

ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Battle Ground, Washington

Year Ending December 31, 2020

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CITY OF BATTLE GROUND, WASHINGTON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

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

City of Battle Ground
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2020

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INTRODUCTORY SECTION

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City of Battle Ground

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

June 2021

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, 2020. The ACFR includes all city operations and activities for which the city is financially accountable. All of the funds in this report pertain to the operations of the City of Battle Ground.

This report meets the requirements of RCW 43.09.230, which requires a financial report covering each fiscal year and is prepared in accordance with Generally Accepted Accounting Principles (GAAP). State law requires an annual audit of the city's financial statements and records by the Office of the Washington State Auditor. The State Auditor conducts its audit in accordance with Generally Accepted Auditing Standards (GAAS) as established by the American Institute of Certified Public Accountants (AICPA) and provides an independent opinion on the city's financial position, results of operations, and the cash flows of its proprietary fund types. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Battle Ground for the fiscal year ended December 31, 2020 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 control. Internal controls are designed to provide reasonable, but not absolute assurances, that assets of the city are protected from loss, theft, or misuse, and to ensure accounting records are adequate and reliable in order to prepare the financial statements. The concept of reasonable assurance recognizes the cost of control does not exceed the benefit and the evaluation of costs and benefits requires estimates and judgments by management.

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 a presiding officer who serves as mayor. Adrian Cortes currently serves as the mayor of the city and Philip Johnson serves as deputy mayor. City council is responsible for establishing policies, passing ordinances, adopting the budget, appointing committees, and hiring the city manager. The city manager is responsible for carrying out the policies and ordinances of the council, managing the daily operations of the city, and appointing the directors of the city's departments.

The city provides a full range of municipal services including public safety (police protection, contracted fire services for 2020, 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 prepared by fund and department.

Local Economy

The City of Battle Ground has evolved from a small town to a major retail trade area for north Clark County. As a result, sales tax is the city's largest single source of revenue within its governmental funds. The city has two major retail and professional centers, Millcreek Town Center and the Fred Meyer complex. Battle Ground's sales activity has been relatively strong in recent years. In 2020, the city experienced an increase of 9.8 percent in its sales tax receipts to $4.4 million after increases of 7.5 percent and 5.7 percent in 2019 and 2018, respectively.

The city's assessed valuation for its 2020 property tax levy was approximately $2.5 billion, a 6.9 percent increase over 2019. For 2021 tax collections, the assessed value is approximately $2.7 billion, an increase of 8.2 percent. This is due to overall assessed valuation increases as well as new construction added to property tax rolls of approximately $90.4 million. 2020 property tax revenue was $3.3 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. The city also experienced record high real estate excise taxes, home sales, in 2020 bringing in $1.4 million 17 percent more than 2019. Regional unemployment hit a high of 14.7 percent in April of 2020 however it declined as the Governor's phases began to reopen industries. The unemployment rate slowly declined and reached 6.3 percent in February 2021. Federal funds were distributed to state unemployment along with local jurisdictions in order to stimulate the economy. The city received $1 million in federal relief for the COVID-19 pandemic response. Major employers in the area include retail, public education and transportation, health services, and the construction industry.

The 2020 population of approximately 22,180 in the City of Battle Ground increased at an annual rate of 3.1 percent, as compared to 3 percent in 2019 and 2.6 percent in 2018. Currently, the residents of the city account for approximately 26.8 percent of its greater trade area of 82,600 and 4.6 percent of 481,850 residents county-wide. The City of Battle Ground is the third largest city in Clark County.

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

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

Long-term Financial Planning and Major Initiatives

Although growth has provided increased revenues to the general fund in recent years, the general fund is not immune from the impacts of what is commonly referred to as a "structural deficit" as revenues lag rising costs. Unfunded mandates from both the state and federal governments, ongoing impacts of voter initiatives, deferred maintenance, and increasing operational costs continue to contribute to this funding challenge. To address this funding challenge, in February of 2020 the city asked the voters to consider annexing into Fire District 3. The annexation passed which means the city residents pay an additional property tax to Fire District 3 and the city no longer pays for fire services effective January 1, 2021.

With the additional funds unencumbered up by the annexation, the city had the ability to increase service levels of streets, public safety, and parks during its 2021 budget process. This is based upon the visioning process and what the citizens of Battle Ground deemed as important. In addition, ongoing council initiatives include providing a high level of public safety, using city resources efficiently to ensure long-term fiscal sustainability, replacing and maintaining city assets and infrastructure, and adding technology and process efficiencies to improve workflow and sustain service delivery.

Community Vision and Engagement

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

process continued in 2020 with work on the Land Use Management Plan and Transportation System Plan. This work will be completed during 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 2020 and beyond, this growth requires extensive planning for infrastructure and services to support this anticipated growth. The city annually updates a six-year capital improvement program and six-year budget forecasts. The capital improvement planning document guides the ability to plan for capital needs and allocate short and long-term resources appropriately within the fiscal constraints of the six-year budget forecasts. With the passage of fire annexation, the city was also able to dedicate additional funds to service levels of various departments within the city as aligned with the city's vision.

- Transportation: Significant transportation projects scheduled for 2021 include the addition of turn lanes on State Routes 502/503 and a pedestrian walkway at an estimated project cost of $4.8 million, SW Eaton Blvd improvements at an estimated project cost of $1.3 million, NW 15th Ave dual turn lanes at an estimated project cost of $1.2 million, and SW 1st Way improvements at an estimated cost of $890 thousand. Overall transportation capital projects funded by state and federal grants are $9.9 million. In addition, the city dedicated an additional $935,600 to street repair and maintenance.

- Beautification: An additional $77,800 was added for increased maintenance of streetscapes, parks and public areas.

- Parks and Recreation: A one-time investment of $100,000 to create a master plan for the city's parks and recreation resources for the future.

- Police Services: The law enforcement fund increased by $582,077 to maintain and enhance police services including increased traffic patrols, investigations, proactive policing, community outreach and re-implementation of the canine program.

- Facilities: Deferred maintenance on city facilities is being addressed on a priority basis, contingent on funding through real estate excise taxes. The 2021 budget includes a parking lot rehabilitation for the police complex, a new roof for city hall as well as a new HVAC costing $1.2 million.

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

- Debt: The city has budgeted to pay off its Parks general obligation bond in 2021 using park impact fee revenues along with real estate excise taxes thereby saving the city $140,160 in interest payments. This has been a priority of council to pay off the city's facilities.

Utility Services

The city continues to formulate strategies to support planned and environmentally responsive growth and the demand for new or expanded utility services. Growth continues through infills, new

development, and annexations. External utility rate studies were recently completed for water, sewer, and storm drainage to determine the appropriate rate based on future capital needs as well as inflationary adjustments for operations.

A 46 percent utility tax decrease on city water, sewer, and storm drainage was approved in June 2020 in order to assist the customer base with the impacts of the COVID-19 pandemic. This was already slated to occur January 1, 2021 with the passage of the fire annexation and was moved forward by city council due to the public health emergency.

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 *Comprehensive Annual Financial Report* (CAFR) for the fiscal year ended December 31, 2019. The city has received a Certificate of Achievement for the last 18 years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR 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

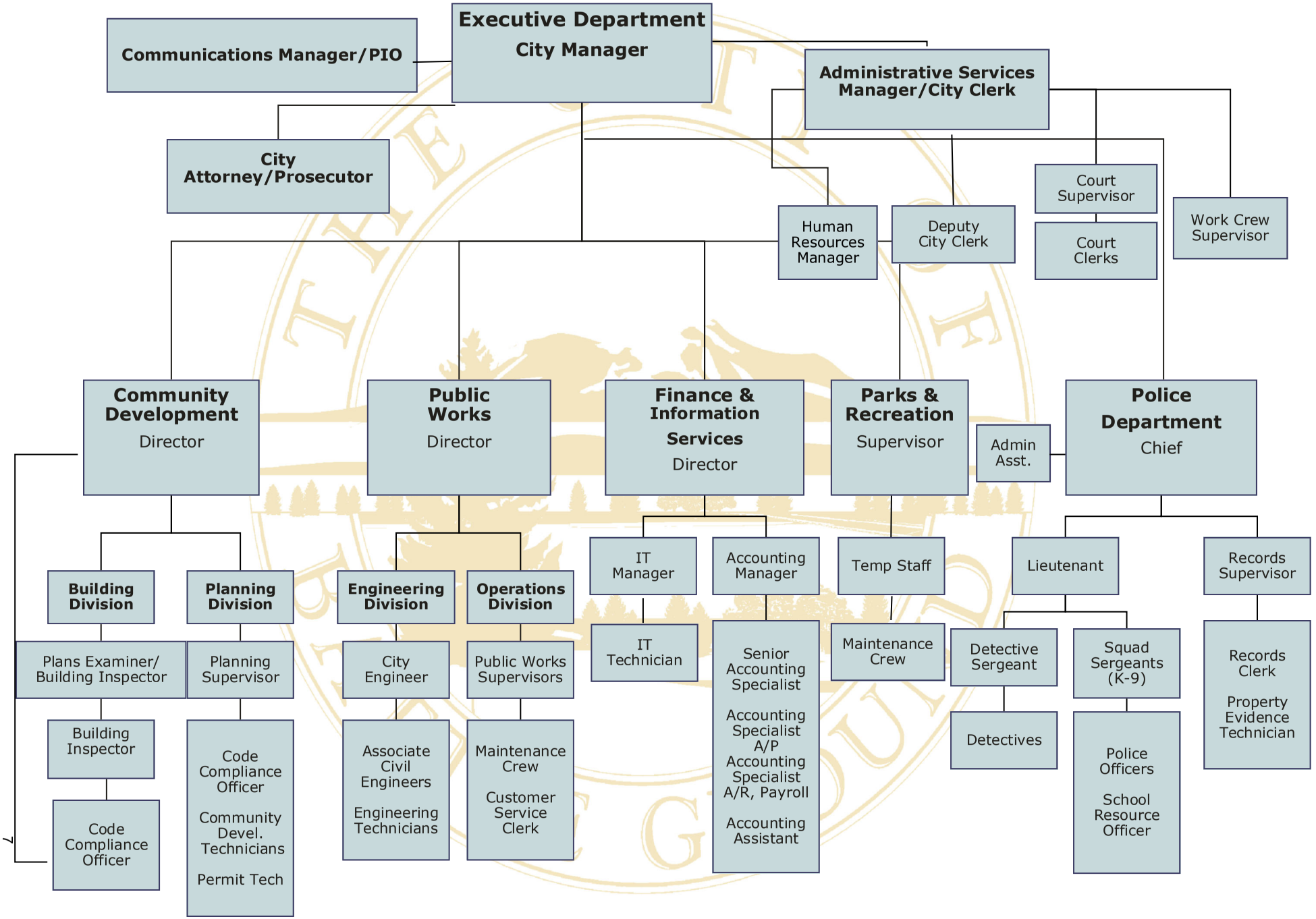
City of Battle Ground Washington

For its Comprehensive Annual Financial Report For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrill

Executive Director/CEO


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

CITY OF BATTLE GROUND

List of Elected & Appointed Officials
As of December 31, 2020



Mayor
Adrian Cortes



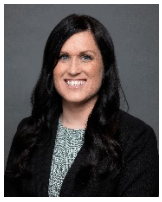
Deputy Mayor
Philip Johnson



Councilmember
Shane Bowman



Councilmember
Mike Dalesandro



Councilmember
Cherish DesRochers



Councilmember
Brian Munson



Councilmember
Shauna Walters

APPOINTED OFFICIALS

CITY STAFF

City Manager
Erin Erdman

Finance & Information Services Director
Meagan Lowery, CGAP

Chief of Police
Mike Fort

Public Works Director
Mark Herceg

Community Development Director
Sam Crummett

FINANCIAL SECTION

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Office of the Washington State Auditor
Pat McCarthy

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Battle Ground, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Battle Ground, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 18 to the 2020 financial statements the full extent of the COVID-19 pandemic's direct or indirect impact on the City is unknown. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

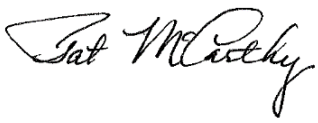
the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 23, 2021, 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 23, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) is a narrative overview and analysis of the financial activities of the City of Battle Ground for the fiscal year ended December 31, 2020. This information should be read in conjunction with the basic financial statements and notes to the financial statements that follow. The discussion and analysis includes comparative data for 2019.

2020 FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the city exceeded its liabilities and deferred inflows by $145.7 million (*net position*). Of this amount, $34 million represents unrestricted net position of which $6.7 million is unrestricted net position of the governmental activities and $27.3 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 69 percent of total net position, with a value of $100.7 million, an increase of $1.2 million over 2019.

- The city's total governmental funds reported combined ending fund balances of $19.9 million, an increase of $2.6 million over 2019. Of a total $9.2 million of restricted fund balance, $8.4 million is restricted for capital purposes. Remaining fund balances include $354,558 committed to economic stabilization; $1.7 million assigned to LEOFF 1, parks, insurance reserve and streets; and $8.6 million is unassigned to the general fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

Statement of Net Position

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

Statement of Activities

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

departments. The same basis of accounting is used for proprietary funds in both the government-wide statements and the individual fund statements.

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

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

Notes to the Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The *Statement of Net Position* can serve as a useful indicator of the city's financial position. The city's total net position was $145.7 million at December 31, 2020 as compared to $139.5 million at December 31, 2019. The following is a condensed version of the *Government-wide Statement of Net Position*.

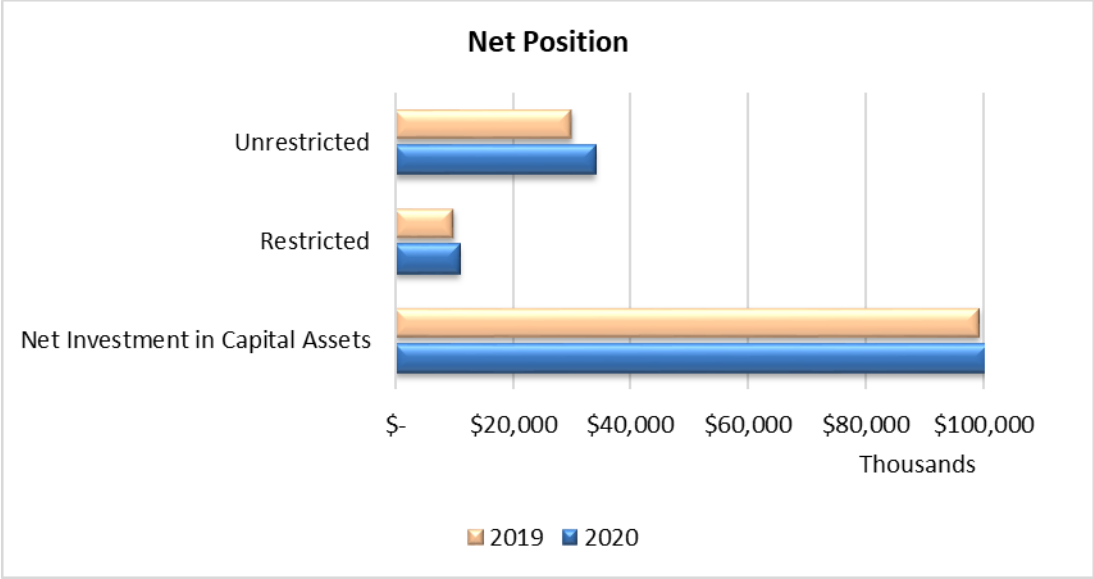
Net position						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	$ 23,442,068	$ 21,245,727	31,047,221	$ 27,728,301	$ 54,489,289	$ 48,974,028
Capital assets (net of depr)	54,588,088	55,223,049	60,605,627	60,800,238	115,193,715	116,023,287
Total assets	78,030,156	76,468,776	91,652,848	88,528,539	169,683,004	164,997,315
Deferred Outflow of Resources	785,171	525,802	209,176	93,458	994,347	619,260
Liabilities						
Current	2,971,140	2,976,212	1,546,807	782,545	4,517,947	3,758,757
Noncurrent	9,562,900	10,591,197	10,157,068	10,342,177	19,719,968	20,933,374
Total liabilities	12,534,040	13,567,409	11,703,875	11,124,722	24,237,915	24,692,131
Deferred Inflow of Resources	608,079	1,205,330	91,186	207,631	699,265	1,412,961
Net position						
Net investment in capital assets	48,276,704	47,156,748	52,425,451	52,295,554	100,702,155	99,452,302
Restricted	10,695,952	9,738,530	297,778	297,778	10,993,730	10,036,308
Unrestricted	6,700,552	5,326,561	27,343,734	24,696,312	34,044,286	30,022,873
Total net position	$ 65,673,208	$ 62,221,839	$ 80,066,963	$ 77,289,644	$ 145,740,171	$ 139,511,483

The largest portion of the city's net position is its net investment in capital assets. This category makes up 69 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 7.5 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 $34 million is unrestricted and may be used to meet the city's ongoing obligations to its citizens and creditors. Although this amount is unrestricted, a significant portion has been reserved or set aside for various purposes.

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

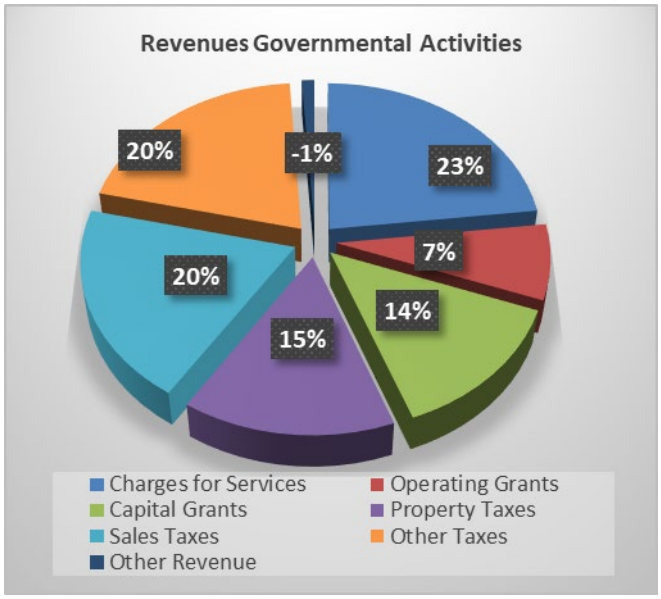


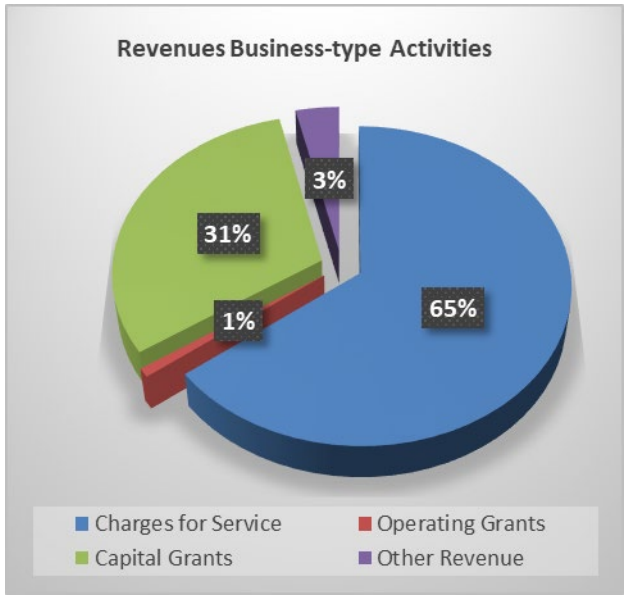
Statement of Activities

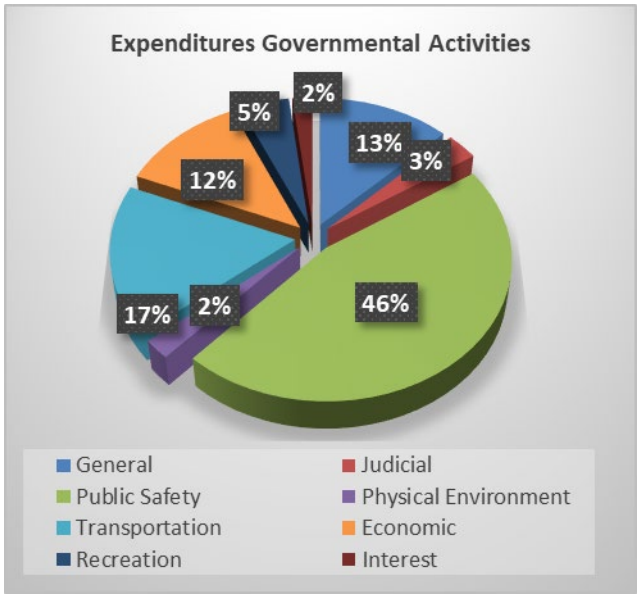
The *Statement of Activities* reports the change in net position for the fiscal year. At December 31, 2020, total ending net position increased by $6.3 million, or 4.5 percent. Business-type funds increased by $2.8 million, or 3.7 percent, primarily due to infrastructure contributions by developers. Net position of governmental activities increased by $3.5 million, or 5.5 percent, due to the federal pandemic economic relief funding, increased building activity, and consumer spending.

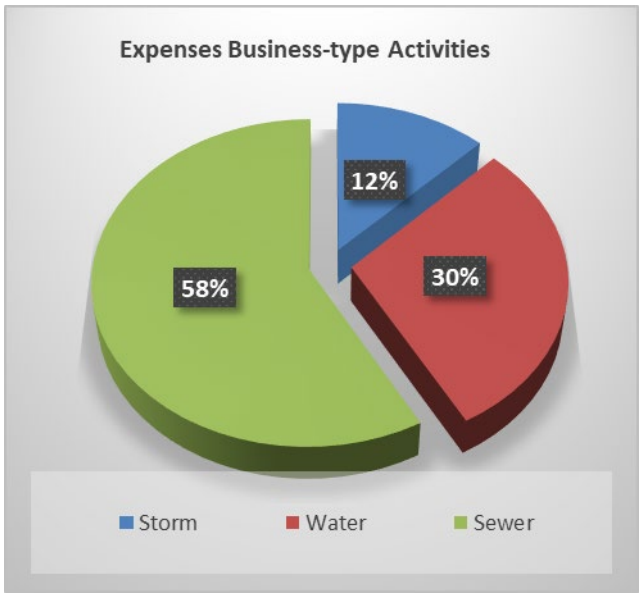
The full statement is a tabular depiction of the relationship of revenues and expenses for the city's governmental activities and proprietary funds. The graphs that follow illustrate the sources of revenue and the balance of governmental versus business type expenses for 2020.

