Assessed Value: Industrial Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate
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
2022	2023	3,001,168,588	493,429,220	116,610,370	71,351,930	3,682,560,108	1.07



Source: Clark County Department of Assessment and GIS

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

Tax rates are per $1,000 of assessed value

CITY OF BATTLE GROUND

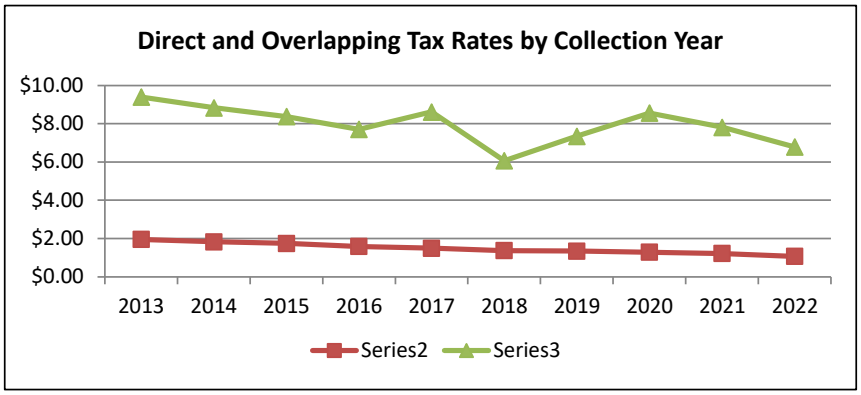
Schedule 7

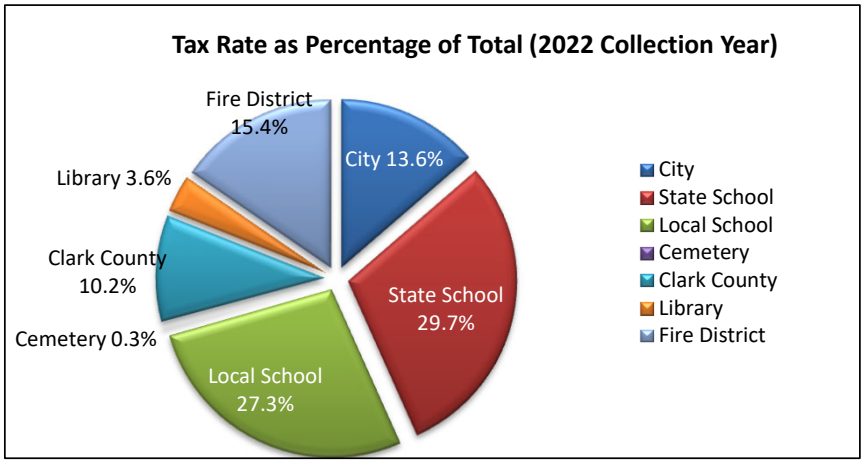
Property Tax Rates

Direct and Overlapping Governments

Last Ten Fiscal Years

Assessed Year	Collection Year	Direct City Rate	Overlapping Rates						Total Average Levy Rate
			State School	Local School	Clark County	Public Library	Cemetery	Fire District 3	
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
2022	2023	1.07	2.33	2.14	0.80	0.28	0.02	1.21	7.85





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.

