

CITY OF REDMOND
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	General	Capital Improvements Program Fund	Other Governmental Funds	Governmental Funds Total
ASSETS				
Cash and cash equivalents	\$ 4,259,863	\$ 3,551,935	\$ 1,331,070	\$ 9,142,868
Cash with outside agency	-	-	10,000	10,000
Investments	26,904,646	22,343,246	8,830,474	58,078,366
Receivables:				
Taxes	8,008,146	-	611,507	8,619,653
Accounts	203,681	1,632	67,025	272,338
Interest	62,810	51,457	25,055	139,322
Due from other funds	128,482	-	-	128,482
Due from other governments	288,543	1,288,254	2,012,227	3,589,024
Restricted assets:				
Deposit investments	4,691,232	11,695	335	4,703,262
Cash	454,814	-	72,042	526,856
Total Assets	\$ 45,002,217	\$ 27,248,219	\$ 12,959,735	\$ 85,210,171
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts/claims payable	\$ 857,432	\$ 1,652,124	\$ 113,206	\$ 2,622,762
Employee wages payable	2,010,607	37,035	293,282	2,340,924
Due to other funds	-	-	128,482	128,482
Due to other governments	468,249	8,859	125,266	602,374
Payable from restricted assets:				
Deposits payable	4,067,202	11,695	335	4,079,232
Unearned revenues	430,199	-	128,568	558,767
Total Liabilities	7,833,689	1,709,713	789,139	10,332,541
Fund balances:				
Spendable:				
Restricted	7,106,431	13,429,456	10,733,369	31,269,257
Committed	9,441,772	-	1,437,227	10,878,999
Assigned	11,019,280	12,109,050	-	23,128,330
Unassigned	9,601,044	-	-	9,601,044
Total Fund Balances	37,168,527	25,538,506	12,170,596	74,877,629
Total Liabilities and Fund Balances	\$ 45,002,216	\$ 27,248,219	\$ 12,959,735	

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.	389,410,092
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.	21,069,277
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 2)	(69,286,186)
The Net Pension Asset, Net Pension Liability, and deferred inflows and deferred outflows are reported in the government-wide statement of net position but not in the governmental balance sheet. (Note 2)	(10,709,753)
Net position of governmental activities	\$ 405,361,059

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, 2015

	General Fund	Capital Improvements Program Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 63,338,221	\$ -	\$ 8,780,820	\$ 72,119,041
Licenses and permits	9,720,283	-	1,203,748	10,924,031
Contributions	66,687	68,500	37,820	173,007
Intergovernmental	3,103,642	3,913,775	343,483	7,360,900
Charges for services	14,815,209	1,945,511	9,870,325	26,631,045
Fines and forfeitures	613,556	-	15,901	629,457
Investment income	307,514	255,961	93,962	657,437
Net Change in Fair Value of Investment	(99,443)	(65,807)	(25,996)	(191,246)
Miscellaneous	304,097	178,602	432,077	914,776
Total Revenues	<u>92,169,766</u>	<u>6,296,542</u>	<u>20,752,140</u>	<u>119,218,448</u>
EXPENDITURES				
Current:				
General government	16,414,295	-	-	16,414,295
Security of persons and property	44,684,473	-	6,496,134	51,180,607
Physical environment	16,957	-	640,223	657,180
Transportation	8,752,185	-	1,292,403	10,044,588
Economic environment	4,648,988	-	970,796	5,619,784
Social Services	882,947	-	273,505	1,156,452
Culture and recreation	8,841,562	-	2,378,644	11,220,206
Capital outlay	488,709	20,438,118	80,138	21,006,965
Debt service:				
Principal	94,451	751,886	2,910,000	3,756,337
Interest and debt issue costs	4,014	218,847	2,463,314	2,686,175
Total Expenditures	<u>84,828,581</u>	<u>21,408,851</u>	<u>17,505,157</u>	<u>123,742,589</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>7,341,185</u>	<u>(15,112,309)</u>	<u>3,246,983</u>	<u>(4,524,141)</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	9,280,000	9,280,000
Premium on refunding bonds issued	-	-	716,063	716,063
Payment to refunded bond escrow agent	-	-	(9,996,063)	(9,996,063)
Insurance recoveries	7,460	-	-	7,460
Transfers in (Note 12)	3,234,801	10,409,639	5,781,007	19,425,447
Transfers out (Note 12)	(8,158,363)	(3,046,300)	(8,085,146)	(19,289,809)
Total other financing sources and uses	<u>(4,916,102)</u>	<u>7,363,339</u>	<u>(2,304,139)</u>	<u>143,098</u>
Net change in fund balances	<u>2,425,083</u>	<u>(7,748,970)</u>	<u>942,844</u>	<u>(4,381,043)</u>
Fund balances-beginning	34,817,144	33,783,942	11,227,752	79,828,838
Prior Period Adjustment	(73,700)	(496,466)	-	(570,166)
Fund balances-ending	<u>\$ 37,168,527</u>	<u>\$ 25,538,506</u>	<u>\$ 12,170,596</u>	<u>\$ 74,877,629</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, 2015

