

Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to another department or agency of the City.

The **Fleet Maintenance Fund** accounts for the cost of maintaining all City vehicles and construction equipment except fire equipment. All costs, including depreciation, are included in establishing the rate to be charged to each department.

The **Insurance Fund** accounts for the payment of all City insurance premiums and claims for which each City department is charged.

The **Medical Self Insurance Fund** accounts for all revenues, expenses and reserves associated with the City's medical self-insurance program.

The **Workman's Compensation Fund** accounts for all revenues, expenses, and reserves associated with the City's workers compensation self-insurance program.

The **Information Technology Fund** accounts for the costs of information technology implementation, management, and support for all City departments.

The **Redmond Community Properties (RCP) Fund** reports the operating activities of a blended component unit of the City, the Redmond Public Corporation. This fund accounts for the monthly maintenance expenses of City Hall and the asset management fees paid to RCP.

Combining Statement of Net Assets Internal Service Funds

December 31, 2008

Page 1 of 2

	Fleet Maintenance	Insurance	Medical Self- Insurance	Workman's Compensation
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 294,450	\$ -	\$ 265,423	\$ 42,821
Investments	4,519,587	665,231	4,522,585	767,153
Receivables:				
Accounts and Contracts	-	-	-	-
Interest	52,338	7,795	52,520	8,909
Inventory	36,342	-	-	-
Prepaid insurance	-	348,752	-	-
Restricted assets:				
Deposits	-	-	4	-
Total Current Assets	<u>4,902,717</u>	<u>1,021,778</u>	<u>4,840,532</u>	<u>818,883</u>
Noncurrent assets:				
Land	584,292	-	-	-
Buildings	510,196	-	-	-
Improvements other than buildings	248,876	-	-	-
Equipment	10,088,383	-	-	-
Less accumulated depreciation	(6,358,543)	-	-	-
Total Noncurrent Assets	<u>5,073,204</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 9,975,921</u>	<u>\$ 1,021,778</u>	<u>\$ 4,840,532</u>	<u>\$ 818,883</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 43,872	\$ 16,724	\$ 751,804	\$ 116,724
Employee wages payable	12,780	9,797	124	-
Compensated absences	28,366	8,113	-	-
Customer deposits payable	-	-	4	-
Unearned Revenues	-	-	-	-
Total Current Liabilities	<u>85,018</u>	<u>34,634</u>	<u>751,932</u>	<u>116,724</u>
Noncurrent liabilities:				
Compensated absences	7,091	2,029	-	-
Total Noncurrent Liabilities	<u>7,091</u>	<u>2,029</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>92,109</u>	<u>36,663</u>	<u>751,932</u>	<u>116,724</u>
NET ASSETS				
Invested in capital assets, net of related debt	5,073,204	-	-	-
Unrestricted	4,810,608	985,115	4,088,600	702,159
Total Net Assets	<u>\$ 9,883,812</u>	<u>\$ 985,115</u>	<u>\$ 4,088,600</u>	<u>\$ 702,159</u>

CITY OF REDMOND

Combining Statement of Net Assets, Internal Service Funds – Page 2 of 2

	Information Technology	Redmond Community Properties	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 678,531	\$ 426,158	\$ 1,707,383
Investments	-	-	10,474,556
Receivables:			
Accounts and Contracts	-	33,415	33,415
Interest	-	218	121,780
Inventory	-	-	36,342
Prepaid insurance	-	46,362	395,114
Restricted assets:			
Deposits	-	-	4
Total Current Assets	678,531	506,153	12,768,594
Noncurrent assets:			
Land	-	-	584,292
Buildings	109,298	-	619,494
Improvements other than buildings	29,223	-	278,099
Equipment	208,884	-	10,297,267
Less accumulated depreciation	(105,271)	-	(6,463,814)
Total Noncurrent Assets	242,134	-	5,315,338
Total Assets	\$ 920,665	\$ 506,153	\$ 18,083,932
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 68,942	\$ 178,969	\$ 1,177,035
Employee wages payable	79,796	-	102,497
Compensated absences	96,626	-	133,105
Customer deposits payable	-	-	4
Unearned Revenues	-	93,224	93,224
Total Current Liabilities	245,364	272,193	1,505,865
Noncurrent liabilities:			
Compensated absences	24,156	-	33,276
Total Noncurrent Liabilities	24,156	-	33,276
Total Liabilities	269,520	272,193	1,539,141
NET ASSETS			
Invested in capital assets, net of related debt	242,134	-	5,315,338
Unrestricted	409,011	233,960	11,229,453
Total Net Assets	\$ 651,145	\$ 233,960	\$ 16,544,791

Combining Statement of Revenues, Expenditures, and Changes in Fund Net Assets Internal Service Funds

