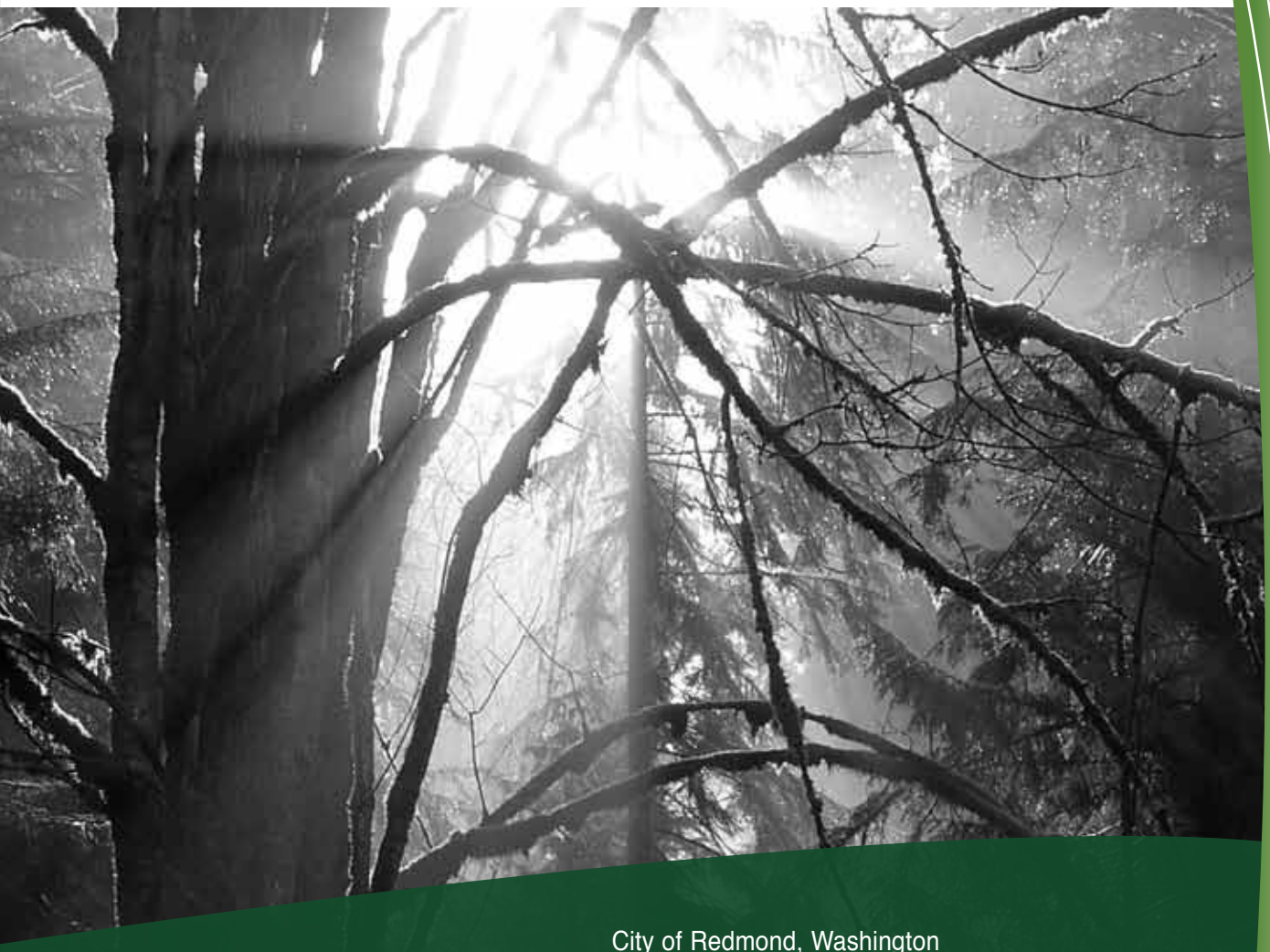
City of Redmond
WASHINGTON



City of Redmond, Washington

Comprehensive Annual **Financial Report**

For the fiscal year ended December 31, 2010

2010

CITY OF REDMOND, WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

PREPARED BY THE FINANCE DEPARTMENT

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DEPARTMENT ADMINISTRATIVE COORDINATOR

City of Redmond, Washington
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Redmond Washington