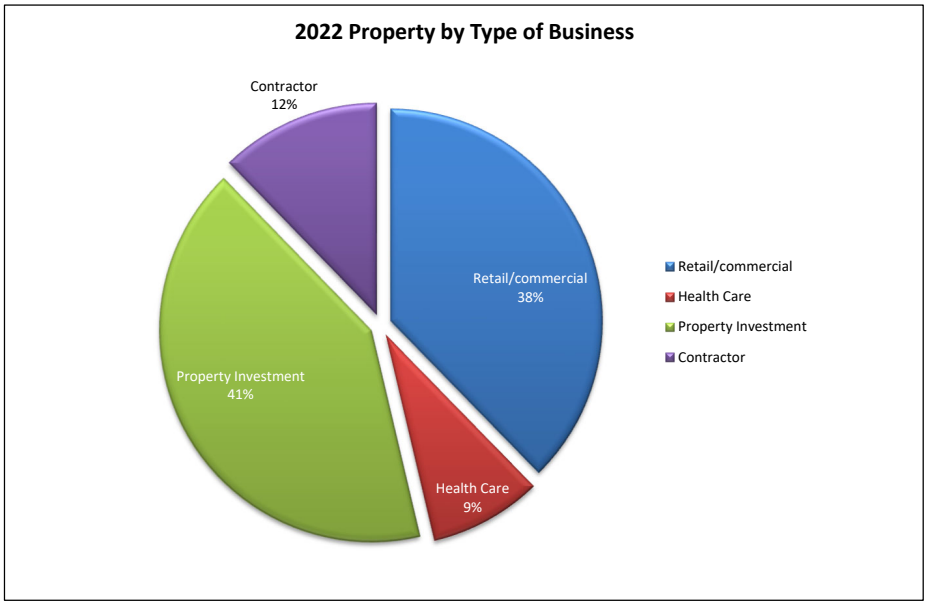
CITY OF BATTLE GROUND

Schedule 8

Principal Property Taxpayers

Current Year and Nine Years Ago

		2022			2013		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Alder Pointe BG LLC	Property Investment	$ 27,652,471	1	0.91%			
Tapani Underground Inc	Contractor-Excavating	20,371,673	2	0.67%	6,300,519	9	0.47%
Fred Meyer Store	Retail	19,850,946	3	0.66%	17,195,885	1	1.29%
SOP LLC	Property Investment	19,073,300	4	0.63%			
Wal-Mart Real Estate Business Trust	Retail/commercial	16,511,700	5	0.55%			
Battle Ground Market Center	Retail/commercial	15,350,000	6	0.51%	15,466,900	2	1.16%
The Vancouver Clinic	Health Care	14,314,168	7	0.47%	13,604,800	3	1.02%
New Tradition Homes Inc	Property Investment	11,729,334	8	0.39%			
Oldcastle Glass Inc.	Commercial	10,909,430	9	0.36%	8,432,985	4	0.63%
218/318 Westwood Commons LLC	Property Investment	10,371,000	10	0.34%	5,910,800	10	0.44%
Hi-School Properties LLC	Retail/commercial				7,088,000	7	0.53%
Dennis Pavlina	Property Investment				7,596,483	6	0.57%
Samuel and Shelley Walker	Property Investment				8,354,400	5	0.63%
Mobile Estates	Property Investment				6,925,300	8	0.52%
Total Principal Property Tax Payers		166,134,022		5.49%	96,876,072		7.27%
All Other City Taxpayers		2,858,560,807		94.51%	1,235,907,439		92.73%
Total City Taxpayers		3,024,694,829		100.00%	$ 1,332,783,511		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
2013	2,542,871	2,491,852	97.99%	51,019	2,542,871	100.00%
2014	2,612,427	2,564,034	98.15%	48,393	2,612,427	100.00%
2015	2,747,180	2,707,983	98.57%	38,867	2,746,850	99.98%
2016	2,807,748	2,772,332	98.74%	35,386	2,807,718	99.99%
2017	2,893,525	2,851,452	98.55%	42,065	2,893,517	99.99%
2018	3,052,811	3,022,188	99.00%	30,477	3,052,665	99.90%
2019	3,173,966	3,147,756	99.17%	26,010	3,173,766	99.69%
2020	3,331,136	3,306,744	99.27%	21,776	3,328,521	99.27%
2021	3,462,275	3,421,794	98.83%	25,065	3,446,859	99.55%
2022	3,684,016	3,650,334	99.09%	-	3,650,334	99.09%



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

DEBT CAPACITY

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

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

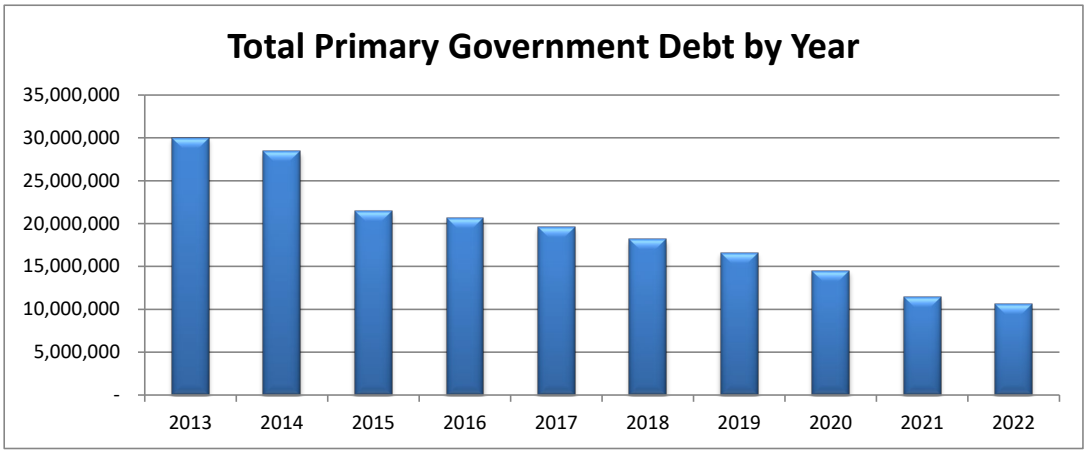
CITY OF BATTLE GROUND

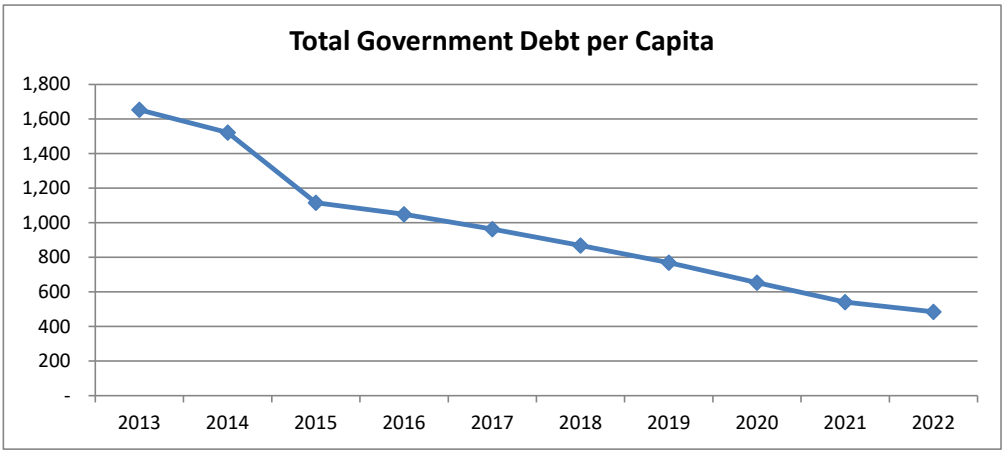
Schedule 10

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities					
Fiscal Year	General Obligation Bonds	Public Works Trust Fund Loans	Leases	Revenue Bonds	Public Works Trust Fund Loans	Total Primary Government	Percentage of Personal Income	Population	Per Capita
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	0.81%	21,160	542
2022	3,040,000	100,000	38,647	7,391,541		10,570,188	0.77%	21,780	485





