



# ANNUAL COMPREHENSIVE FINANCIAL REPORT



**City of Ridgefield, Washington**  
Year Ended December 31, 2024

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**CITY OF RIDGEFIELD, WASHINGTON**  
***ANNUAL COMPREHENSIVE FINANCIAL REPORT***  
***Year Ended December 31, 2024***



**Prepared by the Finance Department**  
**230 Pioneer Street**  
**Ridgefield, Washington 98642**

**CITY OF RIDGEFIELD, WASHINGTON**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**Year Ended December 31, 2024**

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**CITY OF RIDGEFIELD, WASHINGTON**  
***Annual Comprehensive Financial Report***  
***Year Ended December 31, 2024***



June 11, 2025

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

We are proud to submit the City's Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024. This report includes all funds and all financial activities that are considered to be part of the City.

This report meets the requirements of RCW 43.09.230, which requires a financial report covering each fiscal year, and is prepared in compliance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

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

The City management team is responsible for establishing and maintaining a structure of internal controls. Internal accounting 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 that the cost of control does not exceed the benefit, and that the evaluation of costs and benefits requires estimates and judgments by management.

State law requires an annual audit of the City's financial statements and records by the 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 Ridgefield for fiscal year-end December 31, 2024, are free of material misstatement.

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 MD&A of the City of Ridgefield can be found immediately following the report of the independent auditor.

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

**Profile of the City of Ridgefield**

The City of Ridgefield was incorporated on August 26, 1909. Ridgefield is located in North Clark County approximately seven miles North of Vancouver. Ridgefield borders the Ridgefield National Wildlife Refuge and is a rural city of 15,790 residents. The city offers multiple recreational opportunities with approximately 12 miles of trails and 172 acres of park land and access to Lake River for kayaking and boating. Since the 2010 Census Ridgefield has been the fastest growing city in Washington State. The city offers multiple City led events for the community throughout the year such as the Big Paddle, one of the largest fourth of July



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celebrations in Southwest Washington, Multi-Cultural Festival, and a Hometown Celebration with a Christmas tree lighting.

The City operates under the laws of the State of Washington applicable to a Non-Charter Code City with a Council-Manager form of government. In 1999 the voters changed the city government to its current council-manager form. The council-manager form of local government combines the strong political leadership of elected officials with the strong professional experience of an appointed local government manager.

The Mayor is appointed by the City Council and serves as the chief spokesperson and head of the city government for public, political, and ceremonial purposes. The Mayor has no full-time administrative duties. The seven city council members are elected by the citizens of Ridgefield on a non-partisan basis for four-year terms. Council members are policy makers; they adopt a budget for city revenues, expenditures and authorized staff positions and perform all other actions necessary to govern the City, including the passage of ordinances and resolutions. The Council holds regular meetings twice a month and special meetings as needed. All meetings are open to the public in a hybrid format as provided by law and agenda items are prepared in advance.

The City Council appointed the City Manager. The City Manager heads the administrative branch of the city government and directs all city operations, projects, and programs.

The City of Ridgefield offers a full range of municipal services including public safety (police protection and contracted court services), parks and recreation, water and storm water drainage utilities, street infrastructure maintenance, community planning and development, building permit review, zoning, code enforcement, and general administrative services.

These activities are directed and managed by the City of Ridgefield and therefore are included as an integral part of the financial statements.

**Accounting and Budget Procedures under State Law**

The diverse nature of City government and the necessity of assuring legal compliance preclude recording and summarizing all City financial transactions and balances in a single accounting entity. Therefore, from an accounting and financial management viewpoint, the City is a combination of several distinctly different fiscal and accounting entities, each having a separate set of accounts and functioning independently of each other. Each accounting entity is accounted for in a separate "fund." A fund is defined as a fiscal accounting entity with a self-balancing set of accounts, recording cash and other financial resources, together with all related liabilities and residual equities or fund balance, and changes therein, which are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

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

The Government-wide Financial Statements incorporate all the City's governmental and business-type activities. These statements are presented using an economic resources measurement focus and employ the full accrual basis of accounting. Revenues are recognized as soon as they are earned, regardless of the timing of related cash flow. As a result, the Government-wide Financial Statements are similar to and more closely resemble financial statements of private sector businesses.

The City prepares an annual budget in accordance with the Revised Code of Washington (RCW) 35A.33. The City's annual budget serves as the foundation for financial planning and control. The financial system of the City incorporates a system of financial and administrative controls that ensure the safeguarding of assets and the reliability of financial reports. Consequently, controls are designed to provide reasonable assurance that transactions are executed in accordance with GAAP. Legal budget authorization is at the fund level. In addition, these controls ensure that accountability over assets and obligations exists, and that sufficient reporting and review exist to provide adequate information for analysis and comparability of data.

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The notes to the financial statements (found immediately following the Basic Financial Statements) provide budget information. Note “3” (Stewardship, Compliance and Accountability) of the financial statements further describes the budget procedures, process, and control.

Budget-to-actual comparisons are provided in this report for each major individual government fund for which an appropriated budget was adopted. For the General Fund, this comparison is presented in the Basic Financial Statements for the governmental funds.

The City of Ridgefield is permitted to invest in United States bonds; United States certificates of indebtedness; bonds or warrants of the State of Washington; general obligation or utility revenue bonds or warrants of a local improvement district; and in any other investment authorized by law for any other taxing district.

The City structures its investments to provide necessary liquidity and to minimize risk, while achieving reasonable yields on its portfolio. The City invests temporarily idle cash in investments authorized by state law, including U.S. agency issues, Washington State and local municipal bonds, the Clark County Investment Pool (CCIP) and the Washington State Local Government Investment Pool (LGIP). As of December 31, 2024, approximately \$1.9 million cash on hand, \$735 thousand invested in municipal bonds, \$9.2 million in U.S. Agency Bonds, \$1.8 million in the CCIP, and \$33.4 million invested in the LGIP.

**Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from a broader perspective of the specific environment from which the City of Ridgefield operates. The Basic Financial Statements of the City focus on the financial position of the City. That is, they focus on the City’s existing resources and any claims on those resources. The City’s financial condition, on the other hand, focuses on both existing and future resources and claims on those resources.

**Relevant Financial Policies:** The City has established financial management policies to ensure the City maintains a strong financial foundation into the future. These policies include:

- Establishing reserve contingencies for debt service, operations and maintenance, revenue stabilization, accrual payouts at retirement, capital repair and replacement, and equipment replacement.
- Use of a six-year financial sustainability model.
- Budget development and monitoring requirements policies.
- Use of one-time revenues for one-time expenses.
- Investment Policies establishing objectives and diversification limits.
- Debt Management Policies establishing guidelines for the issuance and management of all financings of the City.
- Procurement policies establishing guidelines for purchasing of goods and contracting for professional service and public works projects.
- Credit card policies establishing the guidelines for usage of city cards to procure goods and services.
- Grant Management policies establishing guidelines for strategic, effective grant management and reporting for all external funding sources.

**Management and Structural Changes:** The City continues to increase staffing through a thoughtful and measured planning process. The City completed an update to their six-year business plan in 2022 to help assist Department Directors in planning for staffing needs to maintain core services. The policy focuses on core services, staffing and projects that support City Council organizational goals. In 2024 the Council approved the addition of six new full-time equivalent (FTE) positions in the adopted budget. In addition, Council approved the removal of one sunset designation from an additional position. The Council approved an additional 0.5 FTE position during the 2024 supplemental budget to bring the approved FTE count to 82.75. In 2010 the City had 6.02 employees per one thousand population and in 2024 staffing was 5.21 employees per one thousand population including the new positions.

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City staff developed performance measurements to quantify results of City Councils goals. The measurements provide a quantifiable way to recognize success and to identify areas needing improvement. Performance measures also offer transparency and allow the public to hold the City accountable for stated objectives. To achieve transparency the City's progress is measured against data from previous years, community surveys, targets set in planning documents and benchmarks with other communities. By measuring our goals using a variety of data, we can see how Ridgefield's present state relates to past indicators and future plans.

The City completed a community survey in 2022 with results released early in 2023. The survey is a follow-up to the 2015 and 2019 surveys. The results were down from prior community surveys but exceeded local and national benchmarks for comparable cities.

In 2024 the City Council had two resignations of long-time council members. Both positions were filled by appointments through a public process. The Mayor also resigned early in 2025, and that council position was filled in March 2025. Mayor Pro Tempore Matt Cole was installed as the new Mayor by a vote of the current council members early in 2025.

**Economic Condition and Outlook:**

The City Council adopted a conservative operating budget in 2024 with a goal to maintain the current level of highly valued public services the residents expect and to match the growth of the city. Despite economic challenges throughout the nation, Ridgefield saw significant residential and commercial development over the past three years. The City saw residential development begin to slow in the second half of 2022 and continue into 2024. Multiple commercial projects that were approved through land use planning and engineering moved to construction.

The City Council adopted a transition plan in 2018 recognizing residential development would slow down due to a lack of available land. The Council approved a contract with a national recruiter to look for commercial retail development. The Commercial development was in response to the need to diversify ongoing revenue needs and to meet the expectations expressed in community surveys for additional services in the city. The City is in the transition phase as multiple commercial businesses began opening their doors in 2023 with additional large national stores opening in 2024 and 2025.

The City of Ridgefield has been the fastest growing city by percentage, in Washington since the census was conducted in 2010. There are many reasons for the tremendous growth the City has experienced, including the location in the Portland-Vancouver Metropolitan Area, and the availability of infrastructure to support the growth along the Discovery Corridor in North Clark County. The past three years have seen a reduction in residential development and an increase in commercial development. The City is planning for more balanced development between residential and commercial construction over the next 5 years. As a result, the City can offer high quality life, work, and play options. The City Council has approved the use of capital reserves to add much needed infrastructure improvements to transportation, parks and trails, water distribution and storm water drainage infrastructure. In partnership with Clark Regional Wastewater District and the Discovery Clean Water Alliance the City has been able to develop and improve sewerage infrastructure as well that supports the growth in North Clark County.

Due to the continued residential, job, commercial, and infrastructure development, the City is projecting an increase in property tax base and additional ongoing sales and use tax revenues. In 2023 and 2024 the City realized the highest annual remittance of property tax, retail sales and use tax, and utility taxes in its history. Several additional commercial retail establishments: such as Les Schwab, Tractor Supply and Costco opened for business in 2023 and 2024. In 2024 the Clark College at Boschma Farms campus was completed and will open its doors in 2025. In 2025 commercial development for additional businesses in the Union Ridge Town Center will complete construction. The additional commercial retail development will help set the City of Ridgefield up on a sustainable financial foundation for the future.

The council has previously approved plans that allow the City to use development-related funding sources to complete much needed infrastructure improvements to address the rapid growth Ridgefield has seen since 2010. The development related funding sources are being used as leverage to apply for both state and federal grants to complete the infrastructure projects. The City completed a project to extend Pioneer

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Street on the east side of I-5 with a \$5.8 million grant from the federal government to open development opportunities in employment zones as well as provide access to the new Clark College campus. The City also received a grant from the Washington State Transportation Improvement Board for approximately \$2.9 million to construct improvements to a section of Royle Road that has seen significant development and is one of the arterial roads to access the Ridgefield High School and the Ridgefield Outdoor Recreation Complex. Construction was completed in the 4<sup>th</sup> quarter of 2024. The City has received additional low interest loans and grants to assist with design of an east side water reservoir and additional transportation projects.

Ridgefield residents voted to approve a two-tenths of one percent (0.2%) increase to the sales and use tax to fund pavement preservation projects in the city. The new tax took effect April 1, 2022. The sales and use tax replaced the vehicle licensing fee that had previously funded pavement preservation. The City is leveraging that funding source as match for additional state and federal grants to expand the pavement preservation program. As a result of the new commercial retail development the funding increases from this tax have contributed to the ability to plan additional transportation and pavement preservation projects.

The City Council approved a tax increment financing plan in October 2023 that will add additional dedicated funding to complete several transportation projects around the I-5 junction to support the private development in the area. The City is forecasting \$700 million in private development, generating over \$1.25 billion in economic output. In addition, the City is expecting 2,370 new jobs in Ridgefield and North Clark County. The development will add approximately \$3.4 million in ongoing state and local retail sales tax.

The City Council approved continued emphasis on multiple projects to locate and increase additional water rights and sources to continue to offer high quality water service to the residents of Ridgefield. Additional projects are focused on storm water maintenance for a new permitting requirement that was effective in July 2024, and street and multi-modal transportation projects.

The strong development activity includes multiple commercial retail projects that will address both the shopping and service needs of residents and bring additional revenue to provide long-term stability for retail sales and use tax and additional property tax base.

**Long-term Financial Planning:**

The City has been proactive in managing their finances since the great recession and through the pandemic years. The City adopted strong financial policies, and the City Council maintained a conservative approach to the annual budget. As a result, the staff and council are confident the City's finances will continue with a solid foundation if another economic downturn occurs.

To guard against the possibility of a slowdown, Council proactively implemented reserve policies prior to the pandemic that exceed national best practice benchmarks to set aside funding in the event of a downturn in the economy. General Fund reserves are set at 10% of the prior year's operating revenues and 60 days of operating expense. The total operating reserves were approximately 29% of budgeted General Fund operating expense in 2024. City Council and staff have worked proactively to maintain strong reserve levels that allow the City to set aside funds for both current and future needs. As a result of the reserves that have been set aside, the City is well reserved to withstand an economic downturn and continue operations at the current levels of service even as the City continues to grow.

The City management team has developed a six-year financial sustainability model for operating revenues and expenses. The City uses development projections as a tool to estimate revenues. Sales tax revenues have transitioned over the past two years from a dependency on residential development to more sustainable sources for retail sales and use tax revenues. Current and future development forecasts support additional retail construction over the next five years.

The City Council has tasked staff with becoming more efficient in daily operations as well as providing a more transparent city government that responds to citizen needs. The investment in new software upgrades, mobile communication apps and an upgraded website assisted the City in serving the public during the pandemic. City staff provide a transparency module to compare current and past year budget to actual numbers, a digital budget book, Ridgefield Roundtable online engagement tool, a development activity map, and options to manage utility accounts 24/7 from home.

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The City staff have embraced a LEAN culture and continue to recommend improvements throughout the organization. As a result of these efforts staff have been able to maintain high quality service levels with continued growth by recommending less expensive alternatives and process efficiencies. Several financial, utility, and payroll related processes have been changed to electronic workflows, reducing labor time, paper, and supplies. Online platforms were added to allow utility accounts to be self-managed from the comfort of the account owner's home. The Utility Department added an automated call response system for utility payments and reminders. Community Development completed a transition to an online permitting module to allow residents and developers to submit online permits and provided an online interactive development activity map. Administration and Finance have completed work to add online forms and workflows to allow for 24/7 access to submit forms such as for opening and closing a utility account and electronic application submittal for job applicants. Administration and Finance have completed the transition to electronic document signatures for contracts and HR related documents. The City Clerk offered an online format for City Council and Board meetings. These meetings are now offered in a hybrid format to encourage additional community participation. Each of these efficiency upgrades were timely and allowed the City to offer the same services during the pandemic while reducing the need for in-person visits to conduct routine business. These improvements are offered ongoing to ensure residents access to services. The City has expanded communication options through social media platforms and online engagement platforms Ridgefield Roundtable and Civic Engagement. The new platforms allow residents to see the status and provide input on projects and services.

**Economic Development through New Infrastructure:** The City of Ridgefield has worked with partners at the state, federal and local level to plan for economic development in North Clark County. Careful planning and infrastructure improvements have resulted in tremendous growth in Ridgefield since 2010. The most important project was the I-5/SR 501 interchange project which was completed in 2012. This project rebuilt the interchange at the I-5 Junction to support the vision of Ridgefield as an employment center in North Clark County. The City also partnered with Clark Regional Wastewater District to complete the Discovery Corridor Wastewater Transmission System which was started in 2013 by the City of Ridgefield and completed in 2015 by Clark Regional Wastewater District. The project connects Ridgefield to the Salmon Creek Wastewater Treatment Plant and provides sewer services for the anticipated growth over the next twenty years for North Clark County. The City also completed construction of a one-million-gallon reservoir and a new well and transmission system at the Junction. The reservoir added needed water capacity for the commercial growth anticipated in the I-5 junction area. The City has added a new well in the Abrams Park well field and purchased existing water rights in the Southwest section of town. A new well field is currently in design in that area. The City partnered with Clark Public Utilities and the City of Battle Ground on a project to develop a new regional well field. The City of Ridgefield obtained 1,000 GPM in water rights and capacity in 2021. The City has the right to double those rights by 2030. The City purchased property in 2023 for a new 2.5-million-gallon water reservoir on the east side of I-5. The new reservoir is currently in design and is expected to provide additional water and fire flow to meet the needs of new commercial development for the next 20-years.

The City has completed multiple transportation projects on the main arterials in the City. The City was awarded a \$5.8 million federal grant to complete construction of an extension to Pioneer Street which will service the Union Ridge industrial area and the new Clark College at Boschma Farms campus. Construction on the extension was completed in 2024. Additional acreage along the new roadway will be open for development and is anticipated to create high paying professional jobs. The City has begun construction of an additional roundabout and widening project on Pioneer on the west side of the freeway that will service Costco, Union Ridge Town Center, the new Ridgefield YMCA, office, and commercial space on the southeast side of the Discovery Ridge retail center. The widening and roundabout project began construction in 2024 and is expected to be completed early in 2026.

Road projects along Royle Road including a new roundabout that was completed in 2023, will open additional commercial development opportunities, service the Ridgefield Outdoor Recreation Complex, Ridgefield High School, and new residential development in these areas. The City completed construction of an additional segment of Royle Road from S 15<sup>th</sup> Street to 5<sup>th</sup> Way and is completing design for improvements of the final segment of Royle Road from 19<sup>th</sup> St to Hillhurst Rd. The Port of Ridgefield completed construction on a new railroad overpass on Pioneer Street serving the waterfront area. The

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completion of the overpass will provide development opportunities for several mixed-use projects along the waterfront in the next several years.

In partnership with the State of Washington, Clark County, La Center and regional economic development entities the City led an infrastructure study in 2019 and 2020 to complete a needs analysis for the Discovery Corridor. The analysis identified infrastructure needs for the next 20 years to support high quality commercial and job growth in North Clark County. The City also partnered with the Washington State Department of Transportation and Clark County to do a feasibility study on adding an additional freeway entrance to the City from I-5 at the Southern section of the City.

The City will focus on water capacity, street improvements park design and amenities, and storm water treatment projects in 2025. The water projects will continue to identify new water sources, drill an additional well field in the Southwestern section of town, construct a new water reservoir, and replace aging water pipes in the downtown area to support the water needs as the city continues to grow over the next several years. The street projects will focus on new roadways, widening of existing arterials, and pavement preservation projects for existing streets. Park projects will construct a new pump track and build a new fieldhouse at the Ridgefield Outdoor Recreation Complex. The City received a low interest Public Works Board loan to complete several shovel ready storm water drainage projects in the downtown core and reconstruction of several storm water drainage treatment facilities.

**Budget Presentation Award**

The Government Finance Officers of the United States and Canada (GFOA) awarded the City their seventh Distinguished Budget Presentation Award for the 2024 adopted budget. The award is a significant achievement and reflects the city's commitment to the highest principles of governmental budgeting. To receive this award, the city had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as; a policy document; a financial plan; an operating guide; and a communications device.

**Financial Statement Award**

GFOA also awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ridgefield for its annual comprehensive financial report for the fiscal year ended December 31, 2023. This was the ninth year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

**Popular Annual Financial Report**

GFOA also awarded the City of Ridgefield the Outstanding Achievement in Popular Annual Financial Reporting (PAFR Award) for the fiscal year ended December 31, 2023, that is designed to be readily accessible and easily understandable to the general public without a background in public finance. This was the third year the City achieved this prestigious award.

The City is one of a select few municipalities that has achieved the award in all three categories in the United States and Canada.



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***Annual Comprehensive Financial Report***  
***Year Ended December 31, 2024***

**Acknowledgments**

This report reflects well on the entire staff serving the City of Ridgefield. Their continued efforts, day to day, allow the City to deliver the quality core services our citizens have come to expect. We would like to sincerely thank the Finance Staff whose dedicated and professional services were instrumental in the preparation of this report. We also appreciate all the staff whose cooperation during the year, from coding of invoices to preparation of the annual budget helps make accounting records more accurate and reliable.

Finally, we would like to thank the Mayor and the City Council for their direction and support of sound fiscal management.

Respectfully submitted,



Steve Stuart  
City Manager



Kirk Johnson  
Finance Director

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**CITY OF RIDGEFIELD, WASHINGTON**  
***Annual Comprehensive Financial Report***  
***Year Ended December 31, 2024***

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Government Finance Officers Association

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**City of Ridgefield  
Washington**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

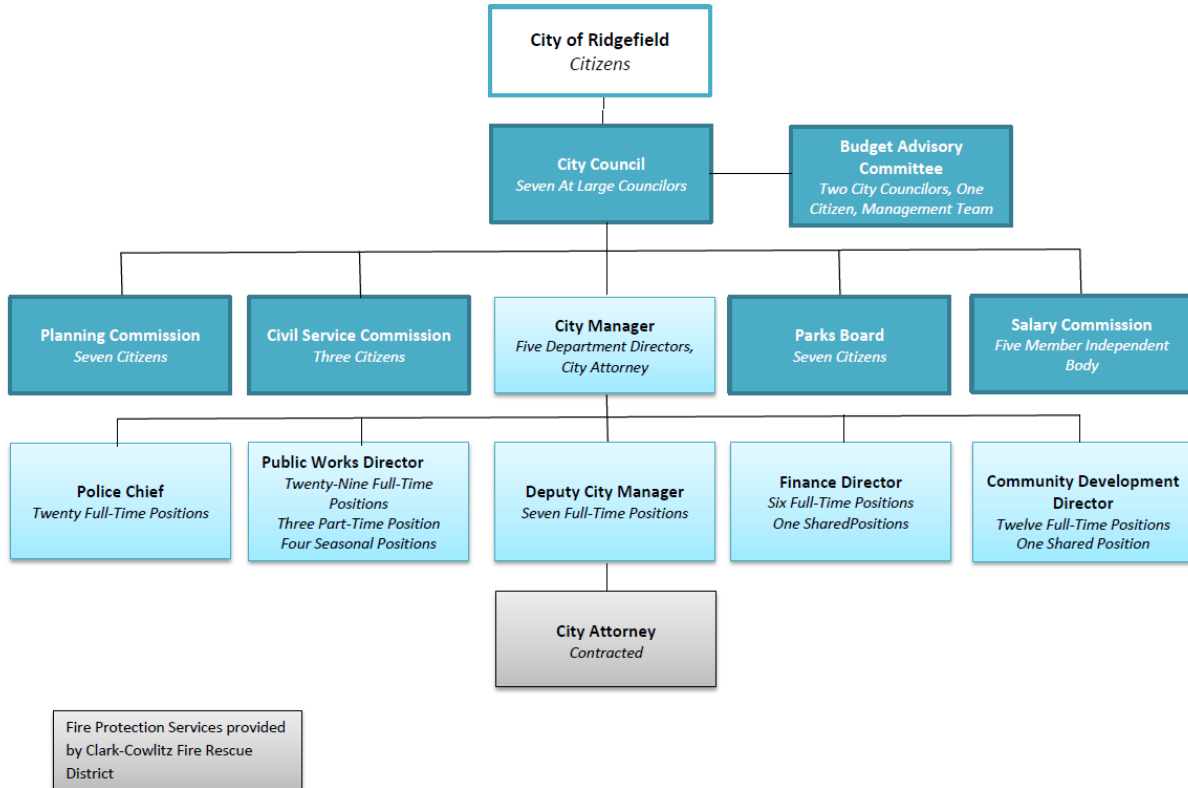
December 31, 2023

*Christopher P. Morill*

Executive Director/CEO

**CITY OF RIDGEFIELD, WASHINGTON**  
**Annual Comprehensive Financial Report**  
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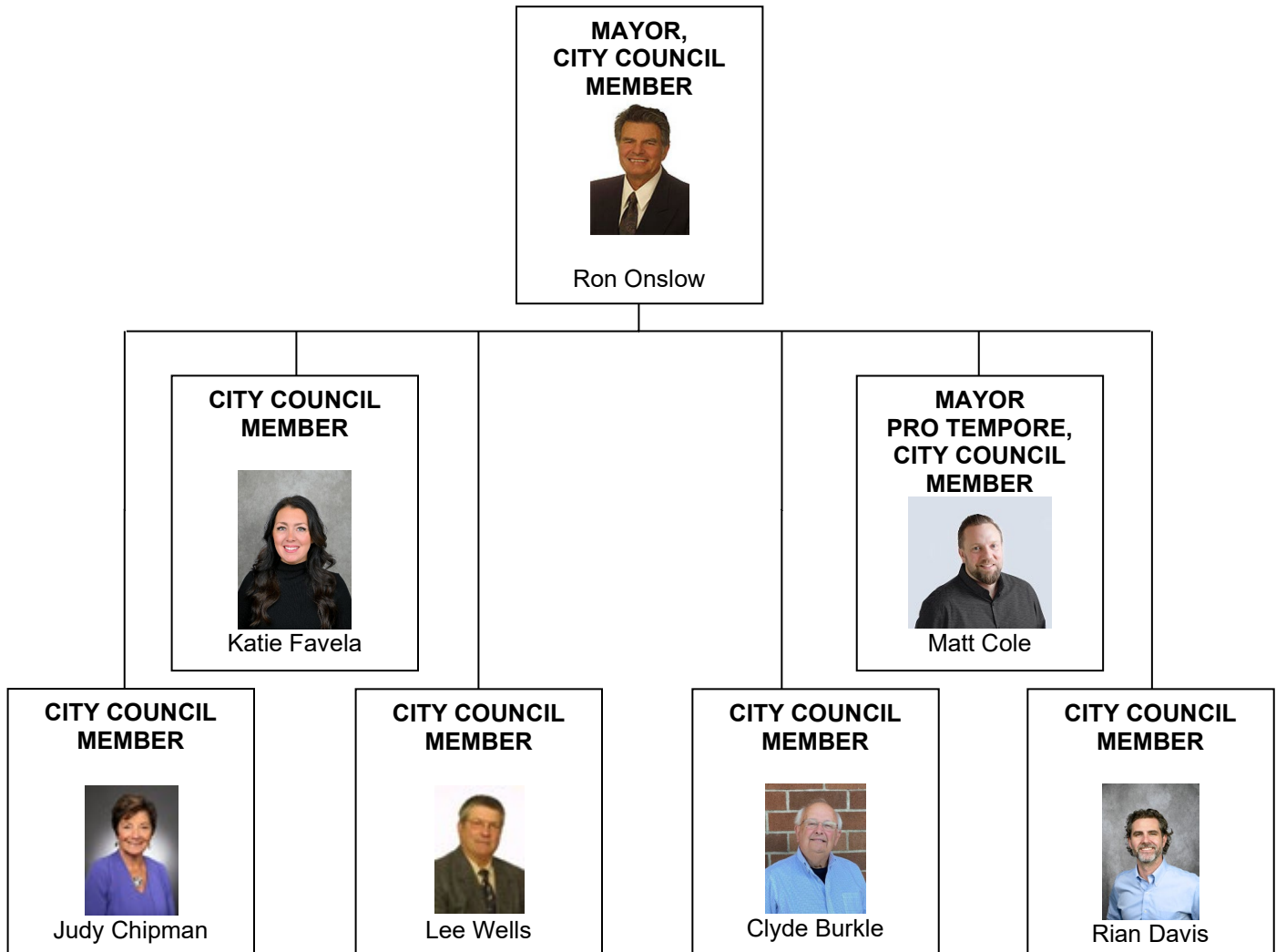
**City of Ridgefield 2024 Organizational Chart**



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**City of Ridgefield**  
**List of Elected and Appointed Officials**  
**As of December 31, 2024**

**Elected Officials**



**Appointed Officials and City Staff**

City Manager	Steve Stuart
Deputy City Manager	Lee Knottnerus
Finance Director	Kirk Johnson
Chief of Police	Cathy Doriot
Public Works Director	Chuck Green
Community Development Director	Claire Lust

**CITY OF RIDGEFIELD, WASHINGTON**  
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**Office of the Washington State Auditor**  
**Pat McCarthy**

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

Mayor and City Council  
City of Ridgefield  
Ridgefield, Washington

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Ridgefield as of and for the year then ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Ridgefield, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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

**CITY OF RIDGEFIELD, WASHINGTON**  
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**Matters of Emphasis**

As discussed in Note 19 to the financial statements, in 2024, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

As discussed in Note 19 to the financial statements, in 2024, the City had a change in the entity reporting. Our opinion is not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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



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

### **Required Supplementary Information**

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

### **Supplementary Information**

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

### **Other Information**

The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Management is responsible for the other information

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included in the financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

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

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we will also issue our report dated June 11, 2025, 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 11, 2025

**CITY OF RIDGEFIELD, WASHINGTON**  
***Management's Discussion and Analysis***  
***Year Ended December 31, 2024***

The City of Ridgefield's discussion and analysis is a narrative overview of the City's financial activities for the fiscal year ended December 31, 2024. The information presented here should be read in conjunction with the financial statements and notes to the financial statements that follow.

**FINANCIAL HIGHLIGHTS**

- City of Ridgefield assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$207.8 million, a \$17.2 million, 9 percent, increase from 2023. This is primarily the result of an increase in capital contributions of \$6.3 million, an increase in charges for services of \$2.3 million, and an increase in taxes of \$1.7 million.
- Net Investment in Capital Assets account for about 90 percent of net position, with a value of \$187 million.
- Of the remaining 10 percent of net position that totals \$20.9 million, approximately \$12.2 million is restricted to fund capital projects. The unrestricted net position is \$6.7 million, which may be used to meet the government's ongoing obligations to citizens and creditors, without legal restrictions.
- The City's governmental funds reported combined ending fund balances of \$31.3 million with \$6 thousand nonspendable for prepaids, \$22.6 million restricted for capital related purposes, \$10 thousand restricted for public safety related activities, \$115 thousand restricted for economic environment, \$141 thousand committed for debt service, \$2.8 million assigned by the City to be used for specific purposes, and \$5.5 million allocated to unassigned fund balance and not assigned for any specific purpose.
- Debt associated with governmental activities bonds, notes and loans payable increased by approximately \$26.8 million. The City had a bond issuance of \$28 million for public improvements located in the tax increment area at the junction of I-5 along Pioneer St. The increase in debt was offset by routine debt service payments of approximately \$1.2 million. The liability associated with developer impact and system development charge credits had a net increase of \$5.9 million ending the year at \$9.3 million. The impact fee liability outstanding on December 31, 2024, is associated with traffic and park impact fee credits. Business-type activity debt associated with governmental loans reflected a slight decrease of approximately \$15 thousand due to routine debt service payments.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis will provide an introduction and overview to the City of Ridgefield's basic financial statements. The information will assist users in interpreting the basic statements. We will also provide other supplementary information in addition to the basic financial statements. This financial discussion and analysis should assist the reader in understanding the City's financial condition.

**Basic financial statements**

The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The financial section of this report also contains the required supplementary information, in addition to the basic financial statements.

**Government-wide financial statements**

Government-wide financial statements provide readers with a broad overview of the City of Ridgefield's finances in a manner similar to a private-sector business, distinguishing functions of the City of Ridgefield that are principally supported by taxes and intergovernmental revenues (referred to as "governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as "business-type activities"). The governmental activities of the City of Ridgefield include a full range of local government services provided to the public, such as law enforcement and public safety; road construction and maintenance; community planning and development; parks and recreation facilities; and other community services. In addition, other general government services are provided, such as tax collection and general administration. The business-type activities of the City of Ridgefield include water and storm water drainage utility management and building permit and business licensing services.

**CITY OF RIDGEFIELD, WASHINGTON**  
***Management's Discussion and Analysis***  
***Year Ended December 31, 2024***

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**The statement of net position**

The statement of net position presents information on all of the City of Ridgefield's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the City is improving or deteriorating. Other indicators include the condition of the City's infrastructure systems (roads, drainage systems, bridges, etc.), changes in property tax base, and general economic conditions within the City.

**The statement of activities**

The Statement of Activities presents information showing how the government's net position changed during the year. This statement separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a specific program). This shows the extent each program relies on taxes for funding. All changes in net position are reported using the accrual basis of accounting, which requires that revenues be reported when they are earned, and expenses are reported when the goods and services are received. Items such as uncollected taxes, unpaid vendor invoices for items received in 2024, and earned but unused vacation leave will be included in the statement of activities as revenue and expense, even though the cash associated with these items was not received or distributed in 2024.

**Fund financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Ridgefield, like other state and local governments, uses fund accounting for compliance with finance-related legal requirements. All the funds of the City fall into two categories: governmental funds and proprietary funds. Governmental Funds account for most, if not all, of a government's tax-supported activities. Proprietary Funds account for a government's business-type activities, where all or part of the costs of activities are supported by fees and charges that are paid directly by those who benefit from the activities.

**Governmental funds**

The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances present separate columns of financial data for the General Fund, Capital Projects Fund, and Real Estate Excise Tax Fund. These are considered major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation.

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

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

The City maintains budgetary controls over its operating funds. Budgetary controls ensure compliance with legal provisions embodied in the annual appropriated budget. Governmental fund budgets are established in accordance with state law and are adopted on a fund level. Personnel services are budgeted by position and by prorating the costs based on time allocation to the various funds. Budgetary variances are discussed later in this section.

**CITY OF RIDGEFIELD, WASHINGTON**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2024**

**Proprietary funds**

There are two types of proprietary funds – enterprise and internal service, and currently, the City uses one type of proprietary fund, which is an enterprise fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Two of the enterprise funds are used to account for the utility operations and capital projects. These are the water and storm water drainage funds. The third enterprise fund is the building fund, used for building permitting services.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail since both apply the accrual basis of accounting. In comparing the Proprietary Fund Statement of Net Position to the business-type column on the government-wide Statement of Net Position, the total net position agrees and therefore needs no reconciliation. In comparing the total assets and total liabilities between the same two statements, you will notice slightly different amounts. This is because the "internal balances" line on the government-wide statement combines the "due from other funds" (asset) and the "due to other funds" (liabilities) from the proprietary fund statement in a single line in the asset section of the government-wide statement.

**Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided and are an integral part of the government-wide and fund financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**
**Statement of Net Position**

As noted earlier, changes in net position may serve as a useful indicator of a government's financial position. The City of Ridgefield's net position total equals \$207,827,350. The following is a condensed version of the Government-Wide Statement of Net Position:

City of Ridgefield's Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2024	2023*	2024	2023*	2024	2023*
Current and other assets	\$ 35,702	\$ 23,698	\$ 16,775	\$ 13,280	\$ 52,477	\$ 36,978
Capital assets (Net of depr)	164,044	135,251	60,859	51,182	224,903	186,433
Total Assets	199,746	158,949	77,634	64,462	277,380	223,411
Deferred outflows of resources	1,766	1,497	1,039	585	2,805	2,082
Other liabilities	12,052	9,072	3,380	1,615	15,432	10,687
Long-Term liabilities	54,465	22,158	1,345	247	55,810	22,405
Total Liabilities	66,517	31,230	4,725	1,862	71,242	33,092
Deferred inflows of resources	845	1,169	270	160	1,115	1,329
Net Position:						
Net Investment in capital assets	126,869	110,450	60,045	50,667	186,914	161,117
Restricted	4,134	10,997	10,059	8,310	14,193	19,307
Unrestricted	3,146	6,600	3,574	4,048	6,720	10,648
Total Net Position	\$ 134,149	\$ 128,047	\$ 73,678	\$ 63,025	\$ 207,827	\$ 191,072

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***Management's Discussion and Analysis***  
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2024 is not reported consistently with 2023 because the Agency implemented GASB 101 which required an analysis of compensated absences under the new GASB definition. Total liabilities in the 2024 column present compensated absences measured under a new standard which is creating a smaller liability. If 2023 was restated, liabilities would be decreased by \$16,476. In addition, a change within the financial reporting entity occurred which resulted in a new business-type activity fund being created. This moved \$2.2 million net position from governmental activities to business-type activities. See note 19.