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

CITY OF REDMOND ELECTED OFFICIALS

MAYOR
John Marchione

John Marchione

COUNCIL

Richard Cole
President

John "Pat" Vache
Vice President

Kim Allen

David Carson

John Stilin

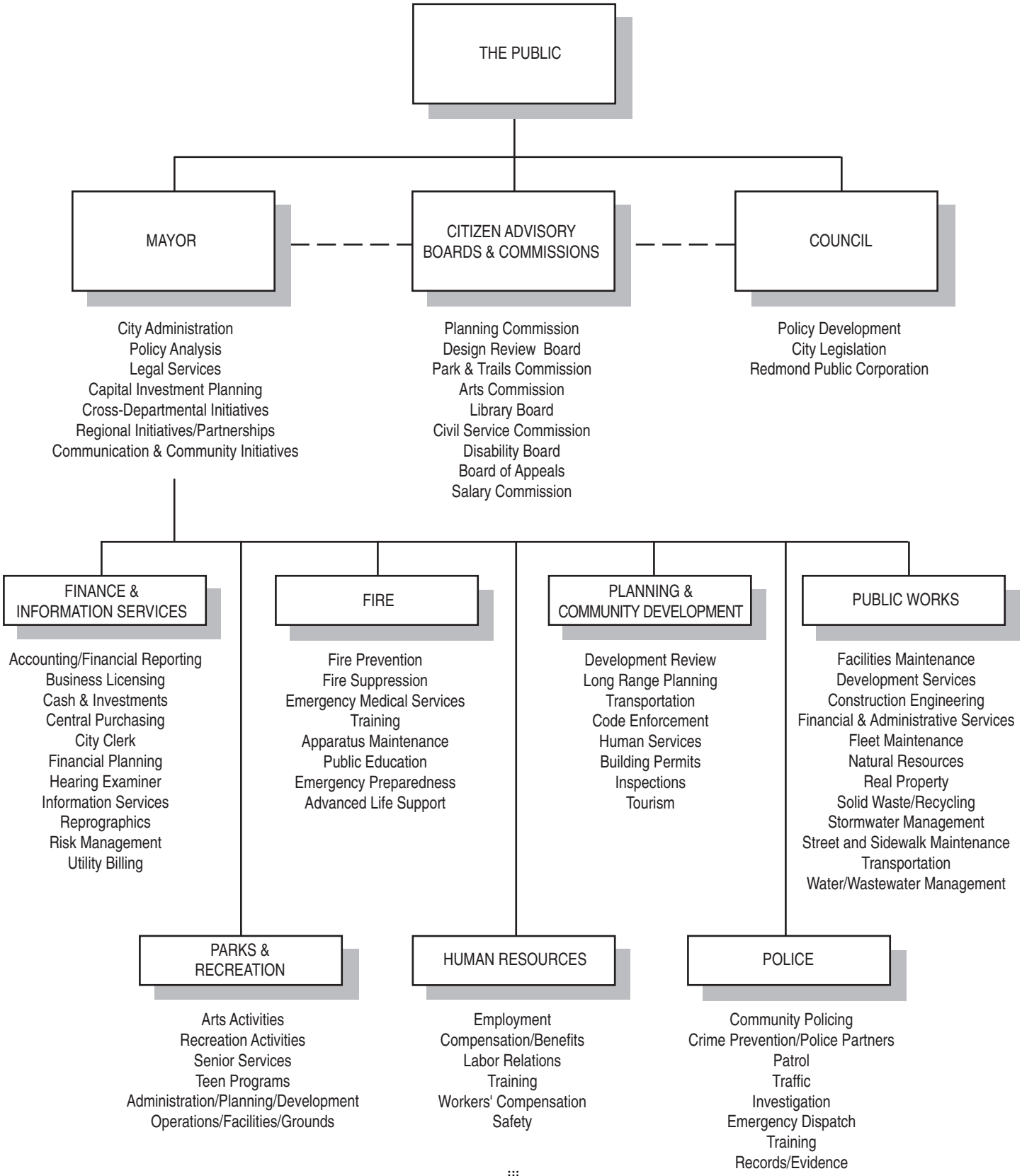
Hank Margeson

Hank Myers

EXECUTIVE STAFF AND LEGAL COUNSEL

Assistant to the Mayor	Jane Christenson
Finance and Information Services Director	Michael Bailey
Fire Chief	Tim Fuller
Human Resources Director	Kerry Sievers
Parks and Recreation Director	Craig Larsen
Planning and Community Development Director	Rob Odle
Police Chief	Ron Gibson
Public Works Director	William Campbell
City Attorney	James Haney, Ogden Murphy Wallace
Bond Attorney	Gottlieb Fisher PLLC
Prosecutor	Richard Mitchell

ORGANIZATIONAL STRUCTURE
CITY OF REDMOND



July 29, 2011

Mayor Marchione,
The Redmond City Council, and
Citizens of Redmond, Washington:

I am pleased to provide the Comprehensive Annual Financial Report of the City of Redmond for the fiscal year ended December 31, 2010. This report is published annually as the official annual financial report and complies with State law (RCW 43.09.230) requiring annual reports for Washington municipal governments to be certified and filed with the State Auditor's Office in a timely fashion.

As management for the City, we are responsible for both the accuracy of the data, and the completeness and fairness of the presentation, including all related disclosures. The City operates under a system of accounting internal controls that are concerned with the safeguarding of assets and the reliability of financial records. The definition of accounting control assumes reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits expected to be derived.

Cities and counties of the State of Washington use the Budgeting, Accounting and Reporting System (BARS) developed and prescribed by the Office of the State Auditor. State law provides for an annual independent audit to be conducted by the Office of the State Auditor.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis (MD&A)*. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Redmond's MD&A can be found immediately following the independent auditor's report.

Profile of the Government

Incorporated in 1912, Redmond is the nineteenth largest city in the state of Washington encompassing an area of 17.14 square miles east of downtown Seattle on the east side of Lake Washington. Redmond has grown from a population of 1,453 in 1960 to a 2010 population of 54,144.

Redmond is a non-charter code city, operating under Section 35A of the Revised Code of Washington. It has a Mayor/Council form of government. The Mayor and the seven member City Council are elected for staggered four-year terms and are elected at-large. Members of the City Council are responsible for establishing the general direction and policies for the City and for providing the resources necessary to carry out those policies. As the City's chief administrator, the Mayor is responsible for carrying out the policy and direction set by the City Council. This includes the enforcement of laws and ordinances, the execution of contracts and agreements, and maintenance of peace and order in the City.

The City of Redmond provides a full range of municipal services, including police and fire, emergency medical services, planning and zoning, street maintenance and construction, parks and recreation, and general administrative services. The City operates enterprise funds for water and wastewater services and stormwater management.

This report includes all funds, agencies, and boards and commissions that are controlled by, or dependent on, the City's executive and legislative departments. Included as part of the reporting entity are the Redmond Public Corporation and Redmond Community Properties. Additional information on these entities can be found in the Notes to the Financial Statements.

The City prepares a biennial budget on the modified accrual basis in accordance with the Revised Code of Washington (RCW) 35A.34. Biennial budgets must be adopted by the City Council prior to the first of each odd-numbered calendar year. Reviews are conducted at mid-biennium and any changes for the second half of the biennium are adopted by the City Council.

The biennial budget serves as the foundation for the City of Redmond's financial planning and control. The budget is prepared by fund and department. A budget increase or decrease to a fund must be authorized by the City Council. Appropriation changes within a fund may be authorized by the Mayor.

Local Economy

Redmond has evolved from a small town with logging and farming as its chief industries into a city of very diverse industries. Led by the technology industry, the local economy also includes light manufacturing, business parks, and a large outdoor mall adjacent to the downtown retail core. The largest employer in Redmond is Microsoft which has its world headquarters and about 40,000 employees located in the City. Other significant employers in our city include Genie Industries, Volt Technical Resources, AT&T Mobility, and Nintendo of America.

Redmond's economy recovered from the economic recession of 2001, albeit at a modest rate. Sales tax revenues, employment growth, and development activity all increased through most of 2008. Late in 2008 Redmond began to see signs of the economic decline that had already begun to be felt by the state and surrounding communities. Without a one-time audit recovery in the 2007 sales tax revenues of just over $4m, the 2008 growth rate was 1.3%. Development related revenues grew significantly in 2007 and stabilized in 2008 while beginning to trend downward toward the end of the year. Employment growth in the Puget Sound region began to stabilize (from a history of growth) before beginning to decline over the next year. With unemployment in the Seattle metro area being just 3.5% as recently as 2007, it is 9.1% as of this writing. Much of the employment growth in Redmond over the past several years has been led by Microsoft. This has stabilized over the past several months as well. Microsoft attracts other technology businesses to the area, which contributed further to the employment growth. Development activity within Redmond is also related to the technology sector with Microsoft investing $1 billion over the past few years adding several new buildings with 3.1 million square feet of office space in 2007 and 2008. Nintendo has also replaced and expanded its US headquarters within the City with three new office buildings as well. The jobs related to this development and others like it help to create needs for housing and other support industries. These have propelled the Redmond economy in the past. Declines in development related activity have contributed to a slowing of the Redmond economy. Ongoing revenues such as property tax, sales tax, business license fees and utility taxes declined modestly following these years of significant growth but should be stable over the long term as a result of the nature of our local economy.

Other significant projects in the downtown area include large condominium developments, a new Group Health facility, a new Evergreen Medical clinic, a new hotel and a new transit oriented multi-use design development that combines residential, commercial and a downtown transit center. The city is continuing to invest in roadways, utility infrastructure and parks facilities in pursuit of the transformation of the city's downtown core.

To ensure the City keeps abreast of and incorporates economic conditions into its financial plans, revenues are projected for the next six years and the forecast is updated annually. Operating expenses are supported by ongoing revenues per City policy.