Statement of Activities						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for Services	$ 5,191,621	$ 5,889,890	$ 9,221,364	$ 9,133,565	$ 14,412,985	$ 15,023,455
Operating Grants	1,693,611	1,130,484	127,332	-	1,820,943	1,130,484
Capital Grants	3,072,574	2,090,113	4,393,652	5,105,880	7,466,226	7,195,993
General Revenue					-	
Property Taxes	3,323,783	3,162,791			3,323,783	3,162,791
Sales Taxes	4,396,312	4,002,428			4,396,312	4,002,428
Other Taxes	4,554,035	4,691,462			4,554,035	4,691,462
Interest Income	180,832	337,457	302,737	554,359	483,569	891,816
Other Revenues	(412,876)	595,276	216,895	207,589	(195,981)	802,865
Total Revenues	21,999,892	21,899,901	14,261,980	15,001,393	36,261,872	36,901,294
Expenses						
General Government	2,335,730	2,567,566			2,335,730	2,567,566
Judicial	571,181	246,734			571,181	246,734
Public Safety	8,558,547	7,531,825			8,558,547	7,531,825
Physical Environment	419,875	452,297			419,875	452,297
Transportation	3,197,724	3,566,592			3,197,724	3,566,592
Economic Environment	2,237,387	2,304,417			2,237,387	2,304,417
Culture and Recreation	875,202	899,601			875,202	899,601
Storm Drainage			1,420,125	1,409,906	1,420,125	1,409,906
Water			3,376,589	2,919,154	3,376,589	2,919,154
Sewer			6,637,207	6,595,763	6,637,207	6,595,763
Interest Expense	352,877	400,222			352,877	400,222
Total Expenses	18,548,523	17,969,254	11,433,921	10,924,823	29,982,444	28,894,077
Change in Net Position	3,451,369	3,930,647	2,828,059	4,076,570	6,279,428	8,007,217
Net Position - beginning	62,221,839	58,291,192	77,289,644	73,213,074	139,511,483	131,504,266
Prior Period Adjustment			(50,740)		(50,740)	
Net Position - ending	$ 65,673,208	$ 62,221,839	$ 80,066,963	$ 77,289,644	$ 145,740,171	$ 139,511,483









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 $1.37 (2019) to $1.35 (2020) of assessed valuations due to increasing assessed valuations. The tax levy for 2020 tax collections increased $160,992 over the 2019 levy primarily due to new construction. 2020 property tax collections were $3,323,783.

The sales tax rate in the city is 8.4 percent on all retail sales. Retail sales and use tax collected increased $393,884 (9.8%) from the prior year due to continuing improvement in the local economy and employment. In 2020, sales and use tax revenue was $4,396,312.

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 2020 city utility tax rate was 22 percent until June 2020 when the council reduced the utility tax to 12 percent due to the economic hardships related to the COVID-19 pandemic. These “other taxes” generated $4,554,035 of revenue.

Revenues tied to residential development and home purchases remained strong in 2020. Fees for building permits, building plan checks, and zoning and subdivision services were $1.4 million as compared to $1.6 million in 2019. Real estate excise tax was approximately $1.2 million and $1.4 for 2019 and 2020 respectively.

Governmental activities expenses increased $579,269 (3.2%) over 2019. Of this increase, $401,454 is related to other post-employment benefits for LEOFF 1 retirees. The remaining portion of the increase was due to collective bargaining agreements with built-in salary and benefit adjustments, costs of providing health care, increases in retirement costs, and inflationary increases tied to maintaining current service levels. After many years of cost and staff reductions and deferral of street, parks, and facility maintenance, efforts continue to fund critical infrastructure and facility improvements.

Business-Type Activities Analysis

The financial position of the city’s business-type funds consists of the storm drainage, water, and sewer funds. Charges for services are the main source of revenue for these business-type activities. Total business-type charges for service revenues increased $87,799 (1.0%) over 2019. This was primarily due to rate increases from new customers due to development as there were no rate increases in 2020. Rates are indexed per recommendations from external 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 $1.4 million (9.5%) primarily due to new development capital contributions and new accounts due to development.

- The water fund had an overall increase in net position of $517,837 (2.0%) primarily due to new development capital contributions.

- The sewer fund had an overall increase in net position of $874,371 (2.4%) primarily due to 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, 2020, the city's governmental funds reported combined fund balances of $19.9 million, an increase of $2.6 million over 2019. $8.6 million of this amount constitutes unassigned fund balance, which is available for spending at the city's discretion. The remainder of the fund balance is either: 1) restricted for particular purposes in the amount of $9,211,828; committed for particular purposes in the amount of $354,558; or 3) assigned for particular purposes in the amount of $1,684,871.

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 $8,628,277, while total fund balance increased to $9,753,985. 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 55.5% of total general fund expenditures, while total fund balance represents approximately 62.8% of that same amount.

Statement of Governmental Fund Balances			
	2020	2019	$ Change
General Fund			
Committed	354,558	243,808	110,750
Assigned	771,150	699,040	72,110
Unassigned	8,628,277	7,391,039	1,237,238
Total General Fund	$ 9,753,985	$ 8,333,887	$ 1,420,098
All Other Governmental Funds			
Restricted	9,211,828	8,394,377	817,451
Assigned	913,721	580,053	333,668
Total All Other Governmental Funds	$ 10,125,549	$ 8,974,430	$ 1,151,119
Total Governmental Fund Balance	$ 19,879,534	$ 17,308,317	$ 2,571,217

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 33.4%, the sewer fund 46.9%, and the storm drainage fund 19.7% of the total net position for enterprise funds. The water fund had total net position at year-end of $26.6 million, the sewer fund $37.3 million, and the storm drainage fund $15.6 million. The water and sewer utility funds each showed an operating loss, primarily for depreciation expense. After capital contributions and interest earnings, the storm drainage, sewer, and water funds reported an increase in net position.

Total water fund operating revenues for 2020 were $2.9 million which was the same as 2019. Total operating expenses were $3.3 million as compared to $2.8 million in 2019. This increase is primarily due to an increase in the amount of water purchased for distribution.

Total sewer fund operating revenues for 2020 were $4.8 million as compared to $4.7 million in 2019. Total operating expenses were $6.5 million as compared to $6.3 million in 2019. This increase is primarily due to personnel increases as well as an increase to cost allocation to the general fund.

Total storm drainage operating revenues for 2020 were $1.6 million which was the same as 2019. Total operating expenses were $1.4 million for 2020 which was the same as 2019.

Statement of Proprietary Fund Net Position

	Business-type Activities Enterprise Funds						Governmental Activities	
	Storm Drainage		Water		Sewer		Internal Service	
	2020	2019	2020	2019	2020	2019	2020	2019
Net Position								
Net Investment in Capital Assets	12,363,898	11,266,563	15,426,723	15,625,666	24,634,830	25,403,325	433,681	746,258
Restricted (Debt Service)					297,778	297,778		
Unrestriced	3,276,466	3,017,715	11,123,634	10,457,594	12,326,951	10,684,085	737,420	857,625
Total Net Position	$ 15,640,364	$ 14,284,278	$ 26,550,357	$ 26,083,260	$ 37,259,559	$ 36,385,188	$ 1,171,101	$ 1,603,883

GENERAL FUND BUDGETARY HIGHLIGHTS

The city appropriated funds through the adoption of the 2020 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 2020 budget	Final 2020 Budget	Change Increase (Decrease)	Actual at 12/31/2020	Variance Positive (Negative)	Percentage of Actual to Budget
Revenues:						
Taxes	$ 10,694,424	$ 10,694,424	$ -	$ 10,627,910	$ (66,514)	99%
License and permits	1,003,659	1,003,659	-	1,370,663	367,004	137%
Intergovernmental	758,489	1,228,464	469,975	1,389,948	161,484	113%
Charges for services	1,906,439	3,406,439	1,500,000	3,244,461	(161,978)	95%
Other revenues	547,800	547,800	-	441,370	(106,430)	81%
Total revenues	14,910,811	16,880,786	1,969,975	17,074,352	193,566	101%
Expenditures:						
General government	3,296,972	3,749,121	452,149	3,163,833	585,288	84%
Judicial	687,499	688,699	1,200	588,904	99,795	86%
Security/Persons and property	8,500,307	8,653,307	153,000	8,218,249	435,058	95%
Physical Environment	528,936	528,936	-	428,944	99,992	81%
Economic Environment	1,210,559	2,859,834	1,649,275	2,268,156	591,678	79%
All other expenditures	945,593	1,133,593	188,000	1,169,028	(35,435)	103%
Total Expenditures	15,169,866	17,613,490	2,443,624	15,837,114	1,776,376	90%

The overage in all other expenditures was related to the city hall generator and council chambers hardware upgrade related to the COVID-19 pandemic and remote work.

Increases in appropriations were related to grant funds being received by the city for the COVID-19 pandemic.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The city's investment in capital assets, including construction in progress, totals $115 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 a decrease in net capital assets of $829,572 million in 2020.

	Governmental Activities		Business-Type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Land	$ 15,532,175	$ 16,060,373	$ 3,728,988	$ 3,647,342	$ 19,261,163	$ 19,707,715
Construction in progress	1,534,471	589,695	999,433	269,510	2,533,904	859,205
Buildings	8,895,814	9,260,472	819,475	853,413	9,715,289	10,113,885
Machinery and equipment	704,461	1,077,069	422,201	151,990	1,126,662	1,229,059
Infrastructure	27,155,794	27,398,096	46,827,568	46,956,242	73,983,362	74,354,338
Improvements other than buildings	765,373	837,344	23,020	24,664	788,393	862,008
Intangible assets	-	-	7,784,942	8,897,077	7,784,942	8,897,077
Total	$ 54,588,088	$ 55,223,049	$ 60,605,627	$ 60,800,238	$ 115,193,715	$ 116,023,287

Major capital events during the 2020 fiscal year included the following:

- Replaced the city's street sweeper.
- Transferred fire equipment to Fire District 3 as part of the annexation.
- Replacement of five public works vehicles.
- Purchased a city hall generator
- Upgraded the council chambers camera system
- Installed a fence at the city's skate park
- Completed social distancing remodel in city hall in the court and community development departments
- Installed a new firewall for remote work

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, 2020, the city had total long-term debt outstanding of $14,505,928. Of this amount, $5,867,247 is general obligation debt, including $42,247 of issuance premium. 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 $34.3 million. Standard and Poor's last affirmed the city's

rating of "AA-"for its general obligation debt in September 2014 citing strong budgetary flexibility and management.

The city has entered into lease arrangements for purchase of public safety vehicles and equipment. Outstanding capital lease obligations at December 31, 2020 are $144,138.

At December 31, 2020 there were outstanding government long-term loans made by the State of Washington under the Public Works Trust Fund Loan Program of $300,000 for West Main Street improvements. USDA sewer revenue bonds of $6,040,062 and water revenue bonds of $2,140,114 were also outstanding at year end.

The table below is a comparison of the summary for outstanding debt at December 31, 2019 and 2020.

Outstanding Debt

	Governmental Activities		Business-Type Activies		Total Activities	
	2020	2019	2020	2019	2020	2019
General obligation bonds	$ 5,825,000	$ 7,325,000	$ -	$ -	$ 5,825,000	$ 7,325,000
Capital leases	144,139	285,274	-	-	144,139	285,274
Government loans	300,000	400,000	-	53,999	300,000	453,999
Revenue bonds			8,180,176	8,450,686	8,180,176	8,450,686
Issuance premium (LTGO)	42,247	56,028			42,247	56,028
Total	$ 6,311,386	$ 8,066,302	$ 8,180,176	$ 8,504,685	$ 14,491,562	$ 16,570,987

Additional information on the city's long-term debt is located in Note 7 in the notes to the financial statement in this report.

ECONOMIC OUTLOOK AND FUTURE CONDITIONS

The city serves city residents as well as a greater trade area of about 82,600 people. For the period 2011-2020, the population of Battle Ground increased 24.7 percent, from 17,780 to 22,180 citizens. Residential and commercial development increased in the city while the broader regional economy also improved with increased employment and economic development. However, the city is challenged to sustain service and program levels to this growing population. Staffing levels have not been regained since layoffs made during the last recession. To address these challenges, the city has initiated an on-going visioning process involving community engagement.

The city's adopted financial policies continue to guide the financial operations and the 2021 budget process. With a backlog of deferred maintenance, compliance with constantly changing statewide legislative and regulatory mandates, and increased operational costs, a shorter budget cycle and longer planning horizon provides a better opportunity for focusing on core services identified by city council and responding to market and economic factors.

The city has made increasing efforts to find opportunities for cost savings, has maintained conservation and sustainability initiatives, has leveraged partnerships with other agencies, and has invested in technology to improve delivery of core services. The 2021 budget and work plans continue to support and build on these efforts.

- The national health emergency related to the COVID-19 pandemic in 2020 presented a unique challenge to get work completed during 2020. The city received $1 million in an economic relief package issued by

the federal government. The city utilized these funds to address the immediate response to the challenges and unforeseen budget impacts related to the pandemic.

- In February 2020, the city went to the citizens of Battle Ground and asked them to pay an additional property tax to annex into Fire District 3. The vote passed which means the city no longer will have to pay for fire services out of its general fund effective January 1, 2021. As part of this annexation, the city transferred assets to the Fire District including a parcel of land for a future fire station, fire engines, and pump equipment. Annexation promises made of increased service levels related to pavement preservation, public safety, parks and recreation, beautification, and communication were placed into the 2021 budget.
- In June of 2020, City Council approved an ordinance to reduce the Transportation Benefit District vehicle tab fee from $20 to $0 effective January 1, 2021. This was in response to the vote of Initiative 976 removing the fee. This revenue stream represents approximately $292,000 for pavement preservation.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF BATTLE GROUND
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-type Activities	Total Primary Government
Assets			
Cash and Cash Equivalents	$ 18,743,057	$ 26,615,721	$ 45,358,778
Investments	1,635,968	2,343,281	3,979,249
Receivables	2,046,832	1,173,758	3,220,590
Internal Balances	(616,683)	616,683	-
Restricted Assets			
Cash and Cash Equivalents	253,425	297,778	551,203
Investments	22,006	-	22,006
Net Pension Asset	1,357,463	-	1,357,463
Capital Assets (not being depreciated)			
Land	15,532,175	3,728,988	19,261,163
Construction Work in Progress	1,534,471	999,433	2,533,904
Capital Assets (net of accumulated depreciation)			
Buildings	8,895,805	819,474	9,715,279
Improvements Other than Buildings	765,373	23,019	788,392
Intangible Assets	-	7,784,942	7,784,942
Machinery and Equipment	704,463	422,201	1,126,664
Infrastructure	27,155,801	46,827,570	73,983,371
Total Assets	78,030,156	91,652,848	169,683,004
Deferred Outflows of Resources			
Related to Pensions	758,170	97,176	855,346
Related to OPEB	27,001	-	27,001
Related to Asset Retirement Obligations	-	112,000	112,000
Total Deferred Outflows of Resources	785,171	209,176	994,347
Liabilities			
Accounts Payable	688,407	1,087,449	1,775,856
Other Current Liabilities	807,021	84,678	891,699
Accrued Interest Payable	29,198	89,173	118,371
Custodial Deposits	34,576	-	34,576
Unearned Revenue	343,150	-	343,150
Noncurrent Liabilities			
Due within One Year	1,014,788	285,507	1,300,295
Total OPEB Liability	54,000	-	54,000
Due in More than One Year	6,509,296	9,709,375	16,218,671
Total Pension Liability	1,103,820	282,193	1,386,013
Total OPEB Liability Asset	1,949,784	-	1,949,784
Retirement Obligation	-	165,500	165,500
Total Liabilities	12,534,040	11,703,875	24,237,915
Deferred Inflows of Resources			
Related to Pensions	608,079	91,186	699,265
Total Deferred Inflows of Resources	608,079	91,186	699,265
Net Position			
Net Investment in Capital Assets	48,276,704	52,425,451	100,702,155
Restricted for			
Capital	8,399,399	-	8,399,399
Pension	1,484,124	-	1,484,124
Debt Service	-	297,778	297,778
Drug Investigation	45,289	-	45,289
Tourist Promotion	269,325	-	269,325
Public Safety	497,815	-	497,815
Unrestricted	6,700,552	27,343,734	34,044,286
Total Net Position	$ 65,673,208	$ 80,066,963	$ 145,740,171

CITY OF BATTLE GROUND
Statement of Activities
For the year ended December 31, 2020

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	$ 3,445,289	$(1,109,559)	$ 114,900	$ 816,332	$ 140,233	$ (1,264,265)	$ -	$ (1,264,265)
Judicial	571,181	-	199,382	14,310		(357,489)	-	(357,489)
Public Safety	8,558,547	-	251,901	250,771		(8,055,875)	-	(8,055,875)
Physical Environment	419,875	-	11,345			(408,530)	-	(408,530)
Transportation	3,197,724	-	323,679	532,368	2,932,341	590,664	-	590,664
Economic Environment	2,237,387	-	4,257,368	38,089		2,058,070	-	2,058,070
Culture and Recreation	875,202	-	33,046	41,741		(800,415)	-	(800,415)
Interest Expense	352,877	-				(352,877)	-	(352,877)
TOTAL GOVERNMENTAL ACTIVITIES	19,658,082	(1,109,559)	5,191,621	1,693,611	3,072,574	(8,590,717)	-	(8,590,717)
Business Type Activities:								
Storm Drainage	1,097,649	322,476	1,601,371	44,146	1,068,550	-	1,293,942	1,293,942
Water	2,983,014	393,575	2,855,522	67,895	847,902	-	394,730	394,730
Sewer	6,243,699	393,508	4,764,471	15,291	2,477,200	-	619,755	619,755
TOTAL BUSINESS-TYPE ACTIVITIES	10,324,362	1,109,559	9,221,364	127,332	4,393,652	-	2,308,427	2,308,427
Total Primary Government	$ 29,982,444	$ -	$ 14,412,985	$ 1,820,943	$ 7,466,226	$ (8,590,717)	$ 2,308,427	$ (6,282,290)
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes						3,323,783	-	3,323,783
Sales and Use Taxes						4,396,312	-	4,396,312
Business and Occupation Taxes						3,098,913	-	3,098,913
Excise Taxes						1,455,122	-	1,455,122
Grants and Contributions not Restricted to Specific Programs						401,637	-	401,637
Unrestricted Investment Earnings						180,832	302,737	483,569
Miscellaneous						39,967	191,895	231,862
Special Item - Disposal of Operations						(829,480)	-	(829,480)
Transfers						(25,000)	25,000	-
Total General Revenues						12,042,086	519,632	12,561,718
Change in Net Position						3,451,369	2,828,059	6,279,428
Net Position - Beginning						62,221,839	77,289,644	139,511,483
Prior period adjustments							(50,740)	(50,740)
Net Position as of January 1 - restated						62,221,839	77,238,904	139,460,743
Net Position - Ending						$ 65,673,208	$ 80,066,963	$ 145,740,171

CITY OF BATTLE GROUND
Governmental Funds
Balance Sheet
December 31, 2020

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$ 8,431,372	$ -	9,631,066	$ 18,062,438
Investments	733,593	-	843,075	1,576,668
Restricted Cash and Cash Equivalents	-	-	253,425	253,425
Restricted Investments	-	-	22,006	22,006
Property Taxes Receivables	38,786	-	-	38,786
Utility Tax Receivable	147,153	-	-	147,153
Accounts Receivable	1,343,548	-	342,997	1,686,545
Interest Receivable	262	-	633	895
Municipal Court Receivable	173,410	-	-	173,410
Total Assets	10,868,124	-	11,093,202	21,961,326
Liabilities		-		
Accounts Payable	493,502	-	194,905	688,407
Due to Other Funds	-	-		-
Due to Other Governmental Units	7,633	-	-	7,633
Other Accrued Liabilities	369,790	-	429,598	799,388
Interfund Loan Payable	-	-		-
Unearned Revenues	-	-	343,150	343,150
Custodial Deposits	34,576	-	-	34,576
Total Liabilities	905,501	-	967,653	1,873,154
Deferred Inflows of Resources				
Unavailable revenue-property taxes	35,228	-	-	35,228
Unavailable revenue-municipal court	173,410	-	-	173,410
Total Deferred Inflows of Resources	208,638	-	-	208,638
Fund Balances				
Restricted for:				
Capital	-	-	8,399,399	8,399,399
Drug Investigation	-	-	45,289	45,289
Tourist Promotion	-	-	269,325	269,325
Public Safety	-	-	497,815	497,815
Committed to:				
Economic Stabilization	354,558	-	-	354,558
Assigned to:				
LEOFF 1	139,941	-	-	139,941
Parks	579,513	-	-	579,513
Insurance Reserve	51,696	-	-	51,696
Street	-	-	913,721	913,721
Unassigned	8,628,277	-	-	8,628,277
Total Fund Balances	9,753,985	-	10,125,549	$ 19,879,534
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 10,868,124	$ -	$ 11,093,202	

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)	54,067,521
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds (see note 2A)	1,743,193
Long-term liabilities that are not due and payable in the current period and are not reported in the funds (see note 2A)	(10,571,458)
Net position of internal service funds - governmental activities (see note 2A)	554,418
Net position of governmental activities	$ 65,673,208

