

## 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, 2007

	Fleet Maintenance	Insurance	Medical Self-Insurance
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,214,757	\$ 119,459	\$ 927,544
Investments	3,652,379	357,865	3,011,421
Receivables:			
Accounts and Contracts	-	-	-
Interest	71,614	7,017	59,046
Inventory	27,599	-	-
Prepaid insurance	-	340,725	-
Total current assets	<u>4,966,349</u>	<u>825,066</u>	<u>3,998,011</u>
Noncurrent assets:			
Land	584,292	-	-
Buildings	510,196	-	-
Improvements other than buildings	248,876	-	-
Equipment	9,825,511	-	-
Less accumulated depreciation	(6,678,494)	-	-
Total noncurrent assets	<u>4,490,381</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 9,456,730</u>	<u>\$ 825,066</u>	<u>\$ 3,998,011</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 123,696	\$ 20,798	\$ 896,618
Employee wages payable	17,746	8,738	127
Compensated absences	26,939	9,414	-
Unearned Revenues	-	-	-
Total current liabilities	<u>168,381</u>	<u>38,950</u>	<u>896,745</u>
Noncurrent liabilities:			
Compensated absences	6,735	2,354	-
Total noncurrent liabilities	<u>6,735</u>	<u>2,354</u>	<u>-</u>
Total Liabilities	<u>175,116</u>	<u>41,304</u>	<u>896,745</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	4,490,381	-	-
Unrestricted	4,791,233	783,762	3,101,266
Total Net Assets	<u>\$ 9,281,614</u>	<u>\$ 783,762</u>	<u>\$ 3,101,266</u>

Workman's Compensation	Information Technology	Redmond Community Properties	Total
\$ 109,094	\$ 781,559	\$ 351,524	\$ 3,503,937
332,438	-	-	7,354,103
-	-	11,778	11,778
6,518	-	-	144,195
-	-	-	27,599
-	-	54,076	394,801
<u>448,050</u>	<u>781,559</u>	<u>417,378</u>	<u>11,436,413</u>
-	-	-	584,292
-	109,298	-	619,494
-	9,223	-	258,099
-	208,884	-	10,034,395
-	(81,803)	-	(6,760,297)
-	245,602	-	4,735,983
<u>\$ 448,050</u>	<u>\$ 1,027,161</u>	<u>\$ 417,378</u>	<u>\$ 16,172,396</u>
\$ 80,665	\$ 72,445	\$ 176,295	\$ 1,370,517
-	75,140	-	101,751
-	90,076	-	126,429
-	-	90,728	90,728
<u>80,665</u>	<u>237,661</u>	<u>267,023</u>	<u>1,689,425</u>
-	22,519	-	31,608
-	22,519	-	31,608
<u>80,665</u>	<u>260,180</u>	<u>267,023</u>	<u>1,721,033</u>
-	245,602	-	4,735,983
367,385	521,379	150,355	9,715,380
<u>\$ 367,385</u>	<u>\$ 766,981</u>	<u>\$ 150,355</u>	<u>\$ 14,451,363</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 INTERNAL SERVICE FUNDS  
 For the year ended December 31, 2007

	Fleet Maintenance	Insurance	Medical Self-Insurance
Operating revenues:			
Charges for services	\$ 294,574	\$ -	\$ -
Charges for replacement	1,986,616	-	-
Charges for insurance	-	1,045,089	6,307,410
Total Operating Revenues	<u>2,281,190</u>	<u>1,045,089</u>	<u>6,307,410</u>
Operating expenses:			
Administrative and general	1,026,547	962,227	6,156,279
Maintenance and operations	-	-	-
Supplies	435,134	1,093	990
Depreciation and amortization	865,679	-	-
Total Operating Expenses	<u>2,327,360</u>	<u>963,320</u>	<u>6,157,269</u>
Operating income (loss)	<u>(46,170)</u>	<u>81,769</u>	<u>150,141</u>
Nonoperating revenues (expenses):			
Interest and investment revenue	247,803	29,718	201,643
Gain on sale of capital assets	41,450	-	-
Miscellaneous	4,448	-	655,708
Total nonoperating revenues (expenses)	<u>293,701</u>	<u>29,718</u>	<u>857,351</u>
Income (loss) before contributions and transfers	247,531	111,487	1,007,492
Transfers in	141,206	-	-
Transfers out	-	-	(132,775)
Change in net assets	<u>388,737</u>	<u>111,487</u>	<u>874,717</u>
Total net assets - beginning	<u>8,892,877</u>	<u>672,275</u>	<u>2,226,549</u>
Total net assets - ending	<u>\$ 9,281,614</u>	<u>\$ 783,762</u>	<u>\$ 3,101,266</u>

Workman's Compensation	Information Technology	Redmond Community Properties	Total
\$ -	\$ 2,891,174	\$ 968,454	\$ 4,154,202
-	-	-	1,986,616
<u>863,232</u>	<u>-</u>	<u>-</u>	<u>8,215,731</u>
<u>863,232</u>	<u>2,891,174</u>	<u>968,454</u>	<u>14,356,549</u>
555,982	2,448,709	405,550	11,555,294
-	-	493,357	493,357
-	61,191	-	498,408
-	18,199	-	883,878
<u>555,982</u>	<u>2,528,099</u>	<u>898,907</u>	<u>13,430,937</u>
<u>307,250</u>	<u>363,075</u>	<u>69,547</u>	<u>925,612</u>
14,387	-	8,520	502,071
-	-	-	41,450
-	-	-	660,156
<u>14,387</u>	<u>-</u>	<u>8,520</u>	<u>1,203,677</u>
<u>321,637</u>	<u>363,075</u>	<u>78,067</u>	<u>2,129,289</u>
-	-	-	141,206
-	-	-	(132,775)
<u>321,637</u>	<u>363,075</u>	<u>78,067</u>	<u>2,137,720</u>
<u>45,748</u>	<u>403,906</u>	<u>72,288</u>	<u>12,313,643</u>
<u>\$ 367,385</u>	<u>\$ 766,981</u>	<u>\$ 150,355</u>	<u>\$ 14,451,363</u>