Long-term Financial Planning and Relevant Financial Policies

In line with the City's financial policy to maintain a diversified and stable revenue system, the financial strategy called for increases in four revenue sources. Three of these revenue sources, utility tax rate, business license fees, and developer fees, were increased by Council vote in 2006. In 2007 voters approved three Levy Lid Lifts to provide additional revenue in 2008. The Fire Levy provides additional firefighters to support fire and aid car operations at the Overlake Fire Station and the North Redmond Fire Station; the Police Levy provides additional police personnel to support police operations and programs; and the Park Levy provides operation and maintenance of park facilities and programs.

Beginning early in 2008, the Mayor and Council initiated a "Budgeting by Priorities" process. This process helped to align community priorities with efficient delivery of city services through the development of the 2009/2010 biennium budget. It also includes indicators to gauge the degree of success in addressing the community priorities with city resources. This process was used again in preparation of budgets for the 2011/2012 biennium.

City financial policies restrict the use of borrowed funds to capital improvements that can't be financed from current revenues. Debt is not used for current operations. The City issued bonds in 2008 for significant transportation improvements to support development in the downtown and to improve its utility systems. The City again issued bonds to finance acquisition of park land in the downtown in early 2011 (after the date of these financial statements).

Redmond is in a continuous process of both short-term and long-term financial planning. Short-term financial planning is inherent in the development of the City's biennial budget. Concurrent with the biennial budget, the City's long-term capital needs and potential funding sources are assessed. During each biennial budget planning process, initiatives for the next two years are identified. The budget is developed with the goal of attaining these initiatives.

Major Initiatives

The City continues its tradition of significant investments in capital facilities needed to provide services to our community. Construction projects completed in 2010 ranged from significant improvements such as the construction of a bridge across Interstate Highway 405 to the Bear Creek Parkway Extension.

Two successful ongoing community events were again featured in 2010, Derby Days and Redmond Lights. Derby Days, held in mid-July, celebrates the 4th of July holiday and Redmond's bicycling heritage. Community events include a carnival, a criterium bicycle race, a children's parade, a variety of live music, and family entertainment from jugglers to reptiles. Redmond Lights is the City's annual year-end holiday celebration, running from early December through early January. This event celebrates holiday traditions from many countries and features music, lights, children's crafts, and a food and toy drive.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Redmond for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2009. This was the twenty-fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The preparation of the Comprehensive Annual Financial Report on a timely basis could not have been accomplished without the efforts and dedication of City staff. I would like to express my appreciation to the staff, including personnel from various departments and agencies who assisted in its preparation. Also, I would like to thank the Mayor and the City Council for their continued interest and support in planning and conducting the financial operations of the City in a dedicated and responsible manner.

Respectfully submitted,

Michael E. Bailey, CPA
Finance Director

Washington State Auditor
Brian Sonntag

INDEPENDENT AUDITOR'S REPORT

July 29, 2011

Mayor and City Council
City of Redmond
Redmond, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Redmond, King County, Washington, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Redmond, King County, Washington, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we will also issue our report dated July 29, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide

an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 1 through 9, pension trust information on page 61 and information on postemployment benefits other than pension on page 61 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining financial statements and supplemental information on pages 62 through 122 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the statistical section is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

Management's Discussion And Analysis

The management discussion and analysis section of the City of Redmond's Comprehensive Annual Financial Report provides an overview of the City's financial activities for the year ending December 31, 2010, and for the City's financial position at December 31, 2010. This information should be read in conjunction with the preceding letter of transmittal and the financial statements and notes to the financial statements that follow.

Financial Highlights

- Net assets, the amount by which total assets exceed total liabilities, equaled $641,604,214 at the end of 2010. The City's net assets decreased by ($8,169,641) or (1.257%) in 2010. Governmental activities had a decrease of ($21,234,260) or (5.80%) from 2009. The decrease is predominantly due to an investment in fixed assets that did not result in an increase in capital assets. The details regarding this transaction are detailed in the note 8. Business-Type activities had an increase of $13,064,619 or 4.60% from 2009 which offset a portion of the decrease of the governmental funds.
- Of the remaining net assets, $29,569,188 and $57,383,880 are restricted and unrestricted, respectively, for Governmental Activities, while $2,220,500 and $51,970,019 are restricted and unrestricted respectively for Business-Type Activities. The major component of the legally restricted portion is for capital projects, which account for $18,406,405 or 46.78% of total restricted net assets citywide.
- Governmental fund balances at year-end were $79,552,968 a decrease of ($21,960,612) from the prior year. The City experienced a reduction in cash and investments of ($23,081,877) but also had a reduction in total liabilities of ($1,324,819). The City also had a reduction of ($1,985,656) in unreserved fund balance in the general fund and amounts available to fund ongoing activities. Other legally restricted or reserved by City policy fund balances are $273,304, $27,498,609 and $47,277,353 for debt service, special revenue and capital improvement projects (CIP) fund purposes, respectively.

Budget Adjustments

The difference between the original budget and final budget for the general fund for the biennium 2009-2010 totaled an increase of $2,010,450 in fund balance which accounts for 0.31% of total net assets of the City. These adjustments included an increase in revenues of $1,340,275, an increase in expenses of $2,279,101 and a decrease in transfers out of $1,706,585.

Overview of the Financial Statements

The City's basic financial statements are presented in three parts: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. Other supplementary information in addition to the basic financial statements is also contained in this report. This section of the management's discussion and analysis is intended to introduce and explain the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to give the reader a picture of the financial condition and activities of the City as a whole. This broad overview is similar to the financial reporting of private sector businesses. The government-wide financial statements have separate columns for

governmental activities and business-type activities. Governmental activities of the City include general government (finance, executive and human resources), security (police and fire), physical environment, economic environment, transportation, mental/physical health, and culture and recreation. The City's business-type activities are limited to water/wastewater and stormwater utilities. Governmental activities are primarily supported by taxes, charges for services, and grants. Business-type activities are primarily self-supporting through user fees and charges.

The **statement of net assets** presents information on all of the City of Redmond's assets and liabilities, highlighting the difference between the two as net assets. This statement is similar to the balance sheet of a private sector business. Over time, increases or decreases in net assets may be one indicator of improvement or deterioration in the City's overall financial health.

The **statement of activities** presents information designed to show how the City's net assets changed during the year. This statement distinguishes revenue generated by specific functions from revenue provided by taxes and other sources not related to a specific function. The revenue generated by the specific functions (charges for services, grants, and contributions) is compared to the expenses for those functions to show the degree to which each function supports itself or relies on taxes and other general funding sources for support. All activity on this statement is reported on the accrual basis of accounting, requiring that revenues are reported when they are earned and expenses are reported when they are incurred, regardless of when cash is received or disbursed. Items such as (but not limited to) uncollected taxes, unpaid vendor invoices for goods or services received during the year, and earned but unused vacation leave are included in the statement of activities as revenue and expenses even though no cash has changed hands.