The largest portion of current and other assets is cash and investments which comprised \$47.1 million at the end of 2024 compared to \$30.7 million at the end of 2023. The increase in cash is primarily due to the unspent bond proceeds from bonds issued in 2024. Capital assets, net of accumulated depreciation increased \$38.5 million. This was mainly due to additions of capital assets through donations and contributions, which for the total government was \$20.4 million in the current year, with a correction of an error to recognize an additional \$467 thousand. Routine depreciation offset this significant increase in capital assets.

Governmental activities long-term liabilities had a net increase of approximately \$27.9 million due to the 2024 General Obligation Bonds of \$28.0 million, related issuance premiums of \$3.2 million and the increase of pollution remediation of \$320 thousand, offset with decreases due to routine debt service payment for both general obligation and direct placement bonds of \$1.2 million. Business-type activity debt associated with governmental loans has a slight decrease. Overall Business-type long-term liabilities decreased due to the routine debt services payments, slightly offset with the increase in asset retirement obligations due to a change in estimated costs.

Other liabilities for governmental activities increased by \$7.4 million primarily due to an increase in unearned revenues of \$5.2 million related to increases in traffic and park impact fees. See note 15 for more information.

Investment in capital assets, less any related debt used to acquire those assets that are still outstanding, represents 90% of the City's net position, totaling \$187.0 million. The City's capital assets are used to provide services to citizens. Consequently, these assets are not available for future spending. At the end of 2024, the City also had a net position of \$16.7 million or 8% of the total that was subject to external restrictions on how these funds can be spent. This decreased \$2.6 million due to two key factors; \$1.9 million decrease related a change within the entity, moving Building Permit Functions to its own business-type activity fund, and \$540 thousand due to the City using cash that was restricted for capital projects.

The remaining balance is unrestricted net position and represents the amount that may be used to meet the City's ongoing obligations. The City is presenting \$4.2 million in unrestricted net position in the government wide fund statements, a decrease of \$6.5 million over 2023.

**Statement of Activities**

The City's total Net Position increased by \$17.2 million, ending at \$207.8 million. The following is a condensed version of the Statement of Activities for the City. The full statement is a tabular depiction of the relationship between revenues and expenses for the City's governmental activities and proprietary funds.



**CITY OF RIDGEFIELD, WASHINGTON**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2024**

City of Ridgefield's Statement of Activities (in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023*	2024	2023*	2024	2023*
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 6,528	\$ 6,921	\$ 6,842	\$ 4,181	\$ 13,370	\$ 11,102
Operating grants/contributions	289	152	130	-	419	152
Capital grants/contributions	19,508	14,204	7,998	5,429	27,506	19,633
General revenues:						
Property taxes	2,330	2,213	-	-	2,330	2,213
Sales taxes	5,223	4,337	-	-	5,223	4,337
Utility taxes	2,149	1,979	-	-	2,149	1,979
Excise taxes	2,945	2,373	-	-	2,945	2,373
Interest income	1,343	1,137	538	566	1,881	1,703
Other revenue	350	311	-	-	350	311
Total Revenues	40,665	33,627	15,508	10,176	56,173	43,803
<b>Expenses:</b>						
General Government	4,003	2,910	-	-	4,003	2,910
Public Safety	4,731	3,361	-	-	4,731	3,361
Physical Environment	1,859	1,503	-	-	1,859	1,503
Transportation	6,989	4,206	-	-	6,989	4,206
Economic Environment	6,243	3,134	-	-	6,243	3,134
Education	3,629	3,915	-	-	3,629	3,915
Culture and Recreation	2,020	2,035	-	-	2,020	2,035
Interest on L-T Debt	1,697	683	-	-	1,697	683
Water	-	-	3,246	2,946	3,246	2,946
Sewer	-	-	1,771	1,621	1,771	1,621
Building	-	-	3,246	-	3,246	-
Total Expenses	31,171	21,747	8,263	4,567	39,434	26,314
Excess (deficiency) before transfers	9,494	11,880	7,245	5,609	16,739	17,489
Transfers	(1,150)	(979)	1,150	979	-	-
Change in Net Position	8,344	10,901	8,395	6,588	16,739	17,489
Beginning Net Position	128,047	117,120	63,025	56,433	191,072	173,553
Change to or within Entity	(2,248)	-	2,248	-	-	-
Change in Accounting Principles	6	26	10	4	16	30
<b>Ending Net Position</b>	<b>\$ 134,149</b>	<b>\$ 128,047</b>	<b>\$ 73,678</b>	<b>\$ 63,025</b>	<b>\$ 207,827</b>	<b>\$ 191,072</b>

\*2023 balances restated for Error Correction related to recognition of capital assets

**CITY OF RIDGEFIELD, WASHINGTON**  
***Management's Discussion and Analysis***  
***Year Ended December 31, 2024***

See note 19 for an explanation of the Change to or within Entity and Change in accounting principles.

**Governmental Activity Analysis**

Capital grants and contributions was the largest source of revenue in 2024 accounting for 48% of governmental activity revenue sources. Transportation contributions and grants are 91.5% of the total capital grants and contributions in 2024.

All tax revenue sources combined reflect an increase of \$1.7 million, or a 16% increase over 2023. Retail sales and use taxes had an increase of \$886 thousand, excise tax had an increase of \$572 thousand, property tax increased \$118 thousand and there was an increase of \$170 thousand in utility taxes owing to the continued growth of the City and associated taxes due to this growth.

The largest source of tax revenue continues to come from sales and use tax. Sales and use taxes totaled \$5.2 million, accounting for 41.3% of the total tax revenue, up from 39.8% in 2023. Property taxes totaled \$2.3 million or 18.4% of the total tax revenue. The Washington State Constitution limits the total annual regular property tax increase to 1% of the prior year's tax levy plus new construction. In 2024 the City had a \$168.2 million increase in assessed value due to new construction.

Total governmental expenses, not including transfers equaled \$28.9 million with 21.6% of this amount for economic environment, up from 14.4% in 2023 due to an increase in impact fee credits. 59.1% of expense was associated with four programs: public safety, transportation, general government, and education, each representing 16.4%, 16.3%, 13.9% and 12.6% respectively of the total governmental activities expense. Public safety increased \$1.4 million mainly due to increases in salaries and benefits due to the additional staff added to manage increased growth of the City. Transportation expenses increased \$488 thousand due to increased capital asset costs and personnel costs. General government increased \$1.1 million due to increased expenses associated with insurance, pollution remediation, capital asset, and personnel costs. Educational expenses decreased \$286 thousand over 2023 due to the decrease in residential permitting and the receipt of school impact fees.

**Business-Type Activities Analysis**

Capital grants and contributions increased 10.3%, or \$546 thousand, when compared to 2023. The increase is due to higher development activity in 2024 as compared to 2023. Of the \$5.7 million balance in 2024, 78% is from contributed assets. Both Water and Storm Water had significant capital contributions during 2024. Capital contributions come from private developers and are recorded either when an asset is completed and accepted by the City or when a developer uses a system development charge credit. Credits are issued to developers as "payment" for assets they construct that benefit the City above and beyond their development and are assets identified in the City's capital facility plan. Once the asset is constructed and donated to the City, the total amount of credit is determined and issued to the developer. Credits are used in place of payment of the system development charge that would've been charged when a building permit is issued. At the end of 2024 there was \$173 thousand in water system development charge credits outstanding. Developer contributed assets are comprised of water and storm water infrastructure, such as water pipelines and storm water drainage facilities. In 2024 there was also \$2.3 million donated assets from the governmental funds to the business-type activities funds recorded as a capital contribution on the business type activities statements.

Charges for services for the water and storm water drainage utility increased by \$485 thousand. This increase occurred because of a 6.4% revenue increase in the water utility and an 24.1% revenue increase in the storm water drainage utility. The Water utility rate increased 3% and the Storm water saw an 18% rate increase in 2024. The storm water rate increases, along with increased equivalent dwelling units (EDU) due to new commercial development, was the reason for the increase in charges for services. The building fund was created in 2024 and recognized \$2.2 million in charges for services, which in prior years was reported as part of the governmental funds.

**CITY OF RIDGEFIELD, WASHINGTON**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2024**

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**Summary of Total Government Activities**

Overall, the City's financial position improved from 2023 to 2024 with net position increasing by \$17.2 million or 9.0%. The main reasons for the increase are from increased capital grants and contributions, increased tax revenues and other revenue sources remaining stable or slightly increased while expenses increased at a slower rate than the revenue growth.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**
**Governmental Funds Analysis**

The City uses fund accounting to ensure compliance with legal requirements and to assist in the budgeting and operations of the different activities of the City. The governmental funds are categorized into four fund types, general fund, special revenue funds, debt service fund and capital project funds. Each fund type has its unique purpose. Three of these funds are classified as major funds for the purposes of this report, based on criteria set forth by the Governmental Accounting Standards Board (GASB). Those funds are the General Fund, used for traditional government purposes and the Capital Projects Fund, a fund used to record the acquisition and construction activities associated with governmental fund type assets. The Real Estate Excise Tax Fund (REET) was established to account for taxes that are restricted for capital purposes. Resources are typically transferred to other funds as they are needed. Other governmental funds classified as non-major funds and reported under Other Governmental Funds, are the Street Fund, used to record the receipt and payment of funds used to pay for the maintenance of streets that reside within the city limits, and the Drug Fund used to record the receipt and payment towards activities and equipment for drug enforcement prevention and policing, the Affordable Housing fund used to collect funds from sales and use tax dedicated to addressing affordable housing for low income residents; and the Transportation Benefit District Fund, used to record the receipt of public transportation taxes and the approved capital related expenses for transportation related projects. The Park Impact Fee Fund, used to record the receipt of park impact fees received as part of a permit issued for new development; and the Traffic Impact Fee Fund, also used to record the receipt of traffic impact fees received as part of a permit issued for new development.

When reviewed on a separate fund basis, the General Fund's fund balance decreased \$1.6 million or 15.4% as a result of 2024 operations. The General Fund beginning year fund balance was \$10.6 million and ended 2024 at \$7.0 million. Of this decrease \$1.9 million was the transfer of building permitting functions to the building business-type activity fund. The four largest sources of revenue came from sales and use tax, charges for services, property tax, and utility taxes, with each comprising 32.3%, 32.2%, 14.5% and 12.5%, respectively, of the total revenue. Sales and use taxes reflect an 20.5% increase, or \$885 thousand due to an increase in the construction of new buildings and addition of additional new businesses in Ridgefield. Charges for Services decreased \$1.1 million or 18% compared to 2023, which was the result of a decrease in School Impact Fees and the transfer of building permitting charges for services to the building fund in the business-type activity fund. Property taxes increased \$120 thousand, or 5.4% from 2023 to 2024. As noted earlier in this discussion, the Washington State Constitution limits the total annual regular property tax increase to 1% of the prior year's levy plus new construction. The City had a \$168.2 million increases in assessed value due to new construction. The new construction is the key driver for the increased property tax revenue. Utility revenue has continued to grow as retail and commercial construction in 2023 resulted in an increase in the number of utility customer accounts in 2024. This resulted in an increase in utility tax revenue of \$152 thousand, or 8.2%, in 2024 over 2023.

Total expenditures in the General Fund decreased \$4.7 million or 22% from 2023 to 2024. The most significant decrease in expenditures, both with respect to the amount and percentage decrease is in the amount related to economic environment since this was the function that was for building permit service, which in 2024 was transferred to the new Building business-type activity fund. Economic environment decreased by \$2.9 million in 2024. The second largest decrease was related to capital outlay. This expenditure decreased \$2.7 million or 70.7% and is due to the abnormally high capital outlay from 2023. The 2024 amount is more closely aligned with historical capital outlay amounts. Other current expenditure areas reflected growth; public safety, physical environment, culture and recreation, and general government, with increases of 18.1%, 16.6%, 19% and 5.2%, respectively. These increases are primarily

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related to an overall increase in costs related to salaries and benefits. This stems from both an increase in staffing needs due to the growth of the City with adding additional staff, and with salary increases to remain competitive with local wage rates in order to retain employees.

The Capital Projects Fund posted \$5.3 million in total revenues and \$3.6 million in transfers in from other funds, and \$22.1 million in total capital outlay expenditures. Revenues from intergovernmental sources decreased from 2023, from \$5.8 million to \$4.4 million primarily due to a slight decrease in capital grants received for transportation purposes. In 2024, grants were received for the South Royle Road improvements from 15<sup>th</sup> St to 5<sup>th</sup> Way, Pioneer Street Extension and Roundabout project, and new lighting for the outdoor recreation center along with multiple planning grants for transportation safety. Additionally, the fund received a total of \$3.6 million in transfers from other funds, down from \$5.7 million in 2023. In 2024 an issuance of debt for \$28 million occurred, with \$17.0 million remaining as unspent bond proceeds from the 2024 bond that will be spent in future years for capital improvements.

The REET Fund posted just under \$2.1 million in total revenues and \$2 million in transfers to other funds. Real Estate Excise Tax (REET) increased \$382 thousand over the prior year. REET is calculated based on the full selling price of real property, including the amount of any liens, mortgages, and other debts given to secure the purchase. The tax is due at the time of sale and is collected by the county when the documents of sale are presented for recording. From December 2023 to December 2024, the median selling price of a home in Ridgefield increased from \$644 thousand to \$659 thousand, along with an increase in the quantity of houses sold, has resulted in the increase in REET. The REET revenue is used primarily to support debt service and to fund capital asset projects and the acquisition of land and facilities.

The Net Change in Total Governmental Funds fund balance increased overall by \$12.6 million with a decrease in the General Fund of \$3.5 million, an increase in the Capital Projects fund of \$16.6 million, an increase in the REET fund of \$93 thousand and a decrease in the Non-Major Governmental Funds of just under \$538 thousand. Total fund balance ended at \$31.3 million, and out of this amount, \$6 thousand is nonspendable due to prepaids, \$22.8 million is restricted for capital projects or to make major capital purchases and public safety activities, \$2.8 million is assigned for specific purposes, such as to use for equipment repair, or vehicle replacement, \$141 thousand is committed for debt service, and \$5.5 million is unassigned and can be used to fund the ongoing operations of the City.

#### **Business-Type Fund Analysis**

Proprietary funds are those funds that account for government operations where the intent is for 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 major Business-Type enterprise funds – Water, Storm Water Drainage, and the Building fund.

The three major funds had a combined net position of \$73.7 million. These funds had a combined operating loss of \$1.4 million, which was an increase in operating losses when compared to the operating loss of \$338 thousand in 2023. Further, when reviewed on a separate fund basis, the operating loss by fund equates to operating loss in the Water Fund of \$97 thousand, a loss in the Storm Water Drainage Fund of \$245 thousand, and a loss in the Building fund of \$1.1 million. The operating loss for the Water Fund increased from a \$21 thousand income in 2023 to an operating loss of \$97 thousand in 2024, an overall increase in loss in income of \$118 thousand. This is due to an increase in income from charge for services of \$190 thousand while expenses increased \$309 thousand, the largest increase in expenses relating to salaries, wages, and benefits. The operating loss for the Storm Water Drainage Fund decreased from \$359 thousand in 2023 to \$245 thousand in 2023. This decrease in operating loss is due to the increase in charges for services of \$296 outpacing the increase in expenses of \$182 thousand. The largest increase in expense was \$102 thousand for salaries, wages, and benefits. The building permitting fund was created in 2024 and had \$2.2 million in charges for services, offset with expenses of \$3.2 million for a net operating loss of \$1.1 million. In 2024, the City issued 226 Single-family residential permits, 31 commercial building permits and 527 miscellaneous permits; compared to 243 Single-family residential permits, 29 commercial building permits and 252 miscellaneous permits in 2023.

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The largest expense was \$3.3 million related to salaries, wages, and benefits. Personnel expense was \$948 thousand in Water, \$623 thousand in Storm and \$1.7 million in Building. Both Water and Storm water funds had significant capital contributions during the year; \$3.9 million for Water and \$4.1 million for Storm Water. The Water Fund received \$1.1 million in cash for payment of system development charges with the remainder being donated capital assets. Storm Water's capital contributions were all related to capital asset donations. Storm Water also received a \$130 thousand grant from the Department of Ecology to assist the City in transitioning to meet new requirements under the City's Municipal Stormwater permit.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The City appropriates funds through an annual budget process. Budget amendments are made throughout the year as needed and approved through adoption of an ordinance by the city council. State law allows funds to be expended if authorized by an ordinance amending the original budget.

The purpose of the General Fund is to provide for traditional government programs, which include the city council, executive management, legal, finance, human resources, general administration, general/facilities, information technology, public safety, cemetery, community development/long range planning, code enforcement and parks and recreation. Taxes are the major source of revenue within the General Fund. Transfers from other funds through an Indirect Cost Allocation Plan provide funding for expenses that are budgeted in the General Fund that benefit all funds for the City. The General Fund also provides support to other funds for debt service, street maintenance, and capital improvements.

The General Fund final budgeted expenditures, including transfers out, reflects an increase of \$1.9 million from the 2024 original adopted budget. The final 2024 amended budget includes an increase in transfers for capital improvements and debt service related to additional lease payments for community space. including an, increase in Economic Environment of \$300 thousand, an increase in Physical Environment of \$98 thousand, \$21 thousand increase in culture and recreation, increases in principal payments of \$45 thousand and capital outlay of \$545 thousand, and an increase in transfers out of \$870 thousand. The capital outlay increase was primarily related to parks and public safety capital expenditures. The General Fund actual revenues closed the year at 102% of the final 2024 amended budget.

The General Fund, by policy, does not budget for Educational expenses which represent the payment of School Impact Fees collected during the building permit process and remitted to the Ridgefield School District. The General Fund, additionally, does not budget for issuance of debt or capital outlay expenditures related to leasing activities when the City acts as the lessee. The final expenditures budget, including transfers, was \$17.1 million. Refer to Note 3 (Stewardship, Compliance and Accountability) for additional details.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

##### **Capital Assets**

The City of Ridgefield's investment in capital assets, including construction in progress, for its governmental and business-type activities amounts to \$224.9 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, streets, wells, water reservoirs, water pipelines and storm sewer pipelines, storm water facilities, system improvements, right to use assets, machinery and equipment, park facilities, trail system, and construction in progress. The total government-wide capital assets increased in 2024 by a net of \$38.5 million or 20.6%. Infrastructure, such as water distribution lines, roads, new parks and trails that are constructed by developers become the assets of the City once the engineering department approves the development as complete. Infrastructure assets account for 71.0%, or \$27.3 million, of the increase. This increase is directly related to developer contributions of infrastructure assets with \$13.5 million being donated for Transportation infrastructure, \$17 thousand for Parks, \$4.1 million in Storm Water infrastructure and \$2.7 million for Water infrastructure. In 2024 a correction of error was recorded for donated capital assets totaling \$467 thousand. Of these donated assets \$310 thousand was for transportation, \$57 thousand for water, and \$98 thousand for Storm Water. The increase was offset by routine depreciation.

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Assets added pertain to City constructed and/or purchased assets such as roundabout construction, land easement acquisition, and park improvements. Capital asset detail in thousands is as follows:

	Governmental Activities		Business Activities		Government Wide	
	12/31/2024	12/31/2023*	12/31/2024	12/31/2023*	12/31/2024	12/31/2023*
Land	\$ 16,173	\$ 12,842	\$ 3,155	\$ 2,002	\$ 19,328	\$ 14,844
Construction in Progress	13,302	9,856	2,731	1,058	16,033	10,914
Intangibles	4,618	3,274	330	208	4,947	3,482
Buildings	4,541	4,646	747	765	5,288	5,411
Equipment	4,107	4,500	2,180	2,020	6,287	6,521
Infrastructure	117,091	96,307	51,586	45,047	168,676	141,354
Intangibles Right to Use	4,213	3,825	131	93	4,344	3,919
	<u>\$ 164,044</u>	<u>\$ 135,251</u>	<u>\$ 60,859</u>	<u>\$ 51,194</u>	<u>\$ 224,903</u>	<u>\$ 186,445</u>

\*2023 balances restated for Error Correction related to recognition of capital assets

Additional information on the City of Ridgefield's capital assets can be found in Note 6 (Capital Assets) of the notes to the financial statements of this report.

#### **Long-Term Debt**

The City had a total long-term debt outstanding of \$49.7 million. Out of this amount, \$49.5 million pertains to general government and \$231 thousand pertains to the business-type activities.

The City's total debt increased \$29.9 million from 2023 to 2024. During 2024, the City issued \$28 million in general obligation bonds and \$3.2 million in related issuance premiums and retired \$1.3 million due to debt service payments.

Additional information on the City's long-term debt can be found in Note 9 (Long-term Liabilities) of the notes to the financial statement in this report.

#### **Economic Outlook and Future Conditions**

The City of Ridgefield has been the fastest growing city, by percentage, in Washington since the census conducted in 2010. Development in the City of Ridgefield exploded in the early to mid-2000 timeframe. As a result, the City increased staff and completed much needed capital projects to support growth projections. In 2008 the nation entered a great recession and Ridgefield suffered economically due to the dependence on growth related revenue sources. The City Council and management made difficult and necessary decisions to reduce staffing and focus on core services during the recession. Staff and Council reduced expenditures and trimmed the budget to ensure the City was not operating at a deficit. As a result, the City was able to make it through the recession with limited impact on financial stability. The Great Recession helped define the City's financial outlook going forward.

As the City began to rebound from the recession, the Council adopted targeted reserves policies, to ensure fiscal sustainability in the event another economic downturn occurred. Due to the decisions the Council made, the City was able to build reserves and identify funding sources for much needed infrastructure, which promoted growth in commercial retail. The City experienced a second explosion in growth in 2015 with residential building. In 2018 the city began to work with a commercial recruiter to identify commercial retail businesses that would locate in Ridgefield and offer much needed services requested by the residents such as a grocery store and additional restaurants.

During the pandemic that began in 2020 the City was not impacted as significantly as other public entities due to the financial policies implemented by the City Council and the tremendous growth the City experienced from 2010 through 2020. As building picked back up in late 2020 and early 2021 the City continued to see residential growth above historical norms. As the City continues to grow at a historical pace staff and the City Council plan for infrastructure improvements to support the growth. The City residents adopted a sales tax to fund a Transportation Benefit District.



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In 2023, the City began the planned transition period from reliance on residential construction and one-time sales tax revenue to more sustainable commercial retail sales tax. In 2018–2019, at the City Council's direction, staff began to increase reserve balances in anticipation of the transition period. Staff forecast the transition to begin in 2023 and continue through the 2026 calendar years. Costco was the first business to open in the tax increment area in August 2024. The City is expecting several high-value commercial retail businesses to open their doors by the end of 2025. Thirteen additional buildings are in varying stages of land use, permitting review or in construction in the Union Ridge Town Center and additional parcels are under review south of Pioneer Street in the I-5 junction subarea. Additional retail commercial business development is expected to occur on the east side of I-5 at the Tri Mountain Station complex. The strong commercial development activity will address the shopping needs of residents while also creating sustainable retail sales tax and additional property tax revenue to provide long-term stability for the provision of necessary City services. Due to the economic environment staff are expecting the transition to extend through the 2027-2028 fiscal years.

The City continues to maintain a conservative budget approach, maintaining core service levels. while budgeting ongoing revenues to support ongoing expenditures to ensure the City is not facing a structural deficit.

The City continues to monitor economic changes in our region and on the national landscape. The City has seen fewer single family residential permits issued in the past three years compared to the residential boom that occurred in late 2020 and 2021. Due to reduced housing starts and high interest costs for a mortgage, residential development was reduced by 25% from original estimates for 2024. Staff are forecasting an 11% increase in residential permitting in 2025 when compared to actual numbers in 2024 due to several subdivisions that are in the construction phase of their development. Land use and building permit applications are up for commercial projects, and staff are forecasting increased ongoing sales tax revenues as these projects are completed in the 2025–2028 time period. Many businesses continue to struggle to fill job openings, and supply chain issues continue to cause inflationary pressures on residents and the City. The City has seen increased costs for public works construction projects, basic services, and supplies that support the public services provided to Ridgefield residents. As a result of the increased costs, the City experienced budgetary pressures for the 2025 operating and capital budgets. The City Council and staff are proposing reduced additions to the 2025 budget and focusing on current operations and capital projects. The City will continue to draw on the reserve balances set aside for the transition period in 2025 for one-time capital investment, although staff do not forecast dipping into policy reserve balances in the General Fund. The City built up significant additional reserves in the General Fund during the past six years to prepare for the transition from residential construction to commercial construction and changes to the retail sales and use tax receipt structure.

As a result of being the fastest growing city in Washington since 2010, the City continues to plan for the needed infrastructure to support the growth. The City Council adopted a Tax Increment Area (TIA) and funding package through Tax Increment Financing (TIF) to fund infrastructure improvements in the I-5 junction area. The forecast is for up to \$700 million in private development on the east and west side of I-5 due to this investment and 2,370 new jobs in Ridgefield.

The City continues to work with regional, state, and federal partners to find additional funding options to add to local and developer funds to build the infrastructure to support the tremendous growth in Ridgefield.

Local governments, including the City of Ridgefield, continue to be on watch for potential threats as a result of State and Federal legislation that may shift funding burdens to local governments through elimination of grant funding or shared allocation changes, increase costs through tax policy decisions or impose unfunded mandates through regulatory actions. The City works with both state and federal affairs consultants as well as various trade organizations to promote the City's platform on these issues.

The City of Ridgefield continues to be one of the fastest growing cities in the State of Washington due to several factors, including land availability, proximity to major infrastructure and location in the Portland-Vancouver Metropolitan Area. The City is proactively assuring that growth is balanced, including expanding

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its jobs base and attracting additional commercial development, which will assure the City's ability to offer high quality life, work and play options. Due to the continued residential, job, commercial and infrastructure development, the City is projecting an increase in the property tax base and additional ongoing sales and use tax revenues as the city transitions to a more balanced and sustainable revenue model.

The City Council and staff have focused on maintaining a conservative budget and high efficiency in daily operations to reduce costs to City residents.

The City Council continues to adopt policies and provide a long-term vision that brings high quality services and development to Ridgefield. The City's staff are committed to the mission statement to provide superior services, build on a proud history, and meet challenges that are shaping the future of Ridgefield.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Ridgefield's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Finance Department, City of Ridgefield, PO Box 608, 230 Pioneer Street, Ridgefield, WA 98642.

## CITY OF RIDGEFIELD, WASHINGTON

## Statement of Net Position

December 31, 2024

	Governmental Activities	Business-type Activities	Total Primary Government
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 5,377,446	\$ 2,887,594	\$ 8,265,040
Investments	1,610,379	2,057,389	3,667,768
Receivables (Net of Allowance for Uncollectible)	1,997,999	620,541	2,618,540
Inventories	-	95,442	95,442
Prepaid Items	5,500	-	5,500
<b>Restricted Assets</b>			
Cash	22,203,406	6,709,501	28,912,907
Investments	2,957,811	3,302,538	6,260,349
Receivables (Net)	204,556	20,375	224,931
Other Noncurrent Assets	-	592,064	592,064
Capital Assets, Not Depreciated or Amortized	34,078,140	6,169,353	40,247,493
Capital Assets, Net of Depreciation or Amortization	129,966,227	54,689,516	184,655,743
Net Pension Asset	1,344,383	489,759	1,834,142
<b>Total Assets</b>	<b>199,745,847</b>	<b>77,634,072</b>	<b>277,379,919</b>
<b>Deferred Outflows of Resources</b>			
Deferred Amount Related to Pensions	1,766,420	676,876	2,443,296
Deferred Amount on Asset Retirement Obligations	-	361,728	361,728
<b>Total deferred outflows of resources</b>	<b>1,766,420</b>	<b>1,038,604</b>	<b>2,805,024</b>
<b>Liabilities:</b>			
Accounts Payable and Other Current Liabilities	2,601,664	3,172,693	5,774,357
Accrued Interest Payable	196,067	4,767	200,834
Unearned Revenues	9,254,776	202,605	9,457,381
<b>Noncurrent Liabilities:</b>			
Due within One Year	1,857,499	124,675	1,982,174
Due in More than One Year	52,330,820	1,016,423	53,347,243
Net Pension Liability	276,604	203,906	480,510
<b>Total Liabilities</b>	<b>66,517,430</b>	<b>4,725,069</b>	<b>71,242,499</b>
<b>Deferred Inflows of Resources</b>			
Amounts Related to Pensions	777,963	269,818	1,047,781
Amounts Related to Leases	67,313	-	67,313
<b>Total Deferred Inflows of Resources</b>	<b>845,276</b>	<b>269,818</b>	<b>1,115,094</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	126,868,921	60,044,983	186,913,904
<b>Restricted for:</b>			
Public Safety	9,890	-	9,890
Pension Asset	1,344,383	489,759	1,834,142
Capital	2,665,401	9,569,163	12,234,564
Other Purposes	114,740	-	114,740
Unrestricted	3,146,226	3,573,884	6,720,110
<b>Total Net Position</b>	<b>\$ 134,149,561</b>	<b>\$ 73,677,789</b>	<b>\$ 207,827,350</b>

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

CITY OF RIDGEFIELD, WASHINGTON							
Statement of Activities							
Year Ended December 31, 2024							
		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business -type Activities	Total
PRIMARY GOVERNMENT							
Governmental Activities:							
General Government	\$ 4,001,550	\$ 1,925,177	\$ 79,634	\$ 12,121	\$ (1,984,618)	\$ -	\$ (1,984,618)
Public Safety	4,730,821	31,641	81,126	-	(4,618,054)	-	(4,618,054)
Physical Environment	1,859,101	9,150	25,000	48,915	(1,776,036)	-	(1,776,036)
Transportation	6,989,131	22,478	-	17,849,360	10,882,707	-	10,882,707
Education	3,629,200	-	-	-	(3,629,200)	-	(3,629,200)
Economic Environment	6,243,305	4,539,304	97,471	323,467	(1,283,063)	-	(1,283,063)
Culture and Recreation	2,020,308	-	5,910	1,274,117	(740,281)	-	(740,281)
Interest on Long-Term Debt	1,697,370	-	-	-	(1,697,370)	-	(1,697,370)
TOTAL GOVERNMENTAL ACTIVITIES	31,170,786	6,527,750	289,141	19,507,980	(4,845,915)	-	(4,845,915)
Business Type Activities:							
Water	3,246,228	3,145,853	-	3,905,755	-	3,805,380	3,805,380
Storm	1,770,562	1,520,633	130,000	4,092,477	-	3,972,548	3,972,548
Building	3,246,360	2,175,562	-	-	-	(1,070,798)	(1,070,798)
TOTAL BUSINESS-TYPE ACTIVITIES	8,263,150	6,842,048	130,000	7,998,232	-	6,707,130	6,707,130
Total Primary Government	\$ 39,433,936	\$ 13,369,798	\$ 419,141	\$ 27,506,212	\$ (4,845,915)	\$ 6,707,130	\$ 1,861,215
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 2,330,629	\$ -	\$ 2,330,629	
Sales and Use Taxes				5,223,383	-	5,223,383	
Utility Taxes				2,148,778	-	2,148,778	
Excise and Other Taxes				2,944,828	-	2,944,828	
Unrestricted Investment Earnings(Loss)				1,343,194	537,552	1,880,746	
Grants and Contributions not Restricted to Specific Programs				349,627	-	349,627	
Transfers				(1,149,716)	1,149,716	-	
Total General Revenues and Transfers				13,190,723	1,687,268	14,877,991	
Change in Net Position				8,344,808	8,394,398	16,739,206	
Net Position - Beginning				127,721,540	62,883,269	190,604,809	
Correction of Error				324,795	142,065	466,860	
Change to or within Entity				(2,247,978)	2,247,978	-	
Change in Accounting Principles				6,396	10,079	16,475	
Net Position - Ending	\$			134,149,561	\$ 73,677,789	\$ 207,827,350	

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

## CITY OF RIDGEFIELD

Governmental Funds

Balance Sheet

December 31, 2024

	General Fund	Capital Projects Fund	Real Estate Excise Tax Fund	Non Major Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 5,852,874	\$ 18,135,030	\$ 2,445,155	\$ 1,147,793	\$ 27,580,852
Investments	894,006	716,373	1,917,549	1,040,262	4,568,190
Property Taxes Receivables	17,997	-	-	-	17,997
Accounts Receivable (net)	325,849	-	-	250	326,099
Interest Receivable	5,507	4,420	11,837	6,420	28,184
Lease Receivable	67,313	-	-	-	67,313
Due from Other Governments	1,041,406	486,688	6,714	228,154	1,762,962
Prepays	5,500	-	-	-	5,500
Total Assets	<u>\$ 8,210,452</u>	<u>\$ 19,342,511</u>	<u>\$ 4,381,255</u>	<u>\$ 2,422,879</u>	<u>\$ 34,357,097</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	446,672	1,528,074	-	54,549	2,029,295
Other Accrued Liabilities	275,354	-	-	35,500	310,854
Due to Other Governments	261,515	-	-	-	261,515
Total Liabilities	<u>983,541</u>	<u>1,528,074</u>	<u>-</u>	<u>90,049</u>	<u>2,601,664</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue	118,539	301,061	3,490	1,894	424,984
Deferred Inflows for Leases	67,313	-	-	-	67,313
Total Deferred Inflows of resources:	<u>185,852</u>	<u>301,061</u>	<u>3,490</u>	<u>1,894</u>	<u>492,297</u>
<b>Fund Balances:</b>					
Nonspendable	5,500	-	-	-	5,500
Restricted	-	16,310,468	4,377,765	2,099,730	22,787,963
Committed	141,113	-	-	-	141,113
Assigned	1,407,535	1,202,908	-	231,206	2,841,649
Unassigned	5,486,911	-	-	-	5,486,911
Total Fund Balances	<u>7,041,059</u>	<u>17,513,376</u>	<u>4,377,765</u>	<u>2,330,936</u>	<u>31,263,136</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,210,452</u>	<u>\$ 19,342,511</u>	<u>\$ 4,381,255</u>	<u>\$ 2,422,879</u>	

Amounts reported for governmental activities in the statement of net position are different because (See Note 2 also):

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	\$ 164,044,367
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds—unavailable revenues	424,984
Other items related to Pension activity that are not financial resources therefore, not reported in the funds.	2,056,236
Long-term liabilities that are not due and payable in the current period and are not reported in the funds	(63,639,162)
Net position of governmental activities	<u>\$ 134,149,561</u>