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

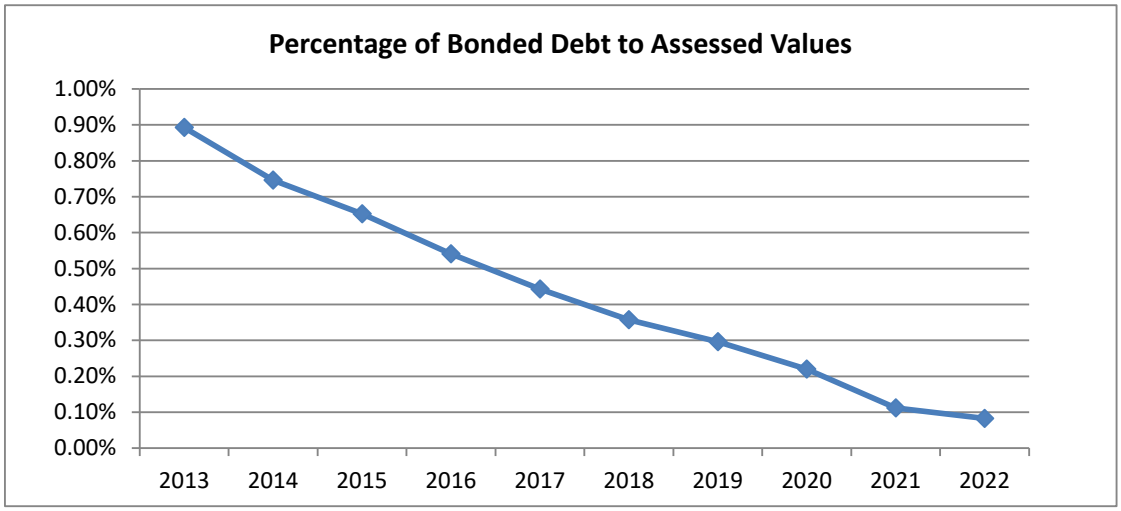
CITY OF BATTLE GROUND

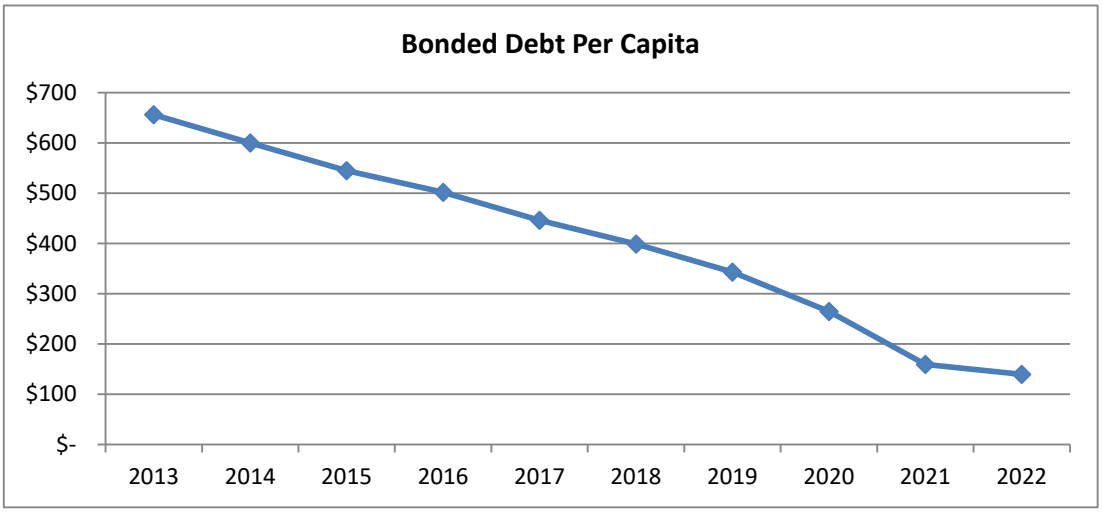
Schedule 11

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
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
2022	3,040,000	3,682,560,108	0.08%	21,780	140