Fund Financial Statements

The annual financial report includes fund financial statements in addition to the government-wide financial statements. While the government-wide statements present the City's finances based on the type of activity, general government versus business-type, the fund financial statements are presented by fund type such as the general fund, special revenue funds, and proprietary funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities or meet certain objectives. Funds are often set up in accordance with special regulations, restrictions or limitations. The City of Redmond, like other state and local governments, uses fund accounting to ensure and show compliance with finance-related legal requirements. The City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions as are reported as governmental activities in the government-wide financial statements. These reports use a different "basis of accounting" than that used in government-wide financial statements. The governmental fund statements focus on near-term revenues/financial resources and expenditures while the government-wide financial statements include both near-term and long-term revenues/financial resources and expenses. The information in the governmental fund statements can be used to evaluate the City's near-term financing requirements and immediate fiscal health. Comparing the governmental fund statements with the government-wide statements can help the reader better understand the long-term impact of the City's current year financing decisions. To assist in this comparison, reconciliations between the governmental fund statements and the government-wide financial statements are included with the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances.

The City of Redmond maintains twenty-seven individual governmental funds. The City's two major governmental funds – the general fund and the capital improvements program fund – are presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances. The remaining governmental funds are combined in this statement into a single column labeled other governmental funds. Individual fund data for each of the other governmental funds can be found in combining statements later in this report.

The City maintains budgetary control over its operating funds through the adoption of a biennial budget. Budgets are adopted at the fund level for all funds in accordance with state law. A budgetary comparison statement is presented for the General Fund as a basic financial statement. Other budgetary comparison schedules are included following the other governmental funds' combining statements in this report.

Proprietary funds are used by governments to account for their business-type activities. Business-type activities provide specific goods or services to a group of customers that are paid for by fees charged to those customers. There is a direct relationship between the fees paid and the services received.

The City of Redmond has two types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to account for goods and services provided to citizens and the community. Internal service funds are used to account for goods and services provided internally to various City departments. The same basis of accounting is used for proprietary funds in both the government-wide statements and the individual fund statements.

Enterprise funds of the City are used to report the same functions presented as business-type activities in the government-wide statements with the fund statements providing more detail than is reported in the government-wide statements. The enterprise fund statements provide separate information for the City's water/wastewater utility, an Urban Planned Development (UPD) water/wastewater utility outside the City limits, and the City's stormwater utility.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, insurance premiums and claims, medical self-insurance, workmen's compensation self-insurance program, information technology, and one blended component unit, Redmond Community Properties. Internal service funds benefit both governmental and business-type activities and are allocated accordingly in the government-wide statement of activities. Internal service fund assets and liabilities are predominantly governmental and have been included in the governmental activities column of the government-wide statement of net assets.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. Fiduciary funds are not included in the government-wide financial statements because their assets are not available to support the City of Redmond's activities.

The City has two types of fiduciary funds, a pension fund and agency funds. The accounting for the pension fund is on the accrual basis. Agency funds are custodial in nature and do not include revenues and expenses as they do not measure the results of operations.

Notes to the financial statements

The notes to the financial statements provide additional information that is important for a full understanding of the data in the government-wide and fund financial statements. The notes are located immediately following the basic financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain **required supplementary information** concerning the City's progress in funding its obligation to provide pension benefits to certain retired firefighters and lifetime medical benefits to uniformed personnel hired before October 1, 1977. Required supplementary information may be found immediately following the notes to the financial statements.

The combining statements for other governmental funds, internal service funds, and agency-type fiduciary funds are presented immediately following the required supplementary information.

Government–wide Financial Analysis

Statement of net assets

The statement of net assets can serve as a useful indicator of the City's financial position. The City of Redmond's net assets at December 31, 2009 and 2010 total $649,773,855 and $641,604,214, respectively. Following is a condensed version of the government-wide statement of net assets for 2010 compared to 2009.

City of Redmond's Net Assets (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	$ 105,724	$ 131,947	$ 56,804	$ 52,317	$ 162,528	$ 184,264
Capital assets, net of accumulated depreciation	327,183	325,908	253,710	245,601	580,893	571,509
Total assets	$ 432,907	$ 457,855	$ 310,514	$ 297,918	$ 743,421	$ 755,773
Long-term liabilities	$ 75,172	$ 77,454	$ 11,419	$ 12,020	$ 86,591	$ 89,474
Other liabilities	13,120	14,551	2,106	1,974	15,226	16,525
Total liabilities	$ 88,292	$ 92,005	$ 13,525	$ 13,994	$ 101,817	$ 105,999
Net assets						
Invested in capital assets, net of related debt	$ 257,663	$ 256,114	$ 242,798	$ 234,272	$ 500,461	$ 490,386
Restricted	29,569	25,938	2,221	1,372	31,790	27,310
Unrestricted	57,384	83,798	51,970	48,280	109,354	132,078
Total net assets	$ 344,616	$ 365,850	$ 296,989	$ 283,924	$ 641,605	$ 649,774

Changes in net assets

The changes in net assets table illustrates the increases or decreases in net assets of the City resulting from its operating activities. Following is a condensed version of the City's changes in net assets. The table shows the revenues, expenses, and related changes in net assets in tabular form for the governmental activities separate from the business-type activities for 2009 and 2010.

City of Redmond's Changes in Net Assets
(in thousands)

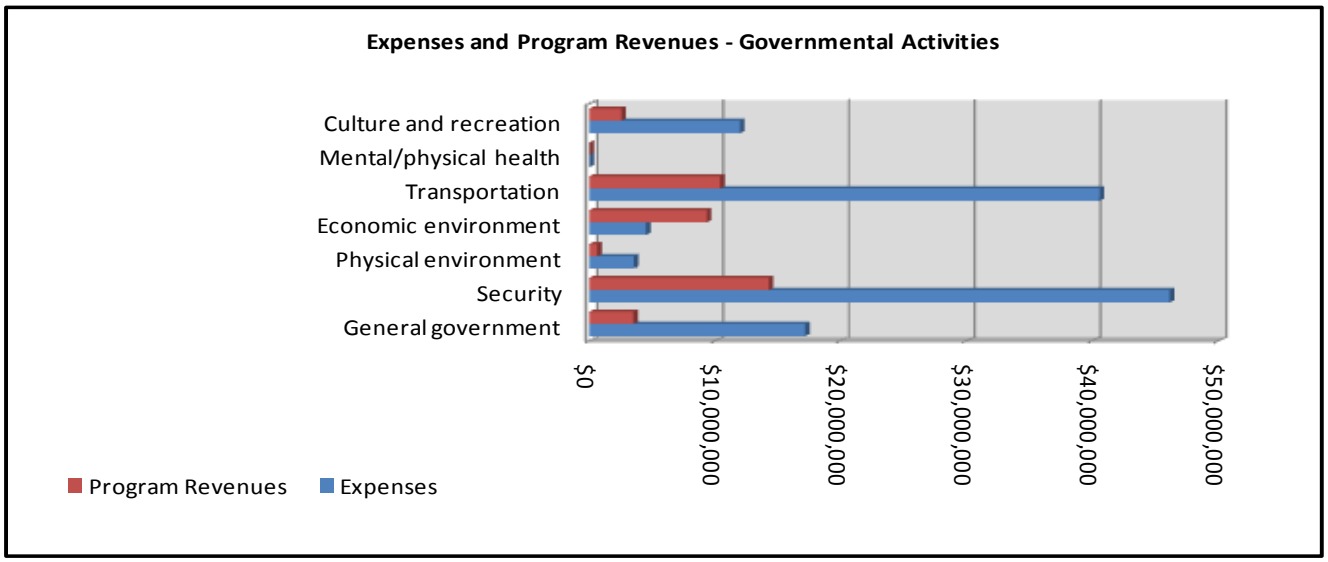
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues						
Charges for services	$ 28,913	$ 38,019	$ 41,815	$ 42,061	$ 70,728	$ 80,080
Operating grants and contributions	8,334	2,830	602	58	8,936	2,888
Capital grants and contributions	3,419	19,834	7,060	6,681	10,479	26,515
General revenues					-	-
Property taxes	20,930	19,446	-	-	20,930	19,446
Sales taxes	19,038	18,996	-	-	19,038	18,996
Other taxes	18,664	19,264	-	-	18,664	19,264
Investment interest	1,114	2,087	623	737	1,737	2,824
Miscellaneous	4,027	1,021	105	176	4,132	1,197
Total revenues	$ 104,439	$ 121,497	$ 50,205	$ 49,713	$ 154,644	$ 171,210
Expenses:						
General government	$ 19,571	$ 18,222	$ -	$ -	$ 19,571	$ 18,222
Security	36,764	40,319	-	-	36,764	40,319
Physical environment	5,283	3,763	-	-	5,283	3,763
Economic environment	5,719	4,664	-	-	5,719	4,664
Transportation	42,053	16,530	-	-	42,053	16,530
Mental/physical health	13	12	-	-	13	12
Culture and recreation	14,457	11,103	-	-	14,457	11,103
Interest on long term debt	1,813	1,891	-	-	1,813	1,891
Water/Wastewater	-	-	25,191	27,085	25,191	27,085
Novelty Hill Water/Wastewater	-	-	5,542	4,963	5,542	4,963
Stormwater	-	-	6,407	6,746	6,407	6,746
Total expenses	$ 125,673	$ 96,504	$ 37,140	$ 38,794	$ 162,813	$ 135,298
Increase/(Decrease) in net assets	(21,234)	24,993	13,065	10,919	(8,169)	35,912
Net assets - beginning	365,850	340,857	283,924	273,005	649,774	613,862
Net assets - ending	$ 344,616	$ 365,850	$ 296,989	$ 283,924	$ 641,605	$ 649,774