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

## CITY OF RIDGEFIELD

## Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended December 31, 2024

	General Fund	Capital Projects Fund	Real Estate Excise Tax Fund	Non Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$ 2,333,788	\$ -	\$ -	\$ -	\$ 2,333,788
Sales and Use Taxes	5,199,114	-	-	24,269	5,223,383
Utility Taxes	2,005,406	-	-	143,377	2,148,783
Other Taxes	-	-	1,872,677	1,072,151	2,944,828
License and Permits	101,305	-	-	20,606	121,911
Intergovernmental	555,606	4,402,928	-	289,926	5,248,460
Charges for Services	5,192,726	-	-	909,444	6,102,170
Fines and Forfeits	82,959	-	-	197	83,156
Interest Earnings	394,123	688,763	212,637	69,948	1,365,471
Contributions and Donations	15,910	235,135	-	-	251,045
Miscellaneous	223,018	-	-	1,869	224,887
Total Revenues	16,103,955	5,326,826	2,085,314	2,531,787	26,047,882
<b>Expenditures:</b>					
Current					
General Government	3,311,886	-	-	-	3,311,886
Public Safety	4,045,204	-	-	-	4,045,204
Physical Environment	1,838,706	-	-	-	1,838,706
Transportation	-	-	-	1,473,717	1,473,717
Economic Environment	318,774	-	-	-	318,774
Education	3,629,200	-	-	-	3,629,200
Culture and Recreation	1,191,358	-	-	-	1,191,358
Capital Outlay	1,113,573	22,054,042	-	-	23,167,615
Debt Service					
Principal Retirement	609,697	-	-	1,211,391	1,821,088
Interest/Fiscal Charges	111,663	-	-	1,247,636	1,359,299
Bond Issuance Costs	-	363,281	-	-	363,281
Total Expenditures	16,170,061	22,417,323	-	3,932,744	42,520,128
Excess (Deficiency) of Revenues Over (Under) Expenditures	(66,106)	(17,090,497)	2,085,314	(1,400,957)	(16,472,246)
<b>Other Financing Sources (Uses)</b>					
Issuance of Debt	880,337	27,985,000	-	-	28,865,337
Premium on debt issued	-	3,243,927	-	-	3,243,927
Transfers In	-	3,574,498	-	3,511,962	7,086,460
Transfers Out	(2,444,915)	(1,149,716)	(1,992,686)	(2,648,859)	(8,236,176)
Total Other Financing Sources and Uses	(1,564,578)	33,653,709	(1,992,686)	863,103	30,959,548
Net Change in Fund Balances	(1,630,684)	16,563,212	92,628	(537,854)	14,487,302
Fund Balance at Beginning of Year	10,563,084	950,164	4,285,137	2,868,790	18,667,175
Change to or within Entity	(1,891,341)	-	-	-	(1,891,341)
Fund Balance at End of Year	\$ 7,041,059	\$ 17,513,376	\$ 4,377,765	\$ 2,330,936	\$ 31,263,136

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

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Fund Balance of Governmental Funds to the Statement of Activities  
Year Ended December 31, 2024

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

Net changes in fund balances - total governmental funds:	\$ 14,487,302
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.	15,457,600
The net effect of various miscellaneous transactions involving capital assets ( i.e., sales, trade-ins, and donations) to increase net position.	13,515,593
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,078,871
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 costs, 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.	(30,187,463)
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	(6,007,096)
Changes in Net Position (governmental activities)	\$ <u>8,344,808</u>

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

CITY OF RIDGEFIELD				
General Fund				
Statement of Revenues, Expenditures and Changes in Fund Balances				
Budget (GAAP Basis) and Actual				
For the Fiscal Year Ended December 31, 2024				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
<b>Revenues:</b>				
Property Taxes	\$ 2,340,000	\$ 2,340,000	\$ 2,333,788	\$ (6,212)
Sales and Use Taxes	4,735,000	4,735,000	5,199,114	464,114
Utility and Other Taxes	2,064,500	2,064,500	2,005,406	(59,094)
License and Permits	97,180	97,180	101,305	4,125
Intergovernmental	514,500	839,500	555,606	(283,894)
Charges for Services	1,526,006	1,526,006	1,563,526	37,520
Fines and Forfeits	72,000	72,000	82,959	10,959
Interest Earnings	385,000	385,010	394,123	9,113
Contributions and Donations	25,000	25,000	15,910	(9,090)
Other Miscellaneous	123,100	177,500	223,018	45,518
Total Revenues	<u>11,882,286</u>	<u>12,261,696</u>	<u>12,474,755</u>	<u>213,059</u>
<b>Expenditures:</b>				
Current				
General Government	3,616,600	3,616,600	3,311,886	304,714
Security/Persons and Property	4,187,900	4,187,900	4,045,204	142,696
Physical Environment	1,686,500	1,784,600	1,838,706	(54,106)
Economic Environment	164,812	464,812	318,774	146,038
Culture and Recreation	1,165,715	1,187,215	1,191,358	(4,143)
Debt Service				
Principal	470,100	515,100	609,697	(94,597)
Interest	18,300	18,300	111,663	(93,363)
Capital Outlay	175,500	720,900	233,236	487,664
Total Expenditures	<u>11,485,427</u>	<u>12,495,427</u>	<u>11,660,524</u>	<u>834,903</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	396,859	(233,731)	814,231	1,047,962
<b>Other Financing Sources (Uses):</b>				
Insurance Recoveries	10,000	10,000	-	(10,000)
Transfers Out	<u>(3,774,310)</u>	<u>(4,644,140)</u>	<u>(2,444,915)</u>	<u>2,199,225</u>
Total Other Financing Sources and Uses	<u>(3,764,310)</u>	<u>(4,634,140)</u>	<u>(2,444,915)</u>	<u>2,189,225</u>
Net Change in Fund Balance	(3,367,451)	(4,867,871)	(1,630,684)	3,237,187
Fund Balances at Beginning of Year	10,563,084	10,563,084	10,563,084	-
Change to or within Entity	-	-	<u>(1,891,341)</u>	<u>(1,891,341)</u>
Fund Balances at End of Year	<u>\$ 7,195,633</u>	<u>\$ 5,695,213</u>	<u>\$ 7,041,059</u>	<u>\$ 1,345,846</u>
Adjustments to general accepted accounting principles (GAAP) Basis				
Revenues: Charges for Services, School Impact Fees			3,629,200	
Expenditures: Education			(3,629,200)	
Capital Outlay: Right to Use Asset			(880,337)	
Other Financing Sources: Issuance of Debt			<u>880,337</u>	
Fund Balance - GAAP basis			<u>\$ 7,041,059</u>	

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



**CITY OF RIDGEFIELD**  
Proprietary Funds  
Statement of Fund Net Position  
December 31, 2024

	Major Funds			
	Water	Storm Water	Building	Total
<b>Assets:</b>				
<i>Current Assets:</i>				
Cash and Cash Equivalents	\$ 1,590,846	\$ 320,102	\$ 976,646	\$ 2,887,594
Investments	1,789,227	268,162	-	2,057,389
Receivables (net)				
Interest	11,039	1,654	-	12,693
Accounts	350,878	256,970	-	607,848
Inventory	95,442	-	-	95,442
<i>Restricted Assets</i>				
Cash and Cash Equivalents	6,709,501	-	-	6,709,501
Investments	3,302,538	-	-	3,302,538
Interest Receivable	20,375	-	-	20,375
Total Current Assets	<u>13,869,846</u>	<u>846,888</u>	<u>976,646</u>	<u>15,693,380</u>
<i>Noncurrent Assets:</i>				
Other Non-current Assets	592,064	-	-	592,064
Capital Assets, Not Depreciated or Amortized	4,399,525	1,769,828	-	6,169,353
Capital Assets, Net of Depreciation or Amortization	26,755,416	27,726,742	207,358	54,689,516
Net Pension Asset	143,326	90,222	256,211	489,759
Total Long-term Assets	<u>31,890,331</u>	<u>29,586,792</u>	<u>463,569</u>	<u>61,940,692</u>
Total Assets	<u>45,760,177</u>	<u>30,433,680</u>	<u>1,440,215</u>	<u>77,634,072</u>
<b>Deferred Outflows of Resources:</b>				
Amounts Related to Pensions	198,085	124,693	354,098	676,876
Amounts Related to Asset Retirement Obligations	361,728	-	-	361,728
Total Deferred Outflows of Resources	<u>559,813</u>	<u>124,693</u>	<u>354,098</u>	<u>1,038,604</u>
<b>Liabilities:</b>				
<i>Current Liabilities:</i>				
Accounts Payable	52,986	24,701	139,054	216,741
Due to Other Governmental Units	-	-	1,392	1,392
Accrued Interest Payable	1,470	2,808	489	4,767
Accrued Employee Benefits	46,325	26,304	85,662	158,291
Accrued Compensated Absences	23,780	15,356	38,378	77,514
Accounts Payable from Restricted Assets	463,251	-	-	463,251
Unearned Revenues	200,959	1,646	-	202,605
Leases Payable	487	-	-	487
SBITAs Payable	10,517	5,880	14,854	31,251
Bonds, Notes and Loans Payable	-	15,423	-	15,423
Due to Developers	2,333,019	-	-	2,333,019
Total Current Liabilities	<u>3,132,794</u>	<u>92,118</u>	<u>279,829</u>	<u>3,504,741</u>
<i>Noncurrent Liabilities:</i>				
Accrued Compensated Absences	44,732	26,699	66,756	138,187
Leases Payable	37,027	-	-	37,027
SBITAs Payable	15,508	6,045	29,709	51,262
Bonds, Notes and Loan Payable (Net)	-	215,923	-	215,923
Asset Retirement Obligation	574,023	-	-	574,023
Net Pension Liability	59,672	37,563	106,671	203,906
Total Long-term Liabilities	<u>730,962</u>	<u>286,230</u>	<u>203,136</u>	<u>1,220,328</u>
Total Liabilities	<u>3,863,756</u>	<u>378,348</u>	<u>482,965</u>	<u>4,725,069</u>
<b>Deferred Inflows of Resources:</b>				
Amounts Related to Pensions	78,961	49,705	141,152	269,818
Total Deferred Inflows of Resources	<u>78,961</u>	<u>49,705</u>	<u>141,152</u>	<u>269,818</u>
<b>Net Position:</b>				
Net Investment in Capital Assets	30,628,889	29,253,299	162,795	60,044,983
Restricted for Capital Projects	9,569,163	-	-	9,569,163
Restricted for Pension Asset	143,326	90,222	256,211	489,759
Unrestricted	<u>2,035,895</u>	<u>786,799</u>	<u>751,190</u>	<u>3,573,884</u>
Total Net Position	<u>\$ 42,377,273</u>	<u>\$ 30,130,320</u>	<u>\$ 1,170,196</u>	<u>\$ 73,677,789</u>

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

## CITY OF RIDGEFIELD

## Proprietary Funds

## Statement of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended December 31, 2024

	Major Funds			
	Water	Storm Water	Building	Total
<b>Operating Revenues</b>				
Charge for Services	\$ 3,145,853	\$ 1,520,633	\$ 2,175,562	\$ 6,842,048
Total Operating Revenues	<u>3,145,853</u>	<u>1,520,633</u>	<u>2,175,562</u>	<u>6,842,048</u>
<b>Operating Expenses</b>				
Salaries, Wages and Benefits	947,965	622,841	1,730,420	3,301,226
Supplies	258,017	50,701	18,961	327,679
Professional Services	714,441	484,842	1,339,883	2,539,166
Utilities	432,337	16,974	15,422	464,733
Repairs and Maintenance	133,154	164,685	110,248	408,087
Taxes	211,620	24,482	-	236,102
Depreciation and Amortization	545,740	401,513	30,867	978,120
Total Operating Expenses	<u>3,243,274</u>	<u>1,766,038</u>	<u>3,245,801</u>	<u>8,255,113</u>
Operating Income (loss)	(97,421)	(245,405)	(1,070,239)	(1,413,065)
<b>Nonoperating Revenues (Expenses)</b>				
Interest Earnings (Loss)	530,414	7,138	-	537,552
State and Federal Grants	-	130,000	-	130,000
Interest and Fiscal Charges	(2,954)	(4,524)	(559)	(8,037)
Total Nonoperating Revenues (Expenses)	<u>527,460</u>	<u>132,614</u>	<u>(559)</u>	<u>659,515</u>
Income (Loss) before Contributions and Transfers	430,039	(112,791)	(1,070,798)	(753,550)
Capital Contributions	3,905,755	4,092,477	-	7,998,232
Transfers In	-	1,149,716	-	1,149,716
Increase (Decrease) in Net Position	<u>4,335,794</u>	<u>5,129,402</u>	<u>(1,070,798)</u>	<u>8,394,398</u>
Total Net Position at Beginning of Year	37,969,934	24,913,335	-	62,883,269
Correction for Error	56,625	85,440	-	142,065
Change to or within Entity	-	-	2,247,978	2,247,978
Change in Accounting Principles	14,920	2,143	(6,984)	10,079
Total Net Position at End of Year	<u>\$ 42,377,273</u>	<u>\$ 30,130,320</u>	<u>\$ 1,170,196</u>	<u>\$ 73,677,789</u>

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

## CITY OF RIDGEFIELD

## Proprietary Funds

## Statement of Cash Flows

For the Fiscal Year Ended December 31, 2024

	Major Funds			Total
	Water	Storm Water	Building	
<b>Cash Flows from Operating Activities:</b>				
Receipts from Customers	\$ 5,398,205	\$ 1,450,020	\$ 2,175,562	9,023,787
Payments to Suppliers	(1,103,585)	(467,752)	(1,345,495)	(2,916,832)
Payments to Employees	(1,010,760)	(643,519)	(1,720,252)	(3,374,531)
Payments for Interfund Services Used and City Taxes	(426,272)	(321,099)	-	(747,371)
Payments for Taxes	(211,620)	(24,482)	-	(236,102)
Net Cash Provided by Operating Activities	<u>2,645,968</u>	<u>(6,832)</u>	<u>(890,185)</u>	<u>1,748,951</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Non-operating grant revenues received	-	130,000	-	130,000
Transfers - In	-	1,149,716	-	1,149,716
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>1,279,716</u>	<u>-</u>	<u>1,279,716</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Receipts for Future System Improvements	1,112,554	-	-	1,112,554
Acquisition and Construction of Capital Assets	(2,059,979)	(1,328,047)	(8,331)	(3,396,357)
Principal Paid on Capital liabilities	(10,702)	(21,143)	(16,109)	(47,954)
Interest Paid on Capital liabilities	(2,338)	(4,556)	(70)	(6,964)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(960,465)</u>	<u>(1,353,746)</u>	<u>(24,510)</u>	<u>(2,338,721)</u>
<b>Cash Flows from Investing Activities:</b>				
Interest on Investments	552,634	5,487	-	558,121
Purchase of Investment Securities	(641,338)	(268,162)	-	(909,500)
Proceeds from Sale and Maturities of Investment Securities	980,000	-	-	980,000
Net Cash Provided (Used) by Investing Activities	<u>891,296</u>	<u>(262,675)</u>	<u>-</u>	<u>628,621</u>
Net Increase in Cash and Cash Equivalents	2,576,799	(343,537)	(914,695)	1,318,567
Restated Cash and Cash Equivalents at Beginning of Year	<u>5,723,548</u>	<u>663,639</u>	<u>1,891,341</u>	<u>8,278,528</u>
Cash and Cash Equivalents at End of Year	<u>\$ 8,300,347</u>	<u>\$ 320,102</u>	<u>\$ 976,646</u>	<u>9,597,095</u>
<b>Reconciliation to Net Position:</b>				
Cash and Cash Equivalents	1,590,846	320,102	976,646	2,887,594
Restricted Cash and Cash Equivalents	<u>6,709,501</u>	<u>-</u>	<u>-</u>	<u>6,709,501</u>
Total Cash and Cash Equivalents	<u>\$ 8,300,347</u>	<u>\$ 320,102</u>	<u>\$ 976,646</u>	<u>9,597,095</u>

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

## CITY OF RIDGEFIELD

Proprietary Funds

Statement of Cash Flows (continued)

For the Fiscal Year Ended December 31, 2024

	Major Funds			
	Water	Storm Water	Building	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash:</b>				
Cash Used by Operating Activities:				
Net Operating Income (Loss)	\$ (97,421)	\$ (245,405)	\$ (1,070,239)	(1,413,065)
Adjustments to Reconcile Net operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation/amortization Expense	545,740	401,513	30,867	978,120
(Increase) Decrease in Receivables	(47,962)	(70,981)	-	(118,943)
(Increase) Decrease in Inventories	(38,738)	-	-	(38,738)
Increase (Decrease) in Current Payables	46,830	(71,650)	139,019	114,199
Increase (Decrease) in Pension Activity	(63,063)	(43,348)	(107,335)	(213,746)
Increase (Decrease) in Accrued Employee Benefits	268	22,670	116,111	139,049
Increase (Decrease) in Due to Developers	2,333,019	-	-	2,333,019
Increase (Decrease) in Customer Deposits	(32,705)	-	-	(32,705)
Increase (Decrease) in Unearned Revenues	-	369	-	369
Increase (decrease) in Due to Other Governments	-	-	1,392	1,392
	<u>2,743,389</u>	<u>238,573</u>	<u>180,054</u>	<u>3,162,016</u>
Net Cash Provided by Operating Activities	\$ <u>2,645,968</u>	\$ <u>(6,832)</u>	\$ <u>(890,185)</u>	<u>1,748,951</u>

**Noncash Transactions**

Change in Fair Value of Investments	\$ 96,859	\$ 5,101	\$ -	\$ 101,960
Capital Assets Financed Through Accounts Payable	249,272	(75,938)	-	\$ 173,334
Donated Capital Assets by Developers	2,616,009	2,123,619	-	\$ 4,739,628
Capital Assets as Capital Contribution from Governmental Activities	233,817	2,061,175	-	\$ 2,294,992
SBITA right to use asset	-	-	56,776	\$ 56,776
SBITA liability	-	-	56,776	\$ 56,776

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

**CITY OF RIDGEFIELD, WASHINGTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Office of the Washington State Auditor has developed and implemented the Budgeting, Accounting, and Reporting System (BARS) designed to promote uniformity among cities and counties in Washington. Following is a summary of the significant accounting policies for the City of Ridgefield:

**A. REPORTING ENTITY**

The reporting entity "City of Ridgefield" consists of the City as the primary government; there are no component units. The City of Ridgefield, Washington, was incorporated in August 1909 and operates under the laws of the State of Washington applicable to an optional municipal code city (Title 35A RCW) with a council-manager form of government with a government body consisting of seven Council members with one selected to serve as the Mayor.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *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 segments are 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are separate financial statements 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 fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted or reported in another fund.

The *capital projects fund* was established to construct governmental fund type capital projects. Construction of street and park projects has been the predominant use. Resources are transferred from other funds and combined with other restricted, committed, or assigned resources to be used for the acquisition or construction of capital facilities or other capital assets, such as grants to reimburse this fund for the costs of construction.

The *real estate excise tax fund* was established to account for taxes that are restricted for capital purposes. Resources are typically transferred to other funds as they are needed.

The government reports the following major proprietary funds:

The *water fund* accounts for the City's water utility operations. This fund comprises activity of the municipal water system that includes production, treatment, storage and distribution of domestic water. The system is comprised of six production wells, three storage reservoirs and over sixty-eight

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**CITY OF RIDGEFIELD, WASHINGTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

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miles of water lines. The City's operations division provides management operations and maintenance of the City's water system to provide for the reliable delivery of safe, high-quality water for all water users. This fund also incorporates the revenues received from system development charges and expenses incurred for capital project activities. System development charges are assessed on new development activities and expended to build or expand capacity that is required as a result of growth and development.

The *storm water fund* accounts for the City's storm water drainage utility operations. This fund provides management operations and maintenance of the City's storm water system and ensures the storm water facilities are mowed and cleared to allow for proper drainage. The City has one hundred thirty-three storm water facilities that require maintenance and forty-five miles of storm sewer lines. Revenue to fund the operations comes from charges for services generated from monthly storm water maintenance fees.

The *building fund* accounts for the City's land use, engineering, and building permit review and inspections for new development. This fund provides management operations for the building department. Revenue to fund the operations comes from charges for services generated from permitting and development fees.

Additionally, the government reports the following fund types as non-major governmental funds:

*Special revenue funds* account for revenues from specific taxes, grants, or other sources, which are restricted or committed to finance particular activities of the City.

*Debt service funds* account for principal and interest payments on the City's general governmental debt.

*Capital project funds* account for revenue which is restricted for capital project activities.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are 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 all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements report the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The City considers taxes as available if they are collected within 60 days after year end. 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, sales tax, franchise fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered

**CITY OF RIDGEFIELD, WASHINGTON**  
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to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water, storm water and building 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Storm Water, and Building Funds are charges to customers for sales and services. Operating expenses for these funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

**D. ASSETS, LIABILITIES AND NET POSITION OR EQUITY**

**1. Cash, cash equivalents and investments**

The City's cash and cash equivalents are considered to be cash on hand, certificates of deposit, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash resources of individual funds are invested directly into government securities with interest accruing for the benefit of the investing funds. The interest earned on these investments is prorated to the various funds. This policy covers all funds operated by the City.

For the purposes of the statement of cash flows, the City considers the Washington State Local Government Investment Pool and the Clark County Investment Pool as cash. Investments in the State Investment Pool and the Clark County Investment Pool are classified as cash equivalents on the financial statements.

Certain Investments for the City are reported at fair value in accordance with GASB statement No. 72, Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Likewise, some investments are reported at amortized cost.

**2. Receivables**

All trades are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles.

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually before December 15, and become a lien as of January 1, on property value listed as of the prior May 31. Assessed values are established by the county assessor at 100 percent of fair value. A revaluation of all property is required every four years.

Taxes are due in two equal installments on April 30 and October 31. The County Treasurer remits collections to the appropriate district as taxes are received. Taxes receivable consist of property taxes and related interest and penalties. See Note 5 (Property Taxes).

Customer accounts receivable consist of amounts owed from private developers, individuals or organizations for goods and services including amounts owed for which billings have not been prepared. Due from other governmental units represent amounts owed under grant programs or any other intergovernmental activity.

Accrued interest receivable consists of amounts earned on investments, notes and contracts at the end of the year, including lease receivable.

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	Receivables				Due from Other Gov'ts	Total
	Taxes	Accounts	Interest	Leases		
<b><u>Governmental Activities</u></b>						
General Fund	\$ 17,997	\$ 325,849	\$ 5,507	\$ 67,313	\$ 1,041,406	\$ 1,458,072
Capital Projects	-	-	4,420	-	486,688	491,108
Real Estate Excise Tax	-	-	11,837	-	6,714	18,551
Nonmajor Governmental	-	250	6,420	-	228,154	234,824
Total Governmental	<u>17,997</u>	<u>326,099</u>	<u>28,184</u>	<u>67,313</u>	<u>1,762,962</u>	<u>2,202,555</u>
<b><u>Business Type Activities</u></b>						
Water	\$ -	\$ 350,878	\$ 11,039	\$ -	\$ -	\$ 361,917
Restricted Water	-	-	20,375	-	-	20,375
Storm Water	-	256,970	1,654	-	-	258,624
Total Business Type	<u>-</u>	<u>607,848</u>	<u>33,068</u>	<u>-</u>	<u>-</u>	<u>640,916</u>
Total Combined Receivables	<u>\$ 17,997</u>	<u>\$ 933,947</u>	<u>\$ 61,252</u>	<u>\$ 67,313</u>	<u>\$ 1,762,962</u>	<u>\$ 2,843,471</u>

**3. Amounts due to and from other funds, interfund loans and advances receivable**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/payable" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). 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."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**4. Inventories**

Inventories in governmental funds consist of expendable supplies held for consumption and are recorded as an expenditure when the items are purchased. Inventories in proprietary funds are valued on the First In/First Out or FIFO method, which approximates market value. Inventory consists of water meters that are mainly used for new homes built by developers.

**5. Lease receivable and deferred inflows of resources**

At the commencement of a lease with the City as Lessor, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term using the effective interest method.

Key estimates and judgements related to lease include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease liability are composed of fixed payments from the lessee.



**CITY OF RIDGEFIELD, WASHINGTON**  
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The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Lease liability and right to use asset**

At the commencement of a lease with the City as Lessee, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized using the straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If the City is reasonably certain to exercise a purchase option, it is amortized over the useful life of the underlying asset.

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

Key estimates and judgements related to lease include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

See Note 12 for more information.

**6. Subscription based information technology arrangements**

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

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

Key estimates and judgements related to lease include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancelable period of the SBITA. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and extension options that the City is reasonably certain to exercise.

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The City monitors changes in circumstances that would require a remeasurement of its SBITA, and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

See Note 13 for more information.

**7. Other noncurrent assets**

Other noncurrent assets consist of prepayments of System Development Charges (SDCs). The City has entered into an agreement with Clark Public Utilities (CPU) that will enable CPU to provide additional water supply to City residents and businesses. The City has agreed to pay CPU an aid to construction charge for work associated with certain improvements. This payment made by the City is treated as payments in lieu of the City's future SDCs for increased meter capacity. The opportunity to use these in lieu payments for the SDCs will expire on January 1<sup>st</sup>, 2030.

**8. Deferred inflows and outflows of resources**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but have not yet been earned. At the end of the current fiscal year, the various components of deferred inflow of resources for the lease receivable and unavailable revenue reported in the governmental funds were as follows:

Unavailable Revenue	
Delinquent Property Taxes Receivable - General Fund	\$ 16,358
Delinquent Water Taxes Receivable - General Fund	171
Outstanding Accounts Receivable	3,250
Outstanding Court Receivable	40,532
Outstanding Developer Receivable	54,487
Outstanding Grant Receivable	301,875
Outstanding Interest Receivable	8,311
Amounts related to Lease Receivable	<u>67,313</u>
Total Deferred Inflows of Resources for Governmental Funds	<u>\$ 492,297</u>

The proprietary funds and government wide statement of net position also present deferred inflows and outflows related to pensions and asset retirement obligations. See Note 7 (Pension Plans) and Note 17 (Asset Retirement Obligations).

**9. Restricted assets**

These resources are set aside for specific uses and/or are restricted by law for specific purposes. In the governmental and business-type activities the restricted amounts are held for debt service, the construction and/or acquisition of capital assets associated with the infrastructure systems, and for operating purposes.

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Net pension assets are disclosed separately on the Statement of Net Position. The restricted assets comprise the following:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
<i>Restricted for:</i>		
Capital Facility Plan Projects \$	24,979,628	\$ -
Public Safety Drug Prevention	9,890	-
School Impact Fees	261,515	-
Economic Environment	114,740	-
Pension Activities	1,344,383	489,759
Water Capital Projects	-	10,032,414
Total Restricted Amounts \$	<u>26,710,156</u>	<u>\$ 10,522,173</u>

**10. Capital assets**

Capital assets includes property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more with a life expectancy of more than one year. A group of assets that individually fall under the capitalization threshold will be capitalized if significant. Easements and right of way are capitalized if initial costs are \$100,000 or more. Land is capitalized for all costs. 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. Intangible assets are defined as easements, water rights, patents, trademarks, computer software and right to use assets. A right to use asset is the City's right to use an underlying asset within a lease agreement or SBITA arrangement.

As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. Major outlays for capital assets and improvements are capitalized as projects are completed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized.

Property, plant, equipment, intangible assets and right to use assets with a definite useful life are depreciated using the straight-line method over the estimated useful lives. Right to use assets are amortized over the life of the applicable agreement. See below for useful life.

<b>Asset Category</b>	<b>Years Useful Life</b>
Buildings	50
Building Improvements and Furnishings	10-20
Streets	50
Lighting	50
Sidewalks, Curbs and Gutters	50
Trails	30-50
Structures	20-40
Infrastructure	20-75
Vehicles (Public Safety)	10
Vehicles (All Other)	12
Public Works Equipment	5-20

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Office Equipment/Furniture	5-10
Software	5-10
Hardware (Servers etc.)	5-10

The City has acquired certain assets with funding provided by federal financial assistance programs. Depending on the terms of the agreements involved, the federal government could retain an equity interest in these assets. However, the City has sufficient legal interest to accomplish the purposes for which the assets were acquired and has included such assets within the applicable column in the statement of net position.

#### 11. Compensated absences

The City accounts for compensated absences, such as vacation leave, sick leave, and similar benefits. Liabilities for compensated absences are recognized when earned by employees, can be used in a subsequent period, and are expected to be paid.

Key policies include:

- Accrued liabilities are recognized in the financial statements for amounts attributable to employees' services rendered through the end of the reporting period.
- Liabilities for compensated absences are measured based on pay rates in effect at the reporting date and include applicable salary-related payments.
- The liability is categorized as a current or noncurrent liability based on the timing of expected payments.
- Accrual of sick leave liabilities is based on policies allowing employees to receive payment for unused balances upon termination or retirement, subject to the probability of payment.
- Accrued leave balances are assumed to be used on a first in, first out flow.

Vacation pay is payable up to 240 hours (30 days) on the employee's anniversary date with the City and is payable upon resignation, retirement or death. Sick leave is earned at a rate of one day per month for full-time employees and is recorded when leave is taken; however, the liability for sick leave is limited because it is generally not paid out at separation. In the event of an employee's retirement from service with the City, sick leave is payable subject to limitations that range between 25% of accumulated sick leave up to 1,600 hours (or 400 hours maximum), 50% of sick leave accumulated up to 800 hours (or 400 hours maximum), and 50% of accumulated sick leave of the amount that exceeds 720 hours, depending upon the employees bargaining unit agreement and/or personnel policy.

#### 12. Other accrued liabilities

This account consists of accrued wages and accrued employee benefits. This also includes overpaid fees owed back to developers, which were reimbursed in early 2025.

#### 13. Long-term obligations

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 governmental 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. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as period costs in the year of the bond issuance.

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs, during the current period. The face amount of debt and leases issued are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

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Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**14. Net pension liabilities (assets)**

For purposes of measuring the net pension liability (assets), 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 benefits terms. Investments are reported at fair value.

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

**15. Asset retirement obligations**

The asset retirement obligations (ARO) and deferred outflows of resources related is the liability associated with the retirement of City owned capital assets that have a substantial cost to the City. The obligation will be paid from operating income; no assets have been set aside to fund this obligation.

**16. Net position**

*Net investment in capital assets* consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

*Restricted* is the amount restricted by external creditors, grantors, contributors, or laws and regulations imposed by other governments. The capital component is associated with impact fees, system development charges and excise taxes where the funds received are restricted for capital purposes. The building permit function is associated with the building department and restricted for a specific operating purpose. The public safety component is associated with activities restricted towards drug enforcement prevention and policing. The amount related to pensions is the pensions net asset for the PERS 2/3 and LEOFF 2 retirement program.

*Unrestricted* is the amount of all net position that does not meet the definition of "invested in capital assets" or "restricted" net position.

Sometimes the City of Ridgefield will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City of Ridgefield's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**17. Fund balances in the governmental fund financial statements**

On the balance sheet – governmental funds, 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 specific purposes for which the funds can be spent.

*Nonspendable* – amounts that cannot be spent because they are either not in spendable form or are legally required to be maintained intact.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments, including the State and Federal government. The City has restricted amounts, shown on the Governmental Funds Balance Sheet, with the majority of it available for use to complete major capital projects identified in an appropriate City capital facilities plan.

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*Committed* – amounts that can be used only for specific purposes determined by a formal action of the City Council (the City's highest level of decision-making authority). Once committed by Council legislative action (by ordinance), the limitation imposed by this action remains in place until a similar action is taken to remove or revise the limitation.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes; and any excess of nonspendable, restricted, and committed fund balance over total fund balance in a governmental fund other than the general fund. Under the City's adopted policy, the City's Finance Director or management staff may assign amounts for specific purposes. The City has assigned an amount, shown on the Governmental Funds Balance Sheet, and plans to use it for equipment repair and replacement, such as to replace a vehicle; and capital maintenance projects, such as to remodel a building or make a major repair of a building.

*Unassigned* – total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. The general fund is the only fund that can report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds.

The City adopted a resolution in October 2014 which sets apart fund balance reserve accounts for stabilization purposes in the General Fund. These are classified as unassigned per the City's financial policies. No requirements or conditions for addition or spending these funds have been established by the City. The City's policy states that an unassigned fund balance for revenue stabilization will be designated at a minimum of 10% of prior year General Fund revenues less any one-time revenues such as grants or interfund transfers; at December 31, 2024, the balance is \$1,209,373. Council action is required in order for stabilization funds to be used. The policy also states that an operations and maintenance reserve will be designated at a minimum of 60 days of prior year actual operating expenses in the General and Street Fund; at December 31, 2024, the balance is \$2,317,991. The policy also states that a capital reserve will be set aside at 1% of the prior year's Net Investment in Capital Assets calculated in the Statement of Net Position; at December 31, 2024, the balance is \$1,101,250, plus an additional reserve specific for equipment replacement; the balance at December 31, 2024, is \$306,285. This is classified as assigned fund balance. The policy also states that a debt service reserve will be set aside for the following year's debt service payments of principal and interest; the balance at December 31, 2024, is \$141,113. This fund balance is identified as committed fund balance.

The City Council adopted a separation reserve in 2019. The reserve is for accrued balance payouts at the time of retirement. The amount is designated at 30% of the anticipated accrued balance payouts over the next 10 years. At December 31, 2024, the balance was \$157,698. This fund balance is identified as unassigned.

The City Council adopted reserve policies by resolution and therefore any changes to the policies would require a new resolution to be adopted. Use of the reserves requires budget enactment, or a budget amendment adopted by ordinance of the Council.

The City as of December 31, 2024, has a total fund balance in the governmental funds of \$31,263,136 and is classified as follows:

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<u>Classification on Balance Sheet</u>	<u>Fund Balance</u>
Nonspendable for prepaids	\$ 5,500
Restricted for capital purposes	20,152,462
Restricted for debt service	2,510,871
Restricted for public safety	9,890
Restricted for economic environment	114,740
Committed for debt service	141,113
Assigned for equipment replacement and capital maintenance purposes	2,610,443
Assigned for streets	231,206
Unassigned (can be used for any specific purpose)	5,486,911
Total Fund Balance - Governmental Funds	\$ <u>31,263,136</u>

**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 the 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 that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

General Obligations Bonds Payable	\$ (41,745,000)
Direct Placement Bonds Payable	(3,376,000)
Plus: Issuance premium (to be amortized as interest expense)	(3,859,774)
Private Placement loan	(480,648)
Leases Payable	(3,311,055)
SBITA Payable	(361,956)
Compensated Absences	(499,621)
Interest Payable	(196,067)
Pollution Remediation Obligation	(554,265)
Impact Fee Credits	<u>(9,254,776)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at <i>net position - governmental activities</i>	\$ <u>(63,639,162)</u>

Another element of that reconciliation explains that “other items related to pension activity are not financial resources, therefore, not reported in the funds.” The details of this difference are as follows:

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Net Pension Asset	\$ 1,344,383
Deferred Outflow of Resources - Pension	1,766,420
Net Pension Liability	(276,604)
Deferred Inflow of Resources - Pension	<u>(777,963)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at <i>net position - governmental activities</i>	<u>\$ 2,056,236</u>

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND 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 balances 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 difference of this amount is as follows:

Capital Outlays and Constructed Assets	\$ 19,268,972
Depreciation/Amortization expense	<u>(3,811,372)</u>
Net adjustment to increase <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 15,457,600</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) to increase net position” is as follows:

Donated capital assets	\$ 13,538,556
Disposal of capital assets	<u>(22,963)</u>
Net adjustment to increase <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 13,515,593</u>

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

Grant revenues	\$ 289,145
Impact Fee Credits redeemed	761,761
Interest Receivable - unavailable	(22,277)
Accounts Receivable - unavailable	(6,991)
Municipal Court revenue	2,665
Pension Contributions from State	57,732
Tax revenues - unavailable	<u>(3,164)</u>
Net adjustment to increase <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 1,078,871</u>



**CITY OF RIDGEFIELD, WASHINGTON**  
**Notes to Financial Statements**  
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Another element of that reconciliation states that "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 costs, 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." The details of this difference are as follows:

Issuance of Capital Debt	\$ (28,865,337)
Issuance Premiums	(3,243,927)
Amortization of issuance premiums	100,713
Principal payment on loans and leases	<u>1,821,088</u>
Net adjustments to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (30,187,463)</u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this difference are as follows:

Pollution Remediation Adjustment	\$ (319,403)
Impact Fee Credits issued	(5,924,531)
Interest expense	(75,540)
Pension expense adjustment	425,712
Compensated absences	<u>(113,334)</u>
Net adjustments to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (6,007,096)</u>

### **NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

#### ***BUDGETARY INFORMATION***

##### Scope of budget

Annual appropriated budgets are adopted for all governmental fund types and proprietary funds. The budgets constitute the legal authority for expenditures at the fund level. Annual appropriations for funds lapse at the end of the fiscal year. There is no difference between the budgetary basis and generally accepted accounting principles, with the exception that the City does not budget for the payments of the School Impact Fees that are collected and remitted to the school district, or for issuance of debt or capital outlay expenditures related to leasing activities when the City acts as lessee, or capital outlay expenditures related to SBITA's. Budgetary accounts are integrated in fund ledgers for all budgeted funds, but the financial statements include budgetary comparisons for the governmental funds only. All governmental funds are budgeted on the modified accrual basis of accounting. Proprietary funds are budgeted on a full accrual basis for management control purposes only.