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, 2020

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$ 3,333,686	$ -	$ -	$ 3,333,686
Sales and Use Taxes	4,396,312	-	-	4,396,312
Other Taxes	2,897,912	-	1,809,675	4,707,587
License and Permits	1,370,663	-	-	1,370,663
Intergovernmental	1,420,334	-	981,196	2,401,530
Charges for Services	3,145,137	-	1,492,563	4,637,700
Fines and Forfeits	153,836	-	-	153,836
Interest Earnings	57,150	-	114,762	171,912
Rents and Royalties	141,495	-	-	141,495
Contributions/Donations	21,271	112,944	-	134,215
Miscellaneous	39,969	-	200	40,169
Total Revenues	16,977,765	112,944	4,398,396	21,489,105
Expenditures				
Current				
General Government	3,214,508	-	-	3,214,508
Judicial	588,904	-	-	588,904
Security/Persons and Property	8,218,249	-	9,455	8,227,704
Physical Environment	428,944	-	-	428,944
Transportation	-	-	726,195	726,195
Economic Environment	2,268,156	-	18,310	2,286,466
Culture and Recreation	538,844	-	-	538,844
Capital Expenditures				
General Government	226,969	-	186,314	413,283
Security/Persons and Property	-	-	11,500	11,500
Culture and Recreation	-	-	48,140	48,140
Transportation	-	-	657,595	657,595
Debt Service			-	
Principal Retirement	56,184	1,600,000	-	1,656,184
Interest/Fiscal Charges	2,163	369,182	-	371,345
Total Expenditures	15,542,921	1,969,182	1,657,509	19,169,612
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,434,844	(1,856,238)	2,740,887	2,319,493
Other Financing Sources (Uses)				
Sale of Capital Assets	99,990	-	-	99,990
Insurance Recoveries	43,397	-	337	43,734
Transfers In	255,569	1,856,238	748,146	2,859,953
Transfers Out	(413,702)	-	(2,338,251)	(2,751,953)
Total Other Financing Sources and Uses	(14,746)	1,856,238	(1,589,768)	251,724
Net Change in Fund Balance	1,420,098	-	1,151,119	2,571,217
Fund Balance at Beginning of Year	8,333,887	-	8,974,430	17,308,317
Fund Balance at End of Year	$ 9,753,985	$ -	$ 10,125,549	$ 19,879,534

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, 2020

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

Net changes in fund balance - total governmental funds:	$	2,571,217
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses. This is the amount by which capital outlays exceeded depreciation in the current period.		(2,234,542)
The net effect of various miscellaneous transactions involving capital assets (I.e., sales, transfers, trade-ins, and donations) is to increase net position.		(528,198)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		2,470,924
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.		1,656,184
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.		28,331
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.		(512,547)
Change in Net Position of Governmental Activities	$	3,451,369

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, 2020

	Budget Amounts		Actual Year-To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2020	Final 2020		
Revenues				
Property Taxes	$ 3,331,136	$ 3,331,136	$ 3,333,686	$ 2,550
Sales and Use Taxes	3,930,570	3,930,570	4,396,312	465,742
Other Taxes	3,432,718	3,432,718	2,897,912	(534,806)
License and Permits	1,003,659	1,003,659	1,370,663	367,004
Intergovernmental	758,489	1,228,464	1,389,948	161,484
Charges for Services	1,906,439	3,406,439	3,244,461	(161,978)
Fines and Forfeits	224,250	224,250	153,836	(70,414)
Interest Earnings	60,000	60,000	49,487	(10,513)
Rents and Royalties	122,000	122,000	111,307	(10,693)
Contributions/Donations	500	500	14,771	14,271
Miscellaneous	57,500	57,500	39,969	(17,531)
Total Revenues	14,827,261	16,797,236	17,002,352	205,116
Expenditures				
Current				
General Government	3,296,972	3,749,121	3,163,833	585,288
Judicial	687,499	688,699	588,904	99,795
Security/Persons and Property	8,500,307	8,653,307	8,218,249	435,058
Physical Environment	528,936	528,936	428,944	99,992
Economic Environment	1,210,559	2,859,834	2,268,156	591,678
Culture and Recreation	-	-	-	-
Capitalized Expenditures	-	188,000	226,969	(38,969)
Debt Service				
Principal Retirement	56,184	56,184	56,184	-
Interest/Fiscal Charges	2,159	2,159	2,163	(4)
Total Expenditures	14,282,616	16,726,240	14,953,402	1,772,838
Excess (Deficiency) of Revenues Over (under) Expenditures	544,645	70,996	2,048,950	1,977,954
Other Financing Sources (Uses)				
Transfers In	83,550	83,550	72,000	(11,550)
Transfers Out	(887,250)	(887,250)	(883,712)	3,538
Total Other Financing Sources and Uses	(803,700)	(803,700)	(811,712)	(8,012)
Net Change in Fund Balance	(259,055)	(732,704)	1,237,238	1,969,942
Fund Balance at Beginning of Year	4,080,925	4,080,925	7,391,039	3,310,114
Fund Balance at End of Year	$ 3,821,870	$ 3,348,221	$ 8,628,277	$ 5,280,056
Adjustment to generally accepted accounting principles (GAAP) basis:				
Parks Fund budgeted as separate fund			$ 579,513	
Insurance Reserve Fund budgeted as separate fund			51,695	
LEOFF I Reserve Fund budgeted as separate fund			139,942	
Economic Stabilization Fund budgeted as separate fund			354,558	
Fund Balance GAAP basis:			$ 9,753,985	

CITY OF BATTLE GROUND
Proprietary Funds
Statement of Net Position
December 31, 2020

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Assets					
Current Assets					
Cash and Cash Equivalents	$ 3,379,579	$ 10,387,498	$ 12,848,644	$ 26,615,721	$ 680,619
Investments	293,264	908,100	1,141,917	2,343,281	59,300
Receivables (net)					
Accounts	175,615	332,573	663,875	1,172,063	-
Interest	214	664	817	1,695	43
Total Current Assets	3,848,672	11,628,835	14,655,253	30,132,760	739,962
Noncurrent Assets					
Restricted Cash and Cash Equivalents	-	-	297,778	297,778	-
Property, Plant and Equipment (Net)	12,363,898	17,566,838	30,674,891	60,605,627	520,568
Total Noncurrent Assets	12,363,898	17,566,838	30,972,669	60,903,405	520,568
Total Assets	16,212,570	29,195,673	45,627,922	91,036,165	1,260,530
Deferred Outflows of Resources					
Deferred Outflows Related to Pensions	32,456	36,178	28,542	97,176	-
Deferred Outflows Related to Asset Retirement Obligations		112,000		112,000	-
Total Deferred Outflows	32,456	148,178	28,542	209,176	-
Liabilities					
Current Liabilities					
Accounts Payable	420,171	241,173	426,105	1,087,449	-
Accrued Interest Payable	-	10,238	78,935	89,173	2,542
Other Accrued Liabilities	32,318	30,429	21,931	84,678	-
Compensated Absences	-	-	-	-	-
Lease Payable	-	-	-	-	86,887
Bonds, Notes and Loans Payable	-	168,057	117,450	285,507	-
Total Current Liabilities	452,489	449,897	644,421	1,546,807	89,429
Noncurrent Liabilities					
Lease Payable	-	-	-	-	-
Developer Credits	-	932	1,662,631	1,663,563	-
Bonds, Notes and Loan Payable	-	1,972,058	5,922,611	7,894,669	-
Compensated Absences	27,469	66,099	57,575	151,143	-
Net Pension Liability	94,249	105,060	82,884	282,193	-
Asset Retirement Obligation		165,500		165,500	-
Total Noncurrent Liabilities	121,718	2,309,649	7,725,701	10,157,068	-
Total Liabilities	574,207	2,759,546	8,370,122	11,703,875	89,429
Deferred Inflows of Resources					
Deferred Inflows Related to Pensions	30,455	33,948	26,783	91,186	-
Net Position					
Net Investment in Capital Assets	12,363,898	15,426,723	24,634,830	52,425,451	433,681
Restricted for Debt Service	-	-	297,778	297,778	-
Unrestricted	3,276,466	11,123,634	12,326,951	26,727,051	737,420
Total Net Position	$ 15,640,364	$ 26,550,357	$ 37,259,559	$ 79,450,280	$ 1,171,101
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)				616,683	
Net position of business-type activities				$ 80,066,963	

CITY OF BATTLE GROUND
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended December 31, 2020

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Operating Revenues					
Charge for Services	$ 1,601,371	$ 2,855,522	$ 4,764,471	$ 9,221,364	$ 327,721
Miscellaneous	-	2,560	-	2,560	-
State and Federal Grants	44,146	67,895	15,291	127,332	41,795
Total Operating Revenues	1,645,517	2,925,977	4,779,762	9,351,256	369,516
Operating Expenses					
Personnel Services	459,945	498,823	410,293	1,369,061	-
Equipment and Supplies	50,026	877,609	37,931	965,566	148,945
Professional Services	73,116	89,759	27,350	190,225	-
Utilities	1,600	125,354	86,074	213,028	-
Repairs and Maintenance	54,296	120,306	250,031	424,633	-
Taxes	32,321	158,167	93,802	284,290	-
Intergovernmental services	-	-	3,129,841	3,129,841	-
Insurance	14,530	20,815	28,950	64,295	-
Allocated expenses	322,476	393,575	393,508	1,109,559	-
Other	87,840	167,630	83,656	339,126	-
Depreciation	323,975	852,305	1,913,262	3,089,542	164,790
Total Operating Expenses	1,420,125	3,304,343	6,454,698	11,179,166	313,735
Operating Income (loss)	225,392	(378,366)	(1,674,936)	(1,827,910)	55,781
Nonoperating Revenues (Expenses)					
Interest Earnings	37,144	120,547	145,046	302,737	8,915
Miscellaneous Revenues	-	-	109,570	109,570	
Interest and Fiscal Charges	-	(72,246)	(182,509)	(254,755)	(2,683)
Gain (loss) on Sale of Capital Assets	-		-	-	34,785
Total Nonoperating Revenues (Expenses)	37,144	48,301	72,107	157,552	41,017
Income (Loss) before Contributions, Special Items, and Transfers	262,536	(330,065)	(1,602,829)	(1,670,358)	96,798
Capital Contributions	1,068,550	847,902	2,477,200	4,393,652	-
Transfers In	25,000	-	-	25,000	-
Transfers Out	-	-	-	-	(133,000)
Special Item - Disposal of Operations					(396,580)
Change in Net Position	1,356,086	517,837	874,371	2,748,294	(432,782)
Total Net Position at Beginning of Year	14,284,278	26,083,260	36,385,188		1,603,883
Prior Period Adjustment		(50,740)			-
Total Net Position at End of Year	$ 15,640,364	$ 26,550,357	$ 37,259,559		$ 1,171,101

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds	79,765
Changes in net position of business-type activities	$ 2,828,059

CITY OF BATTLE GROUND
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2020

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:					
Cash received from Customers	$ 1,578,967	$ 2,818,289	$ 4,814,384	$ 9,211,640	
Proceeds from Operating Grants	44,145	67,895	15,291	127,331	41,795
Receipts from vehicle interfund charges					202,861
Receipts from technology interfund charges					124,860
Cash payments to Suppliers	94,194	(1,401,666)	(3,381,020)	(4,688,492)	(148,945)
Cash payments to Employees	(511,600)	(579,067)	(452,554)	(1,543,221)	
Cash payments for Interfund Services Received	(360,261)	(413,030)	(435,763)	(1,209,054)	
Net Cash Provided by Operating Activities	845,445	492,421	560,338	1,898,204	220,571
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(427,918)	(219,246)	(382,588)	(1,029,752)	(163,854)
Proceeds from Other Financing (Transfers)	25,000			25,000	(133,000)
Proceeds from Sale of Capital Assets					34,785
Proceeds from Capital Lease					
Principal Paid on Capital Lease				-	(84,952)
Interest Paid on Capital Lease					(5,168)
Principal Paid on Current Debt		(156,503)	(168,004)	(324,507)	
Interest Paid on Revenue Bonds and Other Long Term Debt		(72,994)	(184,312)	(257,306)	
Capital Contributed-Paid in cash	75,156	573,051	1,854,717	2,502,924	
Net Cash Provided for Capital and Related Financing Activities	(327,762)	124,308	1,119,813	916,359	(352,189)
Cash Flows from Investing Activities:					
Interest on Investments	37,188	120,753	145,229	303,170	8,915
Proceeds or Purchase of Investment Securities	27,673	178,665	110,264	316,602	29,527
Net Cash Used by Investing Activities	64,861	299,418	255,493	619,772	38,442
Net Increase (Decrease) in Cash and Cash Equivalents	582,544	916,147	1,935,644	3,434,335	(93,176)
Cash and Cash Equivalents at Beginning of Year	2,797,035	9,471,351	11,210,778	23,479,164	773,795
Cash and Cash Equivalents at End of Year	$ 3,379,579	$ 10,387,498	$ 13,146,422	$ 26,913,499	$ 680,619

CITY OF BATTLE GROUND
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2020

	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)	$ 225,392	$ (378,366)	$ (1,674,936)	$ (1,827,910)	$ 55,781
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operations:					
Depreciation Expense	323,975	852,305	1,913,262	3,089,542	164,790
Pension Expense (GASB 68)	(64,620)	(74,518)	(48,665)	(187,803)	-
(Increase) Decrease in Receivables	(22,405)	(39,791)	(59,658)	(121,854)	-
(Increase) Decrease in Miscellaneous Revenues			109,572	109,572	-
(Increase) Decrease in Prepaid Assets				-	-
Increase (Decrease) in Current Payables	370,139	138,519	314,359	823,017	-
Increase (Decrease) in Accrued Employee Benefits	12,963	(5,728)	6,404	13,639	-
Total Adjustments	620,052	870,787	2,235,274	3,726,113	164,790
Net Cash Provided by Operating Activities	$ 845,444	$ 492,421	$ $ 560,338	$ $ 1,898,203	$ 220,571
Noncash Investing, Financing and Capital Activities					
Capital Assets Contributed	993,394	274,851	622,483	1,890,728	-
Net Change in Fair Value of Investments	-	(1,236)	(1,501)	(2,737)	(86)
Special item	-	-	-	-	(396,580)

City of Battle Ground

Statement of Fiduciary Net Position

Fiduciary Funds

As of December 31, 2020

	Custodial Activities
Assets	
Cash and cash equivalents	$ 15,678
Total Assets	15,678
Liabilities	
Due to other governments	15,678
Total Liabilities	15,678
Fiduciary Net Position	$ -

City of Battle Ground

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year ended December 31, 2020

	Custodial Activities
Contributions:	
Court fees collected for other governments	171,862
Total Additions	171,862
Deductions:	
Payments of court fees distributed to other governments	171,862
Total Deductions	171,862
Change in net position held for other governments	-
Net Position	
Net position as of January 1	-
Net position as of December 31	-

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CITY OF BATTLE GROUND
Notes to Financial Statements
December 31, 2020

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. The city contracted for fire services during 2020 however, fire services were annexed into Fire District 3 effective January 1, 2021.

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, and the Economic Stabilization Fund are included in the general fund for financial reporting purposes.

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

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:

C*apital project funds* 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, real estate excise tax, impact fees, and capital grants from other agencies.

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 street fund, transportation benefit district (TBD) fund, drug Investigation fund, and the lodging tax fund. The TBD fund is included in the street fund for financial reporting purposes.

Internal service funds account for financial resources used to fund the acquisition and preservation of fleet and information technology equipment provided to other city departments. Because these services benefit governmental operations more than business-type functions, these funds have been included within governmental activities in the government-wide financial statements.

Fiduciary fund accounts for the financial transactions of the city's court remittances to the Washington State Administrative Office of the Courts and Clark County related to fees collected by the city on their behalf. The assets associated with this activity are controlled by the government and not derived from its own source revenues and the city does not have administrative involvement.

C. Measurement Focus, Basis of Accounting

1. Government-wide and Governmental Funds

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

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

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

2. Proprietary Funds

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

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

D. Budgetary information

1. Scope of Budget

The City of Battle Ground prepared an annual budget for 2020 in accordance with the Revised Code of Washington (RCW) Chapter 35A.33. State law establishes the budget process and the time limits under which a biennial budget must be developed. All governmental funds are prepared on a modified accrual basis consistent with generally accepted accounting principles. These budgets are

adopted at the fund level and constitute the legal authority for expenditures. Expenditures and other financing uses may not exceed budgeted appropriations at these levels. Any unexpended appropriation balances lapse at the end of the year.

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

2. Amending the Budget

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

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, 2020, the treasurer was holding $45,909,981 in short-term residual investments of surplus cash. This amount is classified on the balance sheet as cash and cash equivalents in various funds. The interest on these investments is prorated to the various funds.

For purposes of the *Statement of Cash Flows*, the city considers all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased to be cash equivalents. All amounts held in the Local Government Investment Pool (LGIP) and Clark County Investment Pool (CCIP) are considered to be cash equivalents.

2. Investments - See Note 3

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

State statute (RCW 39.59.040) authorizes investments in obligations of the U.S. Treasury, commercial paper, banker's acceptances, certain other government agency obligations, and the state and county treasurer's investment pool. The city's investment policy does not further limit investment choices. The city's investment policy requires all securities transactions to be conducted on a delivery-versus-payment basis.

3. Receivables – See Note 14

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

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

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

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

6. Restricted Assets and Liabilities
   These accounts contain resources for construction and debt service in enterprise funds. Restricted assets for business-type activities are $297,778. This specific debt service reserve requirement for the sewer fund is described in Note 7. Restricted assets for governmental activities are $275,431 for grant revenues received in advance.

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

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

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

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

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

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

   All leave is accrued when incurred in the government-wide and proprietary fund financial statements. As of December 31, 2020, the city reported compensated absences of $830,148 in governmental activities and $151,143 in business-type activities.

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

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.

12. Long-Term Liabilities - See Note 7
    In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Under GASB 65, bond issue costs are expensed when incurred. Long-term obligations used to finance proprietary fund operations and payable from revenue of the proprietary funds are accounted for in the applicable fund.

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

14. Custodial Deposits
    Custodial deposits represent facility rental and developer deposits.

15. Fund Balance Classification

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

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

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

16. Fund Reserve Goals

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

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

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

17. Use of Estimates

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

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

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

The *Governmental Fund Balance Sheet* includes reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the *Government-wide Statement of Net Position.* One element of the reconciliation is "other long-term assets not available to pay for current-period expenditures and, therefore are deferred in the funds." The details of this difference are as follows:

Earned but unavailable revenues	$	208,638
Net pension asset		1,357,463
Deferred outflows related to pensions		785,171
Deferred inflows related to pensions		(608,079)
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	$	1,743,193

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	$	(5,825,000)
Plus: Issuance premium (to be amortized as interest expense)		(42,247)
Accrued interest payable		(26,657)
Due to other governments		(300,000)
Capital lease payable		(57,250)
Net OPEB liability		(2,003,784)
Net pension liability		(1,103,820)
Compensated absences		(830,148)
Impact fee credits		(382,552)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	$	(10,571,458)

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	$	1,171,101
Less: Internal payable representing charges in excess of cost to business-type activities – prior years		(536,918)
Less: Internal payable representing charges in excess of cost to business-type activities – current year		(79,765)
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	$	554,418

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	$	1,130,518
Depreciation expense		(3,365,060)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$	(2,234,542)

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

Sale of capital assets – decrease proceeds	$	(95,298)
Special item – fire asset disposal		(432,900)
Net adjustment to reduce fund balance – total governmental funds to arrive At changes in net position of governmental activities	$	(528,198)

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	$	2,525,308
Unearned revenue		(10,843)
Municipal court revenue - unavailable		(33,638)
Tax revenues - unavailable		(9,903)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	2,470,924

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	$	1,500,000
Governmental loans		100,000
Capital leases		56,184
Net adjustment to increase net changes in fund balance-total governmental funds to arrive at changes in net position of governmental activities	$	1,656,184

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	$	(70,331)
Total OPEB liability		(401,454)
Net pension liability		(33,465)
Net pension asset		(341,507)
Deferred outflow of resources – related to pensions		256,987
Deferred inflow of resources – related to pensions		597,251
Deferred outflow of resources – related to OPEB		2,382
Amortization of bond premium costs		13,781
Accrued interest		4,687
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$	28,331

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	$	(432,782)
Less: gain from charges to business-type activities		(79,765)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$	(512,547)

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	$ 536,918
Internal receivable representing charges in excess of cost to business-type activities – current year	79,765
Net adjustment to increase net position – total enterprise funds to arrive at net position – business-type activities	$ 616,683

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	$ 2,005,428
Cash on Hand	4,250
Local Government Investment Pool	20,130,867
Clark County Investment Pool	23,785,114
Fair Value of Securities Held in Safekeeping	4,001,255
	$ 49,926,914

Financial Statements	
Cash and Cash Equivalents	$ 45,358,778
Restricted Cash and Cash Equivalents	551,203
Investments	3,979,249
Restricted Investments	22,006
Fiduciary Funds	15,678
	$ 49,926,914

	Cash & Equivalents, Pooled Investments	Restricted Cash	Restricted Investments
Governmental Funds			
General Fund	$ 9,164,965	$ -	$ -
Debt Service Fund	-	-	-
Other Governmental Funds	10,474,141	253,425	22,006
Proprietary Funds			
Storm Drainage	3,672,843	-	-
Water	11,295,598	-	-
Sewer	13,990,561	297,778	-
Internal Service	739,919	-	-
Fiduciary Funds	15,678	-	-
	$ 49,353,705	$ 551,203	$ 22,006

Grand Total Cash and Investments by Statements	$ 49,926,914

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

A. Deposits

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

B. Investments

Investments are subject to the following risks:

Credit rate risk

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

Custodial credit risk

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

Concentration of credit risk

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

Interest rate risk

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

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

Issuer	Value	Less than 1 Year	3-5 Years
Local Government Investment Pool	20,130,868	20,130,868	-
Clark County Pool	23,785,114	23,785,114	-
Federal National Mortgage Associatio	2,001,035	-	2,001,035
Federal Farm Credit Bank	2,000,220	-	2,000,220
	$ 47,917,237	$ 43,915,982	$ 4,001,255

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	20,130,867	-	0.14	42.0%
Clark County Pool	23,785,114	-	1.33	49.6%
Federal National Mortgage Association	2,001,035	5/17/2024	3.49	4.2%
Federal Farm Credit Bank	2,000,220	11/4/2024	3.96	4.2%
	$ 47,917,236			100%
Portfolio weighted average maturity			1.03	

1. Investments Measured at Amortized Cost

Investments Measured at Amortized Cost	City's Own Investments
Local State Investment Pool	20,130,868
Total Investments Measured at Amortized Cost Cash Equivalents Statement of Net Position	$ 20,130,868

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, 2020, the city held $20,130,868 of investments at amortized cost in the LGIP. Average days to maturity of the LGIP was 49 days.