Governmental activities incurred ($21,234,260) of the total change in net assets of ($8,169,641). Governmental activities accounts for 53.71% of the City's net assets.

Key elements of the 2010 decrease are as follows:

- Total assets from Governmental activities decreased by $21,234,260.
  - Cash and investments reflect a large decrease of $25,595,270 from 2009 to 2010. This is consistent with the budget and plans of the City whereby cash accumulated for investments in infrastructure and technology were expended for those purposes during the year.
- Total liabilities from Governmental activities decreased by $3,713,194.
  - Long-term debt decreased by $2,527,890 through principal payments on debt previously held by the City. There was no new debt added in 2010.
  - Accounts payable decreased by $1,226,167.
- The total revenue decreased between 2009 and 2010 by $17,058,857. This decrease largely related to grants received in 2009 but consisted of several components.
  - Capital grants and contributions had a decrease of $16,414,709. This decrease was attributed to the large inflow of revenues in 2009 for the 36th Street Bridge over State Route 520 project. This project was completed in 2010, but the primary use of contributed dollars was recognized and expended in 2009.
  - Charges for services also showed a decrease of $9,106,384. This reflects both the high level of activity in previous years and the effects of the economic recession on 2010 activity.
- Total expenses showed an increase from 2009 to 2010 of $29,168,837.
  - This increase was made up of increases in transportation (an increase of $25,521,574) which was primarily due to the construction of a bridge which is owned by the state and therefore not an asset of the city. Culture and recreation increased $3,354,361 which was evenly distributed among culture and recreation programs. Security of persons and property saw a decrease in $3,554,346 largely due to a decrease in grant supported expenditures as well as other smaller changes.

The graph that follows compares program revenues to program expenses from the Statement of Activities and illustrates the revenues by source separately for the governmental activities for 2010.

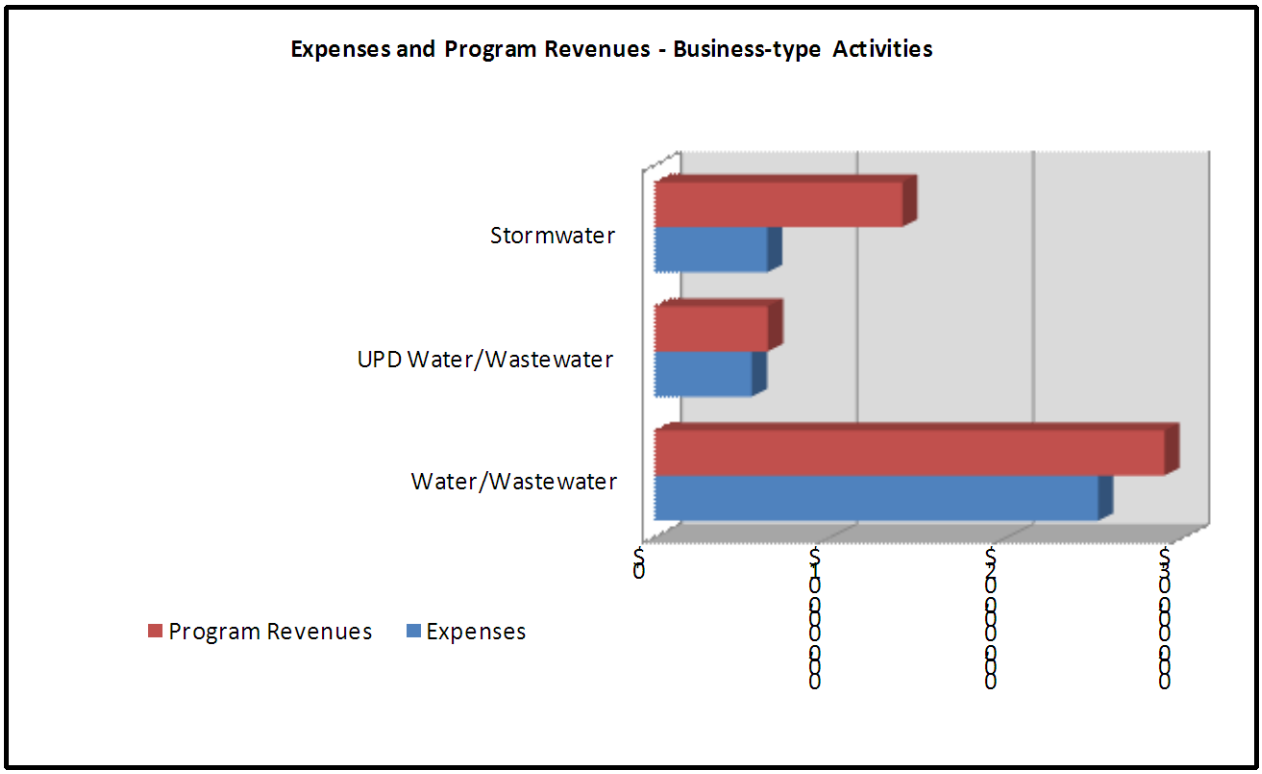


Business-type activities of the City's utilities increased the City of Redmond's net assets by $13,064,619. Business-type activities accounts for 46.29% of the City's net assets.