##### Adopting the budget

The City's budget procedures are mandated by RCW 35.33A. The steps in the budget process are as follows:

1. Prior to September, the City Manager requests all department heads to submit their annual budget requests along with all applicable narratives.

**CITY OF RIDGEFIELD, WASHINGTON**  
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2. Prior to October 1, the City Manager will review the department request with each department. The Finance Director compiles preliminary revenue estimates to determine available financing of the proposed requests.
3. By October 1, the preliminary budget proposal is complete and put into a preliminary budget document and published.
4. Prior to November 1, the City Manager submits to the City Council a proposed operating and capital budget for the fiscal year commencing the following January 1. The operating and capital budgets include the proposed expenditures and revenue estimates.
5. The City Clerk publishes a notice of filing of the preliminary budget and schedules property tax levy and budget hearings during the months of October and November.
6. Following the public hearings and prior to December 31, the budget is legally adopted through passage of an ordinance.

Amending the budget

The City Manager or authorized designee is authorized to transfer budgeted amounts between departments and object classes within any fund; however, 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 passage of an ordinance that is approved by a super majority of the city council members.

Budget amounts shown in the basic financial statements include the original budget amounts and the final authorized amounts as revised during the year for the major governmental funds. The original budget is the first completely 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 fiscal year.

**NOTE 4. DEPOSITS AND INVESTMENTS**

As of December 31, 2024, the City cash, cash equivalents, and investments as reported on the Statement of Net Position are as follows:

Cash on Hand	\$ 1,888,989
State Treasurer's Investment Pool	33,442,143
Clark County Investment Pool	1,846,815
Municipal Bonds	735,229
US Agency Bonds	9,192,888
	<u>\$ 47,106,064</u>

As of December 31, 2024, the Washington State Local Government Investment Pool and the Clark County Investment Pool are classified as cash equivalents. Additional cash & cash equivalents consist of \$1,888,989 held in interest bearing bank accounts, certificates of deposit, petty cash, and cash change drawers.

Deposits:

*Custodial credit risk (deposits).* Custodial risk for deposits is the risk that, in the event of a bank failure, the government's deposits may not be returned. The City has an adopted policy that addresses deposit custodial risk; however, the City's deposits and certificates of deposit are entirely covered by the Federal Deposit Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). In the event of a bank failure, claims for the City's deposits would be satisfied by the FDIC or from the sale of collateral held in the PDPC pool.

**CITY OF RIDGEFIELD, WASHINGTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

Investments

It is the City's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

Investments are subject to the following risks.

Interest rate risk

Interest rate risk is the risk that the City may face should interest rate variance affect the fair value of investments. City Council policy limits investment maturities as a means to manage its exposure to fair value losses arising from increasing interest rates. The City's intent is to purchase investments that may be held until maturity. This risk is measured using the weighted average to maturity method. Investment maturities at December 31, 2024, is as follows:

Investment Type	Weighted Average (Months)
Federal Farm Credit Bank	0.10
Local Government Issue Bonds	0.14
Federal Home Loan Mortgage Corporation	1.49
Federal Home Loan Bank	10.68
	12.41

In addition to the interest rate risk disclosed above, the City includes investments with fair value highly sensitive to interest rate changes.

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has a formal investment policy that limits its investment and diversification by investment type and issuer beyond the limits imposed by State law. As required by state law, all investments of the City's funds are obligations of the U.S. Government, U.S. agency issues, obligations of the State of Washington, general obligations of Washington State municipalities, investments in the State Treasurer's Investment Pool, investments in the Clark County Investment Pool, bankers' acceptances, or certificates of deposit with Washington State banks and savings and loan institutions. Local Government Issue Bonds have ratings ranging from A1 to Aa2 by Moody's Investors Service.

Concentration of credit risk

Concentration risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City has an adopted policy limiting the amount the City may invest in any one issuer. The investments held at year-end are listed below along with their percentage of the government's total investment:

Investment Type	12/31/2024	
	Fair Value	Percentage of Portfolio
<i>U.S. Government Agency Securities:</i>		
Federal Farm Credit Bank	\$ 768,839	2%
Municipal Bonds	735,229	2%
Federal Home Loan Mortgage Corporation	1,992,480	4%
Federal Home Loan Bank	6,431,569	14%
	\$ 9,928,117	22%

**CITY OF RIDGEFIELD, WASHINGTON**  
**Notes to Financial Statements**  
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Custodial credit risk (investments)

Custodial risk is the risk that, in the event of a failure of the counterparty, the government will not be able to recover its investments that are in the possession of an outside party. The City uses Pershing, LLC and US Bank as the custodial agent for the safekeeping of the City's investments. Pershing, LLC and US Bank provide monthly reports on the City's securities, all of which are held in the City's name. The investments held by the City at year-end are all book-entry, registered securities.

Total cash and investments are stated at \$47,106,064. There is additional cash held in City accounts due to "float" of outstanding checks, which have not cleared the bank as of December 31, 2024. The total cash and investments held by the City per the bank and investment account statements, include the uncleared checks, in the amount of \$1,899,170. The City invests all temporarily idle funds.

Investments in Local Government Investment Pool (LGIP)

The City is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather; oversight is provided by the State Finance Committee in accordance with RCW 43.250. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

These are reported at amortized cost because the State Pool has elected to measure in this manner. The only restriction on withdrawals from the State Investment Pool is when a deposit is received by ACH. In this case, a five-day waiting period exists.

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

Investments in Clark County Investment Pool (CCIP)

The City is a voluntary participant in the Clark County Investment Pool (CCIP), an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather; oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. The City reports its investment in the pool at fair value, which is the same as the value of the pool per share. The CCIP is an unrated fund. The weighted average maturity of the CCIP is approximately one (1) year, with cash available to the City on demand. The on-demand availability of these funds defines them as cash equivalent liquid investments. Cash investments are not subject to interest rate risk reporting requirement as defined by GASB 31. The CCIP is overseen by the Clark County Finance Committee and is audited annually by the Washington State Auditor's Office and regulated by Washington RCW's.

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.

As of December 31, 2024, the City had the following investments measured at fair value:

**CITY OF RIDGEFIELD, WASHINGTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

Investments by fair value level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Debt Securities</u>				
Municipal Bonds	\$ 735,229	\$ -	\$ 735,229	\$ -
Federal Farm Credit Bank	768,839	-	768,839	-
Federal Home Loan Mortgage Corp	1,992,480	-	1,992,480	-
Federal Home Loan Bank	6,431,569	-	6,431,569	-
Total US Agency Bonds	9,928,117	-	9,928,117	-
Clark County Investment Pool (Not subject to categorization)	1,846,815			
Total Investments by Fair Value Level	11,774,932			
 <u>Investments measured at amortized costs</u>				
State Treasurer's Investment Pool	33,442,143			
Total measured at amortized cost	33,442,143			
Total Pooled Investments	\$ 45,217,075			

Prices for determining fair values represent estimates obtained from multiple sources, including Piper Sandler, its affiliates, and outside vendors. Pricing estimates may be based upon bids, prices within the bid/asked spread, closing prices, or matrix methodology that uses data relating to other sources where prices are more ascertainable, producing a hypothetical price based on the estimated yield spread between the securities. Piper Sandler has contracts with outside pricing vendors to obtain valuations for customer securities held on Piper Sandler's stock record. The primary vendor relationship is with Interactive Data Corporation, Standard & Poor's handles municipal bond pricing, while SIX Telekurs USA Inc. prices commercial paper.

#### **NOTE 5. PROPERTY TAXES**

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed after the end of each month.

##### *Property Tax Calendar*

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

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

The City may levy up to \$1.60 per \$1,000 of assessed valuation for general governmental services.

**CITY OF RIDGEFIELD, WASHINGTON**  
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The City's regular levy for 2024 was \$0.61 per \$1,000 on an assessed valuation of \$3,808,341,129 for a total regular levy of \$2,332,022.

Special levies approved by the voters are not subject to the limitations listed above. In 2024, there were no outstanding voter approved bonds, and therefore no additional levy.

Washington State Constitution and Washington State law, RCW 84.55.010 limit the rate.

**NOTE 6. CAPITAL ASSETS**

A summary of capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Correction of Error and Change within Entity	Restated Beginning Balance	Additions	Reductions	Ending Balance
<b>Governmental activities:</b>						
Capital assets, not being depreciated						
Land	\$ 12,842,388	\$ -	\$ 12,842,388	\$ 3,330,472	\$ -	\$ 16,172,860
Intangibles	3,246,494	-	3,246,494	1,356,707	-	4,603,201
Construction in progress	9,856,057	-	9,856,057	3,446,022	-	13,302,079
Total capital assets, not being depreciated	25,944,939	-	25,944,939	8,133,201	-	34,078,140
Capital assets, being depreciated/depleted:						
Buildings and improvements	5,324,115	-	5,324,115	-	-	5,324,115
Equipment	6,125,554	(293,151)	5,832,403	180,950	61,458	5,951,895
Intangibles	48,152	(14,795)	33,357	-	-	33,357
Infrastructure	125,353,793	310,307	125,664,100	23,613,039	188,857	149,088,282
Total capital assets being depreciated	136,851,614	2,361	136,853,975	23,793,989	250,315	160,397,649
Less accumulated depreciation for:						
Buildings and improvements	678,142	-	678,142	104,844	-	782,986
Equipment	1,625,420	(136,266)	1,489,154	394,241	38,495	1,844,900
Intangibles	21,027	(9,987)	11,040	7,904	-	18,944
Infrastructure	29,370,920	-	29,370,920	2,815,615	188,857	31,997,678
Total accumulated depreciation	31,695,509	(146,253)	31,549,256	3,322,604	227,352	34,644,508
Total capital assets, being depreciated, net	105,156,105	(143,892)	105,304,719	20,471,385	22,963	125,753,141
Right to use assets, being amortized						
Building	3,638,658	-	3,638,658	797,826	-	4,436,484
Equipment	160,029	-	160,029	-	-	160,029
SBITA	580,340	(5,075)	575,265	82,512	25,000	632,777
Total right to use assets, being amortized	4,379,027	(5,075)	4,373,952	880,338	25,000	5,229,290
Less accumulated amortization for:						
Right to use assets						
Building	398,409	-	398,409	312,475	-	710,884
Equipment	40,439	(66)	40,373	32,070	-	72,443
SBITA	114,742	(1,087)	113,655	144,222	25,000	232,877
Total accumulated amortization	553,590	(1,153)	552,437	488,767	25,000	1,016,204
Total capital assets, being amortized, net	3,825,437	(3,922)	3,821,515	391,571	-	4,213,086
Capital assets, being depreciated/amortized (net):	108,981,542	(147,814)	109,126,234	20,862,956	22,963	129,966,227
<b>Governmental activities capital assets, net</b>	<b>\$ 134,926,481</b>	<b>\$ (147,814)</b>	<b>\$ 135,071,173</b>	<b>\$ 28,996,157</b>	<b>\$ 22,963</b>	<b>\$ 164,044,367</b>

**CITY OF RIDGEFIELD, WASHINGTON**  
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**Year Ended December 31, 2024**

	Beginning Balance	Correction of Error and Change within Entity	Restated Beginning Balance	Additions	Reductions	Ending Balance
<b>Business type Assets</b>						
Capital assets, not being depreciated						
Land	\$ 2,001,547	\$ -	\$ 2,001,547	\$ 1,153,316	\$ -	\$ 3,154,863
Intangibles - Easements	154,964	-	154,964	128,127	-	283,091
Construction in progress	1,058,186	-	1,058,186	1,676,813	3,600	2,731,399
Total capital assets, not being depreciated	3,214,697	-	3,214,697	2,958,256	3,600	6,169,353
Capital assets, being depreciated/depleted:						
Buildings and improvements	945,744	-	945,744	-	-	945,744
Equipment	2,988,456	293,151	3,281,607	292,292	159,833	3,414,066
Intangibles	99,464	14,795	114,259	-	-	114,259
Infrastructure	51,356,224	154,272	51,510,496	7,277,546	-	58,788,042
Total capital assets being depreciated	55,389,888	462,218	55,852,106	7,569,838	159,833	63,262,111
Less accumulated depreciation for:						
Buildings and improvements	180,467	-	180,467	18,525	-	198,992
Equipment	967,990	136,266	1,104,256	186,208	56,025	1,234,439
Intangibles	46,744	9,987	56,731	10,909	-	67,640
Infrastructure	6,463,281	-	6,463,281	739,084	-	7,202,365
Total accumulated depreciation	7,658,482	146,253	7,804,735	954,726	56,025	8,703,436
Total capital assets, being depreciated, net	47,731,406	315,965	48,047,371	6,615,112	103,808	54,558,675
Right to use assets, being amortized						
Land	41,513	-	41,513	-	-	41,513
SBITA	73,266	5,075	78,341	56,776	-	135,117
Total right to use assets, being amortized	114,779	5,075	119,854	56,776	-	176,630
Less accumulated amortization for:						
Right to use assets						
Land	4,718	-	4,718	943	-	5,661
SBITA	16,590	1,087	17,677	22,451	-	40,128
Total accumulated amortization	21,308	1,087	22,395	23,394	-	45,789
Total capital assets, being amortized, net	93,471	3,988	97,459	33,382	-	130,841
Capital assets, being depreciated/amortized (net):	47,824,877	319,953	48,144,830	6,648,494	103,808	54,689,516
<b>Business type capital assets, net</b>	<b>\$ 51,039,574</b>	<b>\$ 319,953</b>	<b>\$ 51,359,527</b>	<b>\$ 9,606,750</b>	<b>\$ 107,408</b>	<b>\$ 60,858,869</b>

The beginning balance of both Governmental activities and Business-type activities have been restated for change in accounting principle for implementation of GASB 100 relating to the recording of donated capital assets. For more information, please see Note 19, Change in Accounting Principle and Correction of Error.

Depreciation and amortization expense for capital assets was charged to function/programs of the primary government as follows:

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**CITY OF RIDGEFIELD, WASHINGTON**  
***Notes to Financial Statements***  
***Year Ended December 31, 2024***

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**Governmental activities**

General Government	\$ 474,036
Security of persons and property	350,237
Transportation, including depreciation of general infrastructure	2,221,227
Physical environment	1,992
Culture and recreation	763,879
	<u>\$ 3,811,371</u>

**Business-type activities:**

Water	\$ 545,740
Storm	401,513
Building	30,867
	<u>\$ 978,120</u>

Commitments

The City had three construction projects that were substantially complete as of December 31, 2024, however retainage remained outstanding. Retainage amounted to \$79,004 for these projects. The City has multiple construction projects that began in 2024 and are scheduled for completion in 2025 and 2026. The total remaining commitment for all projects is \$17,982,538 and are for the projects listed below.



**CITY OF RIDGEFIELD, WASHINGTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

<b>Project</b>	<b>Commitment</b>	<b>Retainage Held and Not Yet Paid</b>	<b>Remaining Commitment</b>
Overlook Park Splashpad	\$ -	\$ 54,852	\$ 54,852
2024 Asphalt Repairs	-	12,590	12,590
2024 Slurry Seal	-	11,562	11,562
Kennedy Well Construction Management and Water Source Development	24,802		24,802
Pioneer St and Discovery Dr Design	146,927	-	146,927
S Royle Rd 19th - Hillhurst Design	469,481	-	469,481
I-5 Overpass Safety Screen Design	43,616	-	43,616
Kennedy Test Well	163,035	37,273	200,308
Pioneer to Shobert Waterline Design	150,249	-	150,249
I-5 Overpass Artwork	52,505	-	52,505
Comprehensive Plan and Capital Facilities Plan Updates	414,760	-	414,760
S Royle Rd 15th St to 5th Way Improvements	86,248	-	86,248
Gee Creek Loop Design	55,891	-	55,891
Gee Creek Trail - North Segment	80,814	-	80,814
Eastside Elevated Water Reservoir Design	726,143	-	726,143
Park Laundry Site Cleanup - Environmental	111,643	-	111,643
Pioneer Widening Construction Management	1,015,906	-	1,015,906
Pioneer Widening Construction	11,972,656	-	11,972,656
RORC Fieldhouse Installation	256,614	-	256,614
Hillhurst School Zone Ped and Bike Safety Improvements	155,491	-	155,491
S 11th St and S Timm Rd Safety Improvements	32,594	-	32,594
Community and Recreation Center Professional Services	104,536	-	104,536
Community and Recreation Center Design and Architectural Services	1,802,350	-	1,802,350
	<u>\$ 17,866,261</u>	<u>\$ 116,277</u>	<u>\$ 17,982,538</u>

**NOTE 7. PENSION PLANS**

The following table represents the aggregate pension amounts for all plans for the year 2024:

<b>Aggregate Pension Amounts - All Plans</b>	
Pension liabilities	\$ 480,510
Pension assets	1,834,142
Deferred outflows of resources	2,443,296
Deferred inflows of resources	1,047,781
Pension expense/expenditures	(648)

**CITY OF RIDGEFIELD, WASHINGTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

**State Sponsored Pension Plans**

Substantially all City full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

**Public Employees' Retirement System (PERS)**

PERS members include elected officials; state employees; employees of local governments; and higher education employees not participating in higher education retirement programs.

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

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

**PERS Plan 2/3** provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's AFC times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

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

**CITY OF RIDGEFIELD, WASHINGTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

**Contributions**

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The PERS 1 and PERS 2/3 employer contribution rates are developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature. The PERS Plan 2/3 employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Liability (UAAL).

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

The PERS Plan defined benefit required contribution rates (expressed as a percentage of covered payroll) for fiscal year were as follows:

<b>Employer Contribution Rates</b>				
<i>Time Frame</i>	<i>Contribution Rate</i>	<i>PERS 1 UAAL</i>	<i>Administrative Fee</i>	<i>Employer</i>
January – June	6.36%	2.97%	0.20%	9.53%
July – August	6.36%	2.47%	0.20%	9.03%
September - December	6.36%	2.55%	0.20%	9.11%

<b>Employee Contribution Rates</b>	
PERS 1	6.00%
PERS 2	6.36%
PERS 3	Varies: 5% to 15%

The City's actual PERS plan contributions were \$162,401 to PERS Plan 1 and \$372,672 to PERS Plan 2/3 for the year ended December 31, 2024.

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

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

LEOFF is a cost-sharing, multiple-employer retirement system composed of two separate pension plans for both membership and accounting purposes. The City participates in LEOFF Plan 2, which is a defined benefit plan.

**LEOFF Plan 2** provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the FAS per year of service (the FAS is based on the highest-paid consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50 – 52, the reduction is 3% for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include a COLA (based on the CPI), capped at 3% annually. LEOFF 2 members are vested after the completion of five years of eligible service.

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

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and

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state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41%.

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

<b>Employer Contribution Rates</b>				
<i>Employer Type</i>	<i>Time Frame</i>	<i>Contribution Rate</i>	<i>Admin Fee</i>	<i>Employer</i>
State and Local Governments	January – December	5.12%	0.20%	5.32%
Ports & Universities	January - December	8.53%	0.20%	8.73%

The employee contribution rate was 8.53%.

The City's actual contributions to the plan were \$103,738 for the year ended December 31, 2024.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Office of the State Actuary and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2024, the state contributed \$96,422,231 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$57,732.

#### **Actuarial Assumptions**

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2024 with a valuation date of June 30, 2023. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 Demographic Experience Study and the 2023 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2023 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2024. Plan liabilities were rolled forward from June 30, 2023, to June 30, 2024, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.00%

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

Assumptions did not change from the prior contribution rate setting June 30, 2022 Actuarial Valuation Report (AVR). OSA adjusted their methods for calculating UAAL contribution rates in PERS 1 to reflect the delay between the measurement date of calculated Plan 1 rates and when the rates are collected. OSA

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made an adjustment to their model to reflect past inflation experience when modeling future COLAs for current annuitants in all plans except PERS1.

**Discount Rate**

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

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

**Long-Term Expected Rate of Return**

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

**Estimated Rates of Return by Asset Class**

The table below summarizes the 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, 2024. The inflation component used to create the table is 2.5% and represents the WSIB's most recent long-term estimate of broad economic inflation.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>% Long-Term Expected Real Rate of Return Arithmetic</b>
Fixed Income	19%	2.10%
Tangible Assets	8%	4.50%
Real Estate	18%	4.80%
Global Equity	30%	5.60%
Private Equity	25%	8.60%
	<b>100%</b>	

**Sensitivity of the Net Pension Liability/(Asset)**

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

	<b>1% Decrease 6.00%</b>	<b>Current Rate 7.00%</b>	<b>1% Increase 8.00%</b>
PERS 1	706,819	480,510	282,033
PERS 2/3	2,080,540	(1,154,130)	(3,810,697)
LEOFF 2	450,517	(680,012)	(1,604,752)

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**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, 2024, the City reported its proportionate share of the net pension liabilities and (assets) as follows:

Plan	Liability or (Asset)
PERS 1	\$ 480,510
PERS 2/3	(1,154,130)
LEOFF 2	(680,012)

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 2 Asset
LEOFF - employer's proportionate share	(680,012)
LEOFF - State's proportionate share of the net pension asset associated with the employer	(441,292)
TOTAL	(1,121,304)

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

	Proportionate Share 6/30/23	Proportionate Share 6/30/24	Change in Proportion
PERS 1	0.02476%	0.02704%	0.00228%
PERS 2/3	0.03193%	0.03501%	0.00308%
LEOFF 2	0.03498%	0.03631%	0.00133%

In fiscal year 2024, the state of Washington contributed 39% of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 61% of employer contributions.

**Pension Expense**

For the year ended December 31, 2024, the City recognized pension expense as follows:

	Pension Expense
PERS 1	\$ 51,333
PERS 2/3	(64,281)
LEOFF 2	12,300
TOTAL	(648)

**Deferred Outflows of Resources and Deferred Inflows of Resources**

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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<b>PERS 1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ 38,449
Contributions subsequent to the measurement date	77,443	-
<b>TOTAL</b>	<b>\$ 77,443</b>	<b>\$ 38,449</b>

<b>PERS 2/3</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 655,801	\$ 2,672
Net difference between projected and actual investment earnings on pension plan investments	-	330,741
Changes of assumptions	637,313	73,125
Changes in proportion and differences between contributions and proportionate share of contributions	33,722	190,846
Contributions subsequent to the measurement date	190,796	-
<b>TOTAL</b>	<b>\$ 1,517,632</b>	<b>\$ 597,384</b>

<b>LEOFF 2</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 500,476	\$ 5,175
Net difference between projected and actual investment earnings on pension plan investments	-	111,880
Changes of assumptions	279,935	57,159
Changes in proportion and differences between contributions and proportionate share of contributions	9,022	237,734
Contributions subsequent to the measurement date	58,788	-
<b>TOTAL</b>	<b>\$ 848,221</b>	<b>\$ 411,948</b>

<b>TOTAL ALL PLANS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,156,277	\$ 7,847
Net difference between projected and actual investment earnings on pension plan investments	-	481,070
Changes of assumptions	917,248	130,284
Changes in proportion and differences between contributions and proportionate share of contributions	42,744	428,580
Contributions subsequent to the measurement date	327,027	-
<b>TOTAL</b>	<b>\$ 2,443,296</b>	<b>\$ 1,047,781</b>

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, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended December 31:	PERS 1	PERS 2/3	LEOFF 2
2025	\$ (63,631)	\$ (273,018)	\$ (120,897)
2026	32,690	482,775	141,349
2027	(3,461)	189,453	40,553
2028	(4,047)	181,973	48,144
2029	-	77,005	66,570
Thereafter	-	71,264	201,766

**NOTE 8. RISK MANAGEMENT**

The City 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. As of December 31, 2024, WCIA had a total of 168 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, prior wrongful acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

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

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$1,000,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

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

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

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

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



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The City has liability coverage of at least \$4 million per occurrence. There have been no settlements in excess of the City's insurance in the last three years.

**NOTE 9. LONG-TERM LIABILITIES**

Bonds

**Publicly Offered General Obligation Bonds**

The City issued publicly offered general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The three issuances listed below are collateralized by the full faith and credit and resources payable from property tax revenue. If any Bond is duly presented for payment and funds have not been provided by the City on the applicable payment date, then interest will continue to accrue thereafter on the unpaid principal thereof at the rate stated on the Bond until the Bond is paid. The bonds may be redeemed early, on any date on or after June 1, 2027, for either the 2017 or 2018 bonds, at a price equal to the principal amount to be redeemed plus accrued interest, if any, to the date fixed for redemption. The 2024 bonds may be redeemed early, on any date on or after December 1, 2034, at the price of par plus accrued interest, if any, to the date of redemption.

Name of Issuance	Purpose	Original Issue Amounts	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
2017 LTGO Debt	Ridgefield Outdoor Recreation Complex	\$ 9,455,000	10/5/2017	12/1/2047	3%-4%	\$ 8,185,000
2018 LTGO Debt	Ridgefield Outdoor Recreation Complex	\$ 6,705,000	6/5/2018	12/1/2038	3%-4%	5,575,000
2024 LTGO Debt	Public Improvements in Ridgefield Tax Increment Area	\$27,985,000	7/2/2024	12/1/2049	5.00%	27,985,000
<i>Total Governmental LTGO Bonded debt</i>						<u>\$ 41,745,000</u>

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

<b>Governmental Activities</b>		
	Principal	Interest
2025	\$ 540,000	\$ 1,917,575
2026	565,000	1,895,975
2027	585,000	1,873,375
2028	610,000	1,849,975
2029	630,000	1,828,225
2030-2034	4,810,000	8,721,075
2035-2039	7,995,000	7,389,425
2040-2044	10,570,000	5,350,675
2045-2049	15,440,000	2,325,275
	<u>\$ 41,745,000</u>	<u>\$ 33,151,575</u>
		<u>\$ 74,896,575</u>

**CITY OF RIDGEFIELD, WASHINGTON**  
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Annual debt service requirements to maturity for each of the governmental activities LTGO Bonds are as follows:

<b>2017 LTGO Debt</b>			
	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2025	\$ 235,000	\$ 298,325	\$ 533,325
2026	245,000	288,925	533,925
2027	255,000	279,125	534,125
2028	265,000	268,925	533,925
2029	270,000	260,975	530,975
2030-2034	1,485,000	1,177,825	2,662,825
2035-2039	1,780,000	889,075	2,669,075
2040-2044	2,160,000	505,925	2,665,925
2045-2047	1,490,000	105,525	1,595,525
	<u>\$ 8,185,000</u>	<u>\$ 4,074,625</u>	<u>\$ 12,259,625</u>

<b>2018 LTGO Debt</b>			
	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2025	\$ 305,000	\$ 220,000	\$ 525,000
2026	320,000	207,800	527,800
2027	330,000	195,000	525,000
2028	345,000	181,800	526,800
2029	360,000	168,000	528,000
2030-2034	2,005,000	629,000	2,634,000
2035-2038	1,910,000	194,600	2,104,600
	<u>\$ 5,575,000</u>	<u>\$ 1,796,200</u>	<u>\$ 7,371,200</u>

<b>2024 LTGO Debt</b>			
	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2025	\$ -	\$ 1,399,250	\$ 1,399,250
2026	-	1,399,250	1,399,250
2027	-	1,399,250	1,399,250
2028	-	1,399,250	1,399,250
2029	-	1,399,250	1,399,250
2030-2034	1,320,000	6,914,250	8,234,250
2035-2039	4,305,000	6,305,750	10,610,750
2040-2044	8,410,000	4,844,750	13,254,750
2045-2049	13,950,000	2,219,750	16,169,750
	<u>\$ 27,985,000</u>	<u>\$ 27,280,750</u>	<u>\$ 55,265,750</u>

**Private Placement Bonds**

The City issued direct private placement bonds to provide funds for the acquisition and construction of an operations center. The Bonds are collateralized by the full faith and credit and resources payable from property tax revenue. If any Bond is duly presented for payment and funds have not been provided by the City on the applicable payment date, then interest will continue to accrue thereafter on the unpaid principal

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thereof at the rate stated on the Bond until the Bond is paid. The bonds may be redeemed early without penalty on any payment date with fifteen days prior written notice provided to the bond holder.

Name of Issuance	Purpose	Original Issue Amounts	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
2020 LTGO Debt	Operations Center	\$ 4,400,000	5/14/2020	12/1/2035	2.42%	\$ 3,376,000
<i>Total Governmental Direct Placement Bonds</i>						<u>\$ 3,376,000</u>

Annual debt service requirements to maturity for the direct placement bonds are as follows:

<b>2020 LTGO Debt</b>			
	Principal	Interest	Total Requirement
2025	\$ 271,000	\$ 80,066	\$ 351,066
2026	278,000	73,459	351,459
2027	285,000	66,695	351,695
2028	291,000	59,762	350,762
2029	298,000	52,683	350,683
2030-2034	1,608,000	150,585	1,758,585
2035	345,000	6,278	351,278
	<u>\$ 3,376,000</u>	<u>\$ 489,528</u>	<u>\$ 3,865,528</u>

On December 31, 2024, the City had \$0 reserved for debt service payments in the debt service fund balance. The Real Estate Excise Tax (REET) fund is responsible for payment of the GO bonded debt along with property taxes levied on the new development in the Tax Increment Area (TIA) for the 2024 GO bond issuance. Through the budget appropriation process, arrangements are made for transfers from those funds to the debt service funds prior to payment of the debt.

#### Loans and Notes

#### **Private Placement Loans and Notes – Governmental Activities**

Private placement loans are often acquired in the general government funds to finance street improvements and to purchase capital assets. Loans and notes outstanding for Governmental Activities at year-end are as follows:

##### Direct Borrowing Loan and Notes

Name of Issuance	Original Issue Amounts	Purpose	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
<i>Governmental Activities</i>						
		Vacuum Excavation				
NCL Capital Lease to own - Vacuum Truck	472,118	Truck	2/4/2022	2/28/2028	3.58%	210,439
NCL Capital Lease to own - Street Sweeper	377,965	Street Sweeper	3/17/2023	3/17/2029	6.99%	270,209
<i>Total Governmental Activities Direct Borrowing Loans and Notes</i>						<u>\$ 480,648</u>

The City entered into a private placement loan agreement for the purchase of land for parks development in March 2021. An initial payment of \$250,000 was made in 2021 and a deed for the remaining \$750,000 was entered into by the City as a private placement note. The private placement note bears interest at 0% and is payable in three equal installments beginning with the first payment in 2022. The final payment of \$250,000 was made in 2024.

The City entered into a private placement loan agreement for the purchase of a vacuum excavation truck in December 2021. The private placement note is a 7-year lease with a purchase option that the City intends to exercise. As of December 31, 2024, the balance on the loan is \$210,439.

**CITY OF RIDGEFIELD, WASHINGTON**  
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The City entered into a private placement loan agreement for the purchase of a street sweeper in March 2023. The private placement note is a 7-year lease with a purchase option that the City intends to exercise. As of December 31, 2024, the balance on the loan is \$270,209.

Annual debt service requirements to maturity for the Governmental Activities private placement loans and notes are as follows:

**Governmental Activities**  
**Loans from Direct Borrowing**

	Principal	Interest	Total Requirements
2025	\$ 46,996	\$ 18,888	\$ 65,884
2026	117,975	23,138	141,113
2027	123,913	17,199	141,112
2028	130,184	10,928	141,112
2029	61,580	4,304	65,884
	<u>\$ 480,648</u>	<u>\$ 74,457</u>	<u>\$ 555,105</u>

**Private Placement Loans and Notes – Business-type Activities**

The City receives private placement loans to finance capital projects in the business-type activity funds. Loans and notes outstanding for Business-type Activities at year-end are as follows:

Name of Issuance	Original Issue Amounts	Purpose	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
<i>Business-Type Activities</i>						
		DT Stormwater				
PR20-96103-012	up to \$359,000	Enhancements	10/29/2019	6/1/2039	1.58%	\$ <u>231,347</u>
<i>Total Business Type Direct Borrowing Loans and Notes</i>						

The City entered into a private placement loan agreement, PR20-96103-012, to fund preconstruction activities in the Stormwater Fund. The loan is considered direct governmental borrowing. The contract was signed on October 10, 2019, for an amount up to \$359,000. The initial term was for a 5-year loan but was converted to a 20-year loan. It will bear interest at 1.58%. As of December 31, 2024, the balance on the loan is \$231,347.

Annual debt service requirements to maturity for the Business-type Activities private placement loans and notes are as follows:

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**Business Type Activities**

Loans from Direct Borrowing

	Principal	Interest	Total Requirements
2025 \$	15,423	\$ 3,655	\$ 19,078
2026	15,423	3,411	18,834
2027	15,423	3,168	18,591
2028	15,423	2,924	18,347
2029	15,423	2,681	18,104
2030-2034	77,115	9,747	86,862
2035-2039	77,117	3,655	80,772
\$	<u>231,347</u>	<u>\$ 29,241</u>	<u>\$ 260,588</u>

**Compensated Absences**

Accumulated amounts of vacation leave are accrued as expenses when incurred in the government-wide and proprietary fund financial statements. At December 31, 2024, the recorded liability for sick and vacation time amounted to \$715,322 with \$499,621 recorded in governmental activities and \$215,701 recorded in business-type activities. See Note 1.D.11 for more discussion.

**Arbitrage**

The Tax Reform Act of 1986 requires the City to rebate the earnings on the investment of bond proceeds, in excess of their yield, to the federal government. Because positive arbitrage can be offset against negative arbitrage, the rebated amount fluctuates each year and may or may not be owed at the payment intervals. The City has no arbitrage liability at this time.

**CHANGES IN LONG-TERM LIABILITIES**

The following is a summary of the changes to the long-term debt obligations for the City during the year:

**CITY OF RIDGEFIELD, WASHINGTON**  
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	<b>Restated Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental activities</b>					
Bonds Payable					
General Obligation Bonds	\$ 14,285,000	\$ 27,985,000	\$ 525,000	\$ 41,745,000	\$ 540,000
Direct Placement Bonds	3,641,000	-	265,000	3,376,000	271,000
Issuance Premiums	716,560	3,243,927	100,713	3,859,774	164,320
Total GO Bonds Payable	18,642,560	31,228,927	890,713	48,980,774	975,320
Private Placement Loans	903,023	-	422,375	480,648	46,996
Leases	2,974,394	797,826	461,165	3,311,055	500,301
SBITAs*	426,993	82,511	147,548	361,956	125,516
Compensated Absences*	386,287	113,334	-	499,621	209,366
Net Pension Liability*	315,557	-	38,953	276,604	-
Pollution Remediation Obligation	234,862	319,403	-	554,265	-
Total Governmental Activity					
Long-Term Liabilities	<u>\$ 23,883,676</u>	<u>\$ 32,542,001</u>	<u>\$ 1,960,754</u>	<u>\$ 54,464,923</u>	<u>\$ 1,857,499</u>
<b>Business-type activities</b>					
Government Loans	\$ 246,770	-	\$ 15,423	\$ 231,347	\$ 15,423
Leases	37,985	-	471	37,514	487
SBITAs*	57,797	56,776	32,060	82,513	31,251
Asset Retirement Obligation	558,388	15,635	-	574,023	-
Net Pension Liability*	249,647	-	45,741	203,906	-
Compensated Absences*	175,966	39,735	-	215,701	77,514
Total Business-Type Activity					
Long-Term Liabilities	<u>\$ 1,326,553</u>	<u>\$ 112,146</u>	<u>\$ 93,695</u>	<u>\$ 1,345,004</u>	<u>\$ 124,675</u>

\*Change in beginning balance due to implementation of GASB 101, Compensated Absences and GASB 100, Accounting Changes and Error Corrections.

For compensated absences, the number disclosed as an increase or decrease is a net change, not an actual increase or decrease in liability.

The pension liability is generally liquidated by the General Fund and Street Fund.

#### **NOTE 10. CONTINGENCIES AND LITIGATION**

##### Litigation

The City of Ridgefield has recorded in its financial statements all material liabilities, including an estimate for situations which are not yet resolved but where, based on available information, management believes it is probable that the City will have to make payment. In the opinion of management, the City of Ridgefield's insurance policies are adequate to pay all known or pending claims, and at this time, there are no outstanding claims against the City.

