

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

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. In September 2013, the City issued Limited Tax General Obligation Refunding Bonds to advance refund and defease the Redmond Community Properties Lease Revenue Bonds (see Note 13 Long-Term Obligations for more information). Following the issuance of the bonds and the defeasance and refunding of the outstanding RCP bonds, title to City Hall and the parking garage transferred to the City.

CITY OF REDMOND
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 December 31, 2013

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	Fleet Maintenance	Insurance	Medical Self-Insurance	Workers' Compensation
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 539,490	\$ 68,054	\$ 1,042,341	\$ 16,543
Investments	3,989,776	501,611	7,699,613	122,332
Receivables:				
Accounts and contracts	-	-	371,086	-
Interest	13,823	1,511	25,467	423
Inventory	56,773	-	-	-
Prepaid Insurance	-	413,277	-	-
Total current assets	4,599,862	984,453	9,138,507	139,298
Noncurrent assets:				
Land	584,292	-	-	-
Buildings	510,196	-	-	-
Improvements other than buildings	248,876	-	-	-
Equipment	11,813,501	-	-	-
Less accumulated depreciation	(8,526,388)	-	-	-
Total capital assets (net of depreciation)	4,630,477	-	-	-
Total noncurrent assets	4,630,477	-	-	-
Total Assets	\$ 9,230,339	\$ 984,453	\$ 9,138,507	\$ 139,298
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 32,409	\$ 11,455	\$ 1,357,420	\$ 80,517
Employee wages payable	5,743	851	6	2,762
Compensated absences	30,935	3,745	-	15,092
Due to other governments	33	-	-	-
Due to other funds	-	-	-	-
Total current liabilities	69,120	16,051	1,357,426	98,371
Noncurrent liabilities:				
Compensated absences	7,734	936	-	3,773
Total noncurrent liabilities	7,734	936	-	3,773
Total Liabilities	76,854	16,987	1,357,426	102,144
NET POSITION				
Net investment in capital assets	4,630,477	-	-	-
Unrestricted	4,523,008	967,466	7,781,081	37,154
Total net position	\$ 9,153,485	\$ 967,466	\$ 7,781,081	\$ 37,154

CITY OF REDMOND
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 December 31, 2013

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	Information Technology	Redmond Community Properties	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 227,690	\$ 93,013	\$ 1,987,131
Investments	1,676,545	-	13,989,877
Receivables:			
Accounts and contracts	-	36,419	407,505
Interest	4,819	-	46,043
Inventory	-	-	56,773
Prepaid Insurance	-	-	413,277
Total current assets	1,909,054	129,432	16,900,606
Noncurrent assets:			
Land	-	-	584,292
Buildings	109,298	-	619,494
Improvements other than buildings	88,535	-	337,411
Equipment	503,893	-	12,317,394
Less accumulated depreciation	(125,920)	-	(8,652,308)
Total capital assets (net of depreciation)	575,806	-	5,206,283
Total noncurrent assets	575,806	-	5,206,283
Total Assets	\$ 2,484,860	\$ 129,432	\$ 22,106,889
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 86,153	\$ 4,920	\$ 1,572,874
Employee wages payable	29,117	-	38,479
Compensated absences	122,765	-	172,537
Due to other governments	170,377	-	170,410
Due to other funds	-	124,512	124,512
Total current liabilities	408,412	129,432	2,078,812
Noncurrent liabilities:			
Compensated absences	30,691	-	43,134
Total noncurrent liabilities	30,691	-	43,134
Total Liabilities	439,103	129,432	2,121,946
NET POSITION			
Net investment in capital assets	575,806	-	5,206,283
Unrestricted	1,469,951	-	14,778,660
Total net position	\$ 2,045,757	\$ -	\$ 19,984,943

CITY OF REDMOND
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 For the year ended December 31, 2013