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

2. Investments Measured at Fair Value

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

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

		Fair Value Measurements Using		
Investments by Fair Value Level	Fair Value 12/31/2020	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	$ 2,001,035	$ -	$ 2,001,035	$ -
Federal Farm Credit Bank	$ 2,000,220		$ 2,000,220	
Clark County Investment Pool	23,785,114	23,785,114	-	-
Total Investments Measured at Fair Value Cash Equivalents Statement of Net Position	$ 27,786,369	$ 23,785,114	$ 4,001,255	$ -

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, 2020, the city held $23,785,114 of investments at fair value in the CCIP. Weighted average days to maturity of the CCIP was 485 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, 2020.

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, 2020.

NOTE 4 - CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION

A. Capital assets activity for the year ended December 31, 2020 is as follows:

	Beginning Balance 01/01/2020	Increases	Decreases	Ending Balance 12/31/2020
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 16,060,373	$ -	528,197	$ 15,532,176
Construction in progress	589,695	964,758	19,982	1,534,471
Total capital assets, not being depreciated	16,650,068	964,758	548,179	17,066,647
Capital assets, being depreciated/depleted:				
Buildings	15,132,847	19,982		15,152,829
Machinery & Equipment	5,172,336	281,460	1,456,810	3,996,986
Infrastructure	90,843,427	2,573,448	-	93,416,875
Improvements other than buildings	1,436,225	-	-	1,436,225
Total capital assets being depreciated	112,584,835	2,874,890	1,456,810	114,002,915
Less accumulated depreciation for:				
Buildings	5,872,375	384,641		6,257,016
Machinery & Equipment	4,095,267	257,489	1,060,231	3,292,525
Infrastructure	63,445,331	2,815,750	-	66,261,081
Improvements other than buildings	598,881	71,971	-	670,852
Total accumulated depreciation	74,011,854	3,529,851	1,060,231	76,481,474
Total capital assets, being depreciated, net	38,572,981	(654,961)	396,579	37,521,441
Governmental activities capital assets, net	$ 55,223,049	$ 309,797	$ 944,758	$ 54,588,088

	Beginning Balance 01/01/2020	Increases	Decreases	Ending Balance 12/31/2020
Business-type Activities				
Capital assets, not being depreciated				
Land	$ 3,647,342	$ 81,647	-	$ 3,728,989
Construction in progress	269,510	729,923		999,433
Total capital assets, not being depreciated	3,916,852	811,570	-	4,728,422
Capital assets, being depreciated/depleted:				
Buildings	1,357,535	-	-	1,357,535
Machinery and equipment	564,855	297,963		862,818
Infrastructure	75,045,716	1,782,639		76,828,355
Improvements other than buildings	32,884	-	-	32,884
Intangible assets	18,535,576	-		18,535,576
Total capital assets being depreciated	95,536,566	2,080,602	-	97,617,168
Less accumulated depreciation for:				
Buildings	504,122	33,938	-	538,060
Machinery and equipment	412,865	27,753		440,618
Infrastructure	28,089,474	1,911,313		30,000,787
Improvements other than buildings	8,220	1,644	-	9,864
Intangible assets	9,638,499	1,112,135		10,750,634
Total accumulated depreciation	38,653,180	3,086,783	-	41,739,963
Total capital assets, being depreciated, net	56,883,386	(1,006,181)	-	55,877,205
Business-type activities capital assets, net	$ 60,800,238	$ (194,611)	$ -	$ 60,605,627

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

Governmental Activities	
General Government	$ 352,818
Public Safety	151,151
Physical Environment	13,639
Transportation	2,645,857
Culture and Recreation	366,386
Total Depreciation - Governmental Activities	$ 3,529,851

Business-type Activities	
Storm Drainage	$ 323,975
Water	849,546
Sewer	1,913,262
Total Depreciation -Business-Type Activities	$ 3,086,783

B. Intangible asset

The city recognizes its future sewer treatment capacity rights in the Discovery Clean Water Alliance's Salmon Creek Treatment Plan in compliance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. The city recorded an intangible asset of $18,535,576 upon completion of expansion phases IV of the Salmon Creek Wastewater Treatment Facility for future capacity. See Note 15.

C. Capital Construction Commitments

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

Project	Fund	Project to Date	Remaining Commitment
Governmental type construction projects			
Court Department Social Distancing Construction	General	$ 31,598	$ 40,566
Community Development Social Distancing Construction	General	$ 63,507	$ 12,517
W 8th & Main - Light Improvements	Streets	$ 106,627	$ 15,595
Business type construction projects			
2nd Court Waterline Replacement	Water	$ 36,707	$ 3,322
Sanitary Pump Station Improvement	Sewer	$ 300,924	$ 8,571
Lewisville Force Main Air Relief Valve Relocation	Sewer	$ 40,208	$ 4,843
Total		579,571	85,414

NOTE 5 – INTERFUND TRANSACTIONS

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

		Transfers Out				
		General Fund	Special Revenue Funds	Capital Funds	Internal Service Funds	Total Transfers
Transfers In	General Fund	-	-	147,569	108,000	255,569
	Special Revenue Funds	303,000	-	186	-	303,186
	Debt Service Fund	-	-	1,856,238	-	1,856,238
	Capital Funds	110,702	30,753	303,505	-	444,960
	Enterprise Funds	-	-	-	25,000	25,000
	Internal Service Funds	-	-	-	-	-
	Total	**$ 413,702**	**$ 30,753**	**$ 2,307,498**	**$ 133,000**	**$ 2,884,953**

NOTE 6 – LEASES

A. Capital Leases

The city entered into lease agreements as lessee for financing the acquisition of public safety vehicles and communications equipment and a facilities maintenance van. These lease agreements qualify as capital leases for accounting purposes and are recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Asset	Activities
Police vehicles	316,088
Public Safety Communications	270,593
Maintenance Van	28,345
Less: accumulated depreciation	(435,239)
Total	$ 179,787

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

Year Ending December 31	Governmental Activities
2021	147,861
Total Minimum Lease Payments	147,861
Less: Interest	(3,724)
Present Value of Minimum Lease Payments	$ 144,137

B. Operating Leases

Operating lease obligations are for business machines under contractual agreements. The cost in 2020 for operating leases was $17,624. The following is a schedule of minimum future rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2020:

2021	16,767
2022	7,880
2023	994
Total	$ 25,641

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 $5,825,000 in outstanding direct placement general obligation bonds (non-voted) as of December 31, 2020. 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. In addition, the 2011 Park Facilities Bonds have pledged against the revenue from the City's park impact fee and ¼% of the REET dedicated for parks as collateral for the 2011 Park Facilities Bonds.

Name of Issue	Governmental Purpose	Amount Issued	Issue Date	Maturity Date	Interest Rate	Outstanding 12/31/2020
2010B LTGO Bonds	Road Improvements	4,280,000	12/8/2010	12/1/2030	6.25%-7.0%	3,680,000
2011 LTGO Bonds	Park Facilities	5,265,000	11/16/2011	6/1/2026	2.0%-3.3%	2,145,000
Total LTGO Bonds		$ 9,545,000				$ 5,825,000

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
2021	685,000	305,788	990,788
2022	690,000	275,538	965,538
2023	695,000	244,170	939,170
2024	700,000	212,150	912,150
2025	710,000	179,485	889,485
2026-2030	2,345,000	436,193	2,781,193
	$ 5,825,000	$ 1,653,324	$ 7,478,324

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 12/31/2020
2003 PWTF Loan	Governmental West Main St	2,000,000	6/30/2003	6/1/2023	0.5%	300,000
		$ 2,000,000				$ 300,000

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

Direct Borrowing Loans - Governmental Activities			
	Principal	Interest	Total Requirements
2021	100,000	1,500	101,500
2022	100,000	1,000	101,000
2023	100,000	500	100,500
	$ 300,000	$ 3,000	$ 303,000

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. If the City makes a prepayment of the Water Revenue bonds the City will be held responsible for the expenses associated with the reimbursement of the banks breakage and redeployment cost in the case of LIBOR based borrowings and any accrued interest up to the date of redemption.

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

Name of Issue	Purpose	Amount Issued	Issue Date	Maturity Date	Interest Rate	Outstanding 12/31/2020
2012 Revenue Bonds	Sewer Facility	6,909,000	1/25/2012	1/25/2052	3.00%	6,040,062
2015 Revenue Bonds	Water Meters	2,774,409	5/7/2015	5/7/2030	3.26%	2,140,116
		$ 9,683,409				$ 8,180,178

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

Direct Placement - 2012 Sewer Revenue Bonds			
	Principal	Total Interest	Requirements
2021	117,450	180,328	297,778
2022	121,000	176,778	297,778
2023	124,658	173,120	297,778
2024	128,425	169,353	297,778
2025	132,307	165,471	297,778
2026-2030	723,993	764,897	1,488,890
2031-2035	840,223	648,667	1,488,890
2036-2040	975,114	513,776	1,488,890
2041-2045	1,131,659	357,231	1,488,890
2046-2050	1,313,337	175,553	1,488,890
2051-2052	431,896	12,995	444,891
	$ 6,040,062	$ 3,338,169	$ 9,378,231

Direct Placement - 2015 Water Revenue Bonds			
	Principal	Total Interest	Requirements
2021	168,057	67,753	235,810
2022	180,166	62,128	242,294
2023	192,855	56,101	248,956
2024	206,148	49,654	255,802
2025	220,073	42,765	262,838
2026-2030	1,172,817	94,373	1,267,190
	$ 2,140,116	$ 372,774	$ 2,512,890

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, 2020, the city has no arbitrage rebate liability.

E. 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 12/31/19	Additions	Applied	At 12/31/20
Traffic Impact Fees	$ 148,668	$ 80,430	$ (9,187)	$ 219,911
Park Impact Fees	223,042	263,793	(324,193)	162,642
Total Impact Fee Credits	$ 371,710	$ 344,223	$ (333,380)	$ 382,553

System Development Charge Credits	At 12/31/19	Additions	Applied	At 12/31/20
Water SDC Credits	$ 932	$ -	$ -	$ 932
Sewer SDC Credits	1,690,938	-	(28,308)	1,662,630
Total SDC Credits	$ 1,691,870	$ -	$ (28,308)	$ 1,663,562

F. Changes in Long-Term Liabilities

Long-term liability activity of the city for the year ended December 31, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	$ 7,325,000	$ -	$ (1,500,000)	$ 5,825,000	$ 685,000
Less deferred amounts					
For issuance premiums (discounts)	56,028	-	(13,781)	42,247	13,781
Total bonds payable	7,381,028	-	(1,513,781)	5,867,247	698,781
Capital leases	285,274		(141,137)	144,137	144,137
Government loan	400,000		(100,000)	300,000	100,000
Compensated absences	759,815	473,893	(403,560)	830,148	71,870
Total OPEB Liability	1,602,330	401,454		2,003,784	54,000
Net Pension Liability	1,070,355	33,465		1,103,820	-
Impact fee credits	371,710	344,223	(333,381)	382,552	-
Long-term liabilities	$ 11,870,512	$ 1,253,035	$ (2,491,859)	$ 10,631,688	$ 1,068,788
Business-type Activities					
Revenue bonds	8,450,686		(270,510)	8,180,176	285,507
Government loan	53,998		(53,998)	-	-
Compensated absences	141,551	90,265	(80,673)	151,143	-
Net Pension Liability	349,832		(67,639)	282,193	-
System development charge credits	1,691,870		(28,307)	1,663,563	-
Asset Retirement Obligation	-	165,500	-	165,500	-
Long-term liabilities	$ 10,687,937	$ 255,765	$ (501,127)	$ 10,442,575	$ 285,507

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

NOTE 8 – RISK MANAGEMENT

City of Battle Ground is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 162 members.

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

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

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to $750,000, for all perils other than flood and earthquake, and insured above that to $400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to $250,000 and insured above that to $100 million per occurrence subject to aggregates and sublimits. The city has not exceeded its insurance coverage in the last three years.

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

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

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

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

NOTE 9– PROPERTY TAXES

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

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

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

The city may levy up to $3.60 per $1,000 of assessed valuation for general governmental services, subject to limitations by the Washington State Constitution and the Revised Code of Washington 84.55.0410.

The city's regular levy for 2020 collections was $1.35 per $1,000 on an assessed valuation of $2,458,817,189 for a total regular levy of $3,331,136.

NOTE 10 – PENSION PLANS

A. Employee Retirement Systems and Pension Plan

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2020:

Aggregate Pension Amounts – All Plans	
Pension liabilities	$ 1,386,013
Pension assets	1,357,463
Deferred outflows of resources	855,346
Deferred inflows of resources	699,265
Pension expense/expenditures	67,214

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 Annual 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 2020 were as follows:

PERS Plan 1		
Actual Contribution Rates:	**Employer**	**Employee**
January – August 2020:		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Total	**12.86%**	**6.00%**
September-December 2020:		
PERS Plan 2/3	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Total	**12.97%**	**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 2020 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	**Employer 2/3**	**Employee 2**
January – August 2020:		
PERS Plan 2/3	7.92%	7.41%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	**12.86%**	**7.41%**
September – December 2020:		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
Total	**12.97%**	**7.90%**

The City's actual PERS plan contributions were $203,306 to PERS Plan 1 and $335,641 to PERS Plan 2/3 for the year ended December 31, 2020.

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

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

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

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

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

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2019. Employers paid only the administrative expense of 0.18 percent of covered payroll.

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

Contributions

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

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.44% as of July 1, 2020.

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

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

Administrative Fee	0.18%	
Total	**8.77%**	**8.59%**

The City's actual contributions to the plan were $118,396 for the year ended December 31, 2020.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2020, the state contributed $76,297,643 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is $76,936.

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

Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2019. Plan liabilities were rolled forward from June 30, 2019, to June 30, 2020, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases**: In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

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

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

- OSA updated its demographic assumptions based on the results of its latest demographic experience study. See OSA's 2013-2018 Demographic Experience Study at leg.wa.gov/osa.

- OSA updated the Early Retirement Factors and Joint-and-Survivor factors used in its model to match the ones implemented by DRS on October 1, 2020. These factors are used to value benefits for members who elect to retire early and for survivors of members that die prior to retirement.

- The valuation includes liabilities and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determining contribution rates and funded status.

- OSA simplified its modeling of medical premium reimbursements for survivors of duty-related deaths in LEOFF 2.

- OSA changed its method of updating certain data items that change annually, including the public safety duty-related death lump sum and Washington state average wage. OSA set these values at 2018 and will project them into the future using assumptions until the next Demographic Experience Study in 2025. See leg.wa.gov/osa for more information on this method change.

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

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

Long-Term Expected Rate of Return
The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various time horizons.

Estimated Rates of Return by Asset Class
Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

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

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

	1% Decrease 6.40%	Current Rate 7.40%	1% Increase 8.40%
PERS 1	1,179,622	941,772	734,341
PERS 2/3	2,764,186	444,241	(1,466,235)
LEOFF 1	(83,682)	(102,810)	(119,359)
LEOFF 2	(24,838)	(1,254,653)	(2,261,626)

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, 2019, the City reported a total pension liability of $1,386,013 for its proportionate share of the net pension liabilities and $1,357,463 for its share of net pension assets as follows:

Plan	Liability or Asset
PERS 1	941,772
PERS 2/3	444,241
LEOFF 1	(102,810)
LEOFF 2	(1,254,653)

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	(102,810)	(1,254,653)
LEOFF - State's proportionate share of the net pension asset associated with the employer	(695,404)	(802,256)
Total	(798,214)	(2,056,909)

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

	Proportionate Share 6/30/19	Proportionate Share 6/30/20	Change in Proportion
PERS 1	0.02785%	0.02668%	-0.00117%
PERS 2/3	0.03596%	0.03474%	-0.00123%
LEOFF 1	0.00533%	0.00544%	0.00012%
LEOFF 2	0.06879%	0.06151%	-0.00728%

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

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

In fiscal year 2020, the state of Washington contributed 39.00 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61.00 percent of employer contributions.

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

Pension Expense

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

	Pension Expense
PERS 1	(10,555)
PERS 2/3	22,404
LEOFF 1	(7,357)
LEOFF 2	62,721
Total	67,214

Deferred Outflows of Resources and Deferred Inflows of Resources

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

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	$ -	$ (5,243)
Contributions subsequent to the measurement date	111,802	-
Total	$ 111,802	$ (5,243)

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 159,032	$ (55,674)
Net difference between projected and actual investment earnings on pension plan investments	-	(22,561)
Changes of assumptions	6,327	(303,455)

Changes in proportion and differences between contributions and proportionate share of contributions	16,737	(60,936)
Contributions subsequent to the measurement date	183,391	-
Total	$ 365,487	$ (442,626)

LEOFF 1	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Net difference between projected and actual investment earnings on pension plan investments	$ -	$ (1,075)
Total	$ -	$ (1,075)

LEOFF 2	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 173,602	$ (22,252)
Net difference between projected and actual investment earnings on pension plan investments	-	(13,984)
Changes of assumptions	1,818	(194,276)
Changes in proportion and differences between contributions and proportionate share of contributions	138,535	(19,809)
Contributions subsequent to the measurement date	64,102	-
Total	$ 378,057	$ (250,321)

TOTAL ALL PLANS	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 332,634	$ (77,926)
Net difference between projected and actual investment earnings on pension plan investments	-	(42,863)
Changes of assumptions	8,145	(497,731)
Changes in proportion and differences between contributions and proportionate share of contributions	155,272	(80,745)
Contributions subsequent to the measurement date	359,295	-
Total	$ 855,346	$ (699,265)

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	**PERS 1**	**PERS 2/3**	**LEOFF 1**	**LEOFF 2**
2021	$ (23,795)	$ (190,190)	$ (3,839)	$ (76,746)
2022	(748)	(49,918)	(200)	(121)
2023	7,260	2,039	1,091	30,863
2024	12,040	30,984	1,873	54,272
2025	-	(26,781)	-	3,860
Thereafter	$ -	$ (26,664)	$ -	$ 51,506

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 2020:

OPEB Liabilities	$	2,003,784
Deferred Outflows of Resources – OPEB		27,001
OPEB expense/expenditures		(450,588)

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, 2020, 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, 2020, benefit payments made by the city were $50,675.

Actuarial Assumptions

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

The city's total OPEB liability of $2,003,784 was measured as of June 30, 2020 with a valuation date of June 30, 2020. The alternative method permitted under GASB 75 was used to calculate the liability instead of an actuarial valuation. The entry age normal actuarial cost method and the recognized immediately amortization method were used in this calculation. There are no assets in this plan, therefore, no asset valuation method was used.

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

- Inflation: 2.75% total economic inflation
- Discount Rate: 3.50% beginning of measurement year, 2.21% end of measurement year
- Healthcare cost trend rate: for medical costs, 6.0% decreasing to 5.0% in the mid 2020's; for long-term care, 4.5%; Medicare Part B premiums vary, approximately 5%.

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

Mortality rates were based on the RP-2000 report's "+1 year Healthy Table" and "-2 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 the mortality rates using 100 percent Scale BB. The Age Setback was based on the Blended 50%/50% Healthy/Disabled table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime. Medicare participation is assumed at 100%.

Sensitivity of the Total OPEB Liability

The table below presents the City's total OPEB liability calculated using the discount rate of 3.50 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 (2.50 percent) or 1-percentage point higher (4.50 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	$ 2,322,520	$ 2,003,784	$ 1,742,655

The following table presents the total OPEB liability of the City calculated using the health care cost trend rate of 6 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 (5% trending down to 4%, 3.5 % long term care trend rate) or 1-percentage point higher (7% 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	$ 1,753,604	$ 2,003,784	$ 2,301,080

Changes in the Total OPEB Liability

At the measurement date June 30, 2020, the changes in the total OPEB liability are as follows:

Total OPEB Liability at December 31, 2019	$	1,602,330
Interest		55,229
Changes in Experience Data and Assumptions		395,359
Estimated Benefit Payments		(49,134)
Net Changes		401,454
Total OPEB Liability at December 31, 2020	$	2,003,784

The city reported $450,588 as OPEB expense for the calendar year 2020.

At December 31, 2020, the city reported deferred outflows of resources only for deferred outflows subsequent to the measurement date in the amount of $27,001. This will be recognized as expense in the period ending December 31, 2021.

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

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

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

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible

to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

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

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

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

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

NOTE 13 – CONTINGENCIES AND LITIGATION

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

The city participates in a number of federal and state assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. City management believes that such disallowances, if any, will be immaterial.

NOTE 14 - RECEIVABLE BALANCES

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

Receivables	General	Nonmajor Governmental	Total Governmental Activities
Accounts	18,736		18,736
Property taxes	38,786	-	38,786
Sales taxes	836,697	-	836,697
Interest	262	676	938
Motor Vehicle Fuel Tax	-	59,808	59,808
Other taxes	545,402	43,157	588,559
Municipal court	173,410		173,410
State	44,460		44,460
Grants	45,406	240,032	285,438
	$ 1,703,159	$ 343,673	$ 2,046,832

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 $3,129,841 in 2020.