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 if such disallowances occurred, it would be immaterial.

#### **NOTE 11. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Loans between funds are classified as interfund loans receivable or payable or as advances to and from other funds and are shown in the Governmental Funds Balance Sheet and Proprietary Funds Statement of

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Net Position. Within the City, one fund may borrow from another when specifically authorized by council resolution or ordinance. No interfund receivables or payables existed at year end.

Interfund transfers are the flow of assets without a reciprocal return of assets, goods or services. These are transfers to support other funds without a requirement for repayment. The interfund transfer activity for the year is as follows:

<b>Transfer From:</b>	<b>Transfer To:</b>			
	Capital Project Fund	Non Major Governmental Funds	Storm Utility	Total Transfer Out
General Fund	\$ 1,175,639	\$ 1,269,276	\$ -	\$ 2,444,915
Real Estate Excise Tax Fund	-	1,992,686	-	1,992,686
Capital Projects Fund	-	-	1,149,716	1,149,716
Nonmajor Govt Funds	2,398,859	250,000	-	2,648,859
Total Transfer In	\$ 3,574,498	\$ 3,511,962	\$ 1,149,716	\$ 8,236,176

General Fund transfers into the nonmajor governmental funds were made to support the Street Fund operations. Other transfers occurred to fund capital expenditures paid for by the Real Estate Excise Tax, Transportation Impact Fee and Park Impact Fee funds.

**NOTE 12. LEASES**

City as Lessor

On December 31, 2024, the City had one lease receivable in which it is acting as Lessor.

In September 2018, the City entered into a 10-year lease with up to 10 years of extensions. The lease is with a sports league for use of recreational outdoor space. The City is assuming the full extension period will be used. The receivable payments range from \$6,000 annually to \$6,340 at the end of the lease.

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

<b>Lease Receivables</b>			
	Principal	Interest	Total Requirements
2025 \$	3,644	\$ 2,356	\$ 6,000
2026	3,772	2,228	6,000
2027	3,904	2,096	6,000
2028	4,040	1,960	6,000
2029	4,350	1,818	6,168
2030-2034	24,314	6,699	31,013
2035-2037	23,289	2,073	25,362
\$	\$ 67,313	\$ 19,230	\$ 86,543

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City as Lessee

On December 31, 2024, the City has eight leases in which it is acting as the Lessee for office equipment, office space and land for which it utilizes for the placement of a water tower. Refer to Note 6, Capital Assets, for additional information related to the Right to Use assets.

Governmental Activities has seven leases, three for equipment, two for office space, one for storage space, and one for a police station. The lease information is as follows:

Postage Machine	Ends: April 26, 2028	Period Payments: Monthly
Copiers (2)	Ends: October 20, 2026 and March 26, 2028	Period Payments: Monthly
Office Space	Ends: December 20, 2047	Period Payments: Annual through December 20, 2033. There are no payments from 2033 through the end of the lease.
Police Station	Ends: March 31, 2033	Period Payments: Monthly
Storage	Ends: June 30, 2034	Period Payments: Monthly
Admin Office Space	Ends: June 30, 2034	Period Payments: Monthly

Business Activities has one lease for land in which the City has placed a water tower. The lease information is as follows:

Water Tower Land	Ends: February 28, 2062	Period Payments: Annual
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The City's schedule of future payments included in the measurement of the lease payable is as follows:



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<b>Leases Payable</b>			
Governmental Activities			
	Principal	Interest	Total Requirements
2025 \$	500,301 \$	114,720 \$	615,021
2026	521,697	97,506	619,203
2027	314,882	79,641	394,523
2028	314,907	68,976	383,883
2029	329,790	58,074	387,864
2030-2033	1,329,478	109,845	1,439,323
	<u>\$ 3,311,055</u>	<u>\$ 528,762</u>	<u>\$ 3,839,817</u>

<b>Leases Payable</b>			
Business-type Activities			
	Principal	Interest	Total Requirements
2025 \$	487 \$	1,313 \$	1,800
2026	504	1,296	1,800
2027	522	1,278	1,800
2028	540	1,260	1,800
2029	559	1,241	1,800
2030-2034	3,102	5,898	9,000
2035-2039	3,684	5,316	9,000
2040-2044	4,375	4,625	9,000
2045-2049	5,197	3,804	9,001
2050-2054	6,172	2,828	9,000
2055-2059	7,330	1,670	9,000
2060-2062	5,042	357	5,399
	<u>\$ 37,514</u>	<u>\$ 30,886</u>	<u>\$ 68,400</u>

At December 31, 2024, the lease right to use assets and accumulated amortization for Governmental Activities are \$4,596,513 and \$783,327, respectively, presenting \$3,813,186 net. The lease right to use assets and accumulated amortization for Business-Type Activities are \$41,513 and \$5,661, respectively, presenting \$35,852 net. See Note 6 for additional information.

**NOTE 13. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

At December 31, 2024, the City used its SBITA policy to evaluate financial agreements that are potential SBITAs. At December 31, 2024, the City has 22 governmental SBITA liabilities and 6 business type activity SBITA liabilities for a variety of different administrative and operational software as follows:

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## SBITAs Payable

Name of SBITA	Original SBITA Liability	Arrangement Description	Commencement Date	Arrangement End Date	Extensions	Interest Rate	SBITA Liability Outstanding
<i>Governmental Activities</i>							
Accela CRM Platform	\$ 28,606	63 month subscription. Annual fixed payments of \$5,933.04	1/1/2023	4/4/2028	1 extension for 36 months	2.71%	\$ 17,384
ArcGIS Desktop License	5,736	48 month subscription. Annual fixed payments of \$1,547.89	11/17/2023	11/17/2027	3 extensions for 12 months	3.80%	2,928
Asset Essentials Enterprise	22,450	48 month subscription. Annual fixed payment of \$10,873.86 split between Business Type and Governmental activities	1/1/2023	1/1/2027	2 extensions for 12 months	2.70%	11,493
AutoCAD Software #1 License	6,722	48 month subscription. Annual fixed payment of \$1,748.	5/1/2024	5/1/2028	3 extensions for 12 months	2.71%	4,973
AutoCAD Software #2 License	6,722	48 month subscription. Annual fixed payment of \$1,748.	5/1/2024	5/1/2028	3 extensions for 12 months	2.71%	4,973
BamboohR	22,363	47 month subscription. Annual fixed payments of \$5,372.25	1/1/2023	2/1/2027	3 extensions for 12 months	2.89%	11,574
Bluebeam Studio Prime Level 1 (1-100 Users)	8,483	48 month subscription. Annual fixed payments of \$2,289.22	10/07/2023	10/7/2027	1 extension for 36 months	3.80%	4,330
Canto Platform Software	33,138	60 month subscription. Annual semi-annual fixed payemnts of \$3,500	6/14/2023	6/14/2028	1 extension for 36 months	2.47%	20,121
Civic Clerk	23,752	59 month subscription. Annual fixed payments of \$8,935	1/1/2023	2/1/2028	1 extension for 36 months	2.71%	7,978
CivicEngage Central	42,042	48 month subscription. Annual fixed payments of \$5,230.75	1/1/2023	1/1/2027	1 extension for 24 months	2.71%	28,667
CivicPlus Public Records NextRequest Software	51,123	50 month subscription. Annual fixed payments of \$9,591	7/1/2024	7/1/2029	3 extensions for 12 months	3.05%	41,532
Cogran Systems	5,505	52 month subscription. Annual fixed payments of \$1,450	1/1/2023	5/1/2027	1 extension for 36 months	2.89%	2,779
Digital Evidence Storage Software	51,057	72 month subscription. Annual fixed payments of \$8,372	7/13/2023	7/13/2029	1 extension for 36 months	2.90%	35,049
DocuSign Licensing	22,893	62 month subscription. Annual fixed payments of \$5,012.98	01/01/2023	3/1/2028	3 extensions for 12 months	2.71%	14,260
Dual CT4000 - Cloud Software	17,277	108 month subscription. Annual fixed payments of \$2,217.48	1/1/2023	1/1/2032	1 extension for 60 months	2.68%	13,645
Engagement HQ Enterprise - Roundtable	80,541	56 month subscription. Annual fixed payments of \$8,873.63	4/18/2023	12/18/2027	2 extensions for 12 months	2.36%	44,260
Guardian Tracking - PD Employee Performance Mgmt	13,574	72 month subscription. Annual fixed payments of \$2,452.10	8/31/2023	8/31/2029	1 extension for 36 months	2.90%	9,598
Municipal Code Hosting Software	17,944	36 month subscription. Annual fixed payments of \$5,637	1/1/2024	1/1/2027	1 extension for 24 months	2.71%	12,758
OpenGov Procurement	24,269	52 month subscription. Annual fixed payments of \$6,848.12	1/1/2023	5/1/2027	N/A	2.68%	12,629
PowerPlus Investigation System	9,591	69 month subscription. Annual fixed payments of \$2,013	1/1/2023	10/1/2028	1 extension for 36 months	2.66%	5,903
Springbrook Software	95,888	52 month subscription. Annual fixed payments of \$32,244.09 split between Business Type and Governmental activities	1/1/2023	5/1/2027	3 extensions for 12 months	2.89%	49,433
Street Saver Software	\$ 9,339	55 month subscription. Annual fixed payments of \$2,000	1/1/2023	6/1/2027	3 extensions for 12 months	2.71%	\$ 5,689
<i>Total Governmental Activities SBITA Liability</i>							<u>\$ 361,956</u>

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Name of SBITA	Original SBITA Liability	Arrangement Description	Commencement Date	Arrangement End Date	Extensions	Interest Rate	SBITA Liability Outstanding
<i>Business-Type Activities</i>							
Asset Essentials Enterprise	\$ 22,450	48 month subscription. Annual fixed payment of \$10,873.86 split between Business Type and Governmental activities	1/1/2023	1/1/2027	2 extensions for 12 months	2.71%	\$ 11,493
BlueBeam SmartGov Connector	5,074	56 month subscription. Annual fixed payments of \$1,369.60	1/1/2023	9/1/2027	3 extensions for 12 months	2.71%	2,632
Sensus Software	10,677	50 month subscription. Annual fixed payments of \$2,864.30	1/1/2023	3/1/2027	3 extensions for 12 months	2.89%	5,489
SmartGov Permitting - Granicus	56,776	48 month subscription. Annual fixed payments of \$14,845	9/1/2024	9/1/2028	3 extensions for 12 months	3.07%	41,930
Springbrook Software	23,972	52 month subscription. Annual fixed payments of \$32,244.09 split between Business Type and Governmental activities	1/1/2023	5/1/2027	3 extensions for 12 months	2.71%	12,358
WIN-911/Interactive License	\$ 12,652	72 month subscription. Annual fixed payments of \$2,345.76	1/8/2023	1/8/2029	1 extension for 36 months	2.66%	8,611
<i>Total Business Type SBITA Liability</i>							\$ 82,513

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

<b>SBITA Liability</b>			
Governmental Activities			
	Principal	Interest	Total Requirements
2025 \$	125,516	\$ 9,976	\$ 135,492
2026	130,917	6,495	137,412
2027	74,490	2,861	77,351
2028	24,721	898	25,619
2029	2,049	169	2,218
2030-2031	4,263	172	4,435
\$	<u>361,956</u>	<u>\$ 20,571</u>	<u>\$ 382,527</u>

<b>SBITA Liability</b>			
Business-type Activities			
	Principal	Interest	Total Requirements
2025 \$	31,252	\$ 2,417	\$ 33,669
2026	32,349	1,505	33,854
2027	16,628	563	17,191
2028	2,284	61	2,345
\$	<u>82,513</u>	<u>\$ 4,546</u>	<u>\$ 87,059</u>

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At December 31, 2024, the SBITA right to use assets and accumulated amortization for the Governmental Activities are \$632,777 and \$232,877, respectively, presenting \$399,900 net. The right to use assets and accumulated amortization for the Business-type Activities are \$135,117 and \$40,128, respectively, presenting \$94,989 net. See note 6 for additional information.

**NOTE 14. POLLUTION REMEDIATION OBLIGATIONS**

**Park Laundry**

The former Park Laundry property is located at 122 N. Main Avenue in Ridgefield, Washington. The State of Washington Department of Ecology (Ecology) has assigned Cleanup Site ID No. 4099 to the site.

In 2008 Ecology notified the then current owner that they had been determined to be a Potentially Liable Person (PLP) under the Model Toxics Control Act (MTCA). In July 2019, under an agreed order with Ecology (AO No. DE 6829), the owner of the property produced a Remedial Investigation and Feasibility Study, which documented the nature and extent of the soil and groundwater contamination at the Park Laundry site. The results indicated that contaminants exist at the site that are above applicable standards as set forth in the MTCA Cleanup Regulation, WAC 173-340. Ecology has assigned the site an overall hazard assessment ranking of three out of five (one represents the highest level of risk and five the lowest) pursuant to MTCA. Ecology has chosen a final cleanup action to be implemented at the site as documented in the Cleanup Action Plan (CAP).

Efforts by Ecology to work with the prior owner of the property stalled, as the prior owner indicated that their funds were insufficient to complete the necessary remediation work. The City committed to condemn the property for cleanup purposes and applied for funding from the State to assist with the cost of remediation.

In September of 2023 the City and Ecology entered a Consent Decree, which became effective upon the City taking ownership of the Property on December 28, 2023. This Decree contains a program designed to protect human health and the environment from the known release, or threatened release, of hazardous substances or contaminants at, on, or from the Park Laundry site. The City shall implement the CAP designed by Ecology, which will require the City to dewater and capture water from the area planned for soil excavation, excavate volatile organic compound impacted soil on the site and parcels to the north and south, treat source area groundwater in-situ through focused injections of bioremediation enhancement substrate, treat or dispose of captured water and excavated soil, monitor groundwater, and implement institutional controls.

A budget for cleanup and monitoring costs has been prepared by the City's environmental engineer. This budget is the basis for the estimates for the year ending December 31, 2024, in the amount of \$2,814,010. This is measured at current value based on expected outlays associated with the Ecology approved remedy, prepared using the Expected Cash Flow technique, which measures the liability as the sum of probability weighted amounts in a range of possible estimated amounts. Cleanup is anticipated to be completed by the end of 2025, followed by five years of monitoring. This is an estimate only and the potential for change exists resulting from price increases or reductions, technology or changes in applicable law or regulations. The estimates and assumptions will be re-evaluated on an annual basis.

For the most recent grant/loan agreements, the State has committed to contributing 90%. The State's total contributive share is not yet realized or realizable. Therefore, the liability recognized on the Statement of Net Position is reduced by the expected recoveries:

	12/31/2024
Total Remediation Expected Obligation	\$ 2,814,010
Estimated Recoveries from State of Washington	2,265,000
City of Ridgefield's Remediation Obligation	\$ <u>549,010</u>

**CITY OF RIDGEFIELD, WASHINGTON**  
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The total expected future outlays are \$2,814,010. Estimated recoveries by the City are \$2,265,000 leaving the remaining remediation obligation of \$549,010 to be paid by the City.

**Port of Ridgefield**

The remediation of the Lake River (Pacific Wood Treating or PWT) site within the Port District of Ridgefield, Washington is required by the United States Environmental Protection Agency (EPA) pursuant to its authority under the Resource Conservation and Recovery Act of 1976. The EPA transferred oversight of the cleanup to the State Department of Ecology under the Model Toxics Control Act, Ch 70.105D RCW. The Port is one of several parties named or considered a potentially responsible party.

A budget for cleanup costs has been prepared by the Port's environmental engineer. This budget is the basis for the estimates for the year ending December 31, 2024, in the amount of \$3,503,000. This is measured at current value.

On November 5, 2013, Consent Decree Number 13-2-03830-1 (Consent Decree) was filed in Clark County, Washington. The Consent Decree is an agreement between the Port and Ecology as to what actions it will take to complete remedial activities at the site. The remedial activities included dredging sediments in Lake River and Carty Lake and capping the Port's Railroad Avenue property. The Port's Railroad Avenue property was capped in 2013.

The Port started the dredging work in Lake River and Carty Lake in 2014 and completed the work in 2015. There is ongoing monitoring and reporting associated with this work and these ongoing costs have been included in the December 31, 2024, estimate.

On December 8, 2014, the Port entered into Agreed Order DE 11057 (Agreed Order) with Ecology. The Agreed Order required the Port to sample properties adjacent to the Lake River Site for wood treating chemicals associated with the former PWT operations. This is considered the "Off-Property" portion of the PWT site. The Agreed Order required the Port to complete a remedial investigation and feasibility study (RI/FS) for the Off-Property Portion. Investigation work was completed in 2015. Elevated concentrations of constituents associated with wood treating chemicals were discovered. Ecology determined that remediation of properties adjacent to the Lake River Site was necessary. The Port and Ecology determined that 29 properties required remediation. In 2016, twenty properties were remediated. The remaining nine properties were remediated in 2017.

In 2016, Ecology determined that the full extent of Off-Property impacts had not been fully characterized. The sampling area was initially expanded to the east and north, and sampling was completed in this "Phase 2" area in 2017. Based on the Phase 2 results, further characterization in a "Phase 3" area (north of Maple Street) was required. Sampling has been completed and a final RI/FS and a draft CAP are currently under public review and are expected to be finalized in early 2025. Included in the December 31, 2024, estimate is a range of probable remediation costs for cleaning up the additional properties in the expanded (Phase 2 and 3) sampling areas. Variability in the estimate is associated with the fact that the cost estimates are based on the FS and CAP, and associated costs depend on contractor bids to be obtained in 2025. The range of estimates was determined by applying contingency factors between zero to 30 percent to the draft CAP cost estimate.

Groundwater, sediment, and upland cap monitoring costs have very little variability. Costs for events to be conducted 2025 through 2028 are included the cost estimate; some monitoring events, such as groundwater monitoring and LRIS cap monitoring will continue past 2027. The Port was required to complete groundwater monitoring in 2016, in 2018, in 2020, and in 2021. Based on those results, the Port advocated for a reduced groundwater monitoring sampling frequency (30 month schedule) and Ecology approved the reduced monitoring frequency in 2022. The next monitoring event was completed in January 2024, and costs for the next groundwater monitoring event in 2026 has been included. Costs for required Lake River (in 2025)

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sediment monitoring are included, as well as costs for the next four (2025 through 2028) required yearly LRIS upland cap monitoring.

This estimated liability was prepared using the Expected Cash Flow Technique, which measures the liability as the sum of probability weighted amounts in a range of possible estimated amounts. This is an estimate only and potential for change exists resulting from price increases or reductions, technology or changes in applicable laws or regulations. The estimates and assumptions will be re-evaluated on an annual basis.

The State of Washington is considered a potentially responsible party (PRP) under GASB 49. The State entered into binding agreements with Pacific Wood Treating Company (former tenant) that allowed or permitted release of runoff water onto state owned property. Through December 2010, the State has contributed 65% of the total cleanup costs. The State contributed 90% for the 2011 and 2012 grant/loan agreements. For the most recent grant/loan agreements, the State has committed to contribute between 97% to 100%. The State's total contributive share is not yet realized or realizable. Therefore, the liability recognized on the Statement of Net Position is reduced by the expected recoveries.

The total expected outlays are \$3,503,000. Estimated recoveries by the Port of Ridgefield are \$3,397,910 leaving the remaining remediation obligation of \$105,090 to be shared by the City and Port.

The City and Port are negotiating a cost sharing agreement to cover the remaining remediation obligation. The City is expecting to share in the costs incurred by the Port to monitor groundwater as required in the Consent Decree. Using the proportion of property once or currently owned by the City covered by the Consent Decree the City expects its responsibility to be less than five percent (5%) of the remaining remediation obligation. As a result, the City has reported \$5,255 as a long term liability related to its pollution remediation obligations. As required by GASB 49, this amount will be remeasured when new information indicates changes in estimated outlays, for example, when the cost sharing agreement is finalized.

**NOTE 15. UNEARNED REVENUE – IMPACT FEE CREDITS**

Impact Fee Credits

The City of Ridgefield adopted an impact fee ordinance to ensure that adequate facilities are available to serve new growth and development. An impact fee is charged at the issuance of a building permit. In addition, the developer may be entitled to a non-refundable "credit" against the applicable impact fee component for the fair market value of appropriate dedications of land, improvements or new construction of system improvements provided by the developer. In the event that the amount of the "credit" calculated is greater than the amount of the impact fee due, the developer is entitled to request issuance of impact fee credits for the calculated difference. These credits are recorded as a governmental activity in the Government-wide Financial Statements.

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Water system development charge credits are recorded as a business type activity. 2024 Impact fee credits and system development charge credit activity is as follows:

Impact Fee/Development Charge Credits	Beginning Balance	Additions	Applied	Ending Balance
Traffic Impact Fees	\$ 2,942,987	\$ 5,924,531	\$ 573,205	\$ 8,294,313
Park Impact Fees	1,149,020	-	188,557	960,463
	<u>4,092,007</u>	<u>5,924,531</u>	<u>761,762</u>	<u>9,254,776</u>
Water System Development Charges	\$ 219,987	\$ 108,337	\$ 155,471	\$ 172,853
	<u>219,987</u>	<u>108,337</u>	<u>155,471</u>	<u>172,853</u>
Total Impact Fee Credits	\$ <u>4,311,994</u>	\$ <u>6,032,868</u>	\$ <u>917,233</u>	\$ <u>9,427,629</u>

**NOTE 16. JOINTLY GOVERNED ORGANIZATIONS AND RELATED PARTY**

Emergency Services- CRESA

In 1975, Clark Regional Emergency Services Agency (CRESA) was created under the Interlocal Cooperation Act (RCW 39.4) by agreement between the City and other governmental units and political districts. Its purpose was to provide a consolidated public safety communications service to participating cities, political districts, and Clark County.

Detailed financial statements for this entity can be obtained from CRESA, 710 W. 13th Street, Vancouver, Washington 98660.

Wastewater Transmission/Treatment - Discovery Clean Water Alliance (Alliance)

On September 27, 2012, Clark County, Clark Regional Wastewater District and the Cities of Battle Ground and Ridgefield (City) created a new regional utility entity, the Alliance, under the empowerment of RCW 39.106 – the Joint Municipal Utility Services Act (JMUSA). The Alliance is governed by a four-member board, one elected official from each entity, and was established to provide wastewater transmission/treatment services to the citizenry of the respective participating members.

The City Sewer Utility assets were transferred to the Alliance on January 1, 2015. The City and the Alliance signed an operator agreement where the City continued to operate the Wastewater Treatment Plant. During 2018, the City transferred the operations of the wastewater treatment plant to Discovery Clean Water Alliance (the Alliance) and at the end of fiscal year 2018, the City no longer had an operating contract with the Alliance.

More information about the Alliance can be found on their website at <http://discoverycwa.org/>.

**NOTE 17. ASSET RETIREMENT OBLIGATIONS**

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

The City owns, operates, and maintains six wells with an average useful life remaining of 40 years. Currently, the City 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 is also responsible for the

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**Year Ended December 31, 2024**

decommissioning cost of a reservoir. The reservoir has a remaining life of 38 years. The reservoir is located on land owned by the Ridgefield School District. Per agreement the City would be responsible for decommissioning the reservoir and returning the land to its previous condition, if the reservoir is no longer in use, or the school district declines to extend the lease at the end of the term.

The City obtained engineer estimates to support these potential decommissioning costs and presents a liability at December 31, 2024, of \$574,023 and a Deferred Outflow of \$361,727. Per GASB requirements, the estimates are analyzed for factors that may lead to significant changes in the estimated outlays and adjusted annually for the effects of general inflation or deflation based on changes in the west region consumer price index. An inflationary adjustment to the engineer's estimate of \$15,635 was included in 2024 to the estimated decommissioning costs. There is \$8,679 of annual amortization expense. The obligation will be paid from operating income; no assets have been set aside to fund this obligation.

**NOTE 18. OTHER DISCLOSURES**

Tax Abatement Programs

*High Unemployment County Sales & Use Tax Deferral for Manufacturing Facilities*

The State of Washington administers this tax deferral program under Washington State RCW 82.60. The purpose of the program is to promote economic stimulation, create new employment opportunities in distressed areas, and reduce poverty in certain distressed counties in the state. During the year ended December 31, 2024, the state issued tax deferrals which reduced the City's revenue under the program. However, the State and therefore the City, is legally prohibited from disclosing taxpayer information for less than three taxpayers related to this program per RCW 82.32.330 (Disclosure of return or tax information).

Subsequent Events

The City has evaluated events subsequent to the fiscal year-end December 31, 2024, and has identified the following events:

- The Tax Increment Area was approved in 2023 and will be effective beginning January 1, 2025.
- The City purchased property in March 2025 that will be used to expand an intersection in Ridgefield. The cost of the property is \$488,517.
- The City anticipates closing on land that will be used as parks on the east side of the City in mid-2025. This purchase will be funded with \$975,000 in park impact fee credits and \$750,000 in cash.

Federal Financial Assistance

The City recorded the following federal grant expenditures for 2024:



**CITY OF RIDGEFIELD, WASHINGTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

**City of Ridgefield**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607		-	5,391	5,391	-	1, 2, 3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	FLAP- 1085(008), LA10411	38,881	-	38,881	-	1, 2, 3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	HSIP- 000S(658), LA 10559	36,296	-	36,296	-	1, 2, 3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	HSIP- 000S(659), LA10560	75,946	-	75,946	-	1, 2, 3
<b>Total ALN 20.205:</b>				<b>151,123</b>	<b>-</b>	<b>151,123</b>	<b>-</b>	
<b>Highway Safety Cluster</b>								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	2024-HVE-5117- Region 6 Target Zero Task Force	2,998	-	2,998	-	1, 2, 3
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	2024-HVE-5117- Region 6 Target Zero Task Force	2,611	-	2,611	-	1, 2, 3
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	2024-HVE-5117- Region 6 Target Zero Task Force	1,492	-	1,492	-	1, 2, 3
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	2024-HVE-5117- Region 6 Target Zero Task Force	2,412	-	2,412	-	1, 2, 3
<b>Total Highway Safety Cluster:</b>				<b>9,513</b>	<b>-</b>	<b>9,513</b>	<b>-</b>	
OFFICE OF THE SECRETARY, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	National Infrastructure Investments	20.933	BUILD- 1085(007), LA10425	823,900	-	823,900	-	1, 2, 3
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via Washington State Department of Commerce)	Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	BF-97067501, 23-62310-02	91,274	-	91,274	-	1, 2, 3
<b>Total Federal Awards Expended:</b>				<b>1,075,810</b>	<b>5,391</b>	<b>1,081,201</b>	<b>-</b>	

**CITY OF RIDGEFIELD, WASHINGTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

**NOTE 1 - BASIS OF ACCOUNTING**

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

**NOTE 2 – INDIRECT COST RATE**

The City of Ridgefield has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 3 - 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 Ridgefield's portion, are more than shown. Such expenditures are recognized following 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 19. CORRECTION OF ERRORS, CHANGES IN ACCOUNTING PRINCIPLES, AND CHANGES WITHIN ENTITY*****Change in Accounting Principle***

At January 1, 2024, the City implemented the following GASB Statements:

GASB Statement No. 100, *Accounting Changes and Error Corrections*. Effective for the fiscal year ending December 31, 2024, the City adopted GASB Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement 62*. This Statement prescribes financial reporting for accounting changes and corrections of errors with required descriptive note disclosures. The aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position will be displayed by reporting unit in the financial statements, and note disclosures will describe the nature of these adjustments. For periods earlier than those included in the basic financial statements, this statement also requires supplementary or required supplementary information to be restated for error corrections.

Accounting changes include changes in accounting principles, accounting estimates or change to or within the financial reporting entity.

GASB Statement No. 101, *Compensated Absences*. This Statement establishes standards of accounting and financial reporting for compensated absences and clarifies the recognition and measurement of these liabilities. The change in accounting principle related to compensated absences is categorized in the chart below.

***Correction of Error***

The City of Ridgefield has experienced rapid growth in recent years, resulting in more donated intangible assets in the form of easements and dedicated parks. In the year ended December 31, 2024, the City recognized a correction of an error of \$466,860 for these donated capital assets that were received in fiscal year 2021 and 2022. The capital assets for governmental activities, net of depreciation or amortization, increased by \$324,795 and the capital assets for business-type activities increased by \$142,065, with \$56,625 in Water and \$97,647 in Storm Water. There was also an error correction of (\$12,207) related to compensated absences for the Storm Water fund, which would have increased the noncurrent compensated absences liability associated with Storm Water Major fund and Business Type Activities. Additionally, the Storm Water Salaries, Wages and Benefits would have increased, as well as the Storm Expenses by the \$12,207. The correction of error is categorized in the chart below.

***Change to or within the Financial Reporting Entity***

The City's building and permitting department has historically been reported as a governmental fund. In 2024 the City changed the presentation to report this fund as a proprietary fund since the fund is structured with the intention to recover all or a significant portion of their costs through user fees and charges. This change in fund type is reflected in the chart below.

**CITY OF RIDGEFIELD, WASHINGTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

	December 31, 2023 Net Position/Fund Balance as previously reported	Change in accounting principle	Change to or within the financial reporting entity	Correction of Error	December 31, 2023 Net Position/Fund Balance As restated/adjusted
<b>Government-wide</b>					
Governmental Activities	127,721,540	6,396	(2,247,978)	324,795	125,804,753
Business-Type Activities	62,883,269	10,079	2,247,978	142,065	65,283,391
<b>Total primary government</b>	<b>\$ 190,604,809</b>	<b>\$ 16,475</b>	<b>\$ -</b>	<b>\$ 466,860</b>	<b>\$ 191,088,144</b>
<b>Governmental Funds</b>					
Major Funds:					
General Fund	10,563,084	-	(1,891,341)	-	8,671,743
Capital Projects Fund	950,164	-	-	-	950,164
Real Estate Excise Tax Fund	4,285,137	-	-	-	4,285,137
Nonmajor Funds	2,868,790	-	-	-	2,868,790
<b>Total Governmental Funds</b>	<b>18,667,175</b>	<b>-</b>	<b>(1,891,341)</b>	<b>-</b>	<b>16,775,834</b>
<b>Proprietary Funds</b>					
Major Funds:					
Water	37,969,934	14,920	-	56,625	38,041,479
Storm	24,913,335	2,143	-	85,440	25,000,918
Building	-	(6,984)	2,247,978	-	2,240,994
<b>Total Proprietary Funds</b>	<b>\$ 62,883,269</b>	<b>\$ 10,079</b>	<b>\$ 2,247,978</b>	<b>\$ 142,065</b>	<b>\$ 65,283,391</b>

**CITY OF RIDGEFIELD, WASHINGTON**  
**Required Supplementary Information**  
**Year Ended December 31, 2024**

## Schedule of Proportionate Share of the Net Pension Liability

## PERS 1

As of June 30

Last Ten Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	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
2024	0.027043%	\$ 480,510	\$ 5,457,705	\$ 8.80%	84.05%
2023	0.024760%	565,204	4,432,366	12.75%	80.16%
2022	0.022959%	639,263	3,706,583	17.25%	76.56%
2021	0.021171%	258,547	3,267,081	7.91%	88.74%
2020	0.019803%	699,153	3,027,774	23.09%	68.64%
2019	0.018321%	704,507	2,569,878	27.41%	67.12%
2018	0.017876%	798,348	2,390,444	33.40%	63.22%
2017	0.017029%	808,039	2,167,600	37.28%	61.24%
2016	0.016141%	866,848	1,868,774	46.39%	57.03%
2015	0.014371%	751,737	1,647,024	45.64%	59.10%

## Schedule of Proportionate Share of the Net Pension Liability

## PERS 2/3

As of June 30

Last Ten Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	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
2024	0.035010%	\$ (1,154,130)	\$ 5,457,705	-21.15%	105.17%
2023	0.031930%	(1,308,709)	4,432,366	-29.53%	107.02%
2022	0.029948%	(1,110,706)	3,706,583	-29.97%	106.73%
2021	0.027196%	(2,709,159)	3,267,081	-82.92%	120.29%
2020	0.025802%	329,993	3,027,774	10.90%	97.22%
2019	0.023655%	229,770	2,569,878	8.94%	97.77%
2018	0.022947%	391,800	2,390,444	16.39%	95.77%
2017	0.021904%	761,059	2,167,600	35.11%	90.97%
2016	0.020658%	1,040,114	1,868,774	55.66%	85.82%
2015	0.018560%	663,159	1,647,024	40.26%	89.20%

**CITY OF RIDGEFIELD, WASHINGTON**  
**Required Supplementary Information**  
**Year Ended December 31, 2024**

Schedule of Proportionate Share of the Net Pension Liability

LEOFF 2  
As of June 30  
Last Ten Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	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
2024	0.036311%	\$ (680,012)	\$ (441,292)	\$ (1,121,304)	\$ 1,754,474	-156.47%	109.27%
2023	0.034981%	(839,054)	(535,811)	(1,374,865)	1,553,857	-113.02%	113.17%
2022	0.034698%	(942,987)	(610,846)	(1,553,833)	1,340,911	-86.30%	116.09%
2021	0.029789%	(1,730,268)	(1,061,116)	(2,791,384)	1,166,121	-41.78%	142.00%
2020	0.024206%	(493,768)	(315,727)	(809,495)	919,456	-113.58%	115.83%
2019	0.025205%	(583,923)	(382,391)	(966,314)	887,437	-91.84%	119.43%
2018	0.024029%	(487,841)	(315,868)	(803,709)	798,613	-99.37%	118.50%
2017	0.021843%	(303,110)	(196,622)	(499,732)	689,628	-138.00%	113.36%
2016	0.018625%	(108,328)	(70,622)	(178,950)	554,005	-309.59%	106.04%
2015	0.016106%	(165,537)	(109,453)	(274,990)	467,365	-169.96%	111.67%

Schedule of Employer Contributions

PERS 1

For the year ended June 30  
Last Ten Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2024	\$ 162,401	\$ (162,401)	\$ -	\$ 5,853,641	2.77%
2023	166,402	(166,402)	-	4,936,329	3.37%
2022	154,000	(154,000)	-	4,097,959	3.76%
2021	148,985	(148,985)	-	3,483,186	4.28%
2020	151,012	(151,012)	-	3,147,945	4.80%
2019	135,977	(135,977)	-	2,754,859	4.94%
2018	125,197	(125,197)	-	2,472,398	5.06%
2017	113,990	(113,990)	-	2,325,555	4.90%
2016	93,017	(93,017)	-	1,950,033	4.77%
2015	80,460	(80,460)	-	1,812,174	4.44%

**CITY OF RIDGEFIELD, WASHINGTON**  
**Required Supplementary Information**  
**Year Ended December 31, 2024**

Schedule of Employer Contributions  
PERS 2/3  
For the year ended June 30  
Last Ten Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2024	\$ 372,672	\$ (372,672)	\$ -	\$ 5,853,641	6.37%
2023	313,951	(313,951)	-	4,936,329	6.36%
2022	260,632	(260,632)	-	4,097,959	6.36%
2021	248,104	(248,104)	-	3,483,186	7.12%
2020	249,335	(249,335)	-	3,147,945	7.92%
2019	212,942	(212,942)	-	2,754,859	7.73%
2018	185,432	(185,432)	-	2,472,398	7.50%
2017	159,716	(159,716)	-	2,325,555	6.87%
2016	121,486	(121,486)	-	1,950,033	6.23%
2015	103,283	(103,283)	-	1,812,174	5.70%

Schedule of Employer Contributions  
LEOFF 2  
For the year ended June 30  
Last Ten Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2024	\$ 103,738	\$ (103,738)	\$ -	\$ 2,026,103	5.12%
2023	84,188	(84,188)	-	1,644,539	5.12%
2022	77,731	(77,731)	-	1,518,192	5.12%
2021	66,137	(66,137)	-	1,288,099	5.13%
2020	52,595	(52,595)	-	1,021,255	5.15%
2019	46,038	(46,038)	-	885,369	5.20%
2018	45,343	(45,343)	-	863,756	5.25%
2017	38,589	(38,589)	-	748,914	5.15%
2016	30,431	(30,431)	-	602,589	5.05%
2015	24,661	(24,661)	-	471,525	5.23%

**CITY OF RIDGEFIELD, WASHINGTON**  
**Required Supplementary Information**  
**Year Ended December 31, 2024**

Notes to Required Supplemental Information - Pension

As of December 31  
Last Ten Fiscal Years

**Note 1: Significant Factors**

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

**Note 2: Covered payroll**

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

**Note 3: Change in contribution rate**

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

**PERS 1, PERS 2/3**

<u>From this</u>	<u>Through this</u>	<u>Employer</u>
<u>Date</u>	<u>Date</u>	<u>Rate</u>
9/1/2013	6/30/2015	9.21%
7/1/2015	6/30/2017	11.18%
7/1/2017	8/31/2018	12.70%
9/1/2018	6/30/2019	12.83%
7/1/2019	8/31/2020	12.86%
9/1/2020	6/30/2021	12.97%
7/1/2021	8/31/2022	10.25%
9/1/2022	6/30/2023	10.39%
7/1/2023	8/31/2023	9.39%
9/1/2023	6/30/2024	9.53%
7/1/2024	8/31/2024	9.03%
9/1/2024	Current	9.11% *

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

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**CITY OF RIDGEFIELD, WASHINGTON**  
***Required Supplementary Information***  
***Year Ended December 31, 2023***

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**LEOFF 2**

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

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

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



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**CITY OF RIDGEFIELD, WASHINGTON**  
***Combining and Individual Fund Statements***  
***Year Ended December 31, 2024***

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**Special Revenue Funds****Drug Fund**

The Drug Fund is used towards activities and equipment related to drug enforcement prevention and policing. The Drug Fund is funded by revenues received from drug seizure/forfeitures, fines and penalties related to drug and alcohol offenses, and proceeds from the soft drink machines located at the police department.