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

Net change in fund balances-total governmental funds.	\$	(4,381,043)
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 \$21,006,965 and contributions of \$1,920,260 exceed depreciation expense of \$8,968,997 and disposals of \$227,168 in the current period.		13,731,060
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (Note 2)		1,155,936
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. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the government-wide statement of activities: This is the amount by which repayments exceeded proceeds. (Note 2)		3,771,869
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.		2,023,445
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 2)		(867,614)
Pension expenses reported in the governmental fund statements are not reported as expenditures in the statement of activities.		2,630,999
Change in net position of governmental activities.	\$	<u><u>18,064,652</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, 2015

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	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management		
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 4,620,052	\$ 2,548,024	\$ 3,938,409	\$ 11,106,485	\$ 2,605,159
Investments	23,827,136	14,308,710	23,198,924	61,334,770	16,396,174
Accounts and contracts receivable	3,145,712	510,120	1,017,648	4,673,480	80,783
Interest receivable	66,199	36,739	56,288	159,226	36,702
Due from other Governments	4,625	-	357,216	361,841	-
Inventory	107,549	-	-	107,549	37,012
Prepaid insurance	-	-	-	-	453,171
Restricted assets:					
Customer deposits:					
Cash and cash equivalents	16,373	32,000	7,308	55,681	-
Revenue Bond Reserve:					
Investments	1,175,500	-	1,634,409	2,809,909	-
Rate stabilization fund:					
Investments	4,177,811	1,929,266	-	6,107,077	-
Total current assets	<u>37,140,957</u>	<u>19,364,859</u>	<u>30,210,202</u>	<u>86,716,018</u>	<u>19,609,001</u>
Noncurrent assets:					
Advance on service contract	35,445	3,485	-	38,930	-
Capital assets:					
Land and land rights	4,382,731	3,274,106	17,963,437	25,620,274	584,292
Buildings	25,377,864	11,031,564	1,549,496	37,958,924	619,494
Improvements other than buildings	168,268,908	63,753,253	114,722,506	346,744,667	356,198
Equipment	562,618	262,471	632,836	1,457,925	13,739,850
Construction in progress	2,275,787	84,808	8,635,861	10,996,456	91,370
Less accumulated depreciation	(53,697,333)	(15,773,395)	(16,448,803)	(85,919,531)	(9,405,182)
Total capital assets (net of depreciation)	<u>147,170,575</u>	<u>62,632,807</u>	<u>127,055,333</u>	<u>336,858,715</u>	<u>5,986,022</u>
Total noncurrent assets	<u>147,206,020</u>	<u>62,636,292</u>	<u>127,055,333</u>	<u>336,897,645</u>	<u>5,986,022</u>
Total assets	<u>\$ 184,346,977</u>	<u>\$ 82,001,151</u>	<u>\$ 157,265,535</u>	<u>\$ 423,613,663</u>	<u>\$ 25,595,023</u>
Deferred outflow of resources:					
Pension GASB 68	328,975	158	295,869	625,002	284,365
Total deferred outflows	<u>328,975</u>	<u>158</u>	<u>295,869</u>	<u>625,002</u>	<u>284,365</u>
Total assets and deferred outflows	<u>184,675,952</u>	<u>82,001,309</u>	<u>157,561,404</u>	<u>424,238,665</u>	<u>25,879,388</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, 2015