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 $215,528 in 2020.

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

NOTE 16 – PRIOR PERIOD ADJUSTMENT

The following prior period adjustment was recorded for 2020:

- $50,740 was recorded in the Water Fund related to the recording of an Asset Retirement Obligation. See Note 17 for more information.

NOTE 17 - 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 has recorded a prior period adjustment related to this adoption of $50,740.

The City owns, operates, and maintains 9 wells with an average useful life remaining of 42 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, 2020, of $165,500 and a Deferred Outflow of $112,000. The obligation will be paid from operating income; no assets have been set aside to fund this obligation.

NOTE 18 – COVID-19 PANDEMIC

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

The City of Battle Ground saw decreases in its rental revenue, fines, and utility penalty revenue. Overall the city continued operations as normal while keeping offices shut down to the public.

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

NOTE 19 – SPECIAL ITEM

Under GASB 69, Government Combinations and Disposals, annexations qualify as a transfer of operations. During the fiscal year 2020, the City was annexed into the Fire District 3, fire protection district. On February 24, 2020, the City transferred $1,328,006 of equipment and land with a book value of $829,480 to the Fire District during an annexation. As such, these amounts are presented on the Statement of Activities as a Special Item. This annexation resulted in an estimated reduction of $0 in property tax revenue to the City. This annexation resulted in an annual savings to the city of $3,463,231 related to the fire services contract.

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REQUIRED SUPPLEMENTARY INFORMATION

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

Total OPEB liability	2020	2019	2018
Interest	$ 55,229	$ 65,858	$ 63,170
Changes of assumptions or other inputs	395,359	(138,511)	(69,684)
Benefit payments	(49,134)	(53,022)	(59,467)
Net change in total OPEB liability	401,454	(125,675)	(65,981)
Total OPEB liability beginning	1,602,330	1,728,005	1,793,986
Total OPEB liability ending	$ 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

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%

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

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

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground

Schedule of Proportionate Share of the Net Pension Liability

PERS 1

As of June 30

Last Seven Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	Covered payroll	Employer's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
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

PERS 2/3

As of June 30

Last Seven Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	Covered payroll	Employer's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
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
LEOFF 1
As of June 30
Last Seven Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	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 as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
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 Seven Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	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 as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
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 Seven 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
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 Seven 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
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 Seven 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
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 Seven 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	current	12.97%	*

* 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	current	12.97%	*

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

LEOFF 1

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

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

LEOFF 2

From this	Through this	Employer	
9/1/2013	6/30/2017	5.23%	
7/1/2017	6/30/2019	5.43%	
7/1/2019	current	5.33%	*

* 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

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

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

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

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

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

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

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

CITY OF BATTLE GROUND
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2020

	Combined Special Revenue Funds	Combined Capital Project Funds	Total Nonmajor Governmental Funds
Assets			
Cash and Cash Equivalents	$ 1,914,691	$ 7,716,375	$ 9,631,066
Investments	170,709	672,366	843,075
Restricted Cash and Cash Equivalents:	-	253,425	253,425
Restricted Investments		22,006	22,006
Accounts Receivable	92,959	250,038	342,997
Interest Receivable	125	508	633
Total Assets	2,178,484	8,914,718	11,093,202
Liabilities			
Accounts Payable	37,348	157,557	194,905
Other Accrued Liabilities	414,986	14,612	429,598
Unearned Revenues	-	343,150	343,150
Total Liabilities	452,334	515,319	967,653
Fund Balances			
Restricted for:			
Capital	-	8,399,399	8,399,399
Drug Investigation	45,289	-	45,289
Tourist Promotion	269,325	-	269,325
Public Safety	497,815	-	497,815
Assigned to:			
Street	913,721	-	913,721
Total Fund Balances	1,726,150	8,399,399	10,125,549
Total Liabilities and Fund Balance	$ 2,178,484	$ 8,914,718	$ 11,093,202

CITY OF BATTLE GROUND
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended December 31, 2020

	Combined Special Revenue Funds	Combined Capital Project Funds	Total Nonmajor Governmental Funds
Revenues			
Other Taxes	$ 362,703	$ 1,446,972	$ 1,809,675
Intergovernmental	433,931	547,265	981,196
Charges for Services	160,911	1,331,652	1,492,563
Interest Earnings	18,833	95,929	114,762
Contributions/Donations	-	-	-
Miscellaneous	200	-	200
Total Revenues	976,578	3,421,818	4,398,396
Expenditures			
Current:			
Security/Persons and Property	9,455	-	9,455
Transportation	726,195	-	726,195
Economic Environment	18,310	-	18,310
Capitalized Expenditures			
General Government		186,314	186,314
Security/Persons and Property	11,500		11,500
Culture and Recreation		48,140	48,140
Transportation	-	657,595	657,595
Debt Service			
Principal Retirement	-	-	-
Interest/Fiscal Charges	-	-	-
Total Expenditures	765,460	892,049	1,657,509
Excess (Deficiency) of Revenues Over (Under) Expenditures	211,118	2,529,769	2,740,887
Other Financing Sources (Uses)			
Insurance Recoveries	337	-	337
Transfers In	303,186	444,960	748,146
Transfers Out	(30,754)	(2,307,497)	(2,338,251)
Total Other Financing Sources and Uses	272,769	(1,862,537)	(1,589,768)
Net Change in Fund Balance	483,887	667,232	1,151,119
Fund Balance at Beginning of Year	1,242,263	$ 7,732,167	$ 8,974,430
Fund Balance at End of Year	$ 1,726,150	$ 8,399,399	$ 10,125,549

CITY OF BATTLE GROUND
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2020

	Street Fund	Drug Investigation Fund	Lodging Tax Reserve	Fire Impact Fee	Total Nonmajor Special Revenue Funds
Assets					
Cash and Cash Equivalents	$ 1,168,761	$ 41,703	$ 246,336	$ 457,891	$ 1,914,691
Investments	105,720	3,633	21,462	39,894	170,709
Accounts Receivable (net)	91,448	-	1,511	-	92,959
Interest Receivable	77	2	16	30	125
Total Assets	1,366,006	45,338	269,325	497,815	2,178,484
Liabilities					
Accounts Payable	37,299	49	-	-	37,348
Other Accrued Liabilities	414,986	-	-	-	414,986
Total Liabilities	452,285	49	-	-	452,334
Fund Balances					
Restricted for:					
Drug Investigation	-	45,289	-	-	45,289
Tourist Promotion	-	-	269,325	-	269,325
Public Safety	-	-	-	497,815	497,815
Assigned to:					
Street	913,721	-	-	-	913,721
Total Fund Balances	913,721	45,289	269,325	497,815	1,726,150
Total Liabilities and Fund Balances	$ 1,366,006	$ 45,338	$ 269,325	$ 497,815	$ 2,178,484

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, 2020

	Street Fund	Drug Investigation Reserve	Lodging Tax Reserve	Fire Impact Fee	Total Nonmajor Special Revenue Funds
Revenues					
Other Taxes	$ 323,679	$ -	$ 39,024	$ -	$ 362,703
Intergovernmental	429,931	4,000	-	-	433,931
Charges for Services	22,887	-	-	138,024	160,911
Interest Earnings	10,597	666	2,843	4,727	18,833
Miscellaneous	-	200	-	-	200
Total Revenues	787,094	4,866	41,867	142,751	976,578
Expenditures					
Current:					
Security/Persons and Property	-	9,455	-	-	9,455
Transportation	726,195	-	-	-	726,195
Economic Environment	-	-	18,310	-	18,310
Capital Outlay:					
Security/Persons and Property		11,500			11,500
Total Expenditures	726,195	20,955	18,310	-	765,460
Excess (Deficiency) of Revenues Over (Under) Expenditures	60,899	(16,089)	23,557	142,751	211,118
Other Financing Sources (Uses)					
Insurance Recoveries	337	-	-	-	337
Transfers In	303,186	-	-	-	303,186
Transfers Out	(30,754)	-	-	-	(30,754)
Total Other Financing Sources (Uses)	272,769	-	-	-	272,769
Net Change in Fund Balance	333,668	(16,089)	23,557	142,751	483,887
Fund Balance at Beginning of Year	580,053	61,378	245,768	$ 355,064	$ 1,242,263
Fund Balance at End of Year	$ 913,721	$ 45,289	$ 269,325	$ 497,815	$ 1,726,150

CITY OF BATTLE GROUND
Nonmajor Capital Project Funds
Combining Balance Sheet
December 31, 2020

	Capital Projects Fund	Transportation Impact Fees	Park Impact Fee	Real Estate Excise Tax	Total Nonmajor Capital Projects Funds
Assets					
Cash and Cash Equivalents	$ -	3,336,615	1,338,354	3,041,406	$ 7,716,375
Investments	-	290,778	116,605	264,983	672,366
Restricted: Cash and Cash Equivalents	253,425	-	-	-	253,425
Restricted: Investments	22,006	-	-	-	22,006
Accounts Receivable (net)	240,032	-	-	10,006	250,038
Interest Receivable	16	213	85	194	508
Total Assets	515,479	3,627,606	1,455,044	3,316,589	8,914,718
Liabilities					
Accounts Payable	157,557	-	-	-	157,557
Other Accrued Liabilities	14,612	-	-	-	14,612
Unearned Revenues	343,150	-	-	-	343,150
Total Liabilities	515,319	-	-	-	515,319
Fund Balances					
Restricted for:					
Capital	160	3,627,606	1,455,044	3,316,589	8,399,399
Total Fund Balances	160	3,627,606	1,455,044	3,316,589	8,399,399
Total Liabilities and Fund Balances	$ 515,479	$ 3,627,606	$ 1,455,044	$ 3,316,589	$ 8,914,718

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, 2020

	Capital Projects Fund	Transportation Impact Fees	Park Impact Fee	Real Estate Excise Tax	Total Nonmajor Capital Project Funds
Revenues					
Other Taxes	$ -	$ -	$ -	$ 1,446,972	$ 1,446,972
Intergovernmental	547,265	-	-	-	547,265
Charges for Services	-	840,332	491,320	-	1,331,652
Interest Earnings	152	42,828	14,774	38,175	95,929
Total Revenues	$ 547,417	883,160	506,094	1,485,147	3,421,818
Expenditures					
Current:					
Capital Expenditures					
General Government	186,314				186,314
Culture and Recreation	48,140				48,140
Transportation	657,595	-	-	-	657,595
Total Expenditures	892,049	-	-	-	892,049
Excess (Deficiency) of Revenues Over (Under) Expenditures	(344,632)	883,160	506,094	1,485,147	2,529,769
Other Financing Sources (Uses)					
Transfers In	344,970	-	99,990	-	444,960
Transfers Out	(186)	(767,075)	(356,825)	(1,183,411)	(2,307,497)
Total Other Financing Sources (Uses)	344,784	(767,075)	(256,835)	(1,183,411)	(1,862,537)
Net Change in Fund Balance	152	116,085	249,259	301,736	667,232
Fund Balance at Beginning of Year	8	3,511,521	1,205,785	3,014,853	7,732,167
Fund Balance at End of Year	$ 160	$ 3,627,606	$ 1,455,044	$ 3,316,589	$ 8,399,399

CITY OF BATTLE GROUND
Street Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2020

	Budget Amounts		Actual Year-To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2020	Final 2020		
Revenues				
Other Taxes	$ 292,000	$ 292,000	$ 323,679	$ 31,679
Intergovernmental	473,724	473,724	429,931	(43,793)
Charges for Services	-	-	22,887	22,887
Interest Earnings	3,000	3,000	10,597	7,597
Miscellaneous	5,150	5,150	-	(5,150)
Total Revenues	773,874	773,874	787,094	13,220
Expenditures				
Current:				
Transportation	1,183,676	1,183,676	726,195	457,481
Total Expenditures	1,183,676	1,183,676	726,195	457,481
Excess (Deficiency) of Revenues Over (under) Expenditures	(409,802)	(409,802)	60,899	470,701
Other Financing Sources (Uses)				
Insurance Recoveries			337	337
Transfers In	373,000	303,000	303,186	186
Transfers Out	(138,000)	(138,000)	(30,754)	107,246
Total Other Financing Sources and Uses	235,000	165,000	272,769	107,769
Net Change in Fund Balance	(174,802)	(244,802)	333,668	578,470
Fund balance at beginning of year	196,125	$ 70,125	580,053	509,928
Fund balance at end of year	$ 21,323	$ (174,677)	$ 913,721	$ 1,088,398

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, 2020

	Budget Amounts		Actual Year-To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2020	Final 2020		
Revenues				
Intergovernmental	$ 7,500	$ 7,500	$ 4,000	$ (3,500)
Miscellaneous	-	-	200	200
Interest Earnings	510	510	666	156
Total Revenues	8,010	8,010	4,866	(3,144)
Expenditures				
Current:				
Security/Persons and Property	2,500	15,650	9,455	6,195
Capitalized Expenditures				
Security/Persons and Property	-	11,500	11,500	-
Total Expenditures	2,500	27,150	20,955	6,195
Excess (Deficiency) of Revenues Over (under) Expenditures	5,510	(19,140)	(16,089)	3,051
Other Financing Sources (Uses):				
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	5,510	(19,140)	(16,089)	3,051
Fund Balance at Beginning of Year	59,230	59,230	61,378	2,148
Fund Balance at End of Year	$ 64,740	$ 40,090	$ 45,289	$ 5,199

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, 2020

	Budget Amounts			
	Original 2020	Final 2020	Actual Year-To-Date Thru 12/31/20	Variance Thru 12/31/20
Revenues				
Other Taxes	$ 50,500	$ 50,500	$ 39,024	$ (11,476)
Interest Earnings	2,000	2,000	2,843	843
Total Revenues	52,500	52,500	41,867	(10,633)
Expenditures				
Economic Environment	38,556	38,556	18,310	20,246
Total Expenditures	38,556	38,556	18,310	20,246
Excess (Deficiency) of Revenues Over (under) Expenditures	13,944	13,944	23,557	9,613
Other Financing Sources (Uses)				
Transfers Out	14,550	14,550	-	(14,550)
Total Other Financing Sources and Uses	14,550	14,550	-	(14,550)
Net Change in Fund Balance	28,494	28,494	23,557	(4,937)
Fund Balance at Beginning of Year	210,350	210,350	245,768	17,978
Fund Balance at End of Year	$ 238,844	$ 238,844	$ 269,325	$ 13,041

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, 2020

	Budget Amounts			
	Original 2020	Final 2020	Actual Year-To-Date Thru 12/31/20	Variance Thru 12/31/20
Revenues				
Intergovernmental	$ 4,427,767	$ 4,567,767	$ 547,265	$ (4,020,502)
Interest Earnings	-	-	152	152
Total Revenues	4,427,767	4,567,767	547,417	(4,020,350)
Expenditures				
Capitalized Expenditures	5,408,017	5,548,017	892,049	4,655,968
Total Expenditures	5,408,017	5,548,017	892,049	4,655,968
Excess (Deficiency) of Revenues Over (under) Expenditures	(980,250)	(980,250)	(344,632)	635,618
Other Financing Sources (Uses)				
Transfers In	980,250	980,250	344,970	(635,280)
Transfers Out	-	-	(186)	(186)
Total Other Financing Sources and Uses	980,250	980,250	344,784	(635,466)
Net Change in Fund Balance	-	-	152	-
Fund Balance at Beginning of Year	-	-	8	1,169
Fund Balance at End of Year	$ -	$ -	$ 160	$ 1,169

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, 2020

	Budget Amounts		Actual Year-To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2020	Final 2020		
Revenues				
Charges for Services	$ 601,365	$ 601,365	$ 840,332	$ 238,967
Interest Earnings	23,625	23,625	42,828	19,203
Total Revenues	624,990	624,990	883,160	258,170
Expenditures				
Current:				
Transportation	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	624,990	624,990	883,160	258,170
Other Financing Sources (Uses):				
Transfers Out	(962,245)	(962,245)	(767,075)	195,170
Total Other Financing Sources and Uses	(962,245)	(962,245)	(767,075)	195,170
Net Change in Fund Balance	(337,255)	(337,255)	116,085	453,340
Fund Balance at Beginning of Year	3,305,097	3,277,097	3,511,521	234,424
Fund Balance at End of Year	$ 2,967,842	$ 2,939,842	$ 3,627,606	$ 687,764

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, 2020

	Budget Amounts		Actual Year-To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2020	Final 2020		
Revenues				
Charges for Services	$ 521,880	$ 521,880	$ 491,320	$ (30,560)
Interest Earnings	14,000	14,000	14,774	774
Total Revenues	535,880	535,880	506,094	(29,786)
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	535,880	535,880	506,094	(29,786)
Other Financing Sources (Uses)				
Transfers In	-	99,900	99,990	90
Transfers Out	(356,825)	(356,825)	(356,825)	-
Total Other Financing Sources and Uses	(356,825)	(256,925)	(256,835)	90
Net Change in Fund Balance	179,055	278,955	249,259	(29,696)
Fund Balance at Beginning of Year	1,175,862	1,175,862	1,205,785	29,923
Fund Balance at End of Year	$ 1,354,917	$ 1,454,817	$ 1,455,044	$ 227

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, 2020

	Budget Amounts			
	Original 2020	Final 2020	Actual Year-To-Date Thru 12/31/20	Variance Thru 12/31/20
Revenues				
Other Taxes	$ 650,000	$ 650,000	$ 1,446,972	$ 796,972
Interest Earnings	8,568	8,568	38,175	29,607
Total Revenues	658,568	658,568	1,485,147	826,579
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	658,568	658,568	1,485,147	826,579
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	(975,294)	(1,535,294)	(1,183,411)	351,883
Total Other Financing Sources and Uses	(975,294)	(1,535,294)	(1,183,411)	351,883
Net Change in Fund Balance	(316,726)	(876,726)	301,736	1,178,462
Fund Balance at Beginning of Year	2,261,172	2,261,172	3,014,853	753,681
Fund Balance at End of Year	$ 1,944,446	$ 1,384,446	$ 3,316,589	$ 1,932,143

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, 2020

	Budget Amounts		Actual Year-To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2020	Final 2020		
Revenues				
Charges for Services	$ 122,825	$ 122,825	$ 138,024	$ 15,199
Interest Earnings	1,500	1,500	4,727	3,227
Total Revenues	124,325	124,325	142,751	18,426
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	124,325	124,325	142,751	18,426
Net Change in Fund Balance	124,325	124,325	142,751	18,426
Fund Balance at Beginning of Year	283,849	283,849	355,064	71,225
Fund Balance at End of Year	$ 408,174	$ 408,174	$ 497,815	$ 89,651

CITY OF BATTLE GROUND
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2020

	Budget Amounts		Actual Year-To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2020	Final 2020		
Revenues				
Contributions/Donations	$ 111,818	111,818	112,943	$ 1,125
Total Revenues	111,818	111,818	112,943	1,125
Expenditures				
Debt service:				
Principal Retirement	1,040,000	1,600,000	1,600,000	-
Interest/Fiscal Charges	369,182	369,182	369,182	-
Total Expenditures	1,409,182	1,969,182	1,969,182	-
Excess (Deficiency) of Revenues Over (under) Expenditures	(1,297,364)	(1,857,364)	(1,856,239)	1,125
Other Financing Sources (Uses)				
Transfers In	1,297,364	1,857,364	1,856,239	(1,125)
Total Other Financing Sources and Uses	1,297,364	1,857,364	1,856,239	(1,125)
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	$ -	$ -	$ -	$ -

CITY OF BATTLE GROUND
Parks Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2020

	Budget Amounts		Actual Year-To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2020	Final 2020		
Revenues				
Intergovernmental	$ -	$ -	$ 30,386	$ 30,386
Charges for Services	3,380	3,380	2,858	(522)
Interest Earnings	1,836	1,836	3,305	1,469
Rents and Royalties	131,141	131,141	30,188	(100,953)
Contributions/Donations	9,500	9,500	6,500	(3,000)
Miscellaneous	3,000	3,000	-	(3,000)
Total Revenues	148,857	148,857	73,237	(75,620)
Expenditures				
Current:				
Culture and Recreation	828,291	828,291	641,026	(187,265)
Total Expenditures	828,291	828,291	641,026	(187,265)
Excess (Deficiency) of Revenues Over (under) Expenditures	(679,434)	(679,434)	(567,789)	111,645
Other Financing Sources (Uses)				
Insurance Recoveries	-	-	162	162
Sale of Capital Assets	-	-	99,990	99,990
Transfers In	500,000	570,000	545,569	(24,431)
Transfers Out	-	(99,900)	(99,990)	(90)
Total Other Financing Sources and Uses	500,000	470,100	545,731	75,631
Net Change in Fund Balance	(179,434)	(209,334)	(22,058)	187,276
Fund Balance at Beginning of Year	285,676	285,676	601,571	315,895
Fund Balance at End of Year	$ 106,242	$ 76,342	$ 579,513	$ 503,171

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, 2020

	Budget Amounts		Actual Year-To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2020	Final 2020		
Revenues				
Interest Earnings	$ -	$ -	$ 276	$ 276
Total Revenues	-	-	276	276
Expenditures				
Current:				
General Government	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	-	-	276	276
Other Financing Sources (Uses)				
Insurance recoveries	-	-	43,235	43,235
Transfers In				-
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	-	-	43,235	43,235
Net Change in Fund Balance	-	-	43,511	43,511
Fund Balance at Beginning of Year	-	-	8,185	8,185
Fund Balance at End of Year	$ -	$ -	$ 51,696	$ 51,696

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, 2020

	Budget Amounts		Actual Year-To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2020	Final 2020		
Revenues				
Interest Earnings	$ 306	$ 306	$ 1,332	$ 1,026
Total Revenues	306	306	1,332	1,026
Expenditures				
Current:				
General Government			50,675	50,675
Total Expenditures	-	-	50,675	50,675
Excess (Deficiency) of Revenues Over (under) Expenditures	306	306	(49,343)	(49,649)
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	100,306	100,306	50,657	(49,649)
Fund Balance at Beginning of Year	79,600	79,600	89,284	9,684
Fund Balance at End of Year	$ 179,906	$ 179,906	$ 139,941	$ (39,965)