**Street Fund**

The Street Fund comprises both arterial and city roads and is designed to operate and maintain the built-in capacity, traffic control, and safety devices of the street network including sidewalks, street lighting, signage, surface water drainage facilities and roadside trees and vegetation. Public Works staff oversees and maintains the streets. The majority of funding is from General Fund transfers and motor vehicle fuel taxes.

**Affordable Housing Fund**

The Affordable and Supplemental Housing fund records the collection and accounting for dedicated retail sales and use taxes. Retail sales and use taxes are collected as a credit against the state portion of taxes collected within the Ridgefield city limits. Funds are used to support acquiring, rehabilitating, or constructing affordable housing, operations, and maintenance costs of new units of affordable or supportive housing or for rental assistance to tenants at or below 60% of median income.

**Debt Service Funds**

The Debt Service Fund is used to account for the principal and interest payments associated with the General Fund and general fund supported funds, such as Streets and Parks. This does not include debt service associated with enterprise funds.

**Capital Project Funds****Traffic Impact Fee Fund**

The TIF fund records the collection and accounting of transportation impact fees, collected from developers, when constructing new developments. Funds are used for the construction of city street infrastructure. The Traffic Impact Fee is a charge to be used exclusively to build or expand capacity that is required as a result of development.

**Park Impact Fee Fund**

The PIF fund was established to account for impact fees that are restricted for culture and recreation capital purposes. Resources are typically transferred to other funds as they are needed.

**Transportation Benefit District Fund**

Under RCW 36.73 this fund was established to provide funding for transportation improvements that preserve, maintain, and construct or reconstruct the transportation infrastructure within the City limits.

## CITY OF RIDGEFIELD, WASHINGTON

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2024

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 394,073	\$ -	\$ 753,720	\$ 1,147,793
Investments	-	-	1,040,262	1,040,262
Accounts Receivable (net)	250	-	-	250
Interest Receivable	-	-	6,420	6,420
Due from Other Governmental Units	44,252	-	183,902	228,154
Total Assets	<u>\$ 438,575</u>	<u>\$ -</u>	<u>\$ 1,984,304</u>	<u>\$ 2,422,879</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 47,239	\$ -	\$ 7,310	\$ 54,549
Other Accrued Liabilities	35,500	-	-	35,500
Total Liabilities	<u>82,739</u>	<u>-</u>	<u>7,310</u>	<u>90,049</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	1,894	1,894
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,894</u>	<u>1,894</u>
<b>Fund Balances:</b>				
<b>Restricted</b>				
Public Safety	9,890	-	-	9,890
Economic Environment	114,740	-	-	114,740
Capital Outlay	-	-	1,975,100	1,975,100
Assigned	231,206	-	-	231,206
Total Fund Balances	<u>355,836</u>	<u>-</u>	<u>1,975,100</u>	<u>2,330,936</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 438,575</u>	<u>\$ -</u>	<u>\$ 1,984,304</u>	<u>\$ 2,422,879</u>

**CITY OF RIDGEFIELD, WASHINGTON**  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
For the fiscal year ended December 31, 2024

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Sales and Use Taxes	\$ 24,269	\$ -	\$ -	\$ 24,269
Utility Taxes	143,377	-	-	143,377
Other Taxes	-	-	1,072,151	1,072,151
License and Permits	20,606	-	-	20,606
Intergovernmental	289,926	-	-	289,926
Charges for Services	-	-	909,444	909,444
Fines and Forfeits	197	-	-	197
Interest Earnings	16	-	69,932	69,948
Miscellaneous	1,869	-	-	1,869
Total Revenues	<u>480,260</u>	<u>-</u>	<u>2,051,527</u>	<u>2,531,787</u>
<b>Expenditures:</b>				
Current:				
Transportation	1,439,202	-	34,515	1,473,717
Debt Service				
Principal Retirement	-	1,211,391	-	1,211,391
Interest and Other Charges	-	1,247,636	-	1,247,636
Total Expenditures	<u>1,439,202</u>	<u>2,459,027</u>	<u>34,515</u>	<u>3,932,744</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(958,942)	(2,459,027)	2,017,012	(1,400,957)
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,052,935	2,459,027	-	3,511,962
Transfers Out	-	-	(2,648,859)	(2,648,859)
Total Other Financing Sources and Uses	<u>1,052,935</u>	<u>2,459,027</u>	<u>(2,648,859)</u>	<u>863,103</u>
Net Change in Fund Balances	93,993	-	(631,847)	(537,854)
Fund Balances at Beginning of Year	<u>261,843</u>	<u>-</u>	<u>2,606,947</u>	<u>2,868,790</u>
Fund Balances at End of Year	<u>\$ 355,836</u>	<u>\$ -</u>	<u>\$ 1,975,100</u>	<u>\$ 2,330,936</u>

**CITY OF RIDGEFIELD, WASHINGTON**

## Nonmajor Special Revenue Funds

## Combining Balance Sheet

December 31, 2024

	Drug Fund	City Street Fund	Affordable Housing	Total Nonmajor Special Revenue Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 9,890	\$ 271,840	\$ 112,343	\$ 394,073
Accounts Receivable (net)	-	250	-	250
Due from Other Governmental Units	-	41,855	2,397	44,252
<b>Total Assets</b>	<b>\$ 9,890</b>	<b>\$ 313,945</b>	<b>\$ 114,740</b>	<b>\$ 438,575</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ 47,239	\$ -	\$ 47,239
Other Accrued Liabilities	-	35,500	-	35,500
<b>Total Liabilities</b>	<b>-</b>	<b>82,739</b>	<b>-</b>	<b>82,739</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted</b>				
Public Safety	9,890	-	-	9,890
Economic Environment	-	-	114,740	114,740
<b>Assigned</b>	<b>-</b>	<b>231,206</b>	<b>-</b>	<b>231,206</b>
<b>Total Fund Balances</b>	<b>9,890</b>	<b>231,206</b>	<b>114,740</b>	<b>355,836</b>
				\$
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9,890</b>	<b>\$ 313,945</b>	<b>\$ 114,740</b>	<b>\$ 438,575</b>

**CITY OF RIDGEFIELD, WASHINGTON**  
Nonmajor Special Revenue Funds  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
For the Fiscal Year Ended December 31, 2024

	Drug Fund	City Street Fund	Affordable Housing	Total Nonmajor Special Revenue Funds
Revenues:				
Sales and Use Taxes	\$ -	\$ -	\$ 24,269	\$ 24,269
Utility Taxes	-	143,377	-	143,377
License and Permits	-	20,606	-	20,606
Intergovernmental	-	289,926	-	289,926
Fines and Forfeitures	197	-	-	197
Interest Earnings	16	-	-	16
Miscellaneous	-	1,869	-	1,869
Total Revenues	213	455,778	24,269	480,260
Expenditures:				
Current:				
Transportation	-	1,439,202	-	1,439,202
Total Expenditures	-	1,439,202	-	1,439,202
Excess (Deficiency) of Revenues Over (Under) Expenditures	213	(983,424)	24,269	(958,942)
Other Financing Sources (Uses)				
Transfers In	-	1,052,935	-	1,052,935
Total Other Financing Sources (Uses)	-	1,052,935	-	1,052,935
Net Change in Fund Balances	213	69,511	24,269	93,993
Fund Balances at Beginning of Year	9,677	161,695	90,471	261,843
Fund Balances at End of Year	\$ 9,890	\$ 231,206	\$ 114,740	\$ 355,836

## CITY OF RIDGEFIELD, WASHINGTON

## Nonmajor Capital Project Funds

## Balance Sheet

December 31, 2024

	Traffic Impact Fee Fund	Park Impact Fee Fund	Transportation Benefit District Fund	Total Nonmajor Capital Project Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 5	\$ 498,491	\$ 255,224	\$ 753,720
Investments	-	746,228	294,034	1,040,262
Interest Receivable	-	4,604	1,816	6,420
Due from Other Governmental Units	-	-	183,902	183,902
Total Assets	<u>\$ 5</u>	<u>\$ 1,249,323</u>	<u>\$ 734,976</u>	<u>\$ 1,984,304</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	-	-	7,310	7,310
Total Liabilities	<u>-</u>	<u>-</u>	<u>7,310</u>	<u>7,310</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	1,358	536	1,894
Total deferred inflows of resources	<u>-</u>	<u>1,358</u>	<u>536</u>	<u>1,894</u>
<b>Fund Balances:</b>				
Restricted				
Capital Outlay	\$ 5	\$ 1,247,965	\$ 727,130	\$ 1,975,100
Total Fund Balances	<u>5</u>	<u>1,247,965</u>	<u>727,130</u>	<u>1,975,100</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5</u>	<u>\$ 1,249,323</u>	<u>\$ 734,976</u>	<u>\$ 1,984,304</u>

**CITY OF RIDGEFIELD, WASHINGTON**  
Nonmajor Capital Project Funds  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Fiscal Year Ended December 31, 2024

	Traffic Impact Fee Fund	Park Impact Fee Fund	Transportation Benefit District Fund	Total Nonmajor Capital Project Funds
Revenues:				
Other Taxes	\$ -	\$ -	\$ 1,072,151	\$ 1,072,151
Charges for Services	699,997	209,447	-	909,444
Interest Earnings	26,997	41,958	977	69,932
Total Revenues	<u>726,994</u>	<u>251,405</u>	<u>1,073,128</u>	<u>2,051,527</u>
Expenditures:				
Current:				
Transportation	-	-	34,515	34,515
Total Expenditures	<u>-</u>	<u>-</u>	<u>34,515</u>	<u>34,515</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	726,994	251,405	1,038,613	2,017,012
Other Financing Sources (Uses)				
Transfers Out	(1,612,330)	(335,358)	(701,171)	(2,648,859)
Total Other Financing Sources (Uses)	<u>(1,612,330)</u>	<u>(335,358)</u>	<u>(701,171)</u>	<u>(2,648,859)</u>
Net Change in Fund balances	(885,336)	(83,953)	337,442	(631,847)
Fund Balances at Beginning of Year	<u>885,341</u>	<u>1,331,918</u>	<u>389,688</u>	<u>2,606,947</u>
Fund Balances at End of Year	<u>\$ 5</u>	<u>1,247,965</u>	<u>727,130</u>	<u>1,975,100</u>

## CITY OF RIDGEFIELD, WASHINGTON

## Drug Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balances

## Compared to Budget (GAAP Basis) and Actual

For the Fiscal Year Ended December 31, 2024

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues:				
Fines and Forfeits	\$ 1,500	\$ 1,500	\$ 197	\$ (1,303)
Interest Earnings	<u>10</u>	<u>10</u>	<u>16</u>	<u>6</u>
Total Revenues	<u>1,510</u>	<u>1,510</u>	<u>213</u>	<u>(1,297)</u>
Expenditures:				
Public Safety	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total Expenditures	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	1,010	1,010	213	(797)
Fund Balances at Beginning of Year	<u>9,677</u>	<u>9,677</u>	<u>9,677</u>	<u>-</u>
Fund Balances at End of Year	\$ <u><u>10,687</u></u>	\$ <u><u>10,687</u></u>	\$ <u><u>9,890</u></u>	\$ <u><u>(797)</u></u>



## CITY OF RIDGEFIELD, WASHINGTON

## City Street Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balances

Compared to Budget (GAAP Basis) and Actual

For the Fiscal Year Ended December 31, 2024

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Utility Taxes	\$ 149,000	\$ 149,000	\$ 143,377	\$ (5,623)
License and Permits	20,000	20,000	20,606	606
Intergovernmental	296,500	352,500	289,926	(62,574)
Interest Earnings	25	35	-	(35)
Miscellaneous	500	500	1,869	1,369
Total Revenues	<u>466,025</u>	<u>522,035</u>	<u>455,778</u>	<u>(66,257)</u>
Expenditures:				
Current				
Transportation	<u>1,304,535</u>	<u>1,573,535</u>	<u>1,439,202</u>	<u>134,333</u>
Total Expenditures	<u>1,304,535</u>	<u>1,573,535</u>	<u>1,439,202</u>	<u>134,333</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(838,510)	(1,051,500)	(983,424)	68,076
Other Financing Sources (Uses):				
Insurance Recoveries	25,000	25,000	-	(25,000)
Transfers In	739,935	1,052,935	1,052,935	-
Transfers Out	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>739,935</u>	<u>1,077,935</u>	<u>1,052,935</u>	<u>(25,000)</u>
Net Change in Fund Balance	(98,575)	26,435	69,511	43,076
Fund Balances at Beginning of Year	<u>161,695</u>	<u>161,695</u>	<u>161,695</u>	<u>-</u>
Fund Balances at End of Year	\$ <u>63,120</u>	\$ <u>188,130</u>	\$ <u>231,206</u>	\$ <u>43,076</u>

## CITY OF RIDGEFIELD, WASHINGTON

## Affordable Housing

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Compared to Budget (GAAP Basis) and Actual  
 For the Fiscal Year Ended December 31, 2024

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues:				
Sales and Use Taxes	\$ 25,000	\$ 25,000	\$ 24,269	\$ (731)
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>24,269</u>	<u>(731)</u>
Expenditures:				
Economic Environment	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	25,000	25,000	24,269	(731)
Fund Balances at Beginning of Year	<u>90,471</u>	<u>90,471</u>	<u>90,471</u>	<u>-</u>
Fund Balances at End of Year	\$ <u>115,471</u>	\$ <u>115,471</u>	\$ <u>114,740</u>	\$ <u>(731)</u>

## CITY OF RIDGEFIELD, WASHINGTON

## Debt Service Funds

## Schedule of Revenues, Expenditures and Changes in Fund Balances

## Compared to Budget (GAAP Basis) and Actual

## For the Fiscal Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
Expenditures:				
Debt service:				
Principal Retirement	\$ 1,147,030	\$ 1,147,030	\$ 1,211,391	\$ (64,361)
Interest/Fiscal Charges	657,650	1,307,650	1,247,636	60,014
Bond Issuance Costs	-	300,000	-	300,000
Total Expenditures	<u>1,804,680</u>	<u>2,754,680</u>	<u>2,459,027</u>	<u>295,653</u>
Excess (Deficiency) of Revenues				
Over (under) Expenditures	(1,804,680)	(2,754,680)	(2,459,027)	295,653
Other Financing Sources (Uses):				
Issuance of Debt	-	32,000,000	-	(32,000,000)
Transfers In	1,804,680	2,454,680	2,459,027	4,347
Transfers Out	-	(31,700,000)	-	31,700,000
Total Other Financing Sources ar	<u>1,804,680</u>	<u>2,754,680</u>	<u>2,459,027</u>	<u>(295,653)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

## CITY OF RIDGEFIELD, WASHINGTON

## Traffic Impact Fee Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balances

## Compared to Budget (GAAP Basis) and Actual

## For the Fiscal Year Ended December 31, 2024

	Budgeted Amounts			
	Original	Final	Actual Amount	Variance with Final Budget
Revenues:				
Charges for Services	\$ 568,000	\$ 568,000	\$ 699,997	\$ 131,997
Interest Earnings	250	250	26,997	26,747
Total Revenues	568,250	568,250	726,994	158,744
Expenditures:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	568,250	568,250	726,994	158,744
Other Financing Sources (Uses):				
Transfers Out	(1,466,000)	(1,716,000)	(1,612,330)	103,670
Total Other Financing Sources and Uses	(1,466,000)	(1,716,000)	(1,612,330)	103,670
Net Change in Fund Balance	(897,750)	(1,147,750)	(885,336)	262,414
Fund Balances at Beginning of Year	885,341	885,341	885,341	-
Fund Balances at End of Year	\$ (12,409)	\$ (262,409)	\$ 5	\$ 262,414

**CITY OF RIDGEFIELD, WASHINGTON**  
Park Impact Fee Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget (GAAP Basis) and Actual  
For the Fiscal Year Ended December 31, 2024

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$ 251,000	\$ 251,000	\$ 209,447	\$ (41,553)
Interest Earnings	250	250	41,958	41,708
Total Revenues	251,250	251,250	251,405	155
<b>Expenditures:</b>				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	251,250	251,250	251,405	155
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(827,000)	(827,000)	(335,358)	491,642
Total Other Financing Sources and Uses	(827,000)	(827,000)	(335,358)	491,642
Net Change in Fund Balance	(575,750)	(575,750)	(83,953)	491,797
Fund Balances at Beginning of Year	1,331,918	1,331,918	1,331,918	-
Fund Balances at End of Year	\$ 756,168	\$ 756,168	\$ 1,247,965	\$ 491,797

**CITY OF RIDGEFIELD, WASHINGTON**  
 Transportation Benefit District Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget (GAAP Basis) and Actual  
 For the Fiscal Year Ended December 31, 2024

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Other Taxes	\$ 850,000	\$ 850,000	\$ 1,072,151	\$ 222,151
Interest Earnings	100	100	977	877
Total Revenues	850,100	850,100	1,073,128	223,028
<b>Expenditures:</b>				
Transportation	-	-	34,515	(34,515)
Total Expenditures	-	-	34,515	(34,515)
Excess (Deficiency) of Revenues Over (Under) Expenditures	850,100	850,100	1,038,613	188,513
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(1,047,900)	(1,142,900)	(701,171)	441,729
Total Other Financing Sources and Uses	(1,047,900)	(1,142,900)	(701,171)	441,729
Net Change in Fund Balance	(197,800)	(292,800)	337,442	630,242
Fund Balances at Beginning of Year	389,688	389,688	389,688	-
Fund Balances at End of Year	\$ 191,888	\$ 96,888	\$ 727,130	\$ 630,242

**CITY OF RIDGEFIELD, WASHINGTON**  
Capital Projects Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget (GAAP Basis) and Actual  
For the Fiscal Year Ended December 31, 2024

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 7,173,400	\$ 8,743,370	\$ 4,402,928	\$ (4,340,442)
Interest Earnings	-	-	688,763	688,763
Contributions/Donations	10,000	10,000	235,135	225,135
Total Revenues	7,183,400	8,753,370	5,326,826	(3,426,544)
<b>Expenditures:</b>				
Capital Outlay	41,329,550	46,753,850	22,054,042	24,699,808
Bond Issuance Costs	-	-	363,281	(363,281)
Total Expenditures	41,329,550	46,753,850	22,417,323	24,336,527
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,146,150)	(38,000,480)	(17,090,497)	20,909,983
<b>Other Financing Sources (Uses):</b>				
Long-term Debt Proceeds	28,000,000	-	27,985,000	27,985,000
Premium on Debt Issued	-	-	3,243,927	3,243,927
Capital Contribution	855,000	1,575,000	-	(1,575,000)
Transfers In	5,209,150	37,645,980	3,574,498	(34,071,482)
Transfers Out	-	-	(1,149,716)	(1,149,716)
Total Other Financing Sources and Uses	34,064,150	39,220,980	33,653,709	(5,567,271)
Net Change in Fund Balance	(82,000.00)	1,220,500	16,563,212	15,342,712
Fund Balances at Beginning of Year	950,164	950,164	950,164	-
Fund Balances at End of Year	\$ 868,164	\$ 2,170,664	\$ 17,513,376	\$ 15,342,712

**CITY OF RIDGEFIELD, WASHINGTON**  
Real Estate Excise Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget (GAAP Basis) and Actual  
For the Fiscal Year Ended December 31, 2024

	Budgeted Amounts			
	Original	Final	Actual Amount	Variance with Final Budget
<b>Revenues:</b>				
Other Taxes	\$ 1,600,000	\$ 1,600,000	\$ 1,872,677	\$ 272,677
Interest Earnings	125,000	125,000	212,637	87,637
Total Revenues	1,725,000	1,725,000	2,085,314	360,314
<b>Expenditures:</b>				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,725,000	1,725,000	2,085,314	360,314
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(1,638,555)	(2,288,555)	(1,992,686)	295,869
Total Other Financing Sources and Uses	(1,638,555)	(2,288,555)	(1,992,686)	295,869
Net Change in Fund Balance	86,445	(563,555)	92,628	656,183
Fund Balances at Beginning of Year	4,285,137	4,285,137	4,285,137	-
Fund Balances at End of Year	\$ 4,371,582	\$ 3,721,582	\$ 4,377,765	\$ 656,183



**CITY OF RIDGEFIELD, WASHINGTON**  
**Table of Contents**

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

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Financial Trends .....	107-117
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity .....	118-123
These schedules contain information to help the reader assess the City’s most significant local revenue sources, retail sales tax and property tax.	
Debt Capacity .....	124-127
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information .....	128-130
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
Operating Information .....	131-133
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.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**Change within the Financial Reporting Entity.** The City’s building and permitting department has historically been reported as a governmental fund. In 2024 the City changed the presentation to report this fund as a proprietary fund since the fund is structured with the intention to recover all or a significant portion of their costs through user fees and charges. Refer to Note 19 for additional information.

**CITY OF RIDGEFIELD, WASHINGTON**  
**Financial Trends**

City of Ridgefield, Washington  
 Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

Page 1 of 2

	2015	2016	2017	2018	2019
Governmental Activities:					
Net Investment in Capital Assets	\$ 33,779,565	\$ 36,979,154	\$ 36,243,214	\$ 57,236,545	\$ 63,089,555
Restricted	7,105,407	7,385,677	10,137,589	2,466,399	5,039,035
Unrestricted	(3,136,697)	(2,821,368)	(2,630,392)	(878,544)	(43,547)
Total Governmental Activities Net Position	<u>37,748,275</u>	<u>41,543,463</u>	<u>43,750,411</u>	<u>58,824,400</u>	<u>68,085,043</u>
Business-Type Activities:					
Net Investment in Capital Assets	\$ 15,819,184	\$ 17,488,712	\$ 18,158,008	\$ 25,884,973	\$ 31,413,290
Restricted	3,755,157	4,709,682	4,933,027	6,368,463	7,213,240
Unrestricted	676,250	1,070,087	1,254,848	949,544	1,283,510
Total Business-Type Activities Net Position	<u>20,250,591</u>	<u>23,268,481</u>	<u>24,345,883</u>	<u>33,202,980</u>	<u>39,910,040</u>
Primary Government:					
Net Investment in Capital Assets	49,598,749	54,467,866	54,401,222	83,121,518	94,502,845
Restricted	10,860,564	12,095,359	15,070,616	8,834,862	12,252,275
Unrestricted	(2,460,447)	(1,751,281)	(1,375,544)	71,000	1,239,963
Total Primary Government Net Position	<u>\$ 57,998,866</u>	<u>\$ 64,811,944</u>	<u>\$ 68,096,294</u>	<u>\$ 92,027,380</u>	<u>\$ 107,995,083</u>

\*2023 balances restated for Error Correction related to recognition of capital assets

**CITY OF RIDGEFIELD, WASHINGTON**  
**Financial Trends**

City of Ridgefield, Washington  
 Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

Page 2 of 2

	2020	2021	2022	2023 *	2024
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 69,966,422	\$ 84,581,066	\$ 95,689,209	\$ 110,449,784	\$ 126,868,921
Restricted	10,546,422	19,863,412	16,089,475	10,997,012	4,134,414
Unrestricted	(585,427)	(1,970,490)	5,132,312	6,599,539	3,146,226
<b>Total Governmental Activities Net Position</b>	<b>79,927,417</b>	<b>102,473,988</b>	<b>116,910,996</b>	<b>128,046,335</b>	<b>134,149,561</b>
<b>Business-Type Activities:</b>					
Net Investment in Capital Assets	\$ 35,822,691	\$ 41,713,679	\$ 43,551,396	\$ 50,667,013	\$ 60,044,983
Restricted	8,884,770	8,891,485	9,467,404	8,310,278	10,058,922
Unrestricted	1,782,731	2,485,768	3,318,431	4,048,043	3,573,884
<b>Total Business-Type Activities Net Position</b>	<b>46,490,192</b>	<b>53,090,932</b>	<b>56,337,231</b>	<b>63,025,334</b>	<b>73,677,789</b>
<b>Primary Government:</b>					
Net Investment in Capital Assets	105,789,113	126,294,745	139,240,605	161,116,797	186,913,904
Restricted	19,431,192	28,754,897	25,556,879	19,307,290	14,193,336
Unrestricted	1,197,304	515,278	8,450,743	10,647,582	6,720,110
<b>Total Primary Government Net Position</b>	<b>\$ 126,417,609</b>	<b>\$ 155,564,920</b>	<b>\$ 173,248,227</b>	<b>\$ 191,071,669</b>	<b>\$ 207,827,350</b>

\*2023 balances restated for Error Correction related to recognition of capital assets

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<b>Expenses</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Governmental Activities:</b>					
General Government	\$ 1,663,760	\$ 1,993,190	\$ 1,726,990	\$ 1,826,621	\$ 2,097,158
Public Safety	1,458,384	1,520,388	1,910,734	1,660,379	1,797,779
Physical Environment	24,235	153,761	636,455	694,777	960,065
Transportation	1,338,002	1,374,460	1,454,529	1,456,952	1,697,138
Education	-	-	-	-	5,040,823
Economic Environment	1,037,751	920,686	1,462,544	1,677,944	1,619,974
Culture and Recreation	422,713	479,918	750,794	668,979	1,138,723
Interest on Long-Term Debt	-	2,158	80,665	452,756	601,449
<b>Total Governmental Activities Expenses</b>	<b>5,944,845</b>	<b>6,444,561</b>	<b>8,022,711</b>	<b>8,438,408</b>	<b>14,953,109</b>
<b>Business-Type Activities:</b>					
Water	1,296,406	1,378,380	1,700,291	2,032,176	1,931,183
Sewer	958,464	629,992	562,477	576,295	-
Stormwater	400,935	390,804	585,803	288,400	779,036
Building	-	-	-	-	-
<b>Total Business-Type Activities Expenses</b>	<b>2,655,805</b>	<b>2,399,176</b>	<b>2,848,571</b>	<b>2,896,871</b>	<b>2,710,219</b>
<b>Total Primary Government Expenses</b>	<b>8,600,650</b>	<b>8,843,737</b>	<b>10,871,282</b>	<b>11,335,279</b>	<b>17,663,328</b>
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
Charges for Services:					
General Government	527,858	598,817	592,250	734,227	707,334
Public Safety	167,333	2,131	34,735	47,792	54,167
Physical Environment	1,830	4,560	2,125	7,400	2,000
Transportation	156,947	11,898	10,688	21,806	1,478,574
Education	-	-	-	-	-
Natural and Economic Environment	1,589,070	3,477,186	2,116,918	2,206,618	7,501,746
Culture and Recreation	-	-	-	-	146,156
Operating Grants and Contributions	131,415	59,005	37,564	47,115	227,072
Capital Grants and Contributions	1,041,569	1,742,909	2,288,831	14,712,111	7,409,485
<b>Total Governmental Activities Program Revenues</b>	<b>3,616,022</b>	<b>5,896,506</b>	<b>5,083,111</b>	<b>17,777,069</b>	<b>17,526,534</b>
<b>Business-Type Activities:</b>					
Charges for Services:					
Water	1,292,946	1,397,965	1,518,183	1,712,142	1,940,262
Sewer	868,735	612,425	612,236	409,702	-
Stormwater	375,928	428,587	497,539	560,683	676,721
Building	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	1,510,514	2,620,219	865,050	8,349,587	6,343,068
<b>Total Business-Type Activities Program Revenues</b>	<b>4,048,123</b>	<b>5,059,196</b>	<b>3,493,008</b>	<b>11,032,114</b>	<b>8,960,051</b>
<b>Total Primary Government Program Revenues</b>	<b>7,664,145</b>	<b>10,955,702</b>	<b>8,576,119</b>	<b>28,809,183</b>	<b>26,486,585</b>

\*2023 balances restated for Error Correction related to recognition of capital assets

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<b>Net (Expenses)Revenue</b>	2015	2016	2017	2018	2019
Governmental Activities	(2,328,823)	(548,055)	(2,939,600)	9,338,661	2,573,425
Business Activities	1,392,318	2,660,020	644,437	8,135,243	6,249,832
Total Primary Government Net Expense	(936,505)	2,111,965	(2,295,163)	17,473,904	8,823,257
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental Activities:</b>					
Property Taxes	921,464	968,957	1,062,068	1,159,228	1,269,279
Sales and Use Taxes	1,133,691	1,435,637	1,715,893	2,631,542	3,250,290
Utility Taxes	898,058	942,910	1,044,888	1,085,500	1,167,609
Excise and Other Taxes	641,710	905,214	1,025,226	1,096,194	1,574,478
Unrestricted Grants and Contributions	284,328	313,529	334,332	328,259	338,437
Investment Earnings(Loss)	54,873	34,091	76,930	106,758	111,115
Other Revenues	-	-	-	-	-
Gain (Loss) on Sale of Asset	182,662	41,586	-	-	9,301
Insurance Recoveries	-	-	-	-	-
Transfers	515,386	(307,078)	(74,434)	(672,153)	(283,291)
Total Governmental Activities	4,632,172	4,334,846	5,184,903	5,735,328	7,437,218
<b>Business-Type Activities:</b>					
Investment Earnings	93,418	40,515	65,795	49,701	167,683
Other Revenues	-	-	-	-	-
Special Items	(3,822,311)	-	-	-	-
Transfers	(515,386)	307,078	74,434	672,153	283,291
Gain (Loss) on Sale of Capital Assets	-	-	-	-	6,254
Total Business-Type Activities	(4,244,279)	347,593	140,229	721,854	457,228
Total Primary Government	387,893	4,682,439	5,325,132	6,457,182	7,894,446
<b>Changes in Net Position</b>					
Governmental Activities	2,303,349	3,786,791	2,245,303	15,073,989	10,010,643
Business-Type Activities	(2,851,961)	3,007,613	784,666	8,857,097	6,707,060
Total Primary Government	\$ (548,612)	\$ 6,794,404	\$ 3,029,969	\$ 23,931,086	\$ 16,717,703

\*2023 balances restated for Error Correction related to recognition of capital assets

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Expenses	2020	2021	2022	2023*	2024
<b>Governmental Activities:</b>					
General Government	\$ 2,526,983	\$ 2,549,951	\$ 2,712,080	\$ 2,910,287	\$ 4,001,550
Public Safety	1,961,563	2,063,594	3,136,523	3,361,488	4,730,821
Physical Environment	1,048,973	1,234,000	1,209,287	1,502,019	1,859,101
Transportation	1,977,909	3,231,532	3,131,934	4,206,012	6,989,131
Education	6,267,843	7,525,749	5,210,205	3,915,258	3,629,200
Economic Environment	1,596,583	1,534,808	2,099,723	3,134,675	6,243,305
Culture and Recreation	1,168,787	1,261,357	1,770,022	2,034,547	2,020,308
Interest on Long-Term Debt	624,068	682,132	682,337	682,923	1,697,370
Total Governmental Activities Expenses	17,172,709	20,083,124	19,952,111	21,747,209	31,170,786
<b>Business-Type Activities:</b>					
Water	2,245,638	2,620,755	2,740,591	2,945,576	3,246,228
Sewer	-	-	-	-	-
Stormwater	862,000	1,181,120	1,208,940	1,620,660	1,770,562
Building	-	-	-	-	3,246,360
Total Business-Type Activities Expenses	3,107,638	3,801,875	3,949,531	4,566,236	8,263,150
Total Primary Government Expenses	20,280,347	23,884,999	23,901,642	26,313,445	39,433,936
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
Charges for Services:					
General Government	808,673	993,962	922,658	1,656,746	1,925,177
Judicial	-	-	-	-	-
Public Safety	1,492	63,497	40,925	54,644	31,641
Physical Environment	6,225	4,425	6,825	11,525	9,150
Transportation	26,497	690,342	86,657	19,608	22,478
Education	-	-	-	-	-
Natural and Economic Environment	8,012,097	10,231,371	8,099,774	5,162,339	4,539,304
Culture and Recreation	41,817	16,318	8,934	16,130	-
Operating Grants and Contributions	149,184	1,401,635	1,348,801	151,750	289,141
Capital Grants and Contributions	11,302,101	18,085,814	8,755,424	14,203,387	19,507,980
Total Governmental Activities Program Revenues	20,348,087	31,487,364	19,269,998	21,276,129	26,324,871
<b>Business-Type Activities:</b>					
Charges for Services:					
Water	2,285,371	2,745,740	2,687,584	2,955,825	3,145,853
Sewer	-	-	-	-	-
Stormwater	849,327	977,261	1,134,921	1,225,293	1,520,633
Building	-	-	-	-	2,175,562
Operating Grants and Contributions	37,787	-	-	-	130,000
Capital Grants and Contributions	6,489,955	6,691,183	3,447,567	5,428,939	7,998,232
Total Business-Type Activities Program Revenues	9,662,440	10,414,184	7,270,072	9,610,057	14,970,280
Total Primary Government Program Revenues	30,010,527	41,901,548	26,540,070	30,886,186	41,295,151

\*2023 balances restated for Error Correction related to recognition of capital assets

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<b>Net (Expenses)Revenue</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Governmental Activities	3,175,378	11,404,240	(682,113)	(471,080)	(4,845,915)
Business Activities	6,554,802	6,612,309	3,320,541	5,043,821	6,707,130
Total Primary Government Net Expense	9,730,180	18,016,549	2,638,428	4,572,741	1,861,215
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental Activities:</b>					
Property Taxes	1,477,122	1,723,498	1,940,632	2,212,535	2,330,629
Sales and Use Taxes	3,154,153	4,079,250	4,401,993	4,337,179	5,223,383
Utility Taxes	1,343,885	1,548,443	1,813,911	1,978,697	2,148,778
Excise and Other Taxes	1,932,228	3,388,904	2,826,071	2,372,887	2,944,828
Unrestricted Grants and Contributions	714,074	429,763	277,994	311,231	349,627
Investment Earnings(Loss)	163,909	(27,527)	(342,028)	1,137,010	1,343,194
Other Revenues	-	-	-	-	-
Gain (Loss) on Sale of Asset	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-
Transfers	(118,375)	-	(4,799)	(978,570)	(1,149,716)
Total Governmental Activities	8,666,996	11,142,331	10,913,774	11,370,969	13,190,723
<b>Business-Type Activities:</b>					
Investment Earnings	83,781	(11,569)	(171,461)	566,117	537,552
Other Revenues	-	-	-	-	-
Special Items	-	-	-	-	-
Transfers	118,375	-	4,799	978,570	1,149,716
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-
Total Business-Type Activities	202,156	(11,569)	(166,662)	1,544,687	1,687,268
Total Primary Government	8,869,152	11,130,762	10,747,112	12,915,656	14,877,991
<b>Changes in Net Position</b>					
Governmental Activities	11,842,374	22,546,571	10,231,661	10,899,889	8,344,808
Business-Type Activities	6,756,958	6,600,740	3,153,879	6,588,508	8,394,398
Total Primary Government	\$ 18,599,332	\$ 29,147,311	\$ 13,385,540	\$ 17,488,397	\$ 16,739,206

\*2023 balances restated for Error Correction related to recognition of capital assets

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	2015	2016	2017	2018	2019
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	978,035	1,221,367	963,132	774,805	1,209,284
Committed	-	15,800	20,225	20,224	20,224
Assigned	328,809	343,576	369,792	426,219	445,309
Unassigned	1,020,276	1,043,207	1,052,212	1,995,424	3,227,755
Total General Fund	<u>2,327,120</u>	<u>2,623,950</u>	<u>2,405,361</u>	<u>3,216,672</u>	<u>4,902,572</u>
All Other Governmental Funds					
Restricted	6,127,372	6,055,982	10,618,656	1,203,753	3,245,828
Committed	-	-	-	-	-
Assigned	102,576	112,376	104,600	32,807	19,989
Unassigned	-	-	-	(21,524)	(16,631)
Total All Other Governmental Funds	<u>6,229,948</u>	<u>6,168,358</u>	<u>10,723,256</u>	<u>1,215,036</u>	<u>3,249,186</u>
Total Governmental Funds	<u>\$ 8,557,068</u>	<u>\$ 8,792,308</u>	<u>\$ 13,128,617</u>	<u>\$ 4,431,708</u>	<u>\$ 8,151,758</u>

**Change within the Financial Reporting Entity.** The City's building and permitting department has historically been reported as a governmental fund. In 2024 the City changed the presentation to report this fund as a proprietary fund since the fund is structured with the intention to recover all or a significant portion of their costs through user fees and charges.