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	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management		
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 1,010,482	\$ 72,963	\$ 828,592	\$ 1,912,037	\$ 1,529,877
Employee wages payable	163,973	179	136,047	300,199	299,665
Compensated absences	248,415	-	202,381	450,796	207,269
Due to other governments	13,912	176	30,844	44,932	34,813
Current portion of revenue bonds payable	755,000	-	785,000	1,540,000	-
Accrued interest payable	29,132	-	82,455	111,587	-
Current liabilities payable from restricted assets:					
Customer deposits payable	16,373	32,000	7,308	55,681	-
Total current liabilities	<u>2,237,287</u>	<u>105,318</u>	<u>2,072,627</u>	<u>4,415,232</u>	<u>2,071,624</u>
Noncurrent liabilities:					
Revenue bonds payable, net	6,690,917	-	24,133,790	30,824,707	-
Loans payable	-	-	4,412,000	4,412,000	-
Compensated absences	62,104	-	50,595	112,699	51,818
Net Pension Liability	2,695,940	1,297	2,424,635	5,121,872	2,330,359
Total noncurrent liabilities	<u>9,448,961</u>	<u>1,297</u>	<u>31,021,020</u>	<u>40,471,278</u>	<u>2,382,177</u>
Total liabilities	<u>11,686,248</u>	<u>106,615</u>	<u>33,093,647</u>	<u>44,886,510</u>	<u>4,453,801</u>
Deferred inflow of resources:					
Pension GASB 68	412,207	198	370,725	783,130	356,310
Total deferred inflows	<u>412,207</u>	<u>198</u>	<u>370,725</u>	<u>783,130</u>	<u>356,310</u>
Total liabilities and deferred inflows	<u>12,098,455</u>	<u>106,813</u>	<u>33,464,372</u>	<u>45,669,640</u>	<u>4,810,111</u>
NET POSITION					
Net investment in capital assets	139,724,658	62,632,807	102,136,543	304,494,008	5,986,022
Restricted for debt service	1,175,500	-	1,634,409	2,809,909	-
Restricted for rate stabilization	4,177,811	1,929,266	-	6,107,077	-
Unrestricted	27,499,528	17,332,423	20,326,080	65,158,031	15,083,255
Total net position	<u>\$ 172,577,497</u>	<u>\$ 81,894,496</u>	<u>\$ 124,097,032</u>	<u>\$ 378,569,025</u>	<u>\$ 21,069,277</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, 2015