Key elements of this increase are as follows:

- The investments in capital assets increased $8,108,371 or 3.3% between 2009 and 2010.
- The decrease of $469,345 in liabilities is due to principal payments on bond debt from previous years. There was no new debt incurred in 2010.
- The Water/Wastewater utility showed a modest operating income of $700,097 while the UPD Water/Wastewater utilities showed a modest operating loss of ($180,451). However, when non-operating income and capital contributions are included, the net income is $3,986,919 for the Water/Wastewater utility and $1,065,043 for the UPD Water/Wastewater utility.
- The City is planning a significant stormwater project that will place a central line that will include filtration that will discharge to a pond. This project is tied to the acquisition of a rail corridor which was finalized in 2010. The total operating revenue for 2010 was $11,002,186 with operating expenses of $6,406,649 for a net operating income of $4,595,537.

The graph that follows compares program revenues to program expenses from the Statement of Activities and illustrates the revenues by source separately for the business-type activities for 2010.



City of Redmond's Capital Assets (net of depreciation)

The City continued to make large investments in capital assets in 2010 as reflected in the following table. The increase from 2009 to 2010 was $9,383,879 or 1.64% from 2009.

Governmental activities increased $1,275,508 partially made up of:

- Purchase of the rail corridor which will provide additional trails.

Business-Type Activities reflected an increase of $8,108,371 partially made up of:

- Purchase of the rail corridor for use for stormwater trunk and other easements.

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	$ 84,663,262	$ 73,707,419	$ 10,842,585	$ 9,814,971	$ 95,505,847	$ 83,522,390
Buildings/ Bldg. Improvements	54,775,941	56,213,029	30,919,400	31,363,079	85,695,341	87,576,108
Improvements other than buildings	19,149,351	19,212,834	200,775,408	197,813,395	219,924,759	217,026,229
Machinery and equipment	13,273,005	12,097,455	242,977	287,784	13,515,982	12,385,239
Construction in progress	11,587,945	23,508,459	10,929,234	6,322,004	22,517,179	29,830,463
Infrastructure	143,405,331	140,840,131	-	-	143,405,331	140,840,131
Art	328,365	328,365	-	-	328,365	328,365
Total	$ 327,183,200	$ 325,907,692	$ 253,709,604	$ 245,601,233	$ 580,892,804	$ 571,508,925

Additional information on the City of Redmond's capital assets can be found in note 8 of this report.

Long-term debt

At the end of 2010, the City of Redmond had total bonded debt outstanding of $78,140,000. Of this amount, $67,540,000 is general obligation bonds (City Hall, Bear Creek Parkway, and 1994 Refunding Bonds); and $10,600,000 is revenue bonded debt for the water/wastewater utility.

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	$67,540,000	$70,040,000	$ -	$ -	$67,540,000	$70,040,000
Special assessment debt with governmental commitment	-	170,000	-	-	-	170,000
Revenue bonds	-	-	10,600,000	11,190,000	10,600,000	11,190,000
Total	$67,540,000	$70,210,000	$10,600,000	$11,190,000	$78,140,000	$81,400,000

For further details related to the outstanding debt please refer to note 13 in the document.

Requests for Information

This financial report is designed to provide a general overview of the City of Redmond's finances for readers with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional information, may be addressed to the Director of Finance & Information Services, City of Redmond, PO Box 97010, Redmond, WA 98073-9710.

STATEMENT OF NET ASSETS
December 31, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 33,508,769	$ 10,797,401	$ 44,306,170
Cash with outside agencies	10,000		10,000
Investments (Note 4)	59,888,053	38,664,189	98,552,242
Receivables:			
Taxes	5,447,266		5,447,266
Accounts	1,542,015	4,277,326	5,819,341
Interest	208,637	109,964	318,601
Due from other governments	1,608,788	45,122	1,653,910
Inventory	52,480	48,921	101,401
Deferred charges	194,933	292,802	487,735
Prepaid Insurance	395,621		395,621
Prepaid Rent	324,800		324,800
Restricted assets:			
Deposit cash	10,940	347,747	358,687
Deposit investments	1,791,019		1,791,019
Cash	741,141		741,141
Revenue bond redemption investments		1,175,500	1,175,500
Rate stabilization fund		1,045,000	1,045,000
Capital assets (Note 8):			
Land, artwork, construction in progress	96,579,572	21,771,818	118,351,390
Depreciable capital assets, net	230,603,628	231,937,784	462,541,412
Total Assets	432,907,662	310,513,574	743,421,236
LIABILITIES			
Accounts/claims	6,769,695	1,692,815	8,462,510
Employee wages	3,622,421	24,411	3,646,832
Interest	130,814	40,774	171,588
Due to other governments	216,343		216,343
Unearned revenues	570,869		570,869
Customer deposits	1,809,521	347,747	2,157,268
Noncurrent liabilities (Note 13):			
Due within one year	5,951,610	1,021,163	6,972,773
Due in more than one year	69,220,802	10,398,037	79,618,839
Total Liabilities	88,292,075	13,524,947	101,817,022
NET ASSETS			
Invested in capital assets net of related debt (Note 8)	257,662,522	242,798,105	500,460,627
Restricted for:			
Advance Live Support	331,020		331,020
Cable Access	1,454,303		1,454,303
Parks	1,222,629		1,222,629
Police	2,832,590		2,832,590
Fire	1,994,451		1,994,451
Debt service	273,304	1,175,500	1,448,804
Capital Projects	18,406,405		18,406,405
Tourism	300,524		300,524
Replacement	10,311,902		10,311,902
Rate stabilization fund		1,045,000	1,045,000
Unrestricted	49,825,940	51,970,019	101,795,959
Total Net Assets	$ 344,615,590	$ 296,988,624	$ 641,604,214

See accompanying notes to the financial statements.

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental activities:							
General government	$ 19,571,018	$ 3,355,217	$ 137,879	$ -	$ (16,077,922)	$ -	$ (16,077,922)
Security	36,764,248	13,775,975	442,359	50,000	(22,495,914)	-	(22,495,914)
Physical environment	5,283,220	468,278	155,100	-	(4,659,842)	-	(4,659,842)
Economic environment	5,719,237	9,131,833	202,458	-	3,615,054	-	3,615,054
Transportation	42,051,734	10,699	7,214,927	3,173,840	(31,652,268)	-	(31,652,268)
Mental/physical health	12,975	-	-	-	(12,975)	-	(12,975)
Culture and recreation	14,457,363	2,170,668	180,825	195,147	(11,910,723)	-	(11,910,723)
Interest on long-term debt	1,812,719	-	-	-	(1,812,719)	-	(1,812,719)
Total governmental activities	125,672,513	28,912,670	8,333,548	3,418,987	(85,007,308)	-	(85,007,308)
Business-type activities							
Water/Wastewater	25,191,165	25,451,169	-	3,507,295	-	3,767,299	3,767,299
UPD Water/Wastewater	5,542,177	5,361,726	-	1,082,943	-	902,492	902,492
Stormwater	6,406,649	11,002,186	601,978	2,469,570	-	7,667,085	7,667,085
Total business-type activities	37,139,991	41,815,081	601,978	7,059,808	-	12,336,876	12,336,876
Total government	$ 162,812,504	$ 70,727,751	$ 8,935,526	$ 10,478,795	(85,007,308)	12,336,876	(72,670,432)
General revenues							
Taxes							
Property					20,930,397	-	20,930,397
Sales					19,037,885	-	19,037,885
Business and Occupation					15,360,613	-	15,360,613
Excise					2,629,590	-	2,629,590
Liquor					673,709	-	673,709
Unrestricted investment interest					1,114,301	622,916	1,737,217
Miscellaneous					4,102,628	104,827	4,207,455
Gain on sale of capital assets					(76,074)		(76,074)
Total general revenues					63,773,049	727,743	64,500,792
Change in net assets					(21,234,260)	13,064,619	(8,169,641)
Net assets-beginning					365,849,850	283,924,005	649,773,855
Net assets-ending					$ 344,615,590	$ 296,988,624	$ 641,604,214

See accompanying notes to the financial statements.