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, 2020

	Budget Amounts		Actual Year-To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2020	Final 2020		
Revenues				
Interest Earnings	$ 4,000	$ 4,000	$ 2,750	$ (1,250)
Total Revenues	4,000	4,000	2,750	(1,250)
Expenditures				
Current:				
General Government	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	4,000	4,000	2,750	(1,250)
Other Financing Sources (Uses)				
Transfers In	108,000	108,000	108,000	-
Total Other Financing Sources and Uses	108,000	108,000	108,000	-
Net Change in Fund Balance	112,000	112,000	110,750	((1,250))
Fund Balance at Beginning of Year	288,840	288,840	243,808	((45,032))
Fund Balance at End of Year	$ 400,840	$ 400,840	$ 354,558	$ ((46,282))

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, 2020

	Vehicle Rental and Replacement	Technology Rental and Replacement	Total Internal Service Funds
Assets			
Cash and Cash Equivalents	$ 477,192	$ 203,427	$ 680,619
Investments	41,576	17,724	59,300
Receivables			
Interest Receivable	30	13	43
Total Current Assets	518,798	221,164	739,962
Noncurrent Assets			
Property, Plant and Equipment (Net)	479,651	40,917	520,568
Total Noncurrent Assets	479,651	40,917	520,568
Total Assets	998,449	262,081	1,260,530
Liabilities			
Current Liabilities			
Accrued Interest Payable	2,542	-	2,542
Leases Payable	86,887	-	86,887
Total Current Liabilities	89,429	-	89,429
Total Liabilities	89,429	-	89,429
Net Position			
Net Investment in Capital Assets	392,764	40,917	433,681
Unrestricted	516,256	221,164	737,420
Total Net Position	$ 909,020	$ 262,081	$ 1,171,101

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, 2020

	Vehicle Rental and Replacement	Technology Rental and Replacement	Total Internal Service Funds
Operating Revenues			
Charge for Services			
Vehicle Rental	$ 202,861	$ -	$ 202,861
Technology Rental	-	124,860	124,860
Grant Revenue	-	41,795	41,795
Total Operating Revenues	202,861	166,655	369,516
Operating Expenses			
Equipment and Supplies	-	148,945	148,945
Depreciation	151,151	13,639	164,790
Total Operating Expenses	151,151	162,584	313,735
Operating Income (loss)	51,710	4,071	55,781
Nonoperating Revenues (Expenses)			
Interest Earnings	5,759	3,156	8,915
Interest and Fiscal Charges	(2,683)	-	(2,683)
Gain/Loss on Sale of Capital Assets	34,785	-	34,785
Total Nonoperating Revenues (Expenses)	37,861	3,156	41,017
Income (Loss) before Contributions, Special Items, and Transfers	89,571	7,227	96,798
Special Item - Disposal of Operations	(396,580)	-	(396,580)
Transfers In	-	-	-
Transfers Out	(25,000)	(108,000)	(133,000)
Increase (Decrease) in Net Position	(332,009)	(100,773)	(432,782)
Total Net Position at Beginning of Year	1,241,030	362,853	1,603,883
Total Net Position at End of Year	$ 909,021	$ 262,080	$ 1,171,101

CITY OF BATTLE GROUND

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2019

	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	$ 202,861	$ -	$ 202,861
Receipts from interfund charges for technology rental services	-	124,860	124,860
Proceeds from Operating Grants	-	41,795	41,795
Cash payments to Suppliers	-	(148,945)	(148,945)
Net Cash Provided by Operating Activities	202,861	17,710	220,571
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(163,854)	-	(163,854)
Proceeds from Other Financing (Transfers)	(25,000)	(108,000)	(133,000)
Proceeds from sale of capital assets	34,785	-	34,785
Principal paid on capital lease	(84,952)	-	(84,952)
Interest Paid on capital lease	(5,168)	-	(5,168)
Net Cash Provided for Capital and Related Financing Activities	(244,189)	(108,000)	(352,189)
Cash Flows from Investing Activities			
Interest on Investments	5,759	3,156	8,915
Sale (purchase) of Investment Securities	15,508	14,019	29,527
Net Cash Used by Investing Activities	21,267	17,175	38,442
Net Increase (Decrease) in Cash and Cash Equivalents	(20,061)	(73,115)	(93,176)
Cash and Cash Equivalents at Beginning of Year	497,253	276,542	773,795
Cash and Cash Equivalents at End of Year	$ 477,192	$ 203,427	$ 680,619
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Net Operating Income (Loss)	$ 51,710	$ 4,071	$ 55,781
Adjustments to reconcile net operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation Expense	151,151	13,639	164,790
	151,151	13,639	164,790
Net Cash Provided by Operating Activities	$ 202,861	$ 17,710	$ 220,571
Noncash Investing, Financing and Capital Activities			
Net Change in Fair Value of Investments	(59)	(27)	(86)
Special item	(396,580)	-	(396,580)

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STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of Battle Ground's *Comprehensive Annual Financial Report* presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Contents

FINANCIAL TRENDS

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

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

REVENUE CAPACITY

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

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

DEBT CAPACITY

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

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

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

OPERATING INFORMATION

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

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

Continued on next page

CITY OF BATTLE GROUND

Schedule 1

Net Position by Component

Last Ten Fiscal Years

(accural basis of accounting)

	2016	2017	2018	2019	2020
Governmental Activities					
Net investment in capital assets	$ 39,534,273	$ 44,439,495	$ 47,192,935	$ 47,156,748	$ 48,276,704
Restricted for:					
Capital	5,488,961	5,544,003	6,673,924	8,087,231	8,399,399
Pension	453,785	1,013,955	1,166,990	1,344,153	1,484,124
Debt	-	-		-	-
Drug Investigation	60,291	68,921	55,388	61,378	45,289
Tourist Promotion	153,483	174,624	209,490	245,768	269,325
Archeological Mitigation	-	-			
Public Safety					497,815
Unrestricted	2,295,387	3,039,376	2,992,465	5,326,561	6,700,552
Total governmental activities net position	$ 47,986,180	$ 54,280,374	$ 58,291,192	$ 62,221,839	$ 65,673,208
Business-type Activities					
Net investment in capital assets	$ 48,777,185	$ 50,173,640	$ 50,237,762	$ 52,295,554	$ 52,425,451
Restricted	301,875	297,778	297,778	297,778	297,778
Unrestricted	17,866,082	19,891,869	22,677,534	24,696,312	27,343,734
Total business-type activities net position	$ 66,945,142	$ 70,363,287	$ 73,213,074	$ 77,289,644	$ 80,066,963
Primary Government					
Net investment in capital assets	$ 88,311,458	$ 94,613,135	$ 97,430,697	$ 99,452,302	$ 100,702,155
Restricted for:					
Capital	5,488,961	5,544,003	6,673,924	8,087,231	8,399,399
Pension	453,785	1,013,955	1,166,990	1,344,153	1,484,124
Debt	301,875	297,778	297,778	297,778	297,778
Drug Investigation	60,291	68,921	55,388	61,378	45,289
Tourist Promotion	153,483	174,624	209,490	245,768	269,325
Archeological Mitigation	-	-	-	-	-
Public Safety					497,815
Unrestricted	20,161,469	22,931,245	25,669,999	30,022,873	34,044,286
Total primary government net position	$ 114,931,322	$ 124,643,661	$ 131,504,266	$ 139,511,483	$ 145,740,171

CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

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

continued on next page

CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2016	2017	2018	2019	2020
Expenses					
Governmental activities					
General government	$ 1,884,953	$ 1,818,329	$ 1,994,437	$ 2,567,566	$ 2,335,730
Judicial	569,422	730,455	602,107	246,734	571,181
Public Safety	4,303,774	6,766,840	7,305,827	7,531,825	8,558,547
Physical Environment	2,325,492	457,270	477,150	452,297	419,875
Transportation	2,871,534	3,279,449	3,291,877	3,566,592	3,197,724
Economic Environment	849,069	941,778	996,604	2,304,417	2,237,387
Culture and Recreation	1,027,123	1,049,993	1,042,660	899,601	875,202
Interest on long-term debt	477,416	460,347	430,418	400,222	352,877
Total governmental activities expenses	$ 14,308,783	$ 15,504,461	$ 16,141,080	$ 17,969,254	$ 18,548,523
Business-type activities					
Storm Drainage	$ 1,158,748	$ 1,380,733	$ 1,332,675	$ 1,409,906	$ 1,420,125
Water	2,691,560	2,914,232	2,985,843	2,919,154	3,376,589
Sewer	5,181,762	5,686,127	8,557,894	6,595,763	6,637,207
Total business-type activities expenses	9,032,070	9,981,092	12,876,412	10,924,823	11,433,921
Total primary government expenses	$ 23,340,853	$ 25,485,553	$ 29,017,492	$ 28,894,077	$ 29,982,444
Program Revenues					
Governmental activities					
Charge for services					
General Government	$ 387,984	$ 342,546	$ 283,560	$ 378,297	$ 114,900
Judicial	446,311	195,861	169,059	203,925	199,382
Economic Environment	2,520,101	2,167,138	2,367,537	4,776,072	4,257,368
Other activities	201,667	327,140	532,277	531,596	619,971
Operating grants and contributions	1,104,258	1,062,301	1,134,990	1,130,484	1,693,611
Capital grant and contributions	528,232	6,339,352	4,849,346	2,090,113	3,072,574
Total government activities program revenues	$ 5,188,553	$ 10,434,338	$ 9,336,769	$ 9,110,487	$ 9,957,806
Business-type activities					
Storm Drainage	$ 1,035,170	$ 1,205,307	$ 1,386,111	$ 1,556,134	$ 1,601,371
Water	2,503,684	2,728,712	2,884,377	2,862,375	2,855,522
Sewer	3,565,701	3,831,541	4,303,363	4,715,056	4,764,471
Operating grants and contributions			50,000	-	127,332
Capital grants and contributions	2,598,683	5,330,573	6,614,179	5,105,880	4,393,652
Total business-type activities program revenues	9,703,238	13,096,133	15,238,030	14,239,445	13,742,348
Total primary government program revenues	$ 14,891,791	$ 23,530,471	$ 24,574,799	$ 23,349,932	$ 23,700,154

CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

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

continued on next page

CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2016	2017	2018	2019	2020
Net(Expenses)Revenue					
Government activities	(9,120,230)	(5,070,123)	(6,804,311)	(8,858,767)	(8,590,717)
Business activities	671,168	3,115,041	2,361,618	3,314,622	2,308,427
Total primary government net expense	(8,449,062)	(1,955,082)	(4,442,693)	(5,544,145)	(6,282,290)
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	2,816,320	2,902,251	3,049,456	3,162,791	3,323,783
Sales and use taxes	2,949,812	3,521,944	3,723,445	4,002,428	4,396,312
Business and occupation taxes	3,313,960	3,187,273	3,357,670	3,448,257	3,098,913
Excise taxes	978,371	1,187,266	1,077,298	1,243,205	1,455,122
Unrestricted grants and contributions	360,532	347,317	362,403	373,645	401,637
Investment earnings	72,726	98,941	209,631	337,457	180,832
Miscellaneous	82,457	106,116	91,735	325,392	39,967
Gain on sale of capital assets	2,500	13,207	4,680	(105,126)	-
Insurance recoveries	-			1,365	-
Special Item					(829,480)
Transfers	-			-	(25,000)
Total governmental activities	10,576,678	11,364,317	11,876,318	12,789,414	12,042,086
Business-type activities					
Investment earnings	128,293	169,175	319,724	554,359	302,737
Miscellaneous	142,170	163,304	165,412	207,589	191,895
Special Item	-				
Gain(loss) on sale of capital assets	-	(29,376)	3,033		
Transfers	-				25,000
Total business-type activities	270,463	303,103	488,169	761,948	519,632
Total primary government	10,847,141	11,667,420	12,364,487	13,551,362	12,561,718
Changes in Net Position					
Governmental activities	1,456,448	6,294,194	5,072,007	3,930,647	3,451,369
Business-type activities	941,631	3,418,144	2,849,787	4,076,570	2,828,059
Total primary government	2,398,079	9,712,338	7,921,794	8,007,217	6,279,428

CITY OF BATTLE GROUND

Schedule 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accruaL basis of accounting)

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

Continued on next page

CITY OF BATTLE GROUND

Schedule 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accruaL basis of accounting)

	2016	2017	2018	2019	2020
General Fund					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Committed	2,455,518	382,871	238,127	243,808	354,558
Assigned	517,175	483,837	466,644	699,040	771,150
Unassigned	1,744,474	4,934,676	5,840,214	7,391,039	8,628,277
Total general fund	4,717,167	5,801,384	6,544,985	8,333,887	9,753,985
All Other Governmental Funds					
Restricted	5,705,734	5,787,548	6,938,802	8,394,377	9,211,828
Assigned					
Special revenue funds	255,040	253,684	505,627	580,053	913,721
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	$ 5,960,774	$ 6,041,232	$ 7,444,429	$ 8,974,430	$ 10,125,549

CITY OF BATTLE GROUND

Schedule 4

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

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

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)

	2016	2017	2018	2019	2020
Revenues					
Taxes	$ 10,335,734	$ 11,529,561	$ 11,333,623	$ 12,141,540	$ 12,437,585
Licenses, fees, and permits	841,949	963,119	1,181,600	1,423,090	1,370,663
Intergovernmental	1,385,585	5,246,958	2,362,444	1,334,014	2,401,530
Charges for services	2,953,275	2,557,087	2,797,512	4,843,131	4,637,700
Fines and penalties	260,696	241,915	243,280	235,272	153,836
Investment earnings	69,705	98,942	198,777	319,084	171,912
Rents and royalties	272,099	282,302	277,815	281,039	141,495
Contributions/donations	127,917	141,294	141,134	128,784	134,215
Other revenues	89,354	106,116	87,388	314,914	40,169
Total governmental funds	16,336,314	21,167,294	18,623,573	21,020,868	21,489,105
Expenditures					
General Government	2,692,214	2,573,435	2,813,508	3,221,339	3,214,508
Judicial	579,154	737,822	700,282	290,854	588,904
Security/persons and property	3,944,592	6,629,465	7,318,752	7,611,206	8,227,704
Physical environment	2,296,398	439,352	489,047	473,904	428,944
Transportation	1,109,050	1,436,015	1,053,875	1,203,556	726,195
Economic environment	876,787	954,108	1,050,336	2,363,308	2,286,466
Culture and recreation	607,717	621,871	669,837	562,309	538,844
Capital outlay	691,716	4,974,887	797,012	400,133	1,130,518
Debt service					
Principal	846,383	886,541	904,123	1,085,141	1,656,184
Interest	482,069	469,122	437,237	411,426	371,345
Total expenditures	14,126,080	19,722,618	16,234,009	17,623,176	19,169,612
Excess of revenues over (under) expenditures	2,210,234	1,444,676	2,389,564	3,397,692	2,319,493
Other Financing Sources (Uses)					
Sale of capital assets	-	-	2,210	-	99,990
Long-term debt proceeds	270,594	-	-	-	-
Premiums on Bonds Issued	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-
Payments to Refunding Escrow	-	-	-	-	-
Insurance recoveries	-	-	4,344	1,128	43,734
Transfers in	1,754,897	2,343,505	2,009,069	2,058,926	2,859,953
Transfers out	(1,868,145)	(2,623,507)	(2,258,390)	(2,138,843)	(2,751,953)
Total other financing sources (uses)	157,346	(280,002)	(242,767)	(78,789)	251,724
Net changes in fund balances	$ 2,367,580	$ 1,164,674	$ 2,146,797	$ 3,318,903	$ 2,571,217
Debt service as a percentage of noncapital expenditures	9.89%	9.19%	8.69%	8.69%	11.24%

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

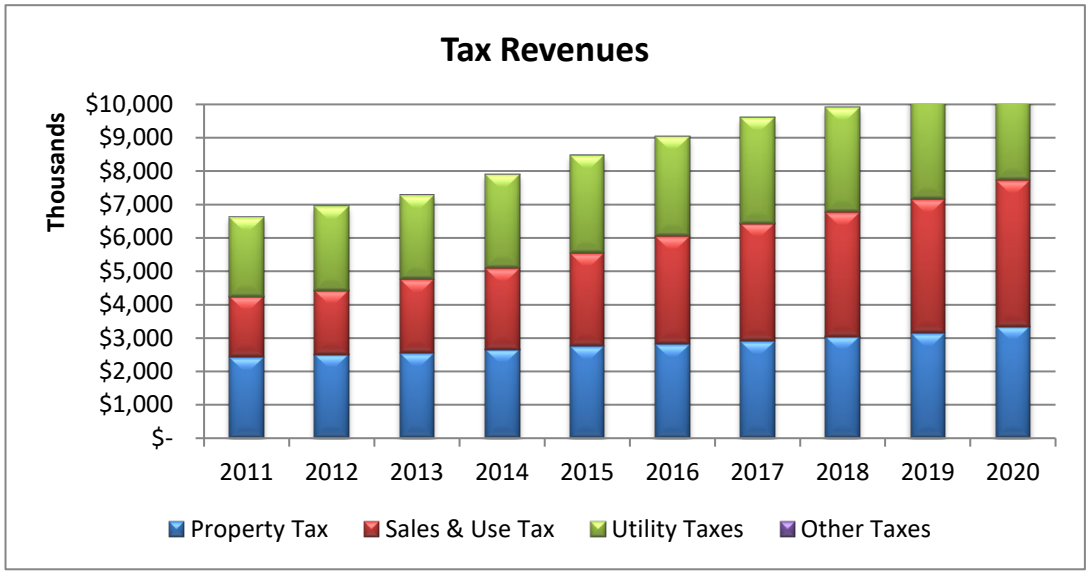
Schedule 5

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
2011	2,428,374	1,807,821	2,390,116	7,810	6,634,121
2012	2,507,031	1,910,787	2,534,798	6,980	6,959,596
2013	2,551,368	2,217,875	2,518,789	14,304	7,302,336
2014	2,654,010	2,446,729	2,790,599	8,992	7,900,330
2015	2,758,389	2,791,726	2,924,491	15,347	8,489,953
2016	2,819,856	3,233,490	2,992,741	7,586	9,053,673
2017	2,906,406	3,521,944	3,187,273	10,281	9,625,904
2018	3,049,015	3,723,445	3,140,647	7,805	9,920,912
2019	3,158,747	4,002,428	3,383,862	8,494	10,557,575
2020	3,333,686	4,396,312	2,889,763	8,149	10,627,911
Change 2019-2020	5.54%	9.84%	-14.60%	-4.06%	0.67%



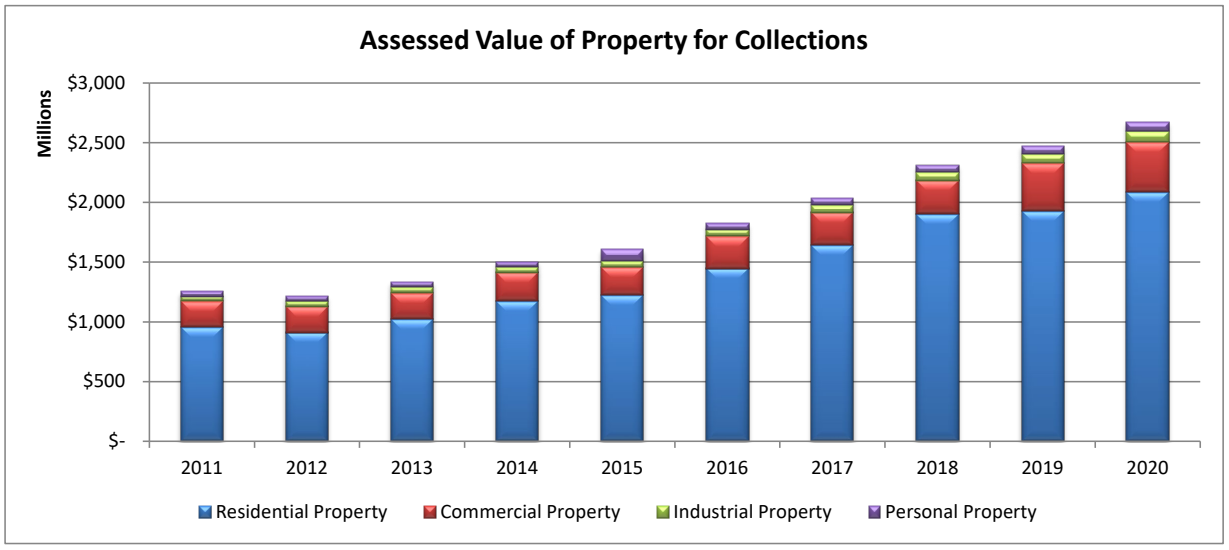
CITY OF BATTLE GROUND

Schedule 6

Assessed Value of Taxable Property

Last Ten Fiscal Years

Assessed Year	Collection Year	Real Property Assessed Value			Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate
		Residential Property	Commercial Property	Industrial Property			
2011	2012	956,419,669	216,235,256	40,516,460	42,630,712	1,255,802,097	1.98
2012	2013	910,595,226	217,850,315	44,230,062	42,122,439	1,214,798,042	2.09
2013	2014	1,023,444,568	221,344,978	45,728,146	42,265,819	1,332,783,511	1.96
2014	2015	1,177,732,209	236,690,037	45,430,231	41,545,617	1,501,398,094	1.83
2015	2016	1,223,115,822	239,842,262	48,336,782	95,636,414	1,606,931,280	1.75
2016	2017	1,448,221,654	270,824,266	53,953,558	51,115,295	1,824,114,773	1.59
2017	2018	1,645,334,443	271,535,957	61,621,488	54,781,907	2,033,273,795	1.50
2018	2019	1,900,767,211	283,664,324	67,575,193	61,725,672	2,313,732,400	1.37
2019	2020	1,930,238,652	397,772,524	77,914,446	67,644,990	2,473,570,612	1.35
2020	2021	2,085,712,857	421,895,020	92,417,184	75,066,397	2,675,091,458	1.29