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	2020	2021	2022	2023	2024
General Fund					
Nonspendable	\$ -	\$ -	\$ 4,000	\$ 4,000	\$ 5,500
Restricted	2,528,176	3,417,133	3,041,416	1,774,866	-
Committed	-	-	-	141,113	141,113
Assigned	661,928	830,502	1,261,866	1,260,936	1,407,535
Unassigned	4,153,535	6,785,311	8,120,108	7,382,169	5,486,911
Total General Fund	<u>7,343,639</u>	<u>11,032,946</u>	<u>12,427,390</u>	<u>10,563,084</u>	<u>7,041,059</u>
All Other Governmental Funds					
Restricted	7,586,851	12,582,468	11,220,615	7,344,626	22,787,963
Committed	-	-	-	-	-
Assigned	817	83,500	208,853	759,465	1,434,114
Unassigned	(3,011)	-	(61,851)	-	-
Total All Other Governmental Funds	<u>7,584,657</u>	<u>12,665,968</u>	<u>11,367,617</u>	<u>8,104,091</u>	<u>24,222,077</u>
Total Governmental Funds	<u>\$14,928,296</u>	<u>\$23,698,914</u>	<u>\$23,795,007</u>	<u>\$18,667,175</u>	<u>\$31,263,136</u>

**Change within the Financial Reporting Entity.** The City's building and permitting department has historically been reported as a governmental fund. In 2024 the City changed the presentation to report this fund as a proprietary fund since the fund is structured with the intention to recover all or a significant portion of their costs through user fees and charges.

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	2015	2016	2017	2018	2019
<b>Revenues</b>					
Taxes	\$ 3,604,752	\$ 4,272,082	\$ 4,842,202	\$ 5,962,685	\$ 7,356,743
Licenses and Permits	571,371	887,317	699,113	1,197,777	1,321,297
Intergovernmental	574,985	718,753	1,670,286	2,615,167	854,986
Charges for Services	1,429,679	2,087,290	1,919,799	3,456,419	9,623,918
Fines and Forfeits	77,104	69,682	74,750	77,866	75,774
Investment Earnings	54,873	34,091	76,928	106,758	111,115
Contributions and Donations	9,765	21,150	43,084	129,219	278,726
Miscellaneous	74,788	105,449	66,271	52,291	58,148
Total revenues	\$ 6,397,317	\$ 8,195,814	\$ 9,392,433	\$ 13,598,182	\$ 19,680,707
<b>Expenditures</b>					
General Government	\$ 1,624,211	\$ 1,867,913	\$ 1,446,622	\$ 1,507,514	\$ 1,713,780
Public Safety	1,316,655	1,435,563	1,518,246	1,686,271	1,808,895
Physical Environment	21,773	151,299	639,376	693,849	959,593
Transportation	459,800	443,213	520,073	482,734	506,915
Economic Environment	1,029,226	880,661	1,456,227	1,671,046	1,657,657
Education	-	-	-	-	5,040,823
Culture and Recreation	342,501	361,542	360,222	411,949	554,379
Capital Outlay	998,493	2,565,446	9,860,313	23,639,190	3,966,578
Debt Service					
Principal Retirement	-	-	15,727	768,408	334,856
Interest Charges	-	-	4,497	516,144	595,552
Bond Issuance Costs	-	-	109,046	99,229	-
Total Expenditures	\$ 5,792,659	\$ 7,705,637	\$ 15,930,349	\$ 31,476,334	\$ 17,139,028
Excess of Revenues Over/(Under) Expenditures	\$ 604,658	\$ 490,177	\$ (6,537,916)	\$ (17,878,152)	\$ 2,541,679
<b>Other Financing Sources (Uses)</b>					
Insurance Recoveries	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	1,098,353	2,164,807	10,053,981	19,432,334	2,970,773
Transfers Out	(1,173,084)	(2,471,885)	(10,128,415)	(19,423,536)	(3,207,213)
Issuance of Debt	-	-	9,455,000	6,705,000	-
Premium on Debt Issued	-	-	541,167	394,533	-
Capital Lease Purchase	-	-	-	2,072,912	1,400,336
Sale of Capital Assets	760,714	41,586	970,360	-	14,475
Total Other Financing Sources (Uses)	685,983	(265,492)	10,892,093	9,181,243	1,178,371
Net Change in Fund Balances	\$ 1,290,641	\$ 224,685	\$ 4,354,177	\$ (8,696,909)	\$ 3,720,050
Debt Service as a Percentage of Noncapital Expenditures*	0.00%	0.00%	2.05%	13.60%	6.89%

**Change within the Financial Reporting Entity.** The City's building and permitting department has historically been reported as a governmental fund. In 2024 the City changed the presentation to report this fund as a proprietary fund since the fund is structured with the intention to recover all or a significant portion of their costs through user fees and charges.

\*This ratio was calculated by dividing the debt service (principal and interest) by the non-capital expenditures.

Non-capital expenditures were calculated by subtracting capital outlay and constructed assets from total expenditures.

Refer to Note 2.B Reconciliation of Government-Wide and Fund Financial Statements for capital outlay and constructed assets used in formula

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	2020	2021	2022	2023	2024
<b>Revenues</b>					
Taxes	\$ 7,902,496	\$ 10,737,923	\$ 10,982,842	\$ 10,902,562	\$ 12,650,782
Licenses and Permits	2,138,144	2,046,828	1,373,356	1,191,038	121,911
Intergovernmental	1,175,436	2,522,834	2,192,623	6,530,835	5,248,460
Charges for Services	11,769,334	13,897,730	9,358,149	7,301,328	6,102,170
Fines and Forfeits	58,241	68,129	59,558	59,462	83,156
Investment Earnings	163,910	(27,526)	(379,533)	1,143,927	1,365,471
Contributions and Donations	110,900	12,920	29,312	359,964	251,045
Miscellaneous	127,492	184,196	117,763	101,013	224,887
Total revenues	\$ 23,445,953	\$ 29,443,034	\$ 23,734,070	\$ 27,590,129	\$ 26,047,882
<b>Expenditures</b>					
General Government	\$ 1,997,373	\$ 2,266,185	\$ 2,707,584	\$ 3,148,679	\$ 3,311,886
Public Safety	1,931,774	2,301,009	2,961,747	3,425,323	4,045,204
Physical Environment	1,057,432	1,235,918	1,201,679	1,576,409	1,838,706
Transportation	723,736	823,082	943,858	1,165,003	1,473,717
Economic Environment	1,631,856	1,725,282	2,192,487	3,192,986	318,774
Education	6,267,843	7,525,749	5,210,205	3,915,258	3,629,200
Culture and Recreation	511,742	512,895	723,885	1,003,971	1,191,358
Capital Outlay	5,471,491	4,249,441	6,290,745	15,540,050	23,167,615
Debt Service					
Principal Retirement	316,281	809,709	1,163,845	1,739,667	1,821,088
Interest Charges	656,137	723,188	709,261	704,443	1,359,299
Bond Issuance Costs	38,750	-	-	-	363,281
Total Expenditures	\$ 20,604,415	\$ 22,172,458	\$ 24,105,296	\$ 35,411,789	\$ 42,520,128
Excess of Revenues Over/(Under) Expenditures	\$ 2,841,538	\$ 7,270,576	\$ (371,226)	\$ (7,821,660)	\$ (16,472,246)
<b>Other Financing Sources (Uses)</b>					
Insurance Recoveries	\$ -	\$ 39,829	\$ -	\$ -	\$ -
Transfers In	5,826,130	3,794,080	6,646,808	7,816,043	7,086,460
Transfers Out	(5,826,130)	(3,794,080)	(6,651,607)	(8,084,643)	(8,236,176)
Issuance of Debt	3,935,000	1,271,412	472,118	2,943,553	28,865,337
Premium on Debt Issued	-	-	-	-	3,243,927
Capital Lease Purchase	-	-	-	18,875	-
Sale of Capital Assets	-	188,801	-	-	-
Total Other Financing Sources (Uses)	3,935,000	1,500,042	467,319	2,693,828	30,959,548
Net Change in Fund Balances	\$ 6,776,538	\$ 8,770,618	\$ 96,093	\$ (5,127,832)	\$ 14,487,302
Debt Service as a Percentage of Noncapital Expenditures*	6.50%	7.98%	10.06%	12.00%	15.18%

**Change within the Financial Reporting Entity.** The City's building and permitting department has historically been reported as a governmental fund. In 2024 the City changed the presentation to report this fund as a proprietary fund since the fund is structured with the intention to recover all or a significant portion of their costs through user fees and charges.

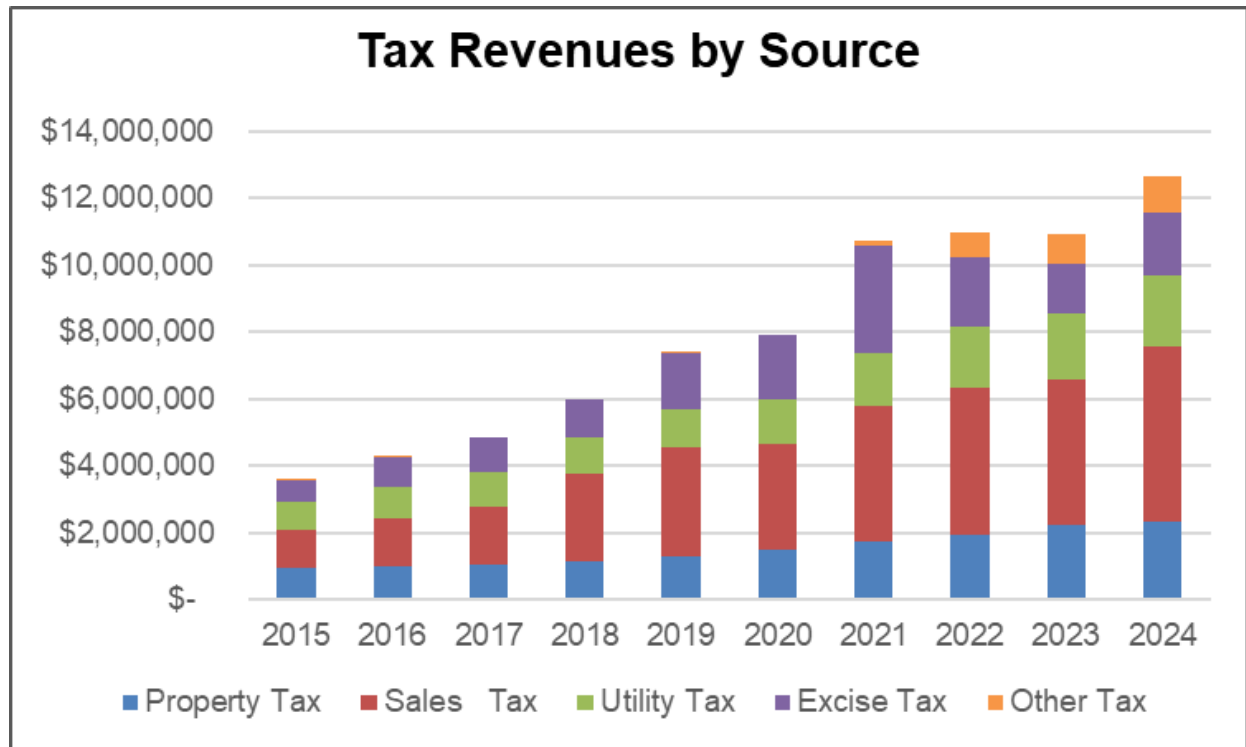
\*This ratio was calculated by dividing the debt service (principal and interest) by the non-capital expenditures. Non-capital expenditures were calculated by subtracting capital outlay and constructed assets from total expenditures. Refer to Note 2.B Reconciliation of Government-Wide and Fund Financial Statements for capital outlay and constructed assets used in formula

**CITY OF RIDGEFIELD, WASHINGTON**  
**Financial Trends**

City of Ridgefield, Washington  
 General Governmental Tax Revenues by Source  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Utility Tax	Excise Tax	Other Tax	Total
2015	\$ 921,464	\$ 1,133,691	\$ 854,999	\$ 641,711	\$ 43,058	\$ 3,594,923
2016	968,957	1,435,637	942,910	905,185	29	4,252,718
2017	1,062,068	1,715,893	1,044,888	1,025,226	-	4,848,075
2018	1,149,449	2,631,542	1,085,500	1,096,194	-	5,962,685
2019	1,288,393	3,250,290	1,167,609	1,645,324	5,127	7,356,743
2020	1,472,230	3,154,153	1,343,885	1,932,228	-	7,902,496
2021	1,721,326	4,079,250	1,548,443	3,221,297	167,607	10,737,923
2022	1,941,010	4,401,993	1,813,768	2,081,558	744,513	10,982,842
2023	2,213,832	4,337,179	1,978,664	1,490,525	882,362	10,902,562
2024	2,333,788	5,223,383	2,148,778	1,872,677	1,072,151	12,650,777

Source: City of Ridgefield Finance Department



**CITY OF RIDGEFIELD, WASHINGTON**  
**Revenue Capacity**

City of Ridgefield, Washington  
Principal Retail Sales Taxpayers  
Current Year and Ten Years Ago

2024					2015				
Taxpayer	Rank	Total Taxable Sales	Percentage of Top Ten	Percentage of Total Retail Taxable Sales	Taxpayer	Rank	Total Taxable Sales	Percentage of Top Ten	Percentage of Total Retail Taxable Sales
Costco Wholesale Corporation	1	\$ 32,351,491	19.49%	6.21%	Tapani, Inc.	1	\$ 13,132,756	35.37%	11.10%
Mortenson Construction	2	26,059,615	15.70%	5.00%	WA State Department of Licensing	2	7,839,228	21.11%	6.63%
Jackson Dean Construction, Inc.	3	26,055,769	15.69%	5.00%	PARR Lumber Company	3	4,450,650	11.99%	3.76%
Amazon.Com Services Inc. - MP	4	22,073,407	13.30%	4.24%	Pacific Power Group, LLC	4	2,471,810	6.66%	2.09%
Amazon.Com Services, LLC	5	12,846,603	7.74%	2.47%	Cory E Wells	5	1,971,950	5.31%	1.67%
Rotschy, LLC	6	12,411,020	7.48%	2.38%	Probuild Company, LLC	6	1,832,807	4.94%	1.55%
Pahlisch Homes, Inc.	7	9,225,052	5.56%	1.77%	Rotschy, Inc.	7	1,486,921	4.00%	1.26%
PARR Lumber Company	8	8,880,354	5.35%	1.70%	Prairie Electric, Inc.	8	1,328,207	3.58%	1.12%
Rosauers Food & Drug Center	9	8,763,412	5.28%	1.68%	Dollar Tree Sourcing Company, LLC	9	1,316,609	3.55%	1.11%
Dollar Tree Sourcing Company, LLC	10	7,347,497	4.42%	1.41%	Team Construction, LLC	10	1,299,547	3.50%	1.10%
Total of top ten taxpayers		\$ 166,014,220	100.00%	31.88%	Total of top ten taxpayers		\$ 37,130,485	100.00%	31.38%
Total taxable retail sales		\$ 520,907,250			Total taxable retail sales		\$ 118,311,109		

Source: Washington State Department of Revenue

2024 taxable retail sales tax information was not released prior to preparation of the 2024 financial statements. 4th quarter total sales were estimated

**CITY OF RIDGEFIELD, WASHINGTON**  
**Revenue Capacity**

City of Ridgefield, Washington  
 Retail Sales/Use Tax Rates  
 Direct and Overlapping Governments  
 Last Ten Fiscal Years

Retail Sales and Use Tax Rate					Overlapping Tax Rate			
Fiscal Year Ended December 31	City Basic (0.5%) and Optional (0.5%) Sales and Use Tax	City Transportation Benefit District Sales and Use Tax	State Retail Sales and Use Tax	County Public Transportation Benefit Area Sales and Use Tax	County Public Safety Sales and Use Tax	County Criminal Justice Sales and Use Tax	County Mental Health Sales and Use Tax	Overlapping Sales and Use Tax Rate
2015	1.0%	0.0%	6.5%	0.7%	0.0%	0.1%	0.1%	8.4%
2016	1.0%	0.0%	6.5%	0.7%	0.0%	0.1%	0.1%	8.4%
2017	1.0%	0.0%	6.5%	0.7%	0.0%	0.1%	0.1%	8.4%
2018	1.0%	0.0%	6.5%	0.7%	0.0%	0.1%	0.1%	8.4%
2019	1.0%	0.0%	6.5%	0.7%	0.0%	0.1%	0.1%	8.4%
2020	1.0%	0.0%	6.5%	0.7%	0.0%	0.1%	0.1%	8.4%
2021	1.0%	0.0%	6.5%	0.7%	0.0%	0.1%	0.1%	8.4%
2022	1.0%	0.2%	6.5%	0.7%	0.0%	0.1%	0.1%	8.6%
2023	1.0%	0.2%	6.5%	0.7%	0.1%	0.1%	0.1%	8.7%
2024	1.0%	0.2%	6.5%	0.7%	0.1%	0.1%	0.1%	8.7%

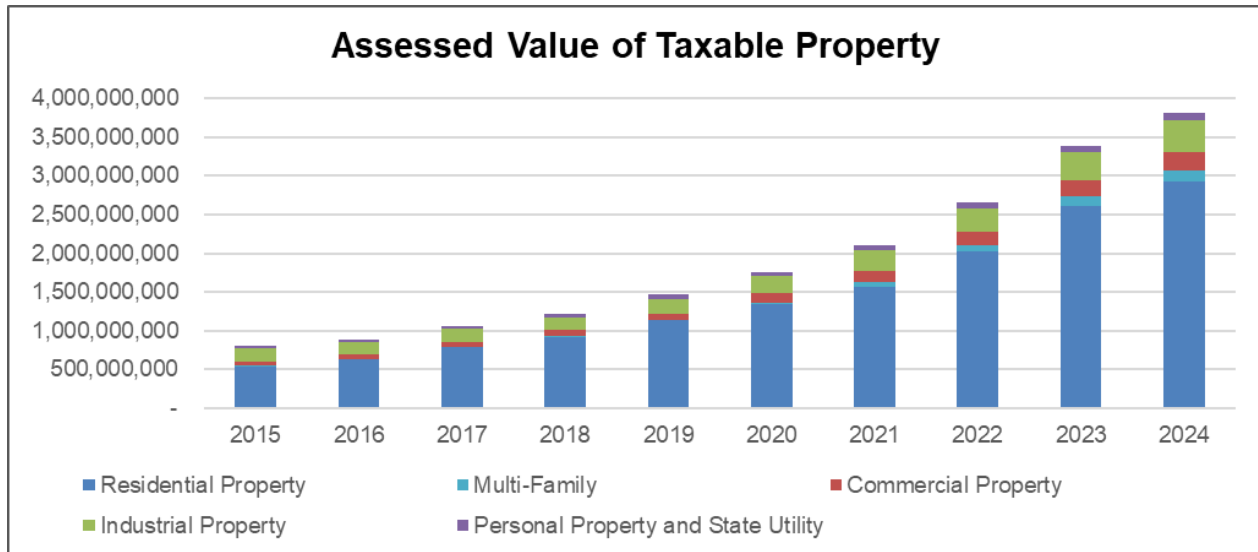
Source: Washington State Department of Revenue

**CITY OF RIDGEFIELD, WASHINGTON**  
**Revenue Capacity**

City of Ridgefield, Washington  
 Actual Assessed Value of Taxable Property  
 Last Ten Fiscal Years

Fiscal Year Ended December 31,	Residential Property	Multi-Family	Commercial Property	Industrial Property	Personal Property and State Utility	Total Taxable Assessed Value	Total Tax Rate
2015	\$ 545,134,082	\$ 3,198,300	\$58,194,332	\$164,119,339	\$29,350,308	\$ 799,996,361	\$ 1.1435122890
2016	629,875,412	3,518,130	57,987,789	164,612,056	34,245,646	890,239,033	1.0790219642
2017	785,314,187	3,577,200	63,527,292	177,891,635	32,141,589	1,062,451,903	0.9905237941
2018	925,136,283	3,887,400	78,441,327	168,744,947	40,188,832	1,216,398,789	0.9369808078
2019	1,132,569,374	7,848,009	85,042,759	189,778,154	48,213,899	1,463,452,195	0.8572277279
2020	1,345,593,930	21,966,896	114,768,909	221,687,971	50,406,576	1,754,424,282	0.8217600411
2021	1,558,033,943	68,812,191	138,399,395	280,802,154	60,776,861	2,106,824,544	0.7878036806
2022	2,027,959,643	81,919,213	159,098,162	309,629,590	77,951,011	2,656,557,619	0.7247112790
2023	2,609,165,238	127,268,570	198,611,346	371,415,401	72,703,505	3,379,164,060	0.6510208534
2024	2,924,573,229	138,925,251	241,263,237	403,885,189	99,694,223	3,808,341,129	0.6123457828

Source: Clark County Assessor's Office



**CITY OF RIDGEFIELD, WASHINGTON**  
**Revenue Capacity**

City of Ridgefield, Washington  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years

Assessed Year	Collection Year	Direct Tax Rate			Overlapping Tax Rate						Overlapping Rate
		City Regular	City Debt	Total City	School District	Port of Ridgefield	State County	Fire District	Library	Total	
2014	2015	\$ 1.14	-	\$ 1.14	\$ 3.52	\$ 0.23	\$ 3.63	\$ 1.65	\$ 0.47	\$ 10.64	\$ 9.49
2015	2016	1.08	-	1.08	3.38	0.22	3.40	1.65	0.45	10.18	9.10
2016	2017	0.99	-	0.99	3.41	0.20	3.20	1.54	0.42	9.76	8.77
2017	2018	0.94	-	0.94	4.34	0.19	4.05	1.62	0.39	11.53	10.59
2018	2019	0.86	-	0.86	3.45	0.17	3.56	1.55	0.36	9.95	9.09
2019	2020	0.82	-	0.82	3.35	0.17	3.88	1.48	0.35	10.05	9.23
2020	2021	0.79	-	0.79	3.19	0.16	3.94	1.49	0.34	9.91	9.12
2021	2022	0.72	-	0.72	3.00	0.14	3.65	1.44	0.32	9.27	8.55
2022	2023	0.65	-	0.65	2.66	0.13	3.13	1.32	0.28	8.17	7.52
2023	2024	0.61	-	0.61	2.54	0.12	3.02	1.73	0.27	8.29	7.68

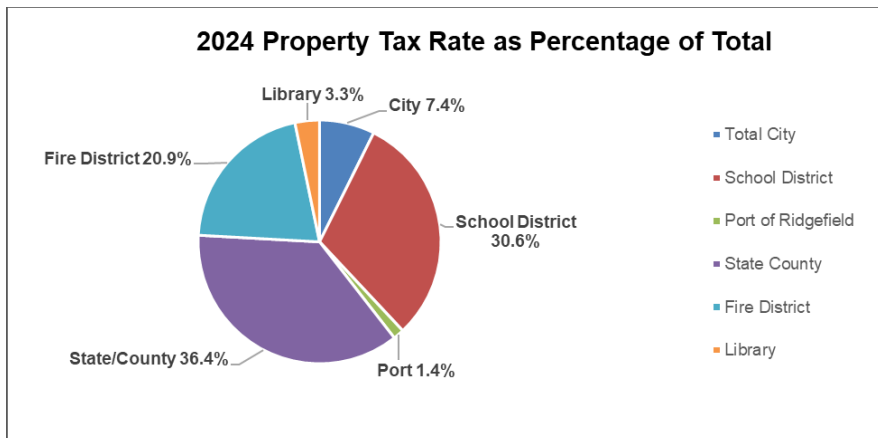
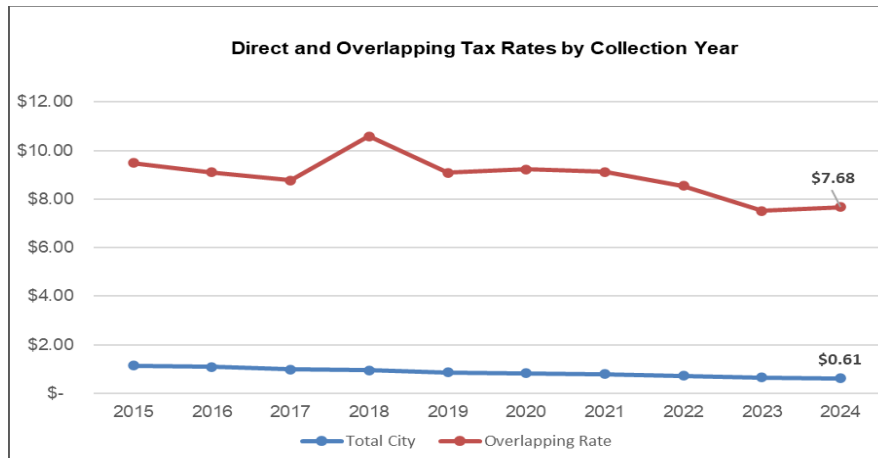
Diking and Mosquito Districts are not included

Source: Clark County Assessor's Office

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

County levy includes Conservation Futures

Overlapping rates are those of local and county governments that apply to property owners within the City of Ridgefield





**CITY OF RIDGEFIELD, WASHINGTON**  
**Revenue Capacity**

City of Ridgefield, Washington  
Principal Property Taxpayers  
Current Year and Ten Years Ago

2024					2015				
Taxpayer	Rank	Assessed Valuation	Percentage of Top Ten	Percentage of Total Assessed Valuation	Taxpayer	Rank	Assessed Valuation	Percentage of Top Ten	Percentage of Total Assessed Valuation
United Natural Foods, Inc.	1	\$ 110,130,390	25.43%	2.89%	Dollar Tree Distribution, Inc.	1	\$ 30,975,624	24.65%	3.87%
Pioneer 45, LLC	2	78,662,900	18.16%	2.07%	United Natural Foods, Inc.	2	18,763,750	14.93%	2.35%
Dollar Tree Distribution, LLC	3	47,912,576	11.06%	1.26%	Peacehealth	3	14,481,100	11.53%	1.81%
RREEF CPIF Ridgefield Industrial, LLC	4	47,716,209	11.02%	1.25%	Pacific Detroit Realty, Inc	4	14,388,550	11.45%	1.80%
Legacy Trails, LLC	5	32,106,700	7.41%	0.84%	Ridgefield HQ, LLC	5	10,624,400	8.46%	1.33%
Ridgefield East Development, LLC	6	27,660,220	6.39%	0.73%	Elkhart Plastics, Inc	6	8,676,300	6.91%	1.08%
Ridgefield HQ, LLC	7	24,692,863	5.70%	0.65%	Buchan Development LLC	7	7,573,500	6.03%	0.95%
The Alpaca Group	8	23,233,199	5.36%	0.61%	KMR Group-89, LLC	8	7,046,100	5.61%	0.88%
Masons Supply Company	9	20,832,485	4.82%	0.55%	Union Ridge 5, LLC	9	6,684,700	5.33%	0.84%
MCD Properties, LLC	10	20,198,438	4.66%	0.53%	Corwin Beverage Company	10	6,431,635	5.12%	0.80%
Total of top ten taxpayers		\$ 433,145,980	100.00%	11.38%	Total of top ten taxpayers		\$ 125,645,659	100.00%	15.71%
Total Taxable Assessed Value		\$ 3,808,341,129			Total Taxable Assessed Value		\$ 799,996,361		

Source: Clark County Assessor's Office

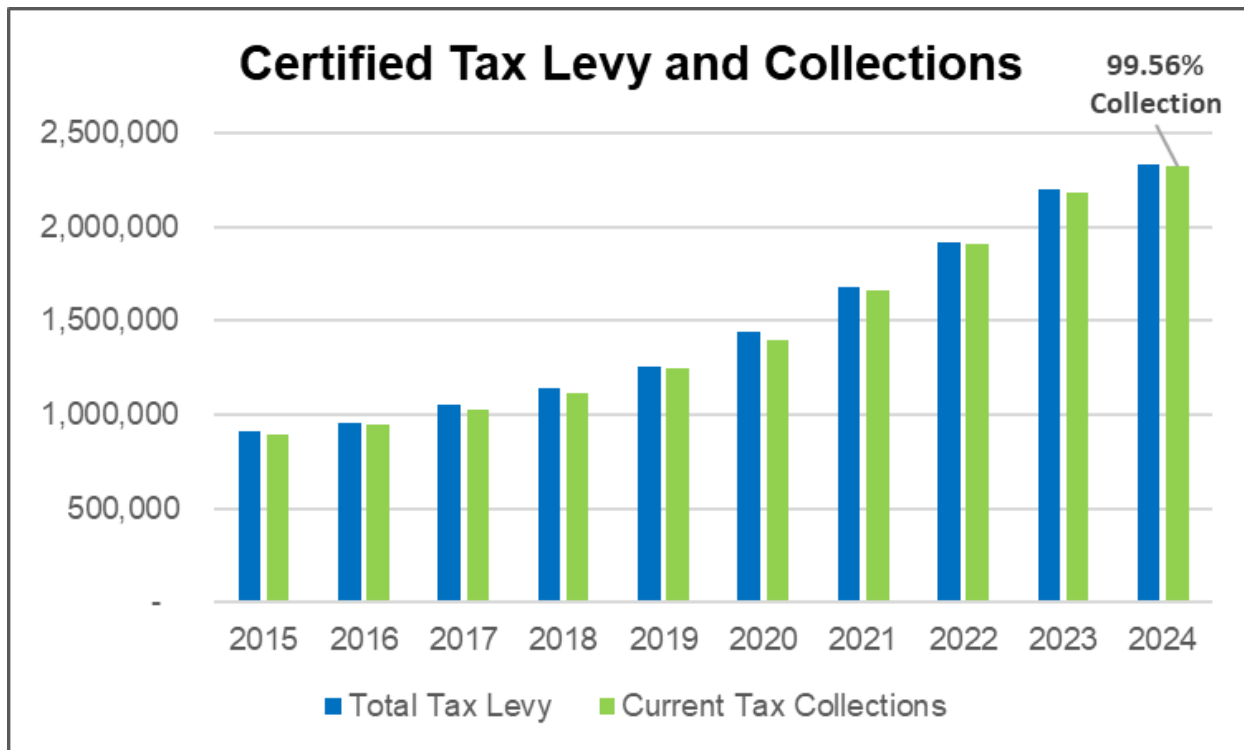
**CITY OF RIDGEFIELD, WASHINGTON**  
**Revenue Capacity**

City of Ridgefield, Washington  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Collections in Subsequent Years	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2015	\$ 914,639	\$ 896,172	97.98%	\$ 18,467	\$ 914,639	100.00%	-	0.00%
2016	960,587	948,706	98.76%	11,881	960,587	100.00%	-	0.00%
2017	1,052,384	1,029,874	97.86%	22,214	1,052,089	99.97%	295	0.03%
2018	1,139,742	1,117,839	98.08%	20,675	1,138,514	99.89%	1,228	0.11%
2019	1,254,512	1,244,413	99.19%	9,943	1,254,356	99.99%	464	0.04%
2020	1,441,716	1,393,831	96.68%	47,881	1,441,712	100.00%	4	0.00%
2021	1,680,048	1,664,651	99.08%	15,352	1,680,004	100.00%	811	0.05%
2022	1,920,286	1,905,607	99.24%	13,278	1,918,885	99.93%	4,041	0.21%
2023	2,201,315	2,182,520	99.15%	14,595	2,197,114	99.81%	18,795	0.85%
2024	2,331,310	2,320,988	99.56%	-	2,320,988	99.56%	10,322	0.44%

Basis for property tax rates is per \$1,000 of assessed valuation

Source: Clark County Assessor's Office



**CITY OF RIDGEFIELD, WASHINGTON**  
**Debt Capacity**

City of Ridgefield, Washington  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

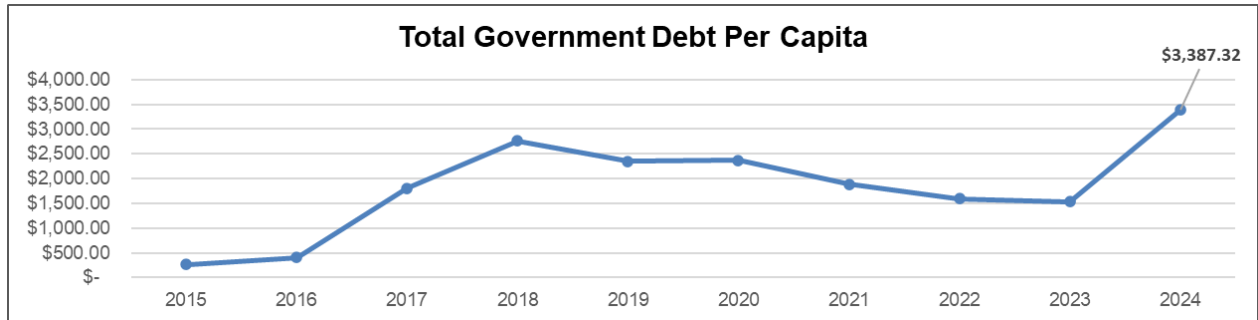
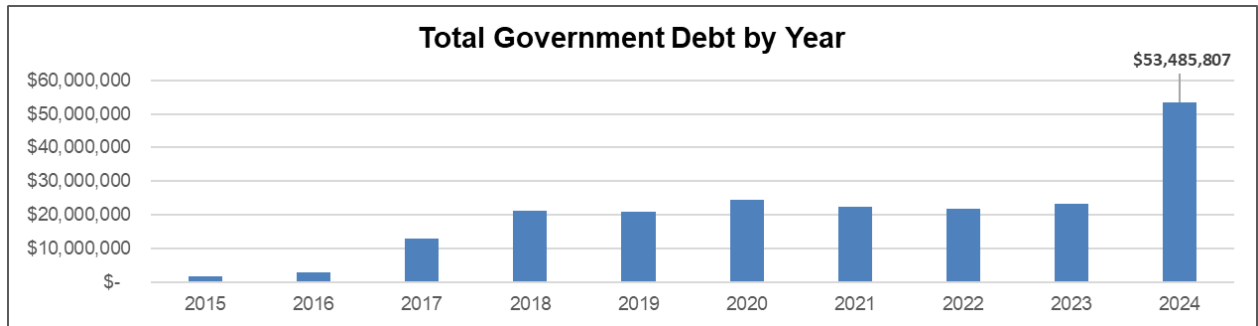
Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income (1)	* Total City Personal Income	Per Capita (2)
	General Obligation Bonds	Premiums	Government Loans	Leases	SBITA	Water/Sewer Revenue Bonds	Premiums	Government Loans	Leases	SBITA				
2015	\$ -	\$ -	\$ 92,030	\$ -	\$ -	\$ 1,555,000	\$ 12,797	\$ 37,963	\$ -	\$ -	\$ 1,697,790	0.57%	\$ 298,336,000	\$ 265.28
2016	-	-	92,030	-	-	-	-	2,716,914	-	-	2,808,944	0.88%	320,245,050	409
2017	9,455,000	536,682	76,303	-	-	-	-	3,005,637	-	-	13,073,622	3.73%	350,940,910	1,807
2018	16,160,000	902,094	57,895	1,322,912	-	-	-	2,847,446	-	-	21,290,347	5.45%	390,843,830	2,763
2019	15,965,000	864,987	39,048	1,279,326	-	-	-	2,689,254	39,713	-	20,877,328	4.41%	473,036,100	2,347
2020	19,700,000	827,880	-	1,202,094	-	-	-	2,658,006	39,303	-	24,427,283	4.26%	573,481,475	2,366
2021	19,438,000	790,773	750,000	1,175,796	-	-	-	277,616	38,878	-	22,471,063	3.26%	688,719,570	1,887
2022	18,690,000	753,667	899,801	1,082,268	-	-	-	262,193	38,440	-	21,726,369	2.51%	867,231,200	1,593
2023	17,926,000	716,560	903,023	2,974,394	430,888	-	-	246,770	37,985	53,902	23,289,522	2.34%	994,077,480	1,534
2024	45,121,000	3,859,774	480,648	3,311,055	361,956	-	-	231,347	37,514	82,513	53,485,807	4.89%	1,094,531,220	3,387

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

(1) Personal income was calculated by multiplying the County's per capita income by the City's population

(2) See the Schedule of Demographic and Economic Statistics on page 128 for County per capita and population data

\* County per capita information was not released prior to preparation of the 2024 Financial Statements. 2023 per capita personal income was used.