Page 1 of 2

For the year ended December 31, 2008

	Fleet Maintenance	Insurance	Medical Self- Insurance	Workman's Compensation
Operating revenues:				
Charges for services	\$ 307,089	\$ -	\$ -	\$ -
Charges for replacement	2,157,550	-	-	-
Charges for insurance	-	1,104,579	7,022,326	1,000,167
Total Operating Revenues	<u>2,464,639</u>	<u>1,104,579</u>	<u>7,022,326</u>	<u>1,000,167</u>
Operating expenses:				
Administrative and general	-	940,523	6,974,406	693,056
Maintenance and operations	1,038,302	-	-	-
Supplies	507,656	4,538	450	-
Depreciation and amortization	948,705	-	-	-
Total Operating Expenses	<u>2,494,663</u>	<u>945,061</u>	<u>6,974,856</u>	<u>693,056</u>
Operating income (loss)	<u>(30,024)</u>	<u>159,518</u>	<u>47,470</u>	<u>307,111</u>
Nonoperating revenues (expenses):				
Interest and investment revenue	198,301	30,360	191,165	27,663
Gain on sale of capital assets	148,178	-	-	-
Insurance Recovery	-	11,475	-	-
Miscellaneous	3,279	-	712,288	-
Total nonoperating revenues (expenses)	<u>349,758</u>	<u>41,835</u>	<u>903,453</u>	<u>27,663</u>
Income (loss) before contributions and transfers	<u>319,734</u>	<u>201,353</u>	<u>950,923</u>	<u>334,774</u>
Capital contributions	282,464	-	-	-
Transfers in	-	-	36,411	-
Change in net assets	<u>602,198</u>	<u>201,353</u>	<u>987,334</u>	<u>334,774</u>
Total net assets - beginning	9,281,614	783,762	3,101,266	367,385
Total net assets - ending	<u><u>\$ 9,883,812</u></u>	<u><u>\$ 985,115</u></u>	<u><u>\$ 4,088,600</u></u>	<u><u>\$ 702,159</u></u>

CITY OF REDMOND

Combining Statement of Revenues, Expenditures, and Changes in Fund Net Assets, Internal Service Funds –
Page 2 of 2

	Information Technology	Redmond Community Properties	Total
Operating revenues:			
Charges for services	\$ 2,984,155	\$ 925,545	\$ 4,216,789
Charges for replacement	-	-	2,157,550
Charges for insurance	-	-	9,127,072
Total Operating Revenues	<u>2,984,155</u>	<u>925,545</u>	<u>15,501,411</u>
Operating expenses:			
Administrative and general	2,834,800	354,337	11,797,122
Maintenance and operations	-	499,246	1,537,548
Supplies	241,723	-	754,367
Depreciation and amortization	23,468	-	972,173
Total Operating Expenses	<u>3,099,991</u>	<u>853,583</u>	<u>15,061,210</u>
Operating income (loss)	<u>(115,836)</u>	<u>71,962</u>	<u>440,201</u>
Nonoperating revenues (expenses):			
Interest and investment revenue	-	11,643	459,132
Gain on sale of capital assets	-	-	148,178
Insurance Recovery	-	-	11,475
Miscellaneous	-	-	715,567
Total nonoperating revenues (expenses)	<u>-</u>	<u>11,643</u>	<u>1,334,352</u>
Income (loss) before contributions and transfers	<u>(115,836)</u>	<u>83,605</u>	<u>1,774,553</u>
Capital contributions	-	-	282,464
Transfers in	-	-	36,411
Change in net assets	<u>(115,836)</u>	<u>83,605</u>	<u>2,093,428</u>
Total net assets - beginning	<u>766,981</u>	<u>150,355</u>	<u>14,451,363</u>
Total net assets - ending	<u><u>\$ 651,145</u></u>	<u><u>\$ 233,960</u></u>	<u><u>\$ 16,544,791</u></u>

Combining Statement of Cash Flows Internal Service Funds

Page 1 of 4

For the year ended December 31, 2008

	Fleet Maintenance	Insurance	Medical Self- Insurance
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 307,089	\$ 1,104,579	\$ 7,022,330
Cash received for replacement	2,157,550	-	-
Cash payments to suppliers	(746,343)	(735,627)	(7,119,670)
Cash payments to employees	(518,282)	(183,817)	(3)
Internal activity - payments to other funds	(373,083)	(30,258)	-
Other operating receipts	3,279	11,475	712,288
Other operating payments	-	(8,027)	-
Net cash provided (used) by operating activities	<u>830,210</u>	<u>158,325</u>	<u>614,945</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	-	-	36,411
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>36,411</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,259,231)	-	-
Proceeds from sale of capital assets	158,345	-	-
Net cash used for capital and related financing activities	<u>(1,100,886)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment purchases	(867,208)	(307,366)	(1,511,164)
Interest on investments	217,577	29,582	197,691
Net cash provided (used) in investing activities	<u>(649,631)</u>	<u>(277,784)</u>	<u>(1,313,473)</u>
Net increase (decrease) in cash and cash equivalents	(920,307)	(119,459)	(662,117)
Cash and cash equivalents- beginning of year	1,214,757	119,459	927,544
Cash and cash equivalents-end of year	<u>\$ 294,450</u>	<u>\$ -</u>	<u>\$ 265,427</u>
Cash at the end of the year consists of:			
Operating fund cash	\$ 294,450	\$ -	\$ 265,423
Customer deposits	-	-	4
Total cash at end of year	<u>\$ 294,450</u>	<u>\$ -</u>	<u>\$ 265,427</u>