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

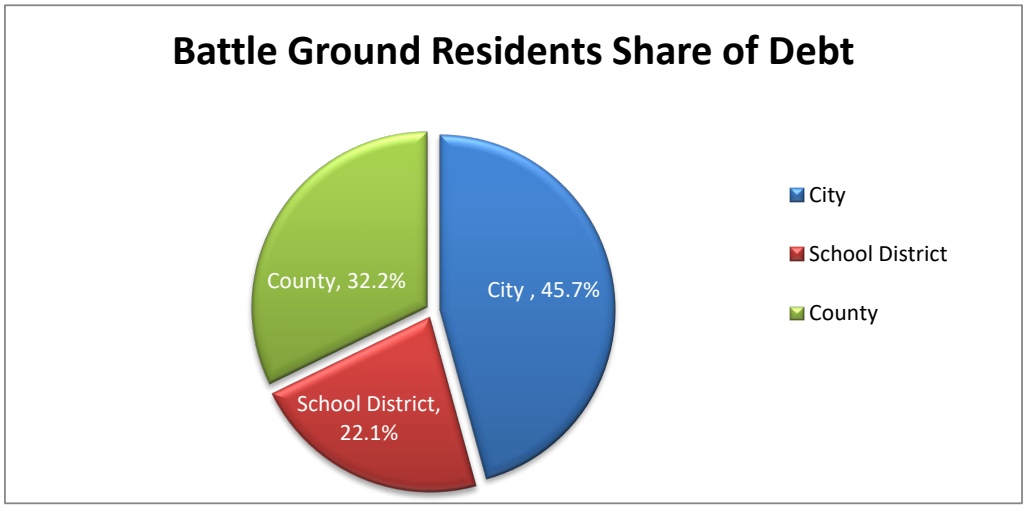
Schedule 12

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	$ 3,040,000		
Public Works Trust Fund Loan	100,000		
Total Direct	$ 3,140,000	100.00%	$ 3,140,000
Overlapping: (GO debt repaid with property taxes)			
Battle Ground School District	6,807,044	22.24%	1,514,058
Clark County	58,900,707	3.75%	2,211,620
Total Overlapping	$ 65,707,751		$ 3,725,678
Total direct and overlapping debt	$ 68,847,751		$ 6,865,678

Property Valuation (2022 Assessment for 2023 Tax Collections)

City Assessed Valuation	$ 3,682,560,108
School Assessed Valuation	$ 16,556,400,174
County Assessed Valuation	$ 98,075,328,593



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 (2022 assessment for 2023 revenue)		$ 3,682,560,108
Debt limit:		
General purpose debt limit without a vote (1.5%)		55,238,402
General purpose debt limit with a vote (1.0%)		36,825,601
Utility purpose debt limit with a vote (2.5%)		73,651,202
Open space, park, capital facilities debt limit with a vote (2.5%)		92,064,003
Total debt limit		$ 257,779,208
Debt applicable to limit:		
General purpose debt limit without a vote (1.5%)	3,040,000	
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		3,040,000
Legal debt margin		$ 254,739,208

	2013	2014	2015	2016	2017
Assessed Valuation	$ 1,332,783,511	$ 1,501,398,094	$ 1,606,931,280	$ 1,824,114,773	$ 2,033,273,795
General purpose debt limit (1.5%)	19,991,753	22,520,971	24,103,969	27,361,722	30,499,107
Total net debt applicable to limit	11,895,000	11,205,000	10,485,000	9,755,000	9,005,000
Available non-voted debt capacity	$ 8,096,753	$ 11,315,971	$ 13,618,969	$ 17,606,722	$ 21,494,107
Total net debt applicable to the limit as a percentage of debt limit	59.50%	49.75%	43.50%	35.65%	29.53%

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CITY OF BATTLE GROUND

Schedule 13

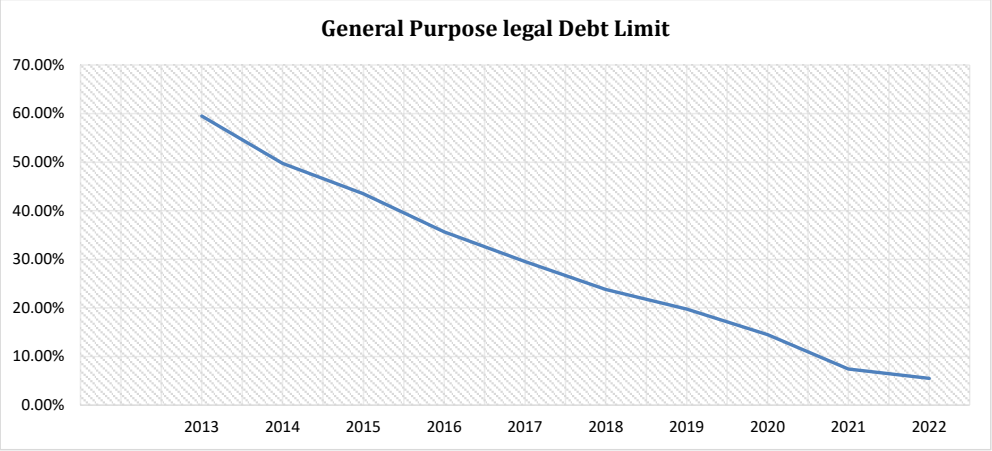
Legal Debt Margin Information

Last Ten Fiscal Years

	2018	2019	2020	2021	2022
Assessed Valuation	$ 2,313,732,400	$ 2,473,570,612	$ 2,675,091,458	$ 3,024,694,829	$ 3,682,560,108
General purpose debt limit (1.5%)	34,705,986	37,103,559	40,126,372	45,370,422	55,238,402
Total net debt applicable to limit	8,255,000	7,325,000	5,825,000	3,365,000	3,040,000
Available non-voted debt capacity	$ 26,450,986	$ 29,778,559	$ 34,301,372	$ 42,005,422	$ 52,198,402
Total net debt applicable to the limit as a percentage of debt limit	23.79%	19.74%	14.52%	7.42%	5.50%

