

CITY OF REDMOND
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	General Fund	Capital Improvements Program Fund	Other Governmental Funds	Governmental Funds Total
ASSETS				
Cash and cash equivalents	\$ 5,318,723	\$ 3,800,295	\$ 1,232,872	\$ 10,351,890
Cash with outside agency	-	-	10,000	10,000
Investments	28,550,086	27,396,833	9,060,093	65,007,012
Receivables:				
Taxes	5,499,907	-	252,468	5,752,375
Accounts	92,335	250,000	-	342,335
Interest	138,130	100,204	30,646	268,980
Due from other funds	124,512	-	-	124,512
Due from other governments	396,516	2,069,318	531,947	2,997,781
Restricted assets:				
Deposit investments	4,191,248	3,188	10,165	4,204,601
Total assets	<u>\$ 44,311,457</u>	<u>\$ 33,619,838</u>	<u>\$ 11,128,191</u>	<u>\$ 89,059,486</u>
LIABILITIES				
Accounts/claims payable	\$ 1,468,702	\$ 822,890	\$ 85,541	\$ 2,377,133
Employee wages payable	740,147	13,518	23,478	777,143
Due to other governments	321,760	-	-	321,760
Payable from restricted assets:				
Deposits payable	4,191,248	3,188	10,165	4,204,601
Unearned revenues	354,099	-	-	354,099
Total liabilities	<u>7,075,956</u>	<u>839,596</u>	<u>119,184</u>	<u>8,034,736</u>
Fund balances: (Note 20)				
Spendable:				
Restricted	7,083,274	15,851,313	9,787,153	32,721,740
Committed	8,996,753	-	1,221,854	10,218,607
Assigned	12,363,948	16,928,930	-	29,292,878
Unassigned	8,791,526	-	-	8,791,526
Total fund balances	<u>37,235,501</u>	<u>32,780,243</u>	<u>11,009,007</u>	<u>81,024,751</u>
Total liabilities and fund balances	<u>\$ 44,311,457</u>	<u>\$ 33,619,839</u>	<u>\$ 11,128,191</u>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. 344,823,751

Internal service funds are used by management to charge the costs of certain activities, such as insurance, information services, and fleet maintenance, to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the Statement of Net Position. 19,984,943

Some liabilities, including bonds, loans, and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds. (Note 3) (75,560,387)

Net position of governmental activities \$ 370,273,058

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

CITY OF REDMOND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	Capital Improvements Program Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 58,961,676	\$ -	\$ 6,329,347	\$ 65,291,023
Licenses and permits	8,434,363	-	436,655	8,871,018
Contributions	188,622	285,915	43,955	518,492
Intergovernmental	10,005,777	3,545,766	6,355,157	19,906,700
Charges for services	5,301,983	4,631,641	2,637,576	12,571,200
Fines and forfeitures	812,420	-	-	812,420
Investment income	448,020	316,234	89,646	853,900
Net Change in Fair Value of Investment	(594,571)	(208,936)	(69,269)	(872,776)
Miscellaneous	308,058	(43,741)	347,116	611,433
Total revenues	<u>83,866,348</u>	<u>8,526,879</u>	<u>16,170,183</u>	<u>108,563,410</u>
EXPENDITURES				
Current:				
General government	15,390,273	-	-	15,390,273
Security of persons and property	39,107,710	-	5,475,445	44,583,155
Physical environment	2,428,213	-	609,752	3,037,965
Transportation	6,912,583	-	1,184,585	8,097,168
Economic environment	4,385,714	-	238,247	4,623,961
Culture and recreation	9,278,976	-	2,327,085	11,606,061
Capital outlay	486,817	9,926,486	58,805	10,472,108
Debt service:				
Principal	94,450	202,457	3,965,000	4,261,907
Interest and debt issue costs	211,272	6,074	2,119,714	2,337,060
Total expenditures	<u>78,296,008</u>	<u>10,135,017</u>	<u>15,978,633</u>	<u>104,409,658</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>5,570,340</u>	<u>(1,608,138)</u>	<u>191,550</u>	<u>4,153,752</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	33,085,000	33,085,000
Premium on refunding bonds issued	-	-	1,436,771	1,436,771
Payment to refunded bond escrow agent	-	-	(34,290,533)	(34,290,533)
Disposition of capital assets	-	25,500	-	25,500
Transfers in (Note 11)	7,213,906	11,285,233	6,353,892	24,853,031
Transfers out (Note 11)	(14,350,296)	(6,528,526)	(3,478,202)	(24,357,024)
Total other financing sources and uses	<u>(7,136,390)</u>	<u>4,782,207</u>	<u>3,106,928</u>	<u>752,745</u>
Net change in fund balances	<u>(1,566,050)</u>	<u>3,174,069</u>	<u>3,298,478</u>	<u>4,906,497</u>
Fund balances-beginning	<u>38,801,551</u>	<u>29,606,174</u>	<u>7,710,529</u>	<u>76,118,254</u>
Fund balances-ending	<u>\$ 37,235,501</u>	<u>\$ 32,780,243</u>	<u>\$ 11,009,007</u>	<u>\$ 81,024,751</u>