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

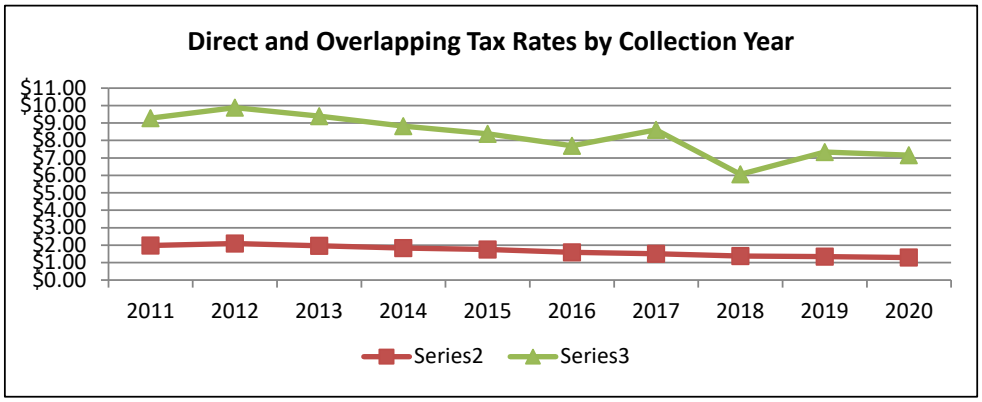
Schedule 7

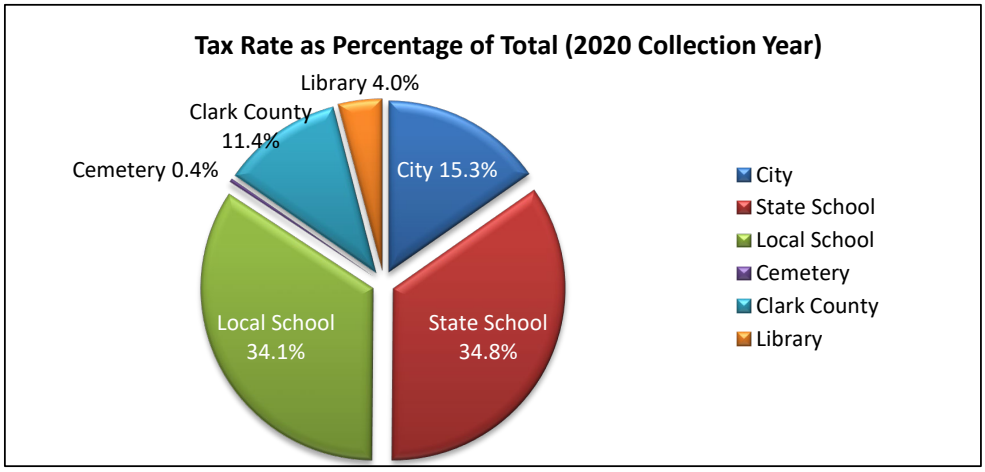
Property Tax Rates

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	
2011	2012	1.98	2.36	4.82	1.55	0.50	0.04	11.25
2012	2013	2.09	2.49	5.21	1.64	0.50	0.04	11.97
2013	2014	1.96	2.35	4.99	1.52	0.50	0.04	11.36
2014	2015	1.83	2.22	4.70	1.40	0.47	0.04	10.66
2015	2016	1.75	2.08	4.48	1.33	0.45	0.03	10.12
2016	2017	1.59	1.98	4.05	1.22	0.42	0.03	9.29
2017	2018	1.50	2.89	4.14	1.15	0.40	0.03	10.11
2018	2019	1.37	2.51	2.11	1.05	0.36	0.03	7.43
2019	2020	1.35	2.85	3.08	1.03	0.35	0.03	8.69
2020	2021	1.29	2.94	2.88	0.96	0.34	0.03	8.44





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.

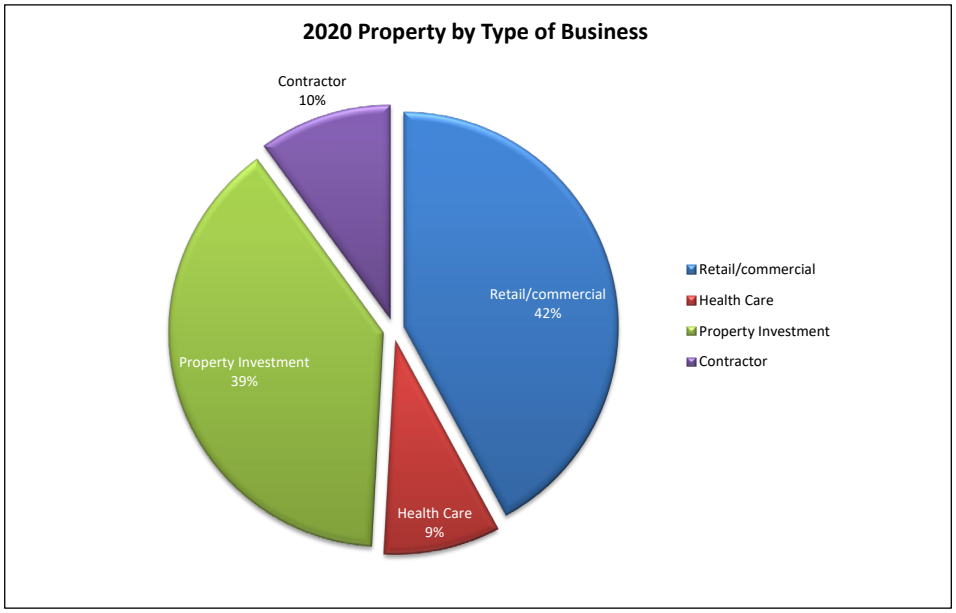
CITY OF BATTLE GROUND

Schedule 8

Principal Property Taxpayers

Current Year and Nine Years Ago

		2020			2011		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Scotton Landing II LLC	Property Investment	$ 27,468,720	1	1.03%			
Tapani Underground Inc	Contractor-Excavating	20,912,110	2	0.78%			
Fred Meyer Store	Retail	20,128,499	3	0.75%	19,894,626	1	1.57%
SOP LLC	Property Investment	18,165,100	4	0.68%			
Wal-Mart Real Estate Business Trust	Retail/commercial	16,511,700	5	0.62%			
Battle Ground Market Center	Retail/commercial	16,426,500	6	0.61%	14,622,126	2	1.16%
The Vancouver Clinic	Health Care	14,350,938	7	0.54%	14,358,800	3	1.13%
Mobile Estates LLC	Property Investment	10,091,000	8	0.38%	6,172,519	7	0.49%
Heldig LLC	Property Investment	10,084,100	9	0.38%			
Westwood Commons	Commercial	9,877,100	10	0.37%	5,887,300	9	0.47%
Hi-School Properties LLC	Retail/commercial				5,610,830	10	0.44%
Dennis Pavlina	Property Investment				10,135,513	4	0.80%
Samuel and Shelley Walker	Property Investment				8,012,500	5	0.63%
NW Natural Gas	Utility				6,009,900	8	0.48%
Oldcastle Glass Inc.	Manufacturing				6,342,155	6	0.50%
Total Principal Property Tax Payers		164,015,767		6.13%	97,046,269		7.67%
All Other City Taxpayers		2,511,075,691		93.87%	1,168,140,347		92.33%
Total City Taxpayers		2,675,091,458		100.00%	$ 1,265,186,616		100.00%



Source: Clark County Assessor's Office Top Taxpayer Report

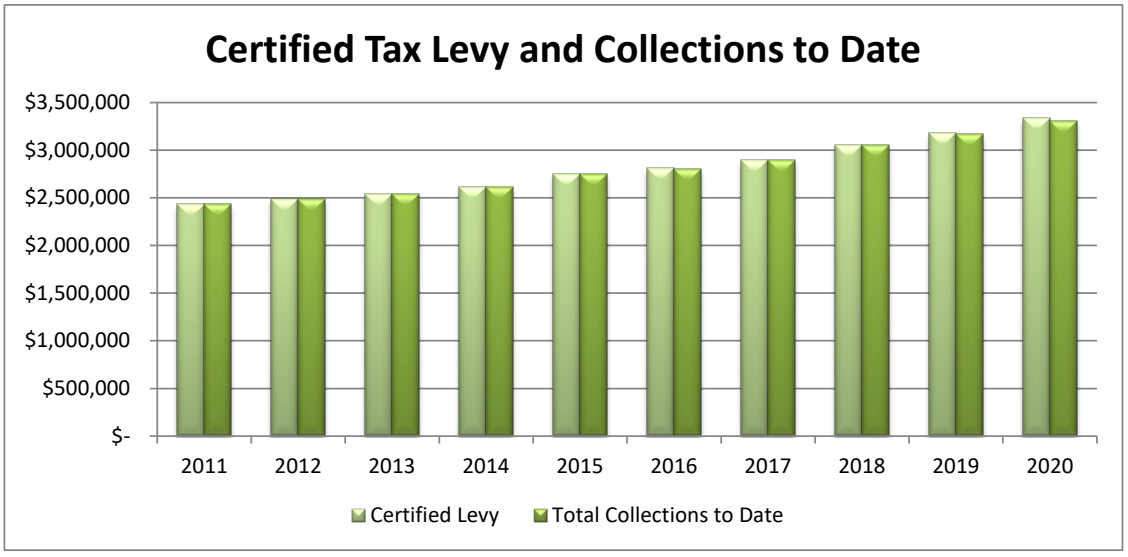
CITY OF BATTLE GROUND

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
2011	2,428,816	2,343,915	96.50%	84,847	2,428,737	100.00%
2012	2,486,187	2,423,459	97.48%	62,679	2,486,115	100.00%
2013	2,542,871	2,491,852	97.99%	50,896	2,542,748	100.00%
2014	2,612,427	2,564,034	98.15%	48,275	2,612,309	100.00%
2015	2,747,180	2,707,983	98.57%	38,599	2,746,582	99.98%
2016	2,807,748	2,772,332	98.74%	35,148	2,807,480	99.99%
2017	2,893,525	2,851,452	98.55%	41,682	2,893,134	99.99%
2018	3,052,811	3,022,188	99.00%	27,520	3,049,708	99.90%
2019	3,173,966	3,147,756	99.17%	16,521	3,164,277	99.69%
2020	3,331,136	3,306,744	99.27%	-	3,306,744	99.27%



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

DEBT CAPACITY

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

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

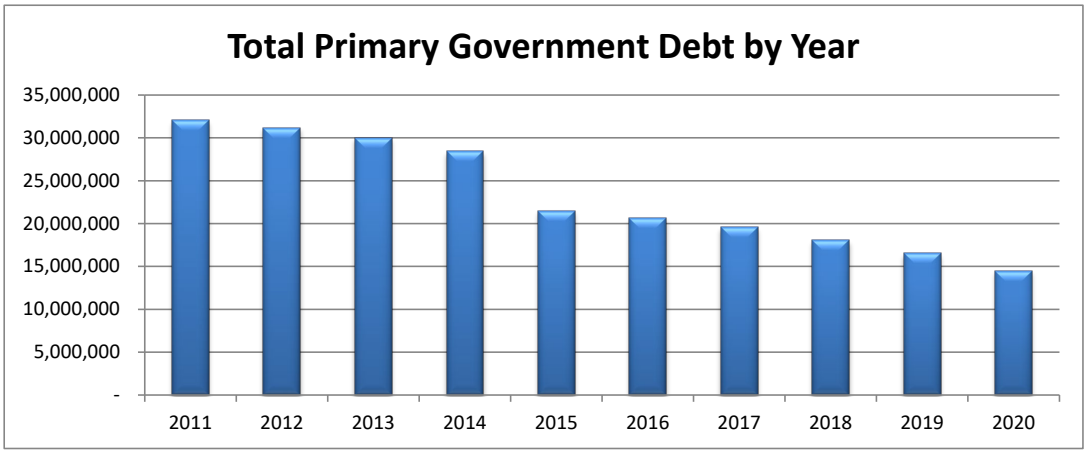
CITY OF BATTLE GROUND

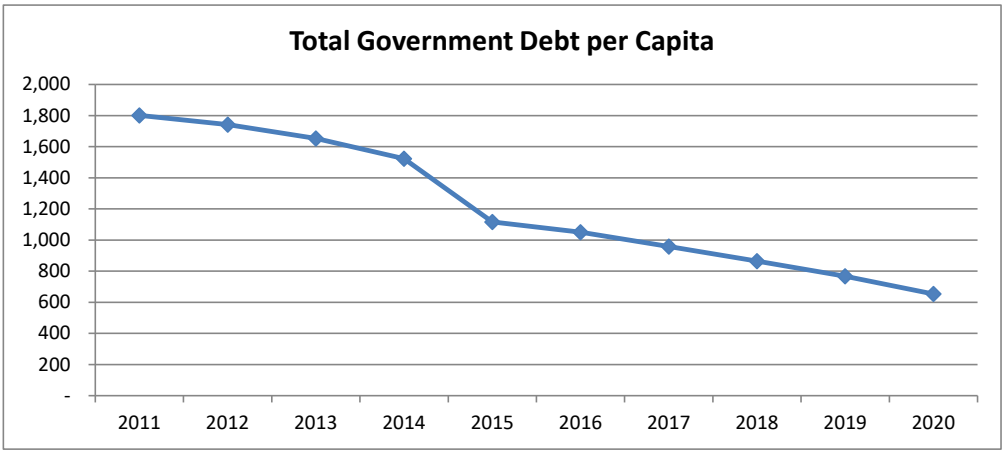
Schedule 10

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities					
Fiscal Year	General Obligation Bonds	Public Works Trust Fund Loans	Capital Leases	Revenue Bonds	Public Works Trust Fund Loans	Total Primary Government	Percentage of Personal Income	Population	Per Capita
2011	12,655,000	1,200,000	56,576	-	18,117,104	32,028,680	4.78%	17,780	1,801
2012	12,335,000	1,100,000	51,808	6,863,746	10,825,818	31,176,372	6.24%	17,893	1,742
2013	11,895,000	1,000,000	568,597	6,771,191	9,738,533	29,973,321	5.92%	18,130	1,653
2014	11,205,000	900,000	467,635	6,675,840	9,197,698	28,446,173	5.45%	18,685	1,522
2015	10,485,000	800,000	579,894	9,352,015	269,992	21,486,901	4.00%	19,250	1,116
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





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

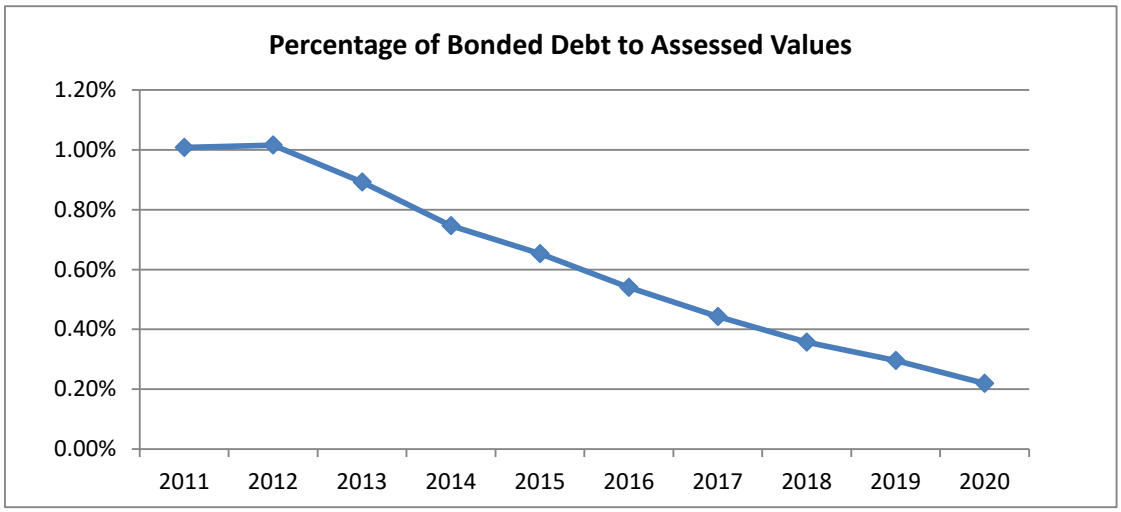
CITY OF BATTLE GROUND

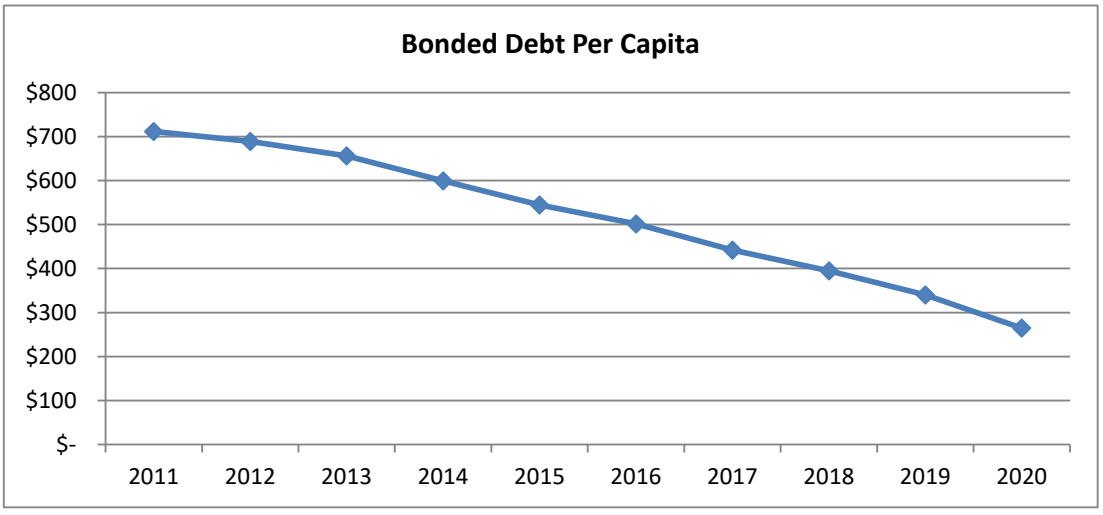
Schedule 11

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
2011	12,655,000	1,255,802,097	1.01%	17,780	712
2012	12,335,000	1,214,798,042	1.02%	17,893	689
2013	11,895,000	1,332,783,511	0.89%	18,130	656
2014	11,205,000	1,501,398,094	0.75%	18,685	600
2015	10,485,000	1,606,931,280	0.65%	19,250	545
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





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

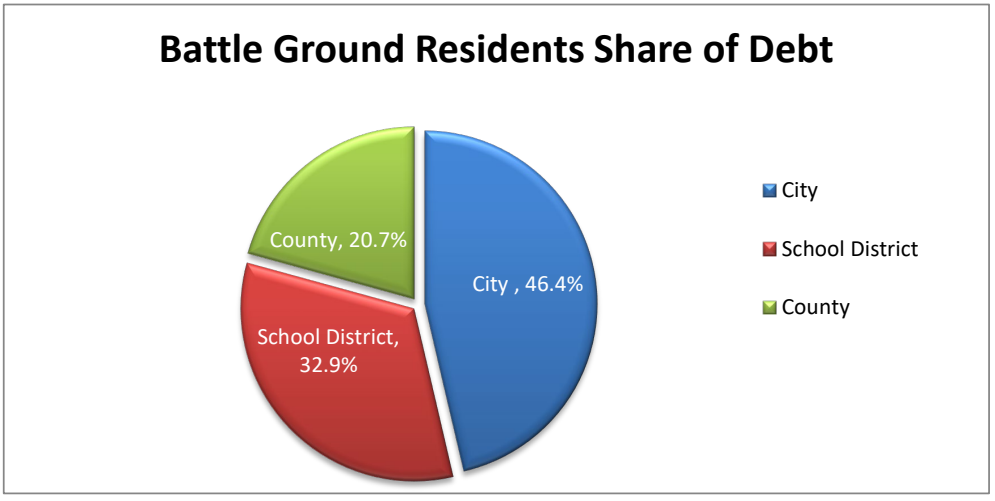
Schedule 12

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	$ 5,867,247		
Public Works Trust Fund Loan	300,000		
Capital leases	144,139		
Total Direct	$ 6,311,386	100.00%	$ 6,311,386
Overlapping: (GO debt repaid with property taxes)			
Battle Ground School District	20,411,661	21.97%	4,483,840
Clark County	77,747,380	3.63%	2,819,437
Total Overlapping	$ 98,159,041		$ 7,303,277
Total direct and overlapping debt	$ 104,470,427		$ 13,614,663

Property Valuation (2020 Assessment for 2021 Tax Collections)

City Assessed Valuation	$ 2,675,091,458
School Assessed Valuation	$ 12,177,744,387
County Assessed Valuation	$ 73,766,991,435



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 (2020 assessment for 2021 revenue)		$ 2,675,091,458
Debt limit:		
General purpose debt limit without a vote (1.5%)		40,126,372
General purpose debt limit with a vote (1.0%)		26,750,915
Utility purpose debt limit with a vote (2.5%)		53,501,829
Open space, park, capital facilities debt limit with a vote (2.5%)		66,877,286
Total debt limit		$ 187,256,402
Debt applicable to limit:		
General purpose debt limit without a vote (1.5%)	5,825,000	
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		5,825,000
Legal debt margin		$ 181,431,402