The City of Redmond

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2010

	General	Capital Improvements Program Fund	Other Governmental Funds	Governmental Funds Total
ASSETS				
Cash and cash equivalents	$ 2,330,232	$ 19,428,652	$ 5,933,866	$ 27,692,750
Cash with outside agency	-	-	10,000	10,000
Investments	3,416,064	28,858,426	19,646,283	51,920,773
Receivables:				
Taxes	5,183,499	-	263,768	5,447,267
Accounts	357,674	6,429	1,177,043	1,541,146
Interest	31,704	45,217	17,686	94,607
Due from other funds	-	-	1,070,195	1,070,195
Due from other governments	17,833	1,148,059	442,896	1,608,788
Prepaid Rent	-	324,800	-	324,800
Restricted assets:				
Deposit cash	-	10,740	200	10,940
Deposit investments	1,791,019	-	-	1,791,019
Cash	-	-	729,476	729,476
Total Assets	$ 13,128,025	$ 49,822,323	$ 29,291,413	$ 92,241,761
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts/claims payable	$ 2,669,692	$ 2,387,304	$ 353,951	$ 5,410,947
Employee wages payable	3,567,398	6,956	36,567	3,610,921
Due to other funds	-	-	1,070,195	1,070,195
Due to other governments	76,372	139,970	-	216,342
Payable from restricted assets:				
Deposits payable	1,791,019	10,740	7,761	1,809,520
Deferred revenues (Note 9)	519,842	-	51,026	570,868
Total Liabilities	8,624,323	2,544,970	1,519,500	12,688,793
Fund balances:				
Reserved for:				
Debt service	-	-	273,304	273,304
Unreserved, reported in:				
General fund	4,503,702	-	-	4,503,702
Special revenue funds	-	-	27,498,609	27,498,609
Capital projects funds	-	47,277,353	-	47,277,353
Total Fund Balances	4,503,702	47,277,353	27,771,913	79,552,968
Total Liabilities and Fund Balances	$ 13,128,025	$ 49,822,323	$ 29,291,413	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	320,634,738
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Note 3)	287,778
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 assets.	19,238,069
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)	(75,097,963)
Net assets of governmental activities	$ 344,615,590

See accompanying notes to the financial statements.

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	General Fund	Capital Improvements Program Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 43,937,193	$ 1,008,333	$ 13,012,957	$ 57,958,483
Licenses and permits	6,522,664	-	-	6,522,664
Contributions A4from property owners\+A109	2,618	6,086,885	384,000	6,473,503
Intergovernmental	8,855,486	3,779,145	5,830,396	18,465,027
Charges for services	3,786,225	2,548,141	2,545,782	8,880,148
Fines and forfeitures	1,036,222	-	1,800	1,038,022
Investment income	261,352	657,614	318,890	1,237,856
Miscellaneous	225,795	83,857	291,651	601,303
Total Revenues	64,627,555	14,163,975	22,385,476	101,177,006
EXPENDITURES				
Current				
General government	12,832,783	1,456,226	842,797	15,131,806
Security of persons and property	32,638,536	189,014	9,030,412	41,857,962
Physical environment	2,855,127	-	619,962	3,475,089
Transportation	3,148,589	2,483,807	919,725	6,552,121
Economic environment	3,226,971	514,608	907,288	4,648,867
Mental/physical health	12,975		-	12,975
Culture and recreation	6,426,530	337,890	4,149,076	10,913,496
Capital outlay	341,978	32,300,626	1,639,090	34,281,694
Debt service:				
Principal	-	1,417,778	1,590,000	3,007,778
Interest and debt issue costs	1,438	1,768,869	1,527,736	3,298,043
Total Expenditures	61,484,927	40,468,818	21,226,086	123,179,831
Excess (deficiency) of revenues over (under) expenditures	3,142,628	(26,304,843)	1,159,390	(22,002,825)
OTHER FINANCING SOURCES (USES)				
Insurance Recoveries	7,738	-	-	7,738
Disposition of capital assets	-	-	45,466	45,466
Transfers in (Note 12)	1,635,555	12,186,076	5,713,988	19,535,619
Transfers out (Note 12)	(6,771,577)	(470,000)	(12,305,033)	(19,546,610)
Total other financing sources and uses	(5,128,284)	11,716,076	(6,545,579)	42,213
Net change in fund balances	(1,985,656)	(14,588,767)	(5,386,189)	(21,960,612)
Fund balances-beginning	6,489,358	61,866,120	33,158,102	101,513,580
Fund balances-ending	$ 4,503,702	$ 47,277,353	$ 27,771,913	$ 79,552,968

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, 2010

Amounts reported for governmental funds in the statement of activities are different because:		
Net change in fund balances-total governmental funds.	$	(21,960,612)
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 $34,281,694 exceeded depreciation of $8,430,632 and new assets of $98,774 in the current period.		25,752,288
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 governemental funds. (Note 8)		(27,317,567)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (Note 3)		1,900,799
Receipt of long-term debt proceeds increases the current financial resources of governmental funds and repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. (Note 3)		3,003,611
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.		(1,815,969)
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)		(796,801)
Change in net assets of governmental activities.	$	(21,234,251)