CITY OF REDMOND

Combining Statement of Cash Flows, Internal Service Funds – Page 2 of 4

	Workman's Compensation	Information Technology	Redmond Community Properties	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,000,167	\$ 2,984,155	\$ 906,404	\$ 13,324,724
Cash received for replacement	-	-	-	2,157,550
Cash payments to suppliers	(656,997)	(1,006,364)	(685,125)	(10,950,126)
Cash payments to employees	-	(1,877,070)	(158,070)	(2,737,242)
Internal activity - pmts to other funds	-	(183,749)	-	(587,090)
Other operating receipts	-	-	-	727,042
Other operating payments	-	-	-	(8,027)
Net cash provided (used) by operating activities	<u>343,170</u>	<u>(83,028)</u>	<u>63,209</u>	<u>1,926,831</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	-	-	-	36,411
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,411</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(20,000)	-	(1,279,231)
Proceeds from sale of capital assets	-	-	-	158,345
Net cash used for capital and related financing activities	<u>-</u>	<u>(20,000)</u>	<u>-</u>	<u>(1,120,886)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment purchases	(434,715)	-	-	(3,120,453)
Interest on investments	25,272	-	11,425	481,547
Net cash provided (used) in investing activities	<u>(409,443)</u>	<u>-</u>	<u>11,425</u>	<u>(2,638,906)</u>
Net increase (decrease) in cash and cash equivalents	(66,273)	(103,028)	74,634	(1,796,550)
Cash and cash equivalents- beginning of year	109,094	781,559	351,524	3,503,937
Cash and cash equivalents-end of year	<u>\$ 42,821</u>	<u>\$ 678,531</u>	<u>\$ 426,158</u>	<u>\$ 1,707,387</u>
Cash at the end of the year consists of:				
Operating fund cash	\$ 42,821	\$ 678,531	\$ 426,158	\$ 1,707,383
Customer deposits	-	-	-	4
Total cash at end of year	<u>\$ 42,821</u>	<u>\$ 678,531</u>	<u>\$ 426,158</u>	<u>\$ 1,707,387</u>

	Fleet Maintenance	Insurance	Medical Self- Insurance
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (30,024)	\$ 159,518	\$ 47,470
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY			
Operating activities:			
Depreciation	948,705	-	-
Decrease (Increase) in accounts receivable	-	-	-
Decrease (Increase) in inventory	(8,743)	-	-
Decrease (Increase) in prepaid expenses	-	(8,027)	-
Increase (Decrease) in accounts payable	(79,824)	(4,074)	(144,814)
Increase (Decrease) in employee wages payable	(4,966)	1,059	(3)
Increase (Decrease) in compensated absences	1,783	(1,626)	-
Increase (Decrease) in customer deposits payable	-	-	4
Reclassify other income	3,279	11,475	712,288
Increase in unearned revenue	-	-	-
Net cash provided (used) by operating activities	\$ 830,210	\$ 158,325	\$ 614,945

CITY OF REDMOND

Combining Statement of Cash Flows, Internal Service Funds – Page 4 of 4

	Workman's Compensation	Information Technology	Redmond Community Properties	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 307,111	\$ (115,836)	\$ 71,962	\$ 440,201
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY				
Operating activities:				
Depreciation	-	23,468	-	972,173
Decrease (Increase) in accounts receivable	-	-	(21,637)	(21,637)
Decrease (Increase) in inventory	-	-	-	(8,743)
Decrease (Increase) in prepaid expenses	-	-	7,714	(313)
Increase (Decrease) in accounts payable	36,059	(3,503)	2,674	(193,482)
Increase (Decrease) in employee wages payable	-	4,656	-	746
Increase (Decrease) in compensated absences	-	8,187	-	8,344
Increase (Decrease) in customer deposits payable	-	-	-	4
Reclassify other income	-	-	-	727,042
Increase in unearned revenue	-	-	2,496	2,496
Net cash provided (used)				
by operating activities	\$ 343,170	\$ (83,028)	\$ 63,209	\$ 1,926,831
Noncash investing, capital and financing activities:				
Other funds of the city transferred vehicles valued at				\$ 282,464
The fair value of investments in the Fleet Maintenance Fund increased by				11,377
The fair value of investments in the Insurance Fund increased by				1,703
The fair value of investments in the Medical Self-Insurance Fund increased by				11,384
The fair value of investments in the Workman's Compensation Fund increased by				1,931