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

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



CITY OF BATTLE GROUND

Schedule 14

Pledged-Revenue Coverage

Last Ten Fiscal Years

Water Fund

Fiscal Year	Operating Revenues	Less: Operating Expenses	Net Revenue Available	Debt Service			Required Coverage*
				Principal	Interest	Total	
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
2022	3,425,814	3,188,205	237,609	180,166	62,128	242,294	302,868

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	
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
2022	5,621,768	4,864,304	757,464	122,962	174,816	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

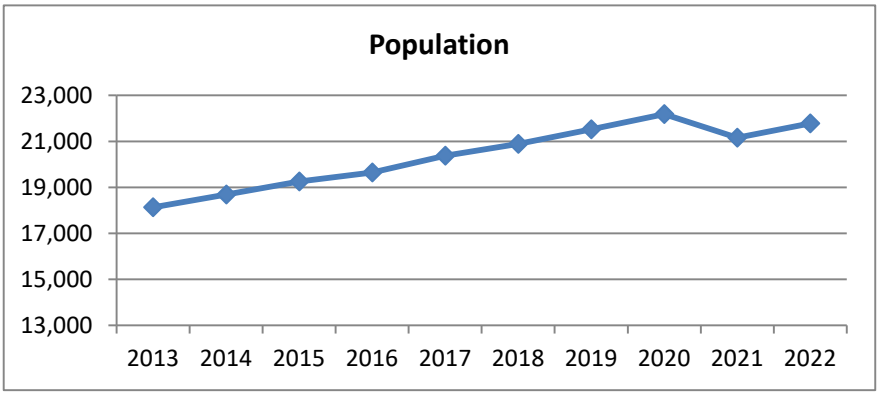
CITY OF BATTLE GROUND

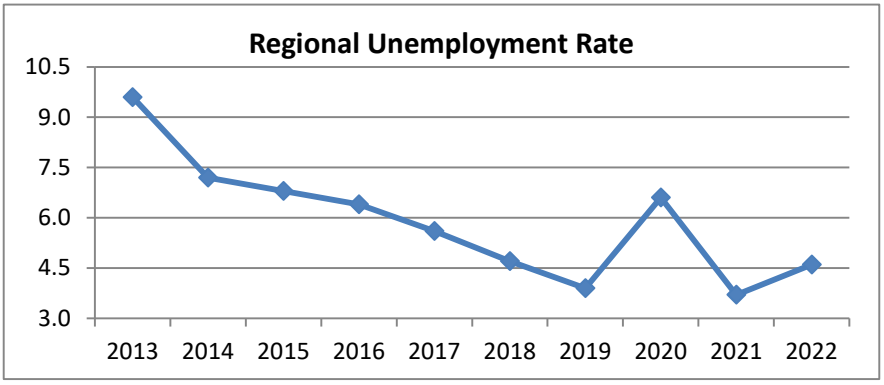
Schedule 15

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]
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
2022	21,780	1,381,440,060	63,427	11,648	4.6





Source: (1) Population - State of Washington Office of Financial Management
(2) Personal income calculated by multiplying population by per capita income
(3) Per capita income listed for Clark County, WA - U.S. Dept of Commerce - Bureau of Economic Anaylsis. Estimate
(4) Battle Ground School District - enrollment for school year ending 2021
(5) Washington State Employment Security Department - Clark County