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	Fleet Maintenance	Insurance	Medical Self-Insurance
Operating revenues:			
Charges for services	\$ 62,432	\$ 889,331	\$ 10,505,633
Charges for replacement	2,607,459	-	-
Charges for insurance	-	-	-
Total operating revenues	2,669,891	889,331	10,505,633
Operating expenses:			
Administrative and general	-	-	-
Supplies	149,325	-	15
Maintenance and operations	1,134,371	1,009,766	10,760,223
Depreciation and amortization	914,651	-	-
Total Operating Expenses	2,198,347	1,009,766	10,760,238
Operating income (loss)	471,544	(120,435)	(254,605)
Nonoperating revenues (expenses):			
Interest and investment revenue	43,176	7,598	85,133
Net change in fair value of the investments	(30,424)	(3,825)	(58,713)
Gain (Loss) on sale of capital assets	44,754	-	-
Insurance recovery	-	44,663	1,223,525
Lease and other revenue	-	-	111,037
Total nonoperating revenues (expenses)	57,506	48,436	1,360,982
Income (loss) before contributions and transfers	529,050	(71,999)	1,106,377
Transfers out	-	(23,869)	-
Change in net position	529,050	(95,868)	1,106,377
Total net position - beginning, as previously reported	8,624,435	1,063,334	6,674,704
Total net position - ending	\$ 9,153,485	\$ 967,466	\$ 7,781,081

CITY OF REDMOND
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 For the year ended December 31, 2013

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	Workers' Compensation	Information Technology	Redmond Community Properties	Total
Operating revenues:				
Charges for services	\$ -	\$ 4,066,742	\$ 709,182	\$ 16,233,320
Charges for replacement	-	-	-	2,607,459
Charges for insurance	701,933	-	-	701,933
Total operating revenues	<u>701,933</u>	<u>4,066,742</u>	<u>709,182</u>	<u>19,542,712</u>
Operating expenses:				
Administrative and general	-	-	278,564	278,564
Supplies	-	52,078	-	201,418
Maintenance and operations	1,125,118	4,409,317	523,664	18,962,459
Depreciation and amortization	-	58,715	-	973,366
Total Operating Expenses	<u>1,125,118</u>	<u>4,520,110</u>	<u>802,228</u>	<u>20,415,807</u>
Operating income (loss)	<u>(423,185)</u>	<u>(453,368)</u>	<u>(93,046)</u>	<u>(873,095)</u>
Nonoperating revenues (expenses):				
Interest and investment revenue	2,867	19,443	57	158,274
Net change in fair value of the investment	(933)	(12,784)	-	(106,679)
Gain (Loss) on sale of capital assets	-	(29,159)	-	15,595
Insurance recovery	-	-	-	1,268,188
Lease and other revenue	-	-	-	111,037
Total nonoperating revenues (expenses)	<u>1,934</u>	<u>(22,500)</u>	<u>57</u>	<u>1,446,415</u>
Income (loss) before contributions and transfers	(421,251)	(475,868)	(92,989)	573,320
Transfers out	-	-	(472,139)	(496,008)
Change in net position	<u>(421,251)</u>	<u>(475,868)</u>	<u>(565,128)</u>	<u>77,312</u>
Total net position - beginning, as previously reported	458,405	2,521,625	565,128	19,907,631
Total net position - ending	<u>\$ 37,154</u>	<u>\$ 2,045,757</u>	<u>\$ -</u>	<u>\$ 19,984,943</u>

CITY OF REDMOND
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended December 31, 2013

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	Fleet Maintenance	Insurance	Medical Self-Insurance
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 62,432	\$ 889,331	\$ 10,134,548
Cash received for replacement	2,607,459	-	-
Cash payments to suppliers	(774,318)	(946,219)	(7,983,029)
Cash payments to employees	(416,943)	(50,142)	(2,350,230)
Cash payments to other governments	-	-	-
Internal activity - payments to other funds	(148,619)	(17,631)	(170,634)
Other operating receipts	33	-	-
Net cash provided (used) by operating activities	1,330,044	(124,661)	(369,345)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Nonoperating transfers in	-	(23,869)	-
Other non-operating revenues (expenses)	-	44,662	1,334,560
Net cash provided by noncapital financing activities	-	20,793	1,334,560
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(467,623)	-	-
Proceeds from sale of capital assets	44,754	-	-
Net cash provided (used) for capital and related financing activities	(422,869)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Internal activity, net investment purchases	(1,501,020)	(37,047)	(2,376,333)
Interest on investments	41,943	8,429	86,567
Net cash provided (used) in investing activities	(1,459,077)	(28,618)	(2,289,766)
Net increase (decrease) in cash and cash equivalents	(551,902)	(132,486)	(1,324,551)
Cash and cash equivalents-beginning of year	1,091,392	200,540	2,366,892
Cash and cash equivalents-end of year	\$ 539,490	\$ 68,054	\$ 1,042,341
Cash at the end of the year consists of:			
Operating fund cash	\$ 539,490	\$ 68,054	\$ 1,042,341
Cash and cash equivalents-end of year	\$ 539,490	\$ 68,054	\$ 1,042,341
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 471,544	(120,435)	(254,605)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	914,652	-	-
Decrease (increase) in accounts receivable	-	-	(371,086)
Decrease (increase) in inventory	5,133	-	-
Decrease (increase) in prepaid expenses	-	2,840	-
Increase (decrease) in accounts payable	(62,881)	(6,973)	256,347
Increase (decrease) due to other governments	33	-	-
Increase (decrease) in employee wages payable	(1,923)	-	(2)
Increase (decrease) in compensated absences payable	3,486	(93)	-
Increase (decrease) in unearned revenue	-	-	-
Net cash provided (used) by operating activities	\$ 1,330,044	\$ (124,661)	\$ (369,346)
Noncash investing, capital and financing activities:			
Fair value of investments decreased by	(30,424)	(3,825)	(58,713)