	Business-type Activities- Enterprise Funds			Totals	Governmental Activities- Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management		
Operating revenues:					
Charges for services	\$ 21,522,221	4,921,781	11,961,161	38,405,163	17,374,737
Metro service	14,114,783	2,024,735	-	16,139,518	-
Charges for replacement	-	-	-	-	2,378,063
Charges for insurance	-	-	-	-	1,170,182
Total operating revenues	<u>35,637,004</u>	<u>6,946,516</u>	<u>11,961,161</u>	<u>54,544,681</u>	<u>20,922,982</u>
Operating expenses:					
Administrative and general	2,778,349	350,810	2,592,412	5,721,571	-
Purchased water	6,768,749	1,207,290	-	7,976,039	-
Metro service	13,556,523	1,993,768	-	15,550,291	-
Supplies	-	-	-	-	215,806
Maintenance and operations	4,794,203	826,745	3,524,502	9,145,450	18,465,647
Taxes	749,920	163,590	179,145	1,092,655	-
Depreciation and amortization	3,944,706	1,357,839	1,692,755	6,995,300	1,071,800
Total operating expenses	<u>32,592,450</u>	<u>5,900,042</u>	<u>7,988,814</u>	<u>46,481,306</u>	<u>19,753,253</u>
Operating income (loss)	<u>3,044,554</u>	<u>1,046,474</u>	<u>3,972,347</u>	<u>8,063,375</u>	<u>1,169,729</u>
Nonoperating revenues (expenses):					
Interest and investment revenue	254,142	146,278	240,710	641,130	140,349
Net change in fair value of the investment	(85,900)	(47,800)	(73,103)	(206,803)	(32,494)
Grant income	51,944	-	2,619,392	2,671,336	1,156
Interest expense	(352,534)	-	(564,447)	(916,981)	-
Gain (Loss) on disposal of capital assets	-	-	(56,205)	(56,205)	121,538
Insurance recovery	-	-	-	-	511,739
Lease and other revenue	163,654	72,722	42,343	278,719	247,069
Total nonoperating revenues (expenses)	<u>31,306</u>	<u>171,200</u>	<u>2,208,690</u>	<u>2,411,196</u>	<u>989,357</u>
Income before contributions and transfers	<u>3,075,860</u>	<u>1,217,674</u>	<u>6,181,037</u>	<u>10,474,571</u>	<u>2,159,086</u>
Capital contributions	4,908,110	1,074,142	2,450,979	8,433,231	-
Transfers in	318,142	-	-	318,142	11,622
Transfers out	-	-	(318,142)	(318,142)	(147,260)
Change in net position	<u>8,302,112</u>	<u>2,291,816</u>	<u>8,313,874</u>	<u>18,907,802</u>	<u>2,023,448</u>
Total net position - beginning, as previously reported	167,151,084	\$ 79,604,064	\$ 118,369,462	365,124,610	21,531,572
Changes in Accounting Principles-GASB 68	(2,875,699)	(1,384)	(2,586,304)	(5,463,387)	(2,485,743)
Total net position - ending	<u>\$ 172,577,497</u>	<u>\$ 81,894,496</u>	<u>\$ 124,097,032</u>	<u>\$ 378,569,025</u>	<u>\$ 21,069,277</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, 2015

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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	\$ 35,493,080	6,981,630	11,898,778	54,373,488	\$ 18,464,136
Cash received for replacement	-	-	-	-	2,378,063
Cash payments to suppliers	(21,730,293)	(3,532,592)	(1,184,280)	(26,447,165)	(4,223,282)
Cash payments to employees	(3,659,279)	(561)	(2,715,172)	(6,375,012)	(14,278,447)
Cash payments to other governments	(750,578)	(163,414)	(180,658)	(1,094,650)	109
Internal activity - payments to other funds	(2,296,758)	(1,031,012)	(2,157,222)	(5,484,992)	(536,461)
Other operating receipts	70,033	691	42,343	113,067	758,803
Net cash provided (used) by operating activities	<u>7,126,205</u>	<u>2,254,742</u>	<u>5,703,789</u>	<u>15,084,736</u>	<u>2,562,921</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Nonoperating transfers in/transfers out	-	-	-	-	(135,638)
Grant proceeds	72,271	-	985,769	1,058,040	1,156
Net cash provided by noncapital financing activities	<u>72,271</u>	<u>-</u>	<u>985,769</u>	<u>1,058,040</u>	<u>(134,482)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(1,765,380)	(109,091)	(18,699,602)	(20,574,073)	(1,509,725)
Proceeds from sale of other assets	93,623	72,030	-	165,653	121,538
Cash payments to suppliers	35,847	(20,555)	51,586	66,878	-
Capital contributions	2,396,425	12,325	1,346,613	3,755,363	-
Loan/grant proceeds	-	-	8,855,068	8,855,068	-
Interest paid on revenue bonds	(379,066)	-	(1,005,240)	(1,384,306)	-
Principal paid on other debt	(725,000)	-	(765,000)	(1,490,000)	-
Net cash provided (used) for capital and related financing activities	<u>(343,551)</u>	<u>(45,291)</u>	<u>(10,216,575)</u>	<u>(10,605,417)</u>	<u>(1,388,187)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Internal activity, net investment purchases	(5,251,237)	(1,496,275)	3,846,854	(2,900,658)	(457,205)
Interest on investments	156,182	94,589	176,020	426,791	107,229
Net cash provided (used) in investing activities	<u>(5,095,055)</u>	<u>(1,401,686)</u>	<u>4,022,874</u>	<u>(2,473,867)</u>	<u>(349,976)</u>
Net increase (decrease) in cash and cash equivalents	1,759,870	807,765	495,857	3,063,492	690,276
Cash and cash equivalents-beginning of year	2,876,556	\$ 1,772,258	\$ 3,449,860	\$ 8,098,674	1,914,883
Cash and cash equivalents-end of year	<u>\$ 4,636,426</u>	<u>\$ 2,580,023</u>	<u>\$ 3,945,717</u>	<u>\$ 11,162,166</u>	<u>\$ 2,605,159</u>