**CITY OF RIDGEFIELD, WASHINGTON**  
**Debt Capacity**

City of Ridgefield, Washington  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year	Assessed Value (1)	General Obligation Bonds	Less: Amounts Available for Debt Service (2)	Net Bonded Debt	Percentage of Bonded Debt to Assessed Values (3)	Per Capita (4)
2015	\$ 799,996,361	\$ 1,555,000	\$ -	\$ 1,555,000	0.19%	\$ 243
2016	890,239,033	-	-	-	0.00%	-
2017	1,062,451,903	9,455,000	-	9,455,000	0.89%	1,307
2018	1,216,398,789	16,160,000	-	16,160,000	1.33%	2,097
2019	1,463,452,195	15,965,000	-	15,965,000	1.09%	1,795
2020	1,754,424,282	19,700,000	-	19,700,000	1.12%	1,908
2021	2,106,824,544	19,438,000	-	19,438,000	0.92%	1,632
2022	2,656,557,619	18,690,000	-	18,690,000	0.70%	1,370
2023	3,379,164,060	17,926,000	-	17,926,000	0.53%	1,181
2024	3,808,341,129	45,121,000	2,510,871	42,610,129	1.12%	2,699

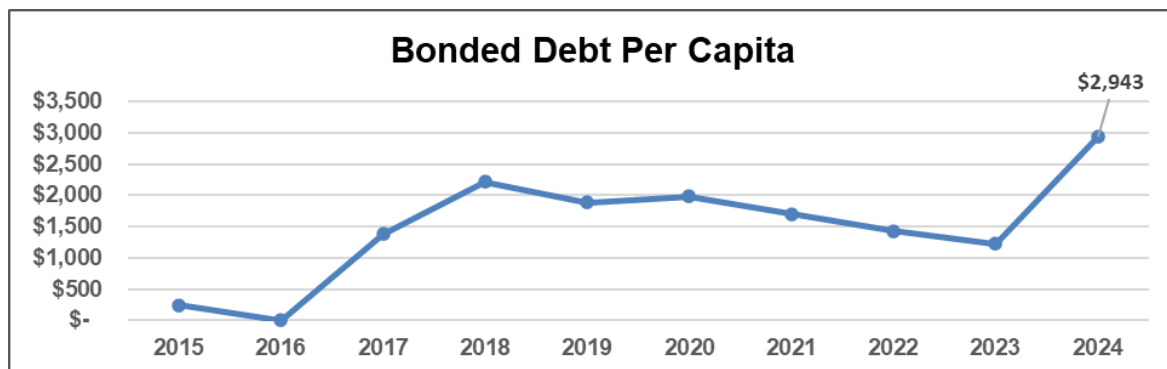
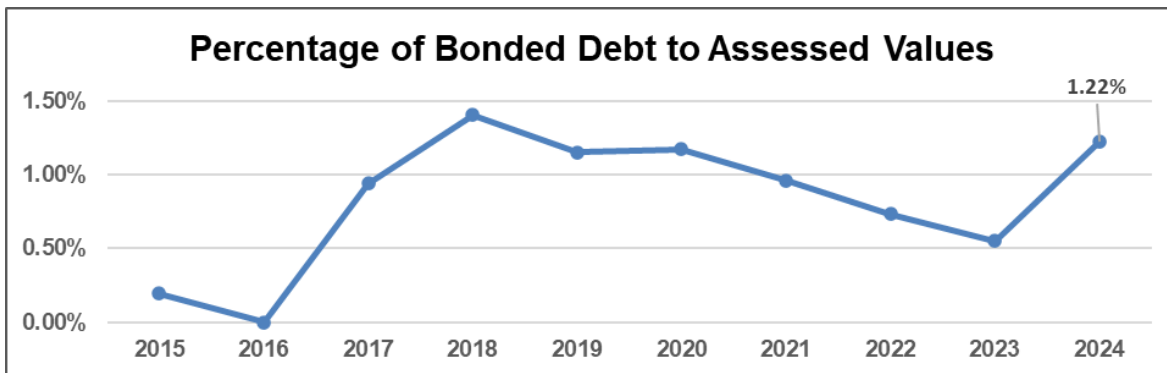
(1) Source: Clark County Assessor's Office

(2) Amounts Available for Debt Service includes Real Estate Excise Tax Fund Balance

(3) See the Schedule of Actual Assessed Value of Taxable Property on page 120 for property value data

(4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 128

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements



**CITY OF RIDGEFIELD, WASHINGTON**  
**Debt Capacity**

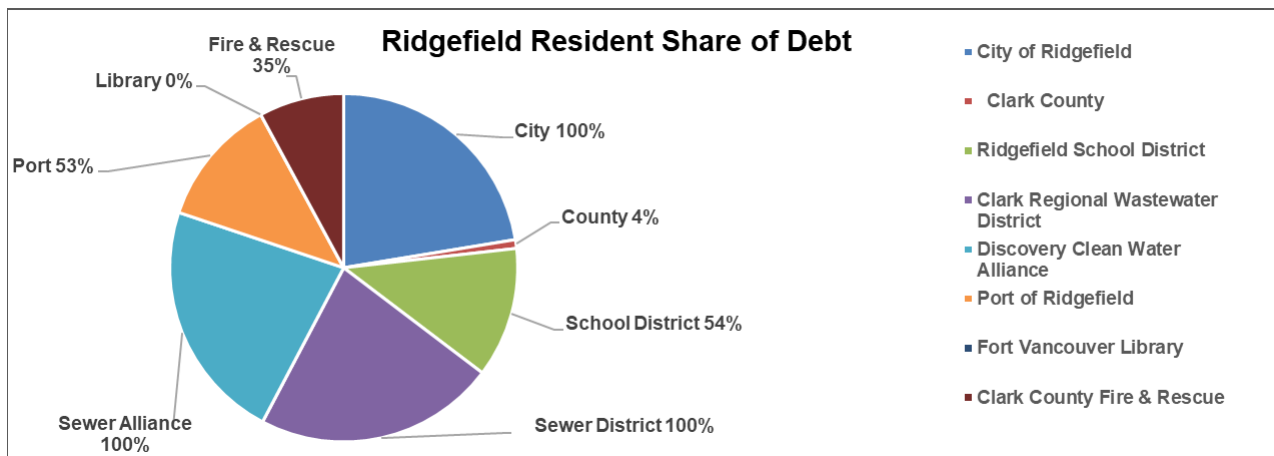
City of Ridgefield, Washington  
 Direct and Overlapping Governmental Activities Debt  
 December 31, 2024

Jurisdiction	Debt Outstanding	Debt Service Reserves	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Direct:				
City of Ridgefield	\$ 53,134,433	\$ 2,510,871	100%	\$ 50,623,562
Overlapping:				
Clark County	78,833,366	-	4%	2,854,751
Ridgefield School District	87,385,000	1,052,999	54%	46,546,835
Clark Regional Wastewater District	4,097,025	-	100%	4,097,025
Discovery Clean Water Alliance	-	-	100%	-
Port of Ridgefield	5,596,265	1,019,104	53%	2,440,857
Fort Vancouver Library	11,060,000	1,190	0%	-
Clark County Fire & Rescue	3,061,766	12,762,814	35%	-
Subtotal, overlapping debt	\$ 190,033,422			\$ 55,939,468
Total direct and overlapping debt	\$ 243,167,855			\$ 106,563,030

Source: Clark County Treasurer's Office  
 Clark Regional Wastewater District  
 Discovery Clean Water Alliance  
 City of Ridgefield Finance Department

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Ridgefield. This process recognizes that, when considering the City's ability to issue and re-pay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the jurisdiction taxable value that is within the City's boundaries and dividing it by the jurisdiction's total taxable assessed value.



**CITY OF RIDGEFIELD, WASHINGTON**  
**Debt Capacity**

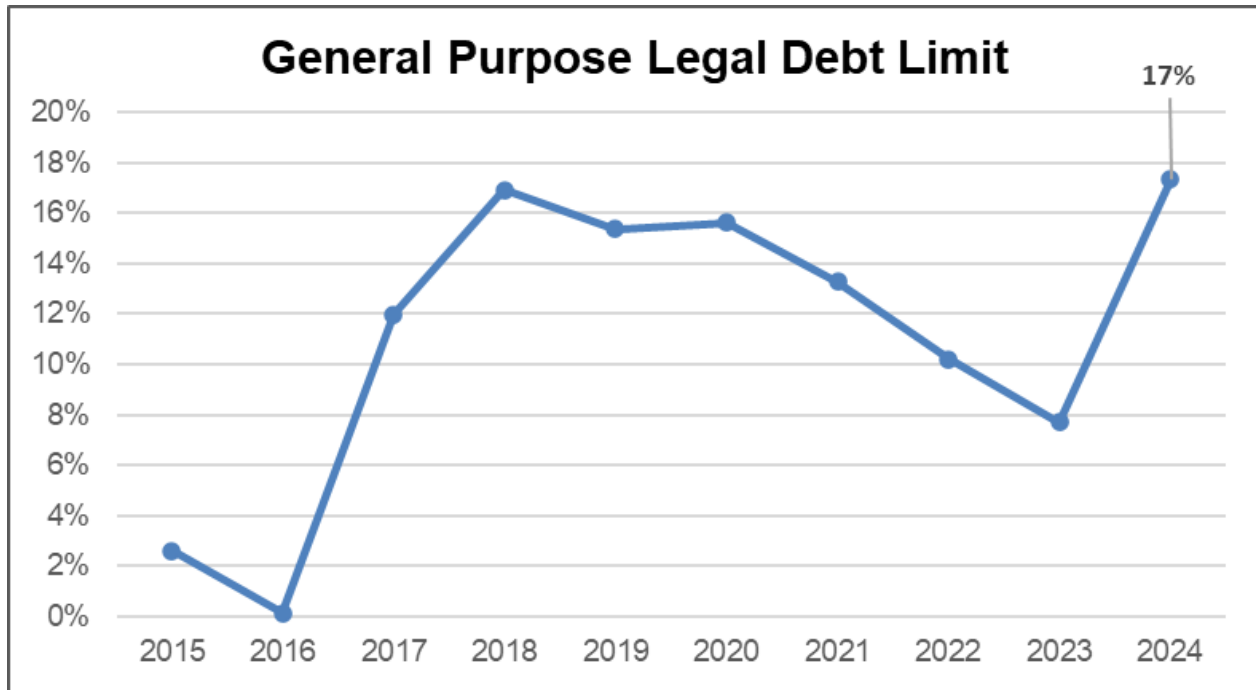
City of Ridgefield, Washington  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$59,999,727	\$66,767,927	\$79,683,893	\$ 91,229,909	\$ 109,758,915	\$ 131,581,821	\$ 158,011,841	\$199,241,821	\$253,437,305	\$285,625,585
Total net debt applicable to limit	1,567,797	92,030	9,531,302	15,429,620	16,848,811	20,527,880	20,978,773	20,343,468	18,829,023	45,601,648
Legal debt margin	\$58,431,930	\$66,675,897	\$70,152,591	\$ 75,800,289	\$ 92,910,104	\$ 111,053,941	\$ 137,033,068	\$178,898,353	\$234,608,282	\$240,023,937
Total net debt applicable to the limit as a percentage of debt limit	3%	0%	12%	17%	15%	16%	13%	10%	7%	16%

**Legal Debt Margin Calculation for Fiscal Year 2024**

Assessed Value	\$ 3,808,341,129
Debt limit (7.5% of total assessed value)	285,625,585
Debt applicable to limit:	
General obligation bonds	45,121,000
Less: Amount set aside for repayment of general obligation debt	-
Notes	480,648
Total net debt applicable to limit	45,601,648
<b>Legal Debt Margin</b>	<b>\$ 240,023,937</b>

Note: The City of Ridgefield is authorized to issue debt pursuant to the Acts of the State of Washington. With voter approval the City can issue debt up to 2.5 percent of the assessed valuation of taxable property within the City. Without a vote, the City can incur debt up to an amount equal to 1.5 percent of the assessed valuation. Further, voted indebtedness is permitted for water, artificial lights, and sewerage up to 2.5 percent of assessed valuation, with an additional 2.5 percent available for acquiring open space for park facilities. The combination of unlimited tax (vote) and limited tax (non-voted) general obligation debt for all purposes cannot exceed 7.5 percent of assessed valuation.



**CITY OF RIDGEFIELD, WASHINGTON**  
**Demographic and Economic Information**

City of Ridgefield, Washington  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years

Fiscal Year	Population (1)	Available at County level only			School Enrollment (3)	Total Housing Units (1)	West Region Consumer Price Index (4)
		Per Capita Personal Income (2)	Clark County Median Age (6)	Clark County Unemployment Rate (5)			
2015	6,400	\$ 46,615	38.00	6.5%	2,514	2,248	243.0
2016	6,870	48,506	38.10	6.0%	2,823	2,406	247.7
2017	7,235	50,726	38.20	5.0%	3,067	2,521	254.7
2018	7,705	53,180	38.50	4.8%	3,230	2,698	263.3
2019	8,895	55,543	38.70	4.8%	3,497	3,074	272.6
2020	10,325	57,827	38.60	8.0%	3,364	3,688	276.6
2021	11,910	63,580	39.20	5.0%	3,846	4,365	296.1
2022	13,640	65,486	38.90	3.9%	3,993	5,148	314.6
2023	15,180	69,318	39.20	3.9%	3,991	5,753	325.9
2024	15,790	-	-	4.5%	4,134	6,060	334.1

2024 Per Capita Personal Income was not released prior to preparation of the 2024 Financial Statements

2024 Median Age for Clark County was not released prior to preparation of the 2024 Financial Statements

(1) Source: Washington State Office of Financial Management

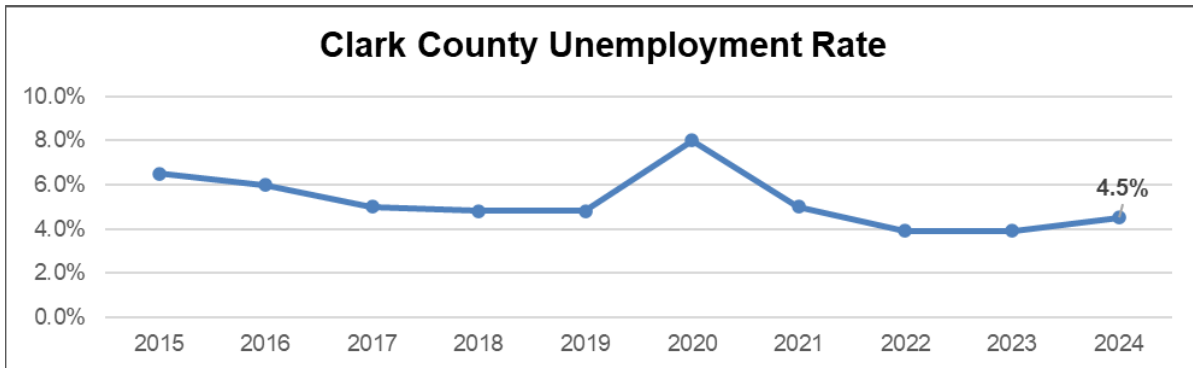
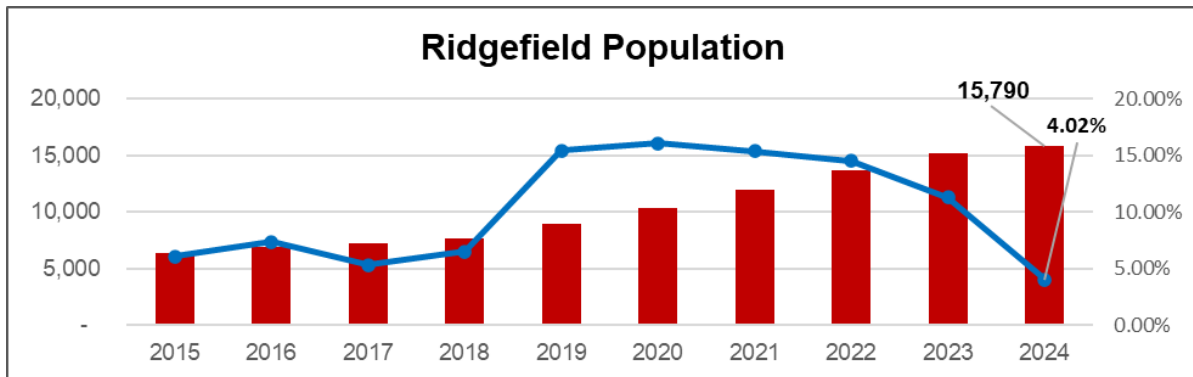
(2) Source: U.S. Department of Commerce, Bureau of Economic Analysis

(3) Source: Office of Superintendent of Public Instruction

(4) Source: Bureau of Labor Statistics

(5) Source: Washington State Employment Security Department

(6) Source: United States Census Bureau

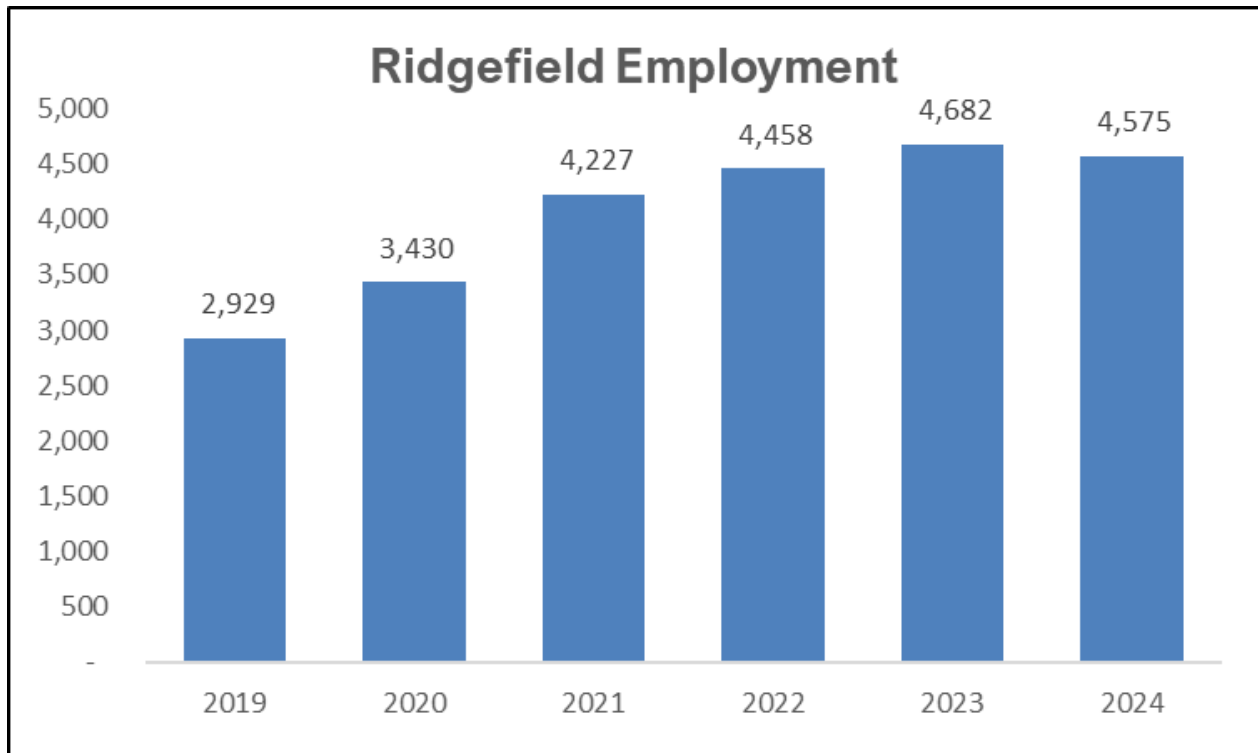


**CITY OF RIDGEFIELD, WASHINGTON**  
**Demographic and Economic Information**

City of Ridgefield, Washington  
Principal Employers  
Current Year and Four Years Ago

2024				2019			
Employer	Employees	Rank	Percentage of Employment	Employer	Employees	Rank	Percentage of Employment
United Natural Foods West, Inc.	654	1	14.30%	United Natural Foods West, Inc.	350	1	11.95%
Ridgefield School District	492	2	10.75%	Ridgefield School District	346	2	11.81%
Costco Wholesale #1703	300	3	6.56%	Dollar Tree Distribution, Inc.	206	3	7.03%
Church & Dwight Co., Inc.	257	4	5.62%	Church & Dwight Co., Inc.	200	4	6.83%
Dollar Tree Distribution, Inc.	250	5	5.46%	Pacific Crest Building Supply, Inc.	171	5	5.84%
Pacific Crest Building Supply, Inc.	190	6	4.15%	Crave Distribution, LLC	150	6	5.12%
Pepsico Beverage Sales, LLC	130	6	2.84%	Corwin Beverage Co.	150	7	5.12%
Elkhart Plastics, LLC	121	8	2.64%	Elkhart Plastics, Inc.	110	8	3.76%
Rosauers Supermarkets, Inc.	113	9	2.47%	Gordon Truck Centers, Inc.	88	9	3.00%
WA Dept of Fish & Wildlife	110	10	2.40%	Rosauers Supermarkets, Inc.	75	10	
				Pacific North Recovery Center, LLC	75	10	2.56%
				-	-		
Total	2,617		57.20%		1,921		63.02%
Total Ridgefield Employees	4,575				2,929		

Source: Department of Revenue Business Licensing Services  
City of Ridgefield Finance Department  
The City began tracking employee information in 2019  
on business license applications.





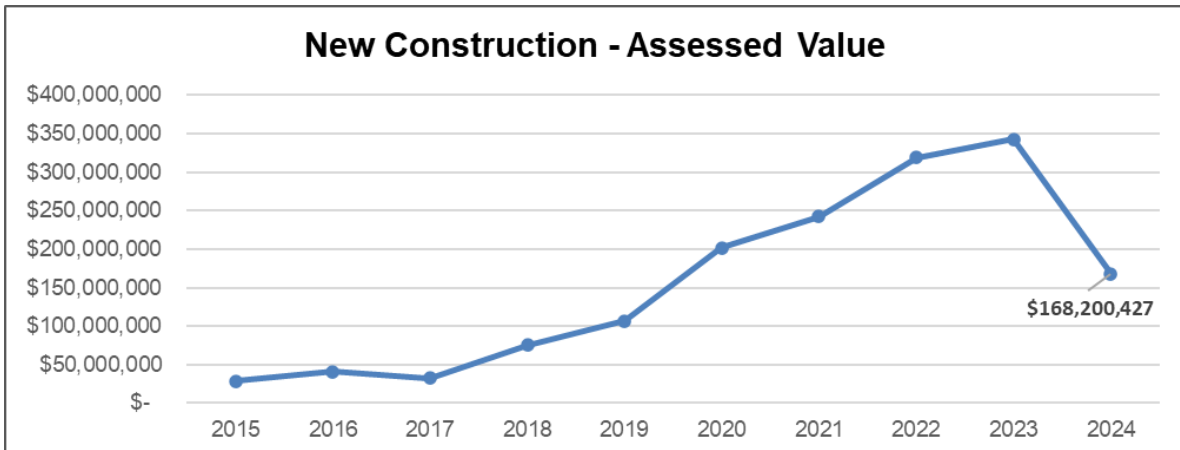
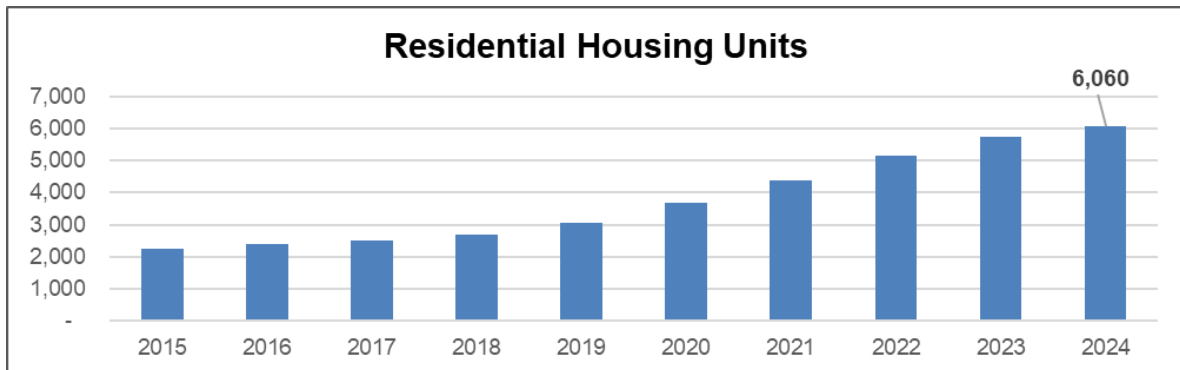
**CITY OF RIDGEFIELD, WASHINGTON**  
**Demographic and Economic Information**

City of Ridgefield, Washington  
 Property Value and New Construction  
 Last Ten Fiscal Years

Fiscal Year	Population (1)	Residential Housing Units (1)	New Construction (2)	Assessed Property Value (2)	Percentage of New Construction / Total Assessed Value
2015	6,400	2,248	\$ 28,873,444	\$ 799,996,361	3.61%
2016	6,870	2,406	40,770,111	890,239,033	4.58%
2017	7,235	2,521	32,136,747	1,062,451,903	3.02%
2018	7,705	2,698	75,688,703	1,216,398,789	6.22%
2019	8,895	3,074	106,935,231	1,463,452,195	7.31%
2020	10,325	3,688	201,366,533	1,754,424,282	11.48%
2021	11,910	4,365	242,585,730	2,106,824,544	11.51%
2022	13,640	5,148	318,738,863	2,656,557,619	12.00%
2023	15,180	5,753	342,369,797	3,379,164,060	10.13%
2024	15,790	6,060	168,200,427	3,808,341,129	4.42%

(1) Source: Washington State Office of Financial Management

(2) Source: Clark County Assessor's Office

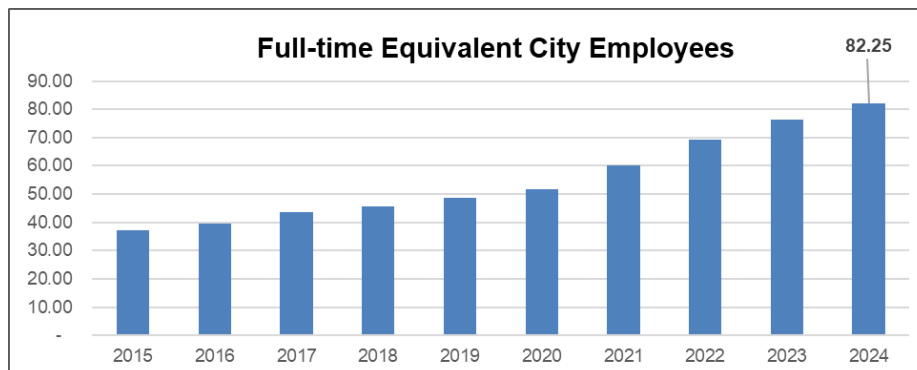
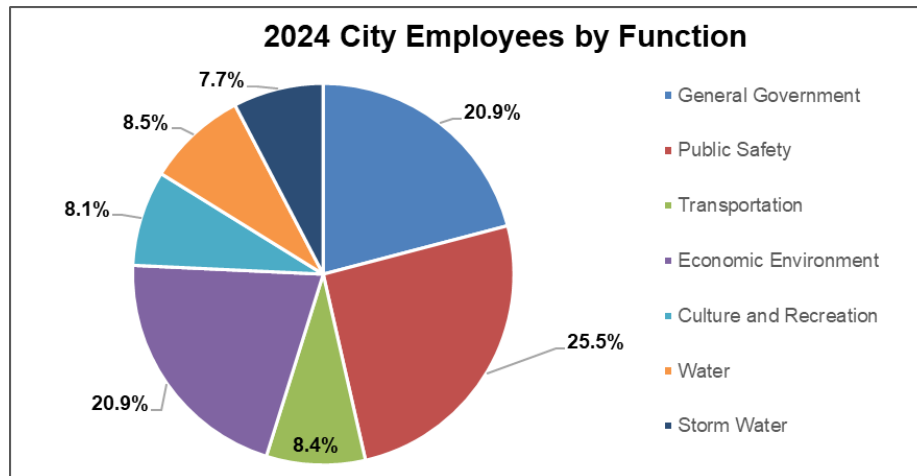


**CITY OF RIDGEFIELD, WASHINGTON**  
**Operating Information**

City of Ridgefield, Washington  
Full-Time Equivalent City Government Employees by Function  
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Government</b>										
Executive	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Admin	3.65	3.70	2.70	2.70	3.70	3.70	4.70	4.60	5.60	5.60
Human Resources	1.35	1.30	1.30	1.30	1.30	1.30	1.30	2.40	2.40	2.40
Finance	3.00	3.00	3.05	3.30	3.30	4.30	4.80	5.30	6.30	6.30
Long Range Planning	0.10	0.10	0.10	0.10	0.10	0.40	0.75	1.55	1.50	1.50
Public Safety	10.00	11.00	11.00	12.00	12.00	12.00	15.00	17.00	19.00	21.00
Building and Permitting	4.15	4.15	7.35	9.40	9.90	11.72	13.19	14.95	15.70	15.70
<b>Public Works</b>										
General Gov/Facilities	0.54	0.92	1.04	0.92	0.97	1.14	1.32	1.15	1.40	1.55
Streets	1.76	2.41	2.46	2.91	3.31	3.42	4.02	5.15	6.10	6.90
Cemetery	0.60	0.24	0.22	0.22	0.27	0.24	0.47	0.30	0.30	0.35
Parks	3.19	3.21	3.26	3.19	3.89	3.80	3.97	4.85	5.65	6.65
Water	3.90	3.94	5.06	6.14	6.24	6.22	6.18	7.15	7.00	7.00
Sewer	1.80	2.39	2.39	-	-	-	-	-	-	-
Stormwater	2.06	2.14	2.57	2.57	2.77	2.51	3.55	3.85	4.30	6.30
<b>Total</b>	<b>37.10</b>	<b>39.50</b>	<b>43.50</b>	<b>45.75</b>	<b>48.75</b>	<b>51.75</b>	<b>60.25</b>	<b>69.25</b>	<b>76.25</b>	<b>82.25</b>

Source: City of Ridgefield Finance Department



**CITY OF RIDGEFIELD, WASHINGTON**  
***Operating Information***

City of Ridgefield, Washington  
Operating Indicators by Function  
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Physical arrests	156	72	200	131	97	84	158	72	158	222
Traffic violations	391	389	509	615	472	379	440	437	404	593
Highways and streets										
Street resurfacing (linear feet)	-	-	4,450	3,652	10,516	3,195	2,198	1,129	16,899	30,587
Water										
Number of service connections	2,267	2,612	2,834	3,165	3,440	3,995	4,619	4,746	5,137	5,359
Water main breaks	2	-	-	1	-	-	2	1	-	7
Average daily consumption (millions of gallons)	0.649 MGD	0.654 MGD	0.796 MGD	0.842 MGD	0.85 MGD	1.02 MGD	1.25 MGD	1.24 MGD	1.47 MGD	1.43 MGD
Stormwater										
Number of drainage accounts	2,385	2,742	2,962	3,284	3,482	4,073	4,759	4,990	5,427	5,865
Ditch maintenance (lineal feet cleaned)	-	-	8,734	7,750	2,549	6,598	4,175	6,500	5,710	100
Catch basins cleaned	-	-	300	508	512	403	256	1,099	1,306	262
Catch basins inspected	-	-	300	508	1,151	1,250	896	1,099	1,306	1,181
Culverts/pipes cleaned	-	-	15	17	5	5	3	132	9	58
Filter vaults cleaned	-	-	-	-	-	2	5	8	8	8
Filters Replaced	-	-	-	-	-	64	73	40	64	73
Building and Permitting										
Residential Building Permits	-	-	158	313	364	670	648	361	243	226
Commercial/Industrial Permits	-	-	21	8	52	62	22	30	29	31
Miscellaneous Permits	-	-	281	558	695	996	1,046	480	252	527

Source: Various City of Ridgefield Departments

Historical data for Stormwater maintenance prior to 2017 is not available

Historical data for building permits prior to 2017 is not available

**CITY OF RIDGEFIELD, WASHINGTON**  
***Operating Information***

City of Ridgefield, Washington  
 Capital Asset Statistics by Function  
 Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	10	10	11	11	13	14	16	18	19
Highways and streets										
Street (miles)	40	42	42	47	49	54	56	58	61	66
Sidewalks (miles)	-	33	39	47	52	55	60	63	74	80
Streetlights	773	887	887	1,048	1,234	1,317	1,450	1,535	2,329	2,476
Traffic signals	-	-	-	1	1	2	2	3	3	4
Culture and recreation										
Trails (miles)	5	5	6	7	7	8	9	10	11	12
Park acreage	142	151	160	160	160	160	165	170	172	172
Water										
Water mains (miles)	43	46	46	49	53	58	61	62	64	68
Production wells	4	5	5	5	5	6	6	6	6	6
Storage Reservoirs	3	3	3	3	3	3	3	3	3	3
Fire hydrants	246	262	262	297	327	345	375	392	575	607
Maximum daily capacity (millions of gallo	1,035	1,425	2,001	2,001	2,001	2,001	2,000	3,344	3,276	3,186
Stormwater										
Storm sewers (miles)	17	19	19	22	26	32	35	38	41	45
Stormwater facilities	24	24	30	30	40	78	94	96	98	133

Source: Various City of Ridgefield Departments