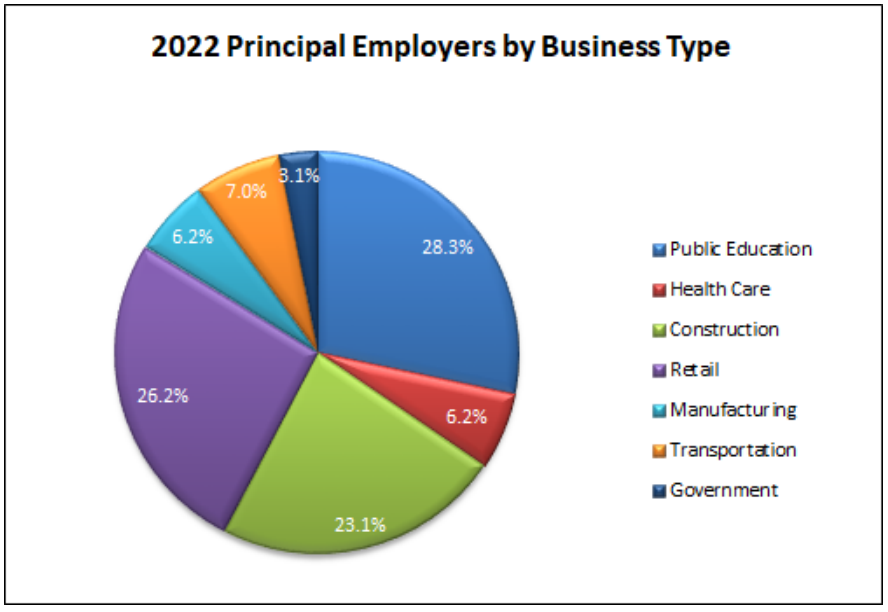
CITY OF BATTLE GROUND

Schedule 16

Principal Employers,

Last Ten Fiscal Years

		2022			2013	
Employer	**Type of Business**	**Employees**	**Rank**	**% of Labor Force**	**Employees**	**Rank**
Battle Ground School District	Public Education	791	1	28.3%	714	1
Tapani Underground Inc.	Construction	647	2	23.1%	125	3
Walmart	Retail	283	4	10.1%		
Fred Meyer	Retail	247	3	8.8%	237	2
Student First	Transportation	195	5	7.0%		
Vancouver Clinic	Healthcare	173	7	6.2%	131	6
Anderson Plastics/Anderson Dairy	Manufacturing	172	6	6.1%	155	5
Albertson's	Retail	102	8	3.6%		
Safeway	Retail	99	9	3.5%	87	9
City of Battle Ground	Government	86	10	3.1%	76	10
JRT Mechanical	Manufacturing				119	7
Laidlaw Transit	Transportation				192	4
Victory Healthcare	Healthcare				88	8
	Total	2,797			1,924	



Source: City of Battle Ground Community Development Department

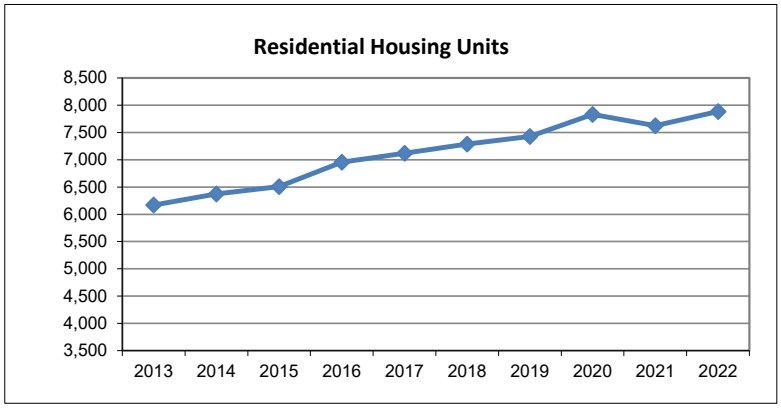
CITY OF BATTLE GROUND

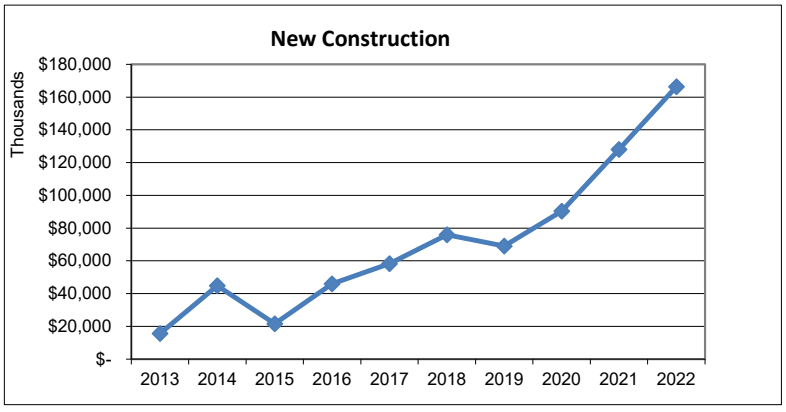
Schedule 17

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
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	7,427	69,108,504	2,473,570,612	2.8%
2020	22,180	7,834	90,426,090	2,675,091,458	3.4%
2021	21,160	7,625	128,116,289	3,024,694,829	4.2%
2022	21,780	7,885	166,353,643	3,682,560,108	4.5%