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

CITY OF REDMOND
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2013

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

Net change in fund balances-total governmental funds.	\$ 4,906,497
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. This is the amount by which capital outlays of \$10,472,108 exceed depreciation expense of \$9,015,187 and disposals of \$511,033 in the current period.	945,888
A CIP reduction that does not result in an increase in depreciable assets reflects an increase in expenses on the Statement of Activities but not in the governmental funds. (Note 8)	(199,340)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (Note 3)	477,365
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, yet, the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments. (Note 3)	4,030,670
Internal service funds are used by management to charge the costs of certain activities, such as insurance, information services, and fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	77,312
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. (Note 3)	(154,785)
Change in net position of governmental activities.	\$ <u><u>10,083,607</u></u>

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

CITY OF REDMOND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013

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	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management	Totals	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 2,342,027	\$ 1,654,031	\$ 2,495,266	\$ 6,491,324	\$ 1,987,130
Investments	15,647,016	12,069,231	18,485,713	46,201,960	13,989,877
Accounts and contracts receivable	2,832,966	502,500	921,622	4,257,088	407,505
Interest receivable	66,209	44,164	61,087	171,460	46,044
Due from other Governments	17,664	-	4,446,874	4,464,538	-
Inventory	63,597	-	-	63,597	56,773
Prepaid insurance	-	-	-	-	413,277
Restricted assets:					
Customer deposits:					
Cash and cash equivalents	28,098	157,000	7,308	192,406	-
Revenue Bond Reserve:					
Investments	1,175,500	-	-	1,175,500	-
Rate stabilization fund:					
Investments	2,127,811	547,086	-	2,674,897	-
Total current assets	<u>24,300,888</u>	<u>14,974,012</u>	<u>26,417,870</u>	<u>65,692,770</u>	<u>16,900,606</u>
Noncurrent assets:					
Advance on service contract	81,838	4,066	-	85,904	-
Capital assets:					
Land	4,452,817	3,274,106	10,072,040	17,798,963	584,292
Buildings	25,377,864	11,031,564	738,100	37,147,528	619,494
Improvements other than buildings	162,929,316	61,348,540	65,772,807	290,050,663	337,411
Equipment	217,691	262,471	312,486	792,648	12,317,394
Construction in progress	1,355,904	119,899	16,744,330	18,220,133	-
Other Property	-	-	-	-	-
Less accumulated depreciation	(46,200,731)	(13,080,094)	(13,223,959)	(72,504,784)	(8,652,308)
Total capital assets (net of depreciation)	<u>148,132,861</u>	<u>62,956,486</u>	<u>80,415,804</u>	<u>291,505,151</u>	<u>5,206,283</u>
Total noncurrent assets	<u>148,214,699</u>	<u>62,960,552</u>	<u>80,415,804</u>	<u>291,591,055</u>	<u>5,206,283</u>
Total assets	<u>\$ 172,515,587</u>	<u>\$ 77,934,564</u>	<u>\$ 106,833,674</u>	<u>\$ 357,283,825</u>	<u>\$ 22,106,889</u>