CITY OF REDMOND
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended December 31, 2013

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	Worker's Compensation	Information Technology	Redmond Community Properties	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 701,933	\$ 4,066,742	\$ 672,763	\$ 16,527,749
Cash received for replacement	-	-	-	2,607,459
Cash payments to suppliers	(203,961)	(1,757,673)	(1,032,880)	(12,698,080)
Cash payments to employees	(928,144)	(2,450,845)	-	(6,196,304)
Cash payments to other governments	-	170,377	-	170,377
Internal activity - payments to other funds	(25,535)	(294,070)	-	(656,489)
Other operating receipts	-	-	-	33
Net cash provided (used) by operating activities	<u>(455,707)</u>	<u>(265,469)</u>	<u>(360,117)</u>	<u>(245,255)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Nonoperating transfers in/transfers out	-	-	(472,139)	(496,008)
Other non-operating revenues (expenses)	-	-	-	1,379,222
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>(472,139)</u>	<u>883,214</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(100,279)	-	(567,902)
Proceeds from sale of capital assets	-	(29,159)	-	15,595
Net cash provided (used) for capital and related financing activities	<u>-</u>	<u>(129,438)</u>	<u>-</u>	<u>(552,307)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Internal activity, net investment purchases	287,383	(141,927)	-	(3,768,944)
Interest on investments	4,496	22,358	12,787	176,580
Net cash provided (used) in investing activities	<u>291,879</u>	<u>(119,569)</u>	<u>12,787</u>	<u>(3,592,364)</u>
Net increase (decrease) in cash and cash equivalents	(163,828)	(514,476)	(819,469)	(3,506,712)
Cash and cash equivalents-beginning of year	180,371	742,166	912,482	5,493,843
Cash and cash equivalents-end of year	<u>\$ 16,543</u>	<u>\$ 227,690</u>	<u>\$ 93,013</u>	<u>\$ 1,987,131</u>
Cash at the end of the year consists of:				
Operating fund cash	\$ 16,543	\$ 227,690	\$ 93,013	\$ 1,987,131
Cash and cash equivalents-end of year	<u>\$ 16,543</u>	<u>\$ 227,690</u>	<u>\$ 93,013</u>	<u>\$ 1,987,131</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	(423,185)	(453,368)	(93,046)	(873,095)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	-	58,715	-	973,367
Decrease (increase) in accounts receivable	-	-	(36,419)	(407,505)
Decrease (increase) in inventory	-	-	-	5,133
Decrease (increase) in prepaid expenses	-	-	40,267	43,107
Increase (decrease) in accounts payable	(33,305)	(10,917)	59,261	201,532
Increase (decrease) due to other governments	-	170,377	-	170,410
Increase (decrease) in employee wages payable	(31)	(13,598)	-	(15,554)
Increase (decrease) in compensated absences payable	814	(16,678)	-	(12,471)
Increase (decrease) in unearned revenue	-	-	(330,180)	(330,180)
Net cash provided (used) by operating activities	<u>\$ (455,707)</u>	<u>\$ (265,469)</u>	<u>\$ (360,117)</u>	<u>\$ (245,256)</u>
Noncash investing, capital and financing activities:				
Fair value of investments decreased by	(934)	(12,784)	-	(106,680)