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

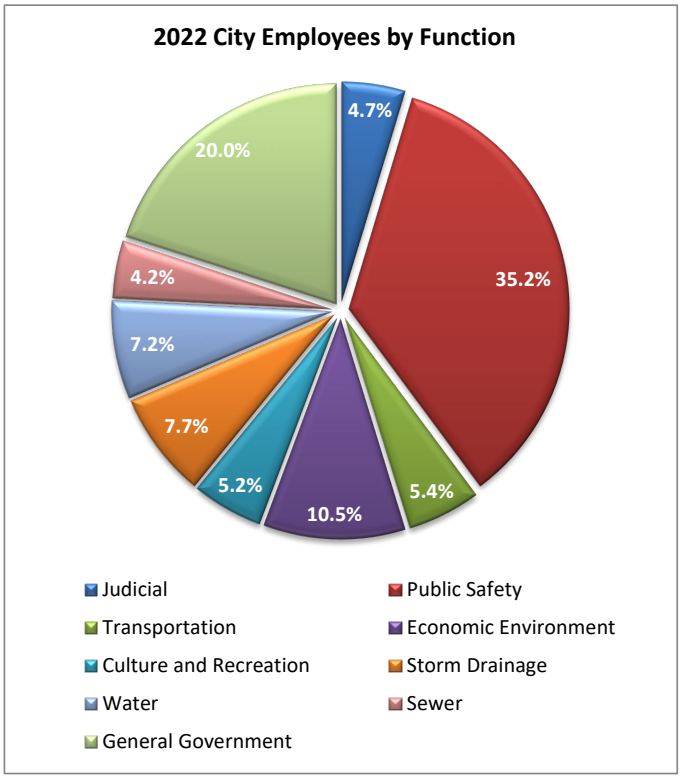
CITY OF BATTLE GROUND

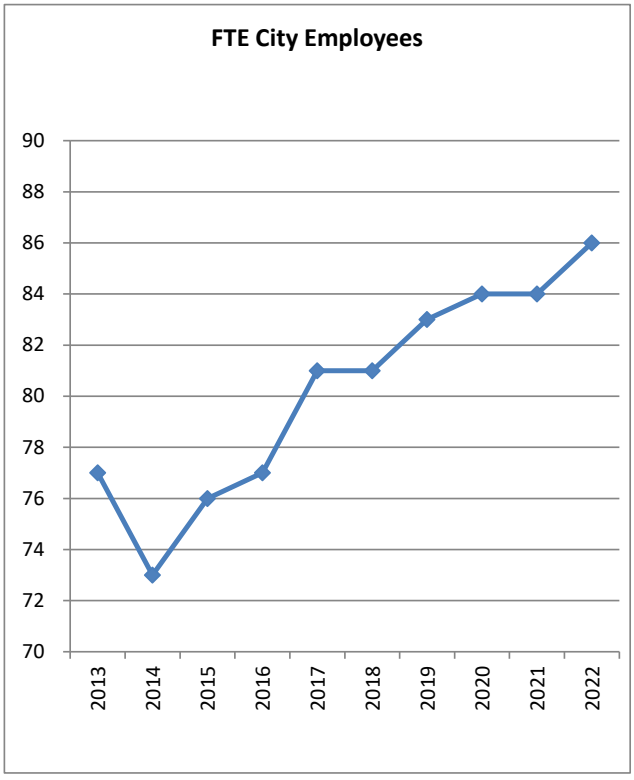
Table 18

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

Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
General Government	12.00	12.00	13.00	13.00	18.88	18.84	20.16	19.54	19.47	17.24
Judicial	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Public Safety	27.00	25.00	27.00	27.00	28.00	28.00	28.00	29.07	29.07	30.27
Transportation	4.00	5.00	7.00	7.00	4.09	3.55	3.48	3.68	3.98	4.63
Economic Environment	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00
Culture and Recreation	4.00	4.00	4.50	3.50	3.42	3.35	3.27	3.37	3.35	4.48
Utilities/Public Works	5.00	1.00								
Storm Drainage	3.00	4.00	3.50	4.50	5.11	5.25	5.61	5.92	5.76	6.65
Water	6.00	6.00	5.00	6.00	5.55	5.78	6.03	5.48	5.56	6.15
Sewer	5.00	4.00	4.00	4.00	3.95	4.23	4.45	4.94	4.81	3.58
Totals	77.00	73.00	76.00	77.00	81.00	81.00	83.00	84.00	84.00	86.00