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

CITY OF REDMOND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013

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	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management	Totals	
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 835,313	\$ 152,138	\$ 1,887,715	\$ 2,875,166	\$ 1,572,874
Employee wages payable	76,192	742	50,106	127,040	38,479
Compensated absences	234,446	-	201,630	436,076	172,537
Due to other governments	14,337	447	16,677	31,461	170,410
Due to other funds	-	-	-	-	124,512
Current portion of revenue bonds payable	700,000	-	-	700,000	-
Accrued interest payable	33,882	-	-	33,882	-
Current liabilities payable from restricted assets:					
Customer deposits payable	28,098	157,000	7,308	192,406	-
Total current liabilities	<u>1,922,268</u>	<u>310,327</u>	<u>2,163,436</u>	<u>4,396,031</u>	<u>2,078,812</u>
Noncurrent liabilities:					
Revenue bonds payable, net	8,219,149	-	-	8,219,149	-
Compensated absences	58,612	-	50,408	109,020	43,134
Total noncurrent liabilities	<u>8,277,761</u>	<u>-</u>	<u>50,408</u>	<u>8,328,169</u>	<u>43,134</u>
Total liabilities	<u>10,200,029</u>	<u>310,327</u>	<u>2,213,844</u>	<u>12,724,200</u>	<u>2,121,946</u>
NET POSITION					
Net investment in capital assets	139,213,712	62,956,486	80,415,804	282,586,002	5,206,283
Restricted for debt service	1,175,500	-	-	1,175,500	-
Restricted for rate stabilization	2,127,811	547,086	-	2,674,897	-
Unrestricted	19,798,535	14,120,665	24,204,026	58,123,226	14,778,660
Total net position	<u>\$ 162,315,558</u>	<u>\$ 77,624,237</u>	<u>\$ 104,619,830</u>	<u>\$ 344,559,625</u>	<u>\$ 19,984,943</u>

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

CITY OF REDMOND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Business-type Activities- Enterprise Funds			Totals	Governmental Activities- Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management		
Operating revenues:					
Charges for services	\$ 20,175,190	\$ 4,853,903	\$ 11,494,496	\$ 36,523,589	\$ 16,233,320
Metro service	12,572,279	1,827,927	-	14,400,206	-
Charges for replacement	-	-	-	-	2,607,459
Charges for insurance	-	-	-	-	701,933
Total operating revenues	<u>32,747,469</u>	<u>6,681,830</u>	<u>11,494,496</u>	<u>50,923,795</u>	<u>19,542,712</u>
Operating expenses:					
Administrative and general	3,457,306	537,903	2,317,673	6,312,882	278,564
Purchased water	6,484,639	1,640,721	-	8,125,360	-
Metro service	12,299,197	1,773,156	-	14,072,353	-
Supplies	-	-	-	-	201,418
Maintenance and operations	2,894,122	555,986	3,112,988	6,563,096	18,962,459
Taxes	1,599,779	155,714	181,274	1,936,767	-
Depreciation and amortization	3,770,073	1,324,491	1,323,423	6,417,987	973,366
Total operating expenses	<u>30,505,116</u>	<u>5,987,971</u>	<u>6,935,358</u>	<u>43,428,445</u>	<u>20,415,807</u>
Operating income (loss)	<u>2,242,353</u>	<u>693,859</u>	<u>4,559,138</u>	<u>7,495,350</u>	<u>(873,095)</u>
Nonoperating revenues (expenses):					
Interest and investment revenue	206,038	138,150	264,003	608,191	158,275
Net change in fair value of investments	(143,950)	(96,204)	(140,961)	(381,115)	(106,679)
Grant income	64,653	-	4,947,858	5,012,511	-
Interest expense	(412,866)	-	-	(412,866)	-
Gain (Loss) on sale of capital assets	-	-	-	-	15,595
Insurance recovery	-	-	-	-	1,268,187
Lease and other revenue	82,901	67,997	-	150,898	111,037
Total nonoperating revenues (expenses)	<u>(203,224)</u>	<u>109,943</u>	<u>5,070,900</u>	<u>4,977,619</u>	<u>1,446,415</u>
Income before contributions and transfers	2,039,129	803,802	9,630,038	12,472,969	573,320
Capital contributions	4,093,186	1,035,202	1,771,389	6,899,777	-
Transfers in	86,240	-	-	86,240	-
Transfers out	-	-	(86,240)	(86,240)	(496,008)
Change in net position	<u>6,218,555</u>	<u>1,839,004</u>	<u>11,315,187</u>	<u>19,372,746</u>	<u>77,312</u>
Total net position - beginning, as previously reported	156,097,003	75,785,233	93,304,643	325,186,879	19,907,631
Total net position - ending	<u>\$ 162,315,558</u>	<u>\$ 77,624,237</u>	<u>\$ 104,619,830</u>	<u>\$ 344,559,625</u>	<u>\$ 19,984,943</u>