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CITY OF REDMOND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2015

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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	\$ 4,620,052	2,548,024	3,938,409	11,106,485	2,605,159
Customer deposits	16,373	32,000	7,308	55,681	-
Cash and cash equivalents-end of year	<u>\$ 4,636,425</u>	<u>\$ 2,580,024</u>	<u>\$ 3,945,717</u>	<u>\$ 11,162,166</u>	<u>\$ 2,605,159</u>

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

Operating income (loss)	\$ 3,044,554	1,046,474	3,972,347	8,063,375	1,169,729
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	3,944,706	1,357,839	1,692,755	6,995,300	1,071,800
Decrease (increase) in accounts receivable	(143,924)	35,114	(62,384)	(171,194)	(80,783)
Decrease (increase) in inventory	(34,496)	-	-	(34,496)	9,304
Decrease (increase) in prepaid expenses	-	-	-	-	(9,417)
Increase (decrease) in accounts payable	239,896	(184,991)	38,912	93,817	(584,924)
Increase (decrease) due to other governments	(659)	176	(1,513)	(1,996)	109
Increase (decrease) in employee wages payable	93,940	(513)	93,703	187,130	266,604
Increase (decrease) in compensated absences payable	8,682	-	14,437	23,119	45,131
Reclassify other income	70,033	691	42,343	113,067	758,805
Increase (decrease) in GASB 68 adjustment	(96,527)	(48)	(86,811)	(183,386)	(83,437)
Net cash provided (used) by operating activities	<u>\$ 7,126,205</u>	<u>\$ 2,254,742</u>	<u>\$ 5,703,789</u>	<u>\$ 15,084,736</u>	<u>\$ 2,562,921</u>

Noncash investing, capital and financing activities:

Developers contributed infrastructure valued at	\$ 2,511,685	1,061,817	1,104,366	4,677,868	-
Fair value of investments decreased by	(85,900)	(47,800)	(73,103)	(206,803)	(48,266)

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, 2015

	Firefighters Pension Fund	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 197,645	\$ 2,745,189
Investments:		
U.S. Government Securities	1,223,363	9,928,408
Money Market Funds	134,732	614,896
Local Government Investment Pool	47,460	883,810
Receivables:		
Accounts Receivable	-	-
Interest	3,130	24,222
Construction in Progress	-	938,943
Total Assets	<u>1,606,330</u>	<u>15,135,468</u>
LIABILITIES		
Accounts payable	\$ -	\$ (1,052)
Due to other governments	-	270,993
Custodial	-	13,681,664
Trust account	-	1,183,863
Total Liabilities	<u>-</u>	<u>15,135,468</u>
NET POSITION		
Held in trust for pension benefits	<u>\$ 1,606,330</u>	<u>\$ -</u>

CITY OF REDMOND
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the year ended December 31, 2015

	Firefighters Pension Fund
	<u> </u>
ADDITIONS	
Intergovernmental revenue	\$ 146,358
Investment interest	9,511
Total additions	<u>155,869</u>
DEDUCTIONS	
Benefit payments	28,466
Administrative expenses	5,500
Total deductions	<u>33,966</u>
Change in net position	121,903
Net position-beginning	1,484,427
Net position-ending	<u>\$ 1,606,330</u>

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