Source: Department of Human Resources City of Battle Ground

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

CITY OF BATTLE GROUND

Schedule 19

Operating Indictors by Function/Program

Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017
General Government					
Population	18,130	18,237	19,250	19,640	20,370
Housing Units	6,169	6,371	6,506	6,956	7,118
Judicial					
Total number of cases filed	3,565	3,626	3,303	3,312	3,273
Total hearings scheduled	7,701	7,601	7,819	8,780	9,367
Total warrants issued	639	508	457	420	406
Public Safety (Law Enforcement)					
Citations issued	2,618	2,692	2,615	2,621	2,670
Reports written	2,599	2,697	2,524	2,456	2,706
Number of calls for service	13,063	14,141	14,239	14,660	14,898
Arrests	1,260	1,450	1,467	1,458	1,334
Transportation					
Right of way (hours)	109	72	50	96	113
Hours street sweeping	867	1,010	1,026	1,036	1,011
Curb painting (hours)	4	52	50	73	30
Crack sealing (hours)	-	-	200	559	338
Culture and Recreation					
Hours park mowing	900	945	900	632	582
Trash pick-up	678	902	800	1,370	1,555
Weed spraying	10	18	20	32	7
Water					
Number of water accounts	5,420	5,498	5,534	5,622	5,727
Average daily production (gallons)	1,341,026	1,394,995	1,486,384	1,486,788	1,563,421
Storm Drainage					
Number of drainage accounts	5,733	5,862	5,891	6,004	6,186
Ditch maintenance (Hours)	422	2,660	2,700	1,882	249
Clean catch basins	330	302	312	624	546
Sewer					
Number of sewer accounts	5,546	5,626	5,650	5,727	5,892
Clean sewer lines (feet)	19,010	50,000	5,552	13,720	46,500
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	2018	2019	2020	2021	2022
General Government					
Population	20,890	21,520	20,742	21,160	21,780
Housing Units	7,290	7,427	7,449	7,625	7,885
Judicial					
Total number of cases filed	3,153	2,784	1,536	1,723	2,043
Total hearings scheduled	10,415	11,750	7,506	7,595	7,485
Total warrants issued	667	863	546	547	675
Public Safety (Law Enforcement)					
Citations issued	2,242	2,218	822	1,101	1,571
Reports written	2,641	2,680	1,782	1,891	2,100
Number of calls for service	14,321	16,613	12,348	11,782	12,791
Arrests	916	923	501	467	544
Transportation					
Right of way	110	262	244	67	918
Hours street sweeping	1,025	700	950	1,576	1,626
Curb painting (hours)	42	100	18	12	188
Crack sealing (hours)	404	14	-	736	160
Culture and Recreation					
Hours park mowing	637	707	884	800	1,068
Trash pick-up	932	982	874	644	800
Weed spraying	16	56	60	148	64
Water					
Number of water accounts	5,805	6,113	6,284	6,496	6,653
Average daily production (gallons)	1,636,996	1,545,000	1,592,324	1,727,854	1,717,232
Storm Drainage					
Number of drainage accounts	6,294	6,652	6,830	7,193	7,420
Ditch maintenance (Hours)	1,758	1,848	2,220	1,856	56
Clean catch basins	450	176	176	137	101
Sewer					
Number of sewer accounts	6,145	6,356	6,534	6,896	7,122
Clean sewer lines (feet)	9,300	5,100	5,100	900	2,600
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	2013	2014	2015	2016	2017
General government					
Square feet administrative space	31,110	31,110	31,110	31,110	31,110
Public Safety					
Police					
Police vehicles	23	23	23	22	22
Square feet of administrative space	18,277	18,277	18,277	18,277	18,277
Physical Environment					
Fire trucks	3	2	2	2	2
Square feet for fire facilities	9,029	9,029	9,029	9,029	9,029
Transportation					
Miles of road	79	80	81	81	76
Number of street lights	1,902	1,947	2,027	2,046	2,156
Culture and Recreation					
Acreage	219	220	139	140	142
Park facilities	6	6	6	7	8
Water					
Supply and distribution mains (miles)	70	72	73	73	75
Number of hydrants	682	701	712	716	730
Storage	6	6	6	6	6
Wells	7	7	7	7	7
Storm Drainage					
Miles of storm drains (miles)	30	31	32	32	34
Storm water facilities (acres)	34	35	39	39	42
Wetlands/open space (acres)	85	85	85	85	85
Sewer					
Capacity (MGD)	3	3	3	3	3
Miles of sewage mains	59	60	61	61	63
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	2018	2019	2020	2021	2022
General government					
Square feet of administrative space	31,110	31,110	31,110	31,110	31,110
Public Safety					
Police					
Police vehicles	20	20	20	20	20
Square feet of administrative space	18,277	18,277	18,277	18,277	18,277
Physical Environment					
Fire trucks	2	2	-	-	-
Square feet for fire facilities	9,029	9,029	9,029	9,029	9,029
Transportation					
Miles of road	81	81	81	81	84
Number of street lights	2,318	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)	79	79	79	79	80
Number of hydrants	751	751	751	751	762
Storage	6	6	6	6	6
Wells	7	7	7	7	7
Storm Drainage					
Miles of storm drains (miles)	37	37	37	37	40
Storm water facilities (acres)	49	49	49	49	51
Wetlands/open space (acres)	88	88	88	88	88
Sewer					
Capacity (MGD)	3	3	3	3	3
Miles of sewage mains	66	66	66	66	69
Square feet of administrative space	4,051	4,051	4,051	4,051	4,051

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

City of Battle Ground
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass-Through Awards	From Direct Awards	Total		
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607		-	8,560	8,560	-	1,2,4
COMMUNITY ORIENTED POLICING SERVICE, JUSTICE, DEPARTMENT OF	Public Safety Partnership and Community Policing Grants	16.710		-	44,691	44,691	-	1,2
Highway Planning and Construction Cluster								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA-8411	84	-	84	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA-10017	16,304	-	16,304	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA-10018	131,724	-	131,724	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA-10020	111,076	-	111,076	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA-10325	181,526	-	181,526	-	1,2

The accompanying notes are an integral part of this schedule.

City of Battle Ground
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass-Through Awards	From Direct Awards	Total		
	Total Highway Planning and Construction Cluster:			**440,714**	**-**	**440,714**	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	PT22-06	6,510	-	6,510	-	1,2
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	DD22-04	4,175	-	4,175	-	1,2
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	OP22-05	1,424	-	1,424	-	1,2
	Total Highway Safety Cluster:			**12,109**	**-**	**12,109**	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	164AL22-02	3,900	-	3,900	-	1,2
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		-	224,566	224,566	-	1,2
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Department of Commerce)	CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	22-56104-012	1,034	-	1,034	-	1,2
			Total ALN 21.027:	**1,034**	**224,566**	**225,600**	-	

The accompanying notes are an integral part of this schedule.

City of Battle Ground
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass-Through Awards	From Direct Awards	Total		
CDC NATIONAL CENTER FOR CHRONIC DISEASE PREVENTION AND HEALTH PROMOTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Drug-Free Communities Support Program Grants	93.276		-	125,466	125,466	-	1,2
	Total Federal Awards Expended:			**457,757**	**403,283**	**861,040**	**-**	

The accompanying notes are an integral part of this schedule.

CITY OF BATTLE GROUND

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021

NOTE 1 - BASIS OF ACCOUNTING

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

NOTE 2 - PROGRAM COSTS

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

NOTE 3 – FEDERAL DE MINIMIS INDIRECT COST RATE

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

NOTE 4 – COSTS INCURRED IN PRIOR YEAR

For the City's Bulletproof vest grant, the $4,042 was expended in 2021 but not requested for reimbursement until mid-2022 due to when the grant was awarded.