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

CITY OF REDMOND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

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	Business-type Activities- Enterprise Funds			Totals	Governmental Activities- Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management		
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 32,415,824	\$ 6,650,208	\$ 11,530,503	\$ 50,596,535	\$ 16,527,749
Cash received for replacement	-	-	-	-	2,607,459
Cash payments to suppliers	(19,433,171)	(3,998,189)	486,832	(22,944,528)	(12,698,080)
Cash payments to employees	(3,265,115)	(7)	(2,642,798)	(5,907,920)	(6,196,304)
Cash payments to other governments	(661,255)	(155,649)	(181,274)	(998,178)	170,377
Cash payments from other governments	-	-	(3,349,335)	(3,349,335)	-
Internal activity - payments to other funds	(3,089,293)	(945,304)	(2,126,837)	(6,161,434)	(656,490)
Other operating receipts	(1,947)	-	1,687	(260)	33
Net cash provided (used) by operating activities	<u>5,965,043</u>	<u>1,551,059</u>	<u>3,718,778</u>	<u>11,234,880</u>	<u>(245,256)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Nonoperating transfers in/transfers out	86,240	-	(86,240)	-	(496,008)
Grant proceeds	64,653	-	137,121	201,774	-
Other non-operating revenues (expenses)	82,901	67,997	-	150,898	1,379,222
Net cash provided by noncapital financing activities	<u>233,794</u>	<u>67,997</u>	<u>50,881</u>	<u>352,672</u>	<u>883,214</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(3,987,037)	(62,430)	(16,364,523)	(20,413,990)	(567,902)
Proceeds from sale of capital assets	-	-	-	-	15,595
Capital contributions	2,391,349	51,425	597,433	3,040,207	-
Bond/grant proceeds	-	-	4,810,737	4,810,737	-
Interest paid on revenue bonds	(439,691)	-	-	(439,691)	-
Principal paid on other debt	(665,000)	-	-	(665,000)	-
Net cash provided (used) for capital and related financing activities	<u>(2,700,379)</u>	<u>(11,005)</u>	<u>(10,956,353)</u>	<u>(13,667,737)</u>	<u>(552,307)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Internal activity, net investment purchases	(5,476,975)	(3,792,818)	991,801	(8,277,992)	(3,768,944)
Interest on investments	202,571	138,568	300,968	642,107	176,580
Net cash provided (used) in investing activities	<u>(5,274,404)</u>	<u>(3,654,250)</u>	<u>1,292,769</u>	<u>(7,635,885)</u>	<u>(3,592,364)</u>
Net increase (decrease) in cash and cash equivalents	(1,775,946)	(2,046,199)	(5,893,925)	(9,716,070)	(3,506,713)
Cash and cash equivalents-beginning of year	4,146,071	3,857,230	8,396,499	16,399,800	5,493,843
Cash and cash equivalents-end of year	<u>\$ 2,370,125</u>	<u>\$ 1,811,031</u>	<u>\$ 2,502,574</u>	<u>\$ 6,683,730</u>	<u>\$ 1,987,130</u>