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2007

	Fleet Maintenance	Insurance	Medical Self-Insurance
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 294,574	\$ 1,045,089	\$ 6,307,410
Cash received for replacement	1,986,616	-	-
Cash payments to suppliers	(299,927)	(667,836)	(6,256,254)
Cash payments to employees	(845,119)	(270,276)	(36)
Internal activity - payments to other funds	(271,839)	(40,506)	-
Other operating receipts	4,448	-	655,708
Other operating payments	-	(19,361)	(197)
Net cash provided by operating activities	<u>868,753</u>	<u>47,110</u>	<u>706,631</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers out	-	-	(132,775)
Net cash used by noncapital financing activities	<u>-</u>	<u>-</u>	<u>(132,775)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(897,686)	-	-
Proceeds from sale of capital assets	41,450	-	-
Net cash used for capital and related financing activities	<u>(856,236)</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment purchases	-	-	(116,576)
Investment sales/maturities	588,646	10,799	-
Interest on investments	237,345	28,017	183,674
Net cash provided (used) in investing activities	<u>825,991</u>	<u>38,816</u>	<u>67,098</u>
Net increase (decrease) in cash and cash equivalents	838,508	85,926	640,954
Cash and cash equivalents-beginning of year	376,249	33,533	286,590
Cash and cash equivalents-end of year	<u>\$ 1,214,757</u>	<u>\$ 119,459</u>	<u>\$ 927,544</u>
Cash at the end of the year consists of:			
Operating fund cash	<u>\$ 1,214,757</u>	<u>\$ 119,459</u>	<u>\$ 927,544</u>
Total cash at end of year	<u>\$ 1,214,757</u>	<u>\$ 119,459</u>	<u>\$ 927,544</u>

Workman's Compensation	Information Technology	Redmond Community Properties	Total
\$ 863,232	\$ 2,891,174	\$ 1,018,379	\$ 12,419,858
-	-	-	1,986,616
(554,854)	(572,347)	(599,630)	(8,950,848)
-	(1,684,989)	(190,992)	(2,991,412)
-	(201,809)	-	(514,154)
-	-	-	660,156
-	-	(15,070)	(34,628)
<u>308,378</u>	<u>432,029</u>	<u>212,687</u>	<u>2,575,588</u>
-	-	-	(132,775)
-	-	-	(132,775)
-	(67,937)	-	(965,623)
-	-	-	41,450
-	(67,937)	-	(924,173)
(218,725)	-	-	(335,301)
-	-	-	599,445
8,532	-	8,520	466,088
<u>(210,193)</u>	<u>-</u>	<u>8,520</u>	<u>730,232</u>
98,185	364,092	221,207	2,248,872
10,909	417,467	130,317	1,255,065
<u>\$ 109,094</u>	<u>\$ 781,559</u>	<u>\$ 351,524</u>	<u>\$ 3,503,937</u>
<u>\$ 109,094</u>	<u>\$ 781,559</u>	<u>\$ 351,524</u>	<u>\$ 3,503,937</u>
<u>\$ 109,094</u>	<u>\$ 781,559</u>	<u>\$ 351,524</u>	<u>\$ 3,503,937</u>

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2007

	Fleet Maintenance	Insurance	Medical Self-Insurance
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (46,170)	\$ 81,769	\$ 150,141
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	865,679	-	-
Decrease (Increase) in accounts receivable	-	-	-
Decrease (Increase) in inventory	(102)	-	-
Decrease ( Increase) in prepaid expenses	-	(17,785)	-
Increase (Decrease) in accounts payable	41,304	3,944	(98,985)
Increase (Decrease) in employee wages payable	2,108	(3,040)	(36)
Increase (Decrease) in compensated absences	1,486	(16,202)	-
Increase (Decrease) in customer deposits payable	-	(1,576)	(197)
Reclassify other income	4,448	-	655,708
Increase in deferred revenue	-	-	-
Net cash provided (used) by operating activities	<u>\$ 868,753</u>	<u>\$ 47,110</u>	<u>\$ 706,631</u>

Workman's Compensation	Information Technology	Redmond Community Properties	Total
\$ 307,250	\$ 363,075	\$ 69,547	\$ 925,612
-	18,199	-	883,878
-	-	49,841	49,841
-	-	-	(102)
-	-	(15,070)	(32,855)
1,128	41,790	124,350	113,531
-	6,126	(16,066)	(10,908)
-	2,839	-	(11,877)
-	-	-	(1,773)
-	-	-	660,156
-	-	85	85
<u>\$ 308,378</u>	<u>\$ 432,029</u>	<u>\$ 212,687</u>	<u>\$ 2,575,588</u>

Noncash investing, capital and financing activities:

Other funds of the city transferred vehicles valued at	\$	141,206
The fair value of investments in the Fleet Maintenance Fund increased by		18,330
The fair value of investments in the Insurance Fund increased by		1,796
The fair value of investments in the Medical Self-Insurance Fund increased by		15,114
The fair value of investments in the Workman's Compensation Fund increased by		1,668