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

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CITY OF BATTLE GROUND

Schedule 13

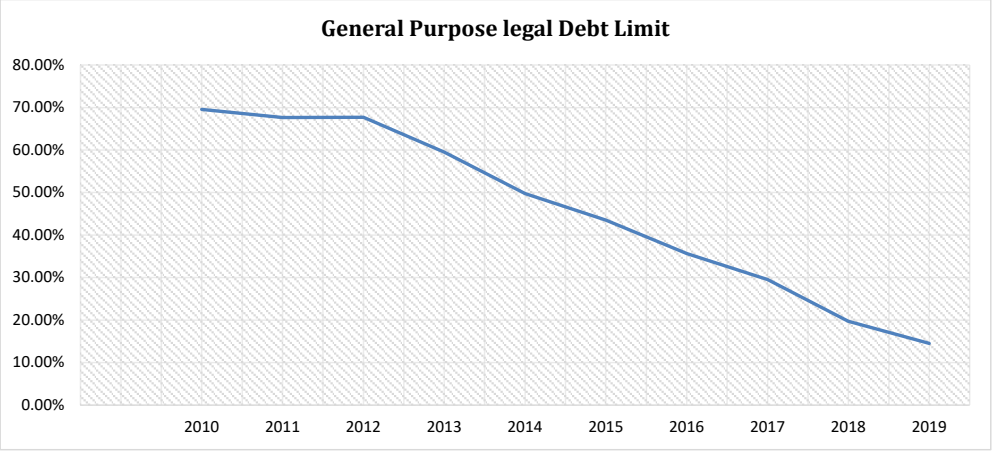
Legal Debt Margin Information

Last Ten Fiscal Years

	2016	2017	2018	2019	2020
Assessed Valuation	$ 1,824,114,773	$ 2,033,273,795	$ 2,313,732,400	$ 2,473,570,612	$ 2,675,091,458
General purpose debt limit (1.5%)	27,361,722	30,499,107	34,705,986	37,103,559	40,126,372
Total net debt applicable to limit	9,755,000	9,005,000	8,255,000	7,325,000	5,825,000
Available non-voted debt capacity	$ 17,606,722	$ 21,494,107	$ 26,450,986	$ 29,778,559	$ 34,301,372
Total net debt applicable to the limit as a percentage of debt limit	35.65%	29.53%	23.79%	19.74%	14.52%

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	
2011	2,239,511	1,442,538	796,973	-	-	-	-
2012	2,206,060	1,835,102	370,958	-	-	-	-
2013	2,504,650	1,612,307	892,343	-	-	-	-
2014	2,509,558	1,494,237	1,015,321	-	-	-	-
2015	3,031,056	1,757,398	1,273,658	-	-	-	-
2016	2,561,838	1,818,125	743,713	72,361	136,330	208,691	260,864
2017	2,802,676	2,032,457	770,219	124,967	86,593	211,560	264,450
2018	3,013,444	2,063,318	950,126	134,978	82,398	217,376	271,720
2019	3,112,017	1,994,692	1,117,325	145,484	77,870	223,354	279,193
2020	3,046,262	2,454,797	591,465	156,503	72,995	229,498	286,873

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) (2)]			Reserve Requirement
				Principal	Interest	Total	
2011	3,180,504	2,002,328	1,178,176	1,087,285	64,067	1,151,352	-
2012	2,967,278	1,595,504	1,371,774	1,132,539	165,630	1,298,169	-
2013	4,477,286	2,137,092	2,340,194	1,179,840	261,512	1,441,352	297,778
2014	3,904,263	2,067,218	1,837,045	911,803	250,212	1,162,015	297,778
2015	5,414,619	3,776,920	1,637,699	152,233	202,784	355,017	297,778
2016	3,717,301	3,319,511	397,790	155,201	199,275	354,476	297,778
2017	4,002,428	3,774,029	228,399	158,260	195,676	353,936	297,778
2018	4,303,363	4,132,275	171,088	161,412	191,985	353,397	297,778
2019	4,715,056	4,461,218	253,838	164,659	188,198	352,857	297,778
2020	5,034,060	4,541,437	492,623	168,004	184,313	352,317	297,778

(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.

(2) The city has entered into Public Works Trust Fund loan with the Washington State Department of Commerce to construct sanitary sewer lines. These loans do not have any revenue coverage requirements. This loan was paid off in 2020.

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

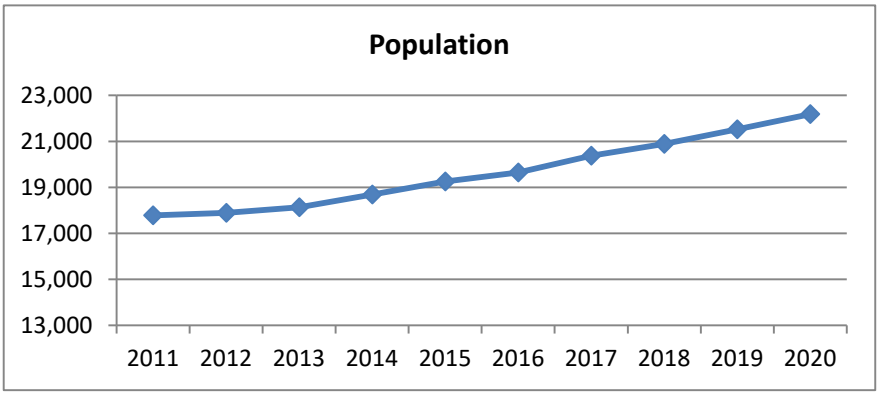
CITY OF BATTLE GROUND

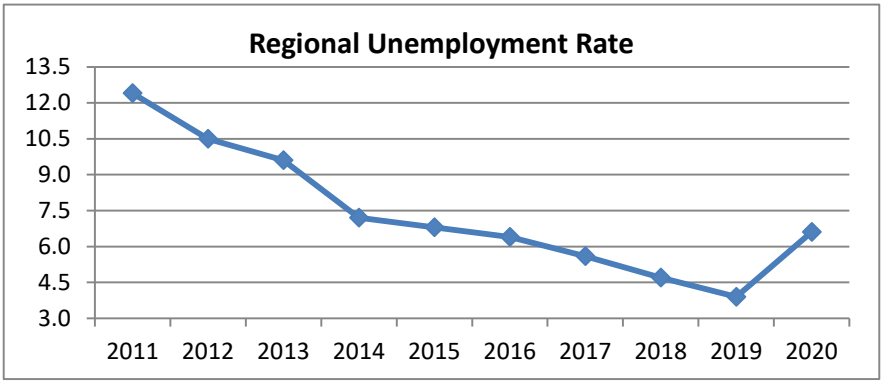
Schedule 15

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]
2011	17,780	665,558,740	37,433	13,342	12.4
2012	17,893	710,262,635	39,695	12,941	10.5
2013	18,130	735,479,710	40,567	13,174	9.6
2014	18,685	806,313,805	43,153	13,263	7.2
2015	19,250	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





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 2020
(5) Washington State Employment Security Department - Clark County

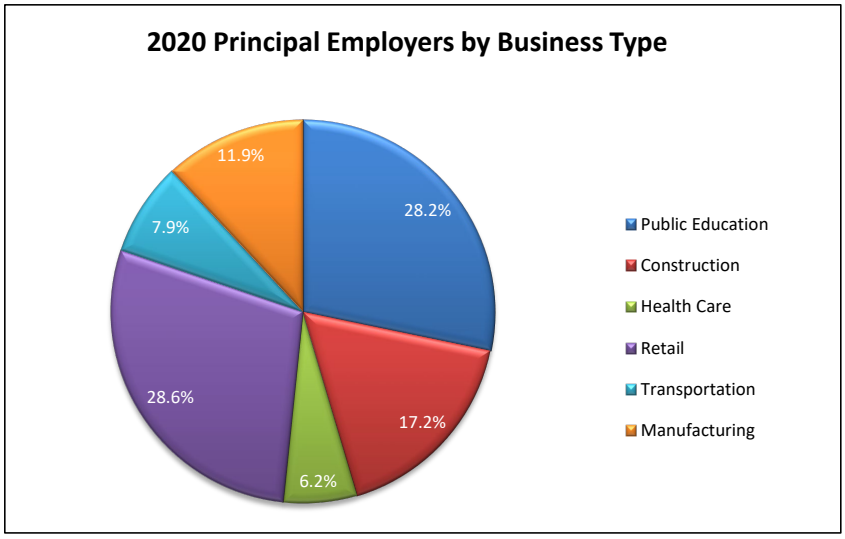
CITY OF BATTLE GROUND

Schedule 16

Principal Employers,

Last Ten Fiscal Years

		2020			2011	
Employer	**Type of Business**	**Employees**	**Rank**	**% of Labor Force**	**Employees**	**Rank**
Battle Ground School District	Public Education	729	1	28.2%	446	1
Tapani Underground Inc.	Construction	444	2	17.2%	220	3
Fred Meyer	Retail	299	3	11.6%	235	2
Walmart	Retail	243	4	9.4%		
Cascade Student Transportation	Transportation	203	5	7.9%		
Anderson Plastics/Anderson Dairy	Manufacturing	161	6	6.2%	157	4
Vancouver Clinic	Healthcare	160	7	6.2%	119	5
JRT Mechanical	Manufacturing	147	8	5.7%	65	9
Albertson's	Retail	99	9	3.8%	84	6
Safeway	Retail	96	10	3.7%	79	7
City of Battle Ground	Government				77	8
Perterman Bus Company	Transportation					
Green Willow Trucking	Service					
United Tempering Systems	Light Industrial					
Tapani Plumbing, Inc.	Service				48	10
	Total	2,581			1,530	



Source: City of Battle Ground Community Development Department

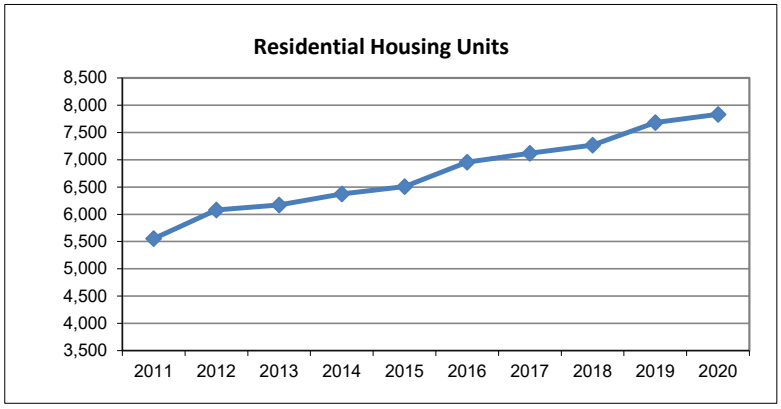
CITY OF BATTLE GROUND

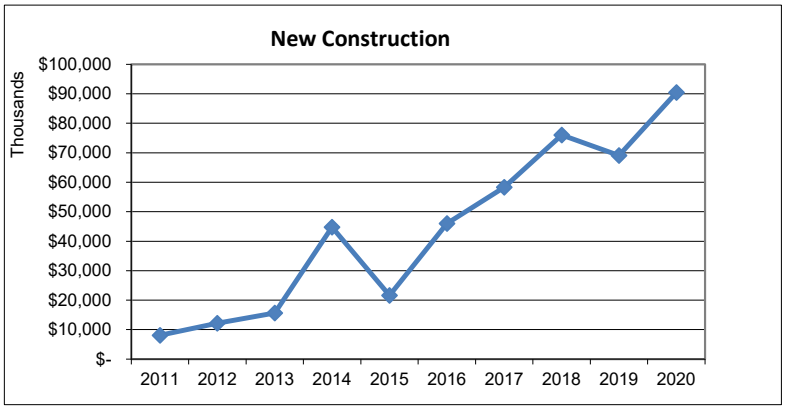
Schedule 17

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
2011	17,780	5,553	8,098,959	1,255,802,097	0.6%
2012	17,893	6,078	12,203,275	1,214,798,042	1.0%
2013	18,130	6,169	15,635,245	1,332,783,511	1.2%
2014	18,685	6,371	44,808,642	1,501,398,094	3.0%
2015	19,250	6,506	21,652,612	1,606,931,280	1.3%
2016	19,640	6,956	46,026,812	1,824,114,773	2.5%
2017	20,370	7,118	58,314,081	2,033,273,795	2.9%
2018	20,890	7,267	75,998,997	2,313,732,400	3.3%
2019	21,520	7,685	69,108,504	2,473,570,612	2.8%
2020	22,180	7,834	90,426,090	2,675,091,458	3.4%





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

(2) City of Battle Ground Planning Department

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OPERATING INFORMATION

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

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

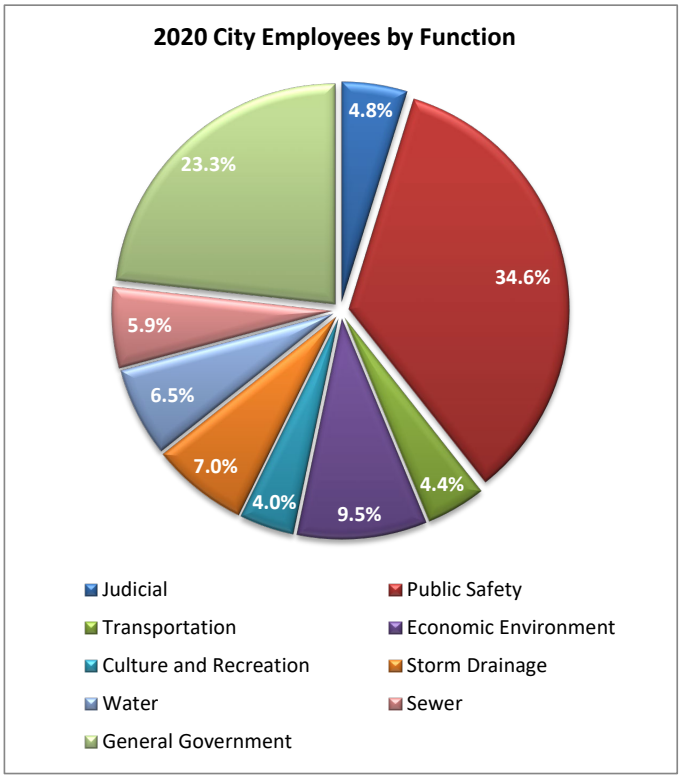
CITY OF BATTLE GROUND

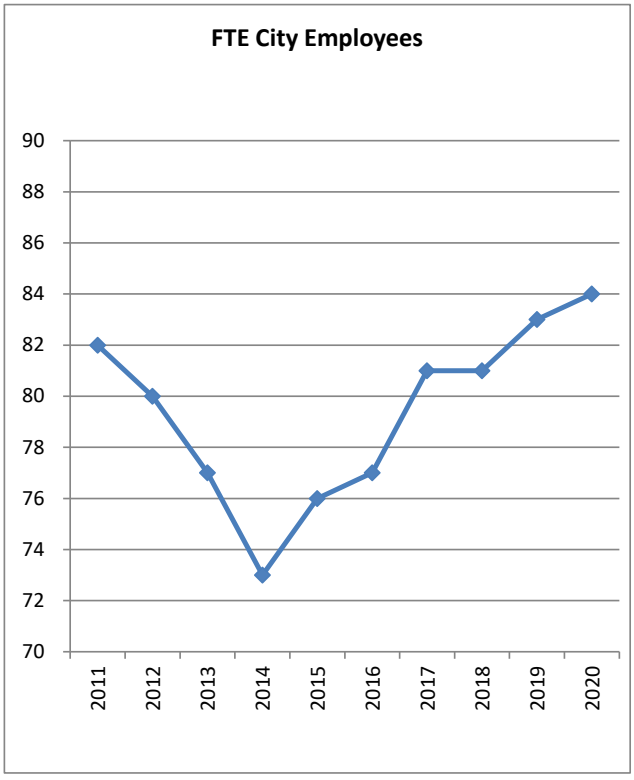
Table 18

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

Last Ten Fiscal Years

Function/Program	2011*	2012*	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
General Government	9.00	12.00	12.00	12.00	13.00	13.00	18.88	18.84	20.16	19.54
Judicial	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Public Safety	29.00	30.00	27.00	25.00	27.00	27.00	28.00	28.00	28.00	29.07
Transportation	4.00	7.00	4.00	5.00	7.00	7.00	4.09	3.55	3.48	3.68
Economic Environment	7.50	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Culture and Recreation	5.25	3.00	4.00	4.00	4.50	3.50	3.42	3.35	3.27	3.37
Utilities/Public Works		6.00	5.00	1.00						
Storm Drainage	6.75	3.00	3.00	4.00	3.50	4.50	5.11	5.25	5.61	5.92
Water	8.25	4.00	6.00	6.00	5.00	6.00	5.55	5.78	6.03	5.48
Sewer	9.25	4.00	5.00	4.00	4.00	4.00	3.95	4.23	4.45	4.94
Totals	82.00	80.00	77.00	73.00	76.00	77.00	81.00	81.00	83.00	84.00





Source: Department of Human Resources City of Battle Ground

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

*2011-2012 the City reallocated staff for direct costing

CITY OF BATTLE GROUND

Schedule 19

Operating Indictors by Function/Program

Last Ten Fiscal Years

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

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CITY OF BATTLE GROUND

Schedule 19

Operating Indictors by Function/Program

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020
General Government					
Population	19,640	20,370	20,890	21,520	22,180
Housing Units	6,956	7,118	7,290	7,427	7,575
Judicial					
Total number of cases filed	3,312	3,273	3,153	2,784	1,536
Total hearings scheduled	8,780	9,367	10,415	11,750	7,506
Total warrants issued	420	406	667	863	546
Public Safety (Law Enforcement)					
Citations issued	2,621	2,670	2,242	2,218	822
Reports written	2,456	2,706	2,641	2,680	1,782
Number of calls for service	14,660	14,898	14,321	16,613	12,348
Arrests	1,458	1,334	916	923	501
Transportation					
Right of way	96	113	110	262	244
Hours street sweeping	1,036	1,011	1,025	700	950
Curb painting (hours)	73	30	42	100	18
Crack sealing (hours)	559	338	404	14	-
Culture and Recreation					
Hours park mowing	632	582	637	707	884
Trash pick-up	1,370	1,555	932	982	874
Weed spraying	32	7	16	56	60
Water					
Number of water accounts	5,622	5,727	5,805	6,113	6,284
Average daily production (gallons)	1,486,788	1,563,421	1,636,996	1,545,000	1,592,324
Storm Drainage					
Number of drainage accounts	6,004	6,186	6,294	6,652	6,830
Ditch maintenance (Hours)	1,882	249	1,758	1,848	2,220
Clean catch basins	624	546	450	176	176
Sewer					
Number of sewer accounts	5,727	5,892	6,145	6,356	3,534
Clean sewer lines (feet)	13,720	46,500	9,300	5,100	5,100
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	2011	2012	2013	2014	2015
General government					
Square feet administrative space	31,110	31,110	31,110	31,110	31,110
Public Safety					
Police					
Police vehicles	20	20	23	23	23
Square feet of administrative space	18,277	18,277	18,277	18,277	18,277
Physical Environment					
Fire trucks	3	3	3	2	2
Square feet for fire facilities	9,029	9,029	9,029	9,029	9,029
Transportation					
Miles of road	76	78	79	80	81
Number of street lights	1,841	1,868	1,902	1,947	2,027
Culture and Recreation					
Acreage	184	219	219	220	139
Park facilities	6	6	6	6	6
Water					
Supply and distribution mains (miles)	69	70	70	72	73
Number of hydrants	662	672	682	701	712
Storage	6	6	6	6	6
Wells	7	7	7	7	7
Storm Drainage					
Miles of storm drains (miles)	28	29	30	31	32
Storm water facilities (acres)	29	32	34	35	39
Wetlands/open space (acres)	83	85	85	85	85
Sewer					
Capacity (MGD)	2	3	3	3	3
Miles of sewage mains	58	58	59	60	61
Square feet of administrative space	4,051	4,051	4,051	4,051	4,051

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CITY OF BATTLE GROUND

Schedule 20

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020
General government					
Square feet of administrative space	31,110	31,110	31,110	31,110	31,110
Public Safety					
Police					
Police vehicles	22	22	20	20	20
Square feet of administrative space	18,277	18,277	18,277	18,277	18,277
Physical Environment					
Fire trucks	2	2	2	2	-
Square feet for fire facilities	9,029	9,029	9,029	9,029	9,029
Transportation					
Miles of road	81	76	81	81	81
Number of street lights	2,046	2,156	2,318	2,318	2,318
Culture and Recreation					
Acreage	140	142	142	142	142
Park facilities	7	8	8	8	8
Water					
Supply and distribution mains (miles)	73	75	79	79	79
Number of hydrants	716	730	751	751	751
Storage	6	6	6	6	6
Wells	7	7	7	7	7
Storm Drainage					
Miles of storm drains (miles)	32	34	37	37	37
Storm water facilities (acres)	39	42	49	49	49
Wetlands/open space (acres)	85	85	88	88	88
Sewer					
Capacity (MGD)	3	3	3	3	3
Miles of sewage mains	61	63	66	66	66
Square feet of administrative space	4,051	4,051	4,051	4,051	4,051

City of Battle Ground
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass-Through Awards	From Direct Awards	Total		
Highway Planning and Construction Cluster								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA8411	152	-	152	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA9681	72,450	-	72,450	-	1,2
	Total Highway Planning and Construction Cluster:			**72,602**	**-**	**72,602**	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	NA	5,266	-	5,266	-	1,2
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	NA	948	-	948	-	1,2
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	NA	741	-	741	-	1,2
	Total Highway Safety Cluster:			**6,955**	**-**	**6,955**	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA Department of Commerce)	COVID 19 - Coronavirus Relief Fund	21.019	20-6541C-111	968,327	-	968,327	157,787	1,2
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Administrative Office of the Courts)	COVID 19 - Coronavirus Relief Fund	21.019	NA	34,483	-	34,483	-	1,2
			Total CFDA 21.019:	**1,002,810**	**-**	**1,002,810**	157,787	
CDC NATIONAL CENTER FOR CHRONIC DISEASE PREVENTION AND HEALTH PROMOTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Drug-Free Communities Support Program Grants	93.276	E680P1	-	82,900	82,900	-	1,2
	Total Federal Awards Expended:			**1,082,367**	**82,900**	**1,165,267**	**157,787**	

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, 2020

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.