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

CITY OF REDMOND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

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	Business-type Activities- Enterprise Funds			Totals	Governmental Activities- Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management		
Cash and cash equivalents					
Operating fund cash	\$ 2,342,027	\$ 1,654,031	\$ 2,495,266	\$ 6,491,324	\$ 1,987,130
Rate Stabilization Fund	-	-	-	-	-
Customer deposits	28,098	157,000	7,308	192,406	-
Cash and cash equivalents-end of year	<u>\$ 2,370,125</u>	<u>\$ 1,811,031</u>	<u>\$ 2,502,574</u>	<u>\$ 6,683,730</u>	<u>\$ 1,987,130</u>

Reconciliation of operating income to net cash provided by operating activities:

Operating income (loss)	\$ 2,242,353	\$ 693,859	4,559,139	\$ 7,495,351	\$ (873,095)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	3,770,073	1,324,491	1,323,423	6,417,987	973,366
Decrease (increase) in accounts receivable	(196,488)	(30,372)	35,967	(190,893)	(407,505)
Decrease (increase) in inventory	(19,500)	-	-	(19,500)	5,133
Decrease (increase) in prepaid expenses	-	-	-	-	43,107
Decrease (increase) in due from other governments	(1,947)	-	(3,349,336)	(3,351,283)	-
Increase (decrease) in accounts payable	300,698	(435,727)	1,151,810	1,016,781	201,533
Increase (decrease) due to other governments	14,268	65	1,687	16,020	170,410
Increase (decrease) in employee wages payable	16,363	(7)	(8,491)	7,865	(15,554)
Increase (decrease) in compensated absences payable	(25,620)	-	4,539	(21,081)	(12,471)
Increase (decrease) in customer deposits payable	(135,157)	(1,250)	40	(136,367)	-
Increase (decrease) in unearned revenue	-	-	-	-	(330,180)
Net cash provided (used) by operating activities	<u>\$ 5,965,043</u>	<u>\$ 1,551,059</u>	<u>\$ 3,718,778</u>	<u>\$ 11,234,880</u>	<u>\$ (245,256)</u>

Noncash investing, capital and financing activities:

Developers contributed infrastructure valued at	\$ 1,701,837	\$ 983,777	\$ 1,173,956	\$ 3,859,570	\$ -
Fair value of investments decreased by	(144,504)	(96,204)	(140,961)	(381,669)	(106,679)

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

CITY OF REDMOND
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
As of December 31, 2013

	Firefighter's Pension Fund		Agency Funds
ASSETS			
Cash and cash equivalents	\$ 159,110	\$	152,223
Investments	1,182,506		278,159
Receivables:			
Accounts	3,642		-
Total Assets	1,345,258		430,382
LIABILITIES			
Accounts payable	\$ -	\$	91,387
Due to other governments	-		4,378
Custodial	-		35,437
Trust account	-		299,180
Total Liabilities	-		430,382
NET POSITION			
Held in trust for pension benefits	\$ 1,345,258	\$	-

CITY OF REDMOND
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the year ended December 31, 2013

	Firefighter's Pension Fund
ADDITIONS	
Intergovernmental revenue	\$ 138,205
Investment interest	12,270
Total additions	150,475
DEDUCTIONS	
Benefit payments	12,225
Administrative expenses	1,350
Total deductions	13,575
Change in net position	136,900
Net position-beginning	1,208,358
Net position-ending	\$ 1,345,258

The notes to the financial statements are an integral part of these statements