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund

For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 96,958,303	$ 96,958,303	$ 86,976,503	$ (9,981,800)
Licenses and permits	14,715,098	14,715,198	13,076,912	(1,638,286)
Contributions from property owners	34,600	34,961	5,471	(29,490)
Intergovernmental	17,916,010	19,228,123	18,592,573	(635,550)
Charges for services	8,771,777	8,799,478	7,749,544	(1,049,934)
Fines and forfeitures	1,629,600	1,629,600	2,087,207	457,607
Investment income	1,866,882	1,866,882	832,537	(1,034,345)
Miscellaneous	308,328	308,328	456,196	147,868
Total Revenues	142,200,598	143,540,873	129,776,943	(13,763,930)
EXPENDITURES				
Current				
General government	30,738,589	30,945,369	28,961,154	1,984,215
Security of persons and property	70,272,357	72,053,181	65,477,332	6,575,849
Physical environment	6,706,501	6,826,664	5,811,076	1,015,588
Transportation	7,711,313	7,021,148	7,072,914	(51,766)
Economic development	6,762,011	6,880,170	6,479,830	400,340
Mental/physical health	21,601	21,601	25,266	(3,665)
Culture and recreation	12,843,531	12,824,739	12,227,675	597,064
Capital outlay	53,400	815,532	475,084	340,448
Debt Service				
Interest and Issuance Costs	-	-	1,438	(1,438)
Total Expenditures	135,109,303	137,388,404	126,531,769	10,856,635
Excess (deficiency) of revenues over (under) expenditures	7,091,295	6,152,469	3,245,174	(2,907,295)
OTHER FINANCING SOURCES (USES)				
Insurance Recoveries	-	-	7,738	7,738
Disposition of capital assets	-	-	25,000	25,000
Transfers in	42,122	1,554,331	1,656,448	102,117
Transfers out	(17,102,168)	(16,907,792)	(16,607,841)	299,951
Total other financing sources and uses	(17,060,046)	(15,353,461)	(14,918,655)	434,806
Net change in fund balance	(9,968,751)	(9,200,992)	(11,673,481)	(2,472,489)
Fund balance-beginning	14,934,492	16,177,183	16,177,183	-
Fund balance-ending	$ 4,965,741	$ 6,976,191	$ 4,503,702	$ (2,472,489)

See accompanying notes to the financial statements.

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2010

	Business-type Activities Enterprise Funds				Governmental Activities
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management	Totals	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$ 3,151,456	$ 1,674,777	$ 5,971,168	$ 10,797,401	$ 5,827,685
Investments	8,107,032	7,134,412	23,422,746	38,664,190	7,967,278
Accounts and contracts receivable	2,650,292	383,407	1,243,627	4,277,326	869
Interest receivable	27,926	19,421	62,617	109,964	21,183
Due from other government	-	-	45,122	45,122	-
Inventory	48,921	-	-	48,921	52,480
Pre-Paid Insurance	-	-	-	-	395,621
Restricted assets:					
Customer deposits:					
Cash and cash equivalents	201,503	132,000	14,244	347,747	-
Revenue bond redemption:					
Investments	1,175,500	-	-	1,175,500	-
Rate stabilization fund:					
Investments	900,000	145,000	-	1,045,000	-
Total current assets	16,262,630	9,489,017	30,759,524	56,511,171	14,265,116
Noncurrent assets:					
Deferred charges	287,864	4,938	-	292,802	-
Capital assets:					
Land	2,804,525	3,274,106	4,755,179	10,833,810	584,292
Buildings	23,096,981	11,031,564	738,100	34,866,645	619,494
Leasehold improvements	-	-	-	-	-
Improvements other than buildings	147,409,919	58,306,263	45,890,265	251,606,447	278,099
Equipment	200,479	269,028	236,785	706,292	11,993,712
Construction in progress	3,540,955	-	7,388,278	10,929,233	-
Other property	8,775	-	-	8,775	-
Less accumulated depreciation	(36,365,684)	(9,138,377)	(9,737,539)	(55,241,600)	(7,170,061)
Projects in Progress	-	-	-	-	242,929
Total capital assets (net of depreciation)	140,695,950	63,742,584	49,271,068	253,709,602	6,548,465
Total noncurrent assets	140,983,814	63,747,522	49,271,068	254,002,404	6,548,465
Total Assets	$ 157,246,444	$ 73,236,539	$ 80,030,592	$ 310,513,575	$ 20,813,581

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2010

	Business-type Activities Enterprise Funds				Governmental Activities
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management	Totals	Internal Service Funds
LIABILITIES					
Current liabilities:					
Accounts payable	$ 1,073,249	$ 245,343	$ 374,223	$ 1,692,815	$ 1,358,748
Employee wages payable	12,322	1,339	10,750	24,411	11,501
Compensated absences	226,875	21,545	157,742	406,162	164,210
Liabilities payable from restricted assets:					
Customer deposits payable	201,503	132,000	14,244	347,747	-
Current bond principal	615,000	-	-	615,000	-
Accrued interest payable	40,774	-	-	40,774	-
Total current liabilities	2,169,723	400,227	556,959	3,126,909	1,534,459
Noncurrent liabilities:					
Revenue bonds payable, net	10,296,496	-	-	10,296,496	-
Compensated absences	56,719	5,386	39,436	101,541	41,053
Total noncurrent liabilities	10,353,215	5,386	39,436	10,398,037	41,053
Total Liabilities	12,522,938	405,613	596,395	13,524,946	1,575,512
NET ASSETS					
Invested in capital assets, net of related debt	129,784,454	63,742,584	49,271,068	242,798,106	6,548,465
Restricted for debt service	1,175,500	-	-	1,175,500	-
Restricted for rate stabilization	900,000	145,000	-	1,045,000	-
Reserved for Replacement	-	-	-	-	2,874,340
Unrestricted	12,863,552	8,943,341	30,163,129	51,970,022	9,815,264
Total Net Assets	$ 144,723,506	$ 72,830,925	$ 79,434,197	$ 296,988,628	$ 19,238,069

See accompanying notes to the financial statements.

The City of Redmond

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2010

	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management	Totals	
Operating revenues:					
Charges for services	$ 15,497,332	$ 4,105,828	$ 11,002,186	$ 30,605,346	$ 4,162,515
Metro service	9,953,837	1,255,898	-	11,209,735	-
Charges for replacement	-	-	-	-	2,248,862
Charges for insurance	-	-	-	-	9,509,262
Total Operating Revenues	25,451,169	5,361,726	11,002,186	41,815,081	15,920,639
Operating expenses:					
Administrative and general	4,256,796	655,193	3,840,788	8,752,777	347,013
Purchased water	4,260,094	1,968,136	-	6,228,230	542,574
Metro service	9,773,416	1,204,473	-	10,977,889	-
Supplies	-	-	-	-	573,589
Maintenance and operations	2,416,167	454,379	1,262,917	4,133,463	16,839,389
Taxes	569,688	114,120	177,689	861,497	-
Depreciation and amortization	3,474,911	1,145,876	1,125,255	5,746,042	1,086,965
Total Operating Expenses	24,751,072	5,542,177	6,406,649	36,699,898	19,389,530
Operating Income (Loss)	700,097	(180,451)	4,595,537	5,115,183	(3,468,891)
Nonoperating revenues (expenses):					
Interest and investment revenue	173,070	104,268	345,578	622,916	136,401
Grants	-	-	601,978	601,978	-
Interest expense	(432,404)	-	-	(432,404)	-
Amortization of debt issue costs	(7,689)	-	-	(7,689)	-
Intergovernmental revenue	-	-	-	-	39,731
Gain on sale of capital assets	-	-	-	-	207,328
Insurance Recovery	-	-	-	-	23,806
Miscellaneous	46,550	58,282	-	104,832	1,362,837
Total nonoperating revenues (expenses)	(220,473)	162,550	947,556	889,633	1,770,103
Income before contributions and transfers	479,624	(17,901)	5,543,093	6,004,816	(1,698,788)
Capital contributions	3,507,295	1,082,944	2,469,569	7,059,808	-
Transfers out	-	-	-	-	(60,911)
Change in net assets	3,986,919	1,065,043	8,012,662	13,064,624	(1,759,699)
Total net assets - beginning	140,736,587	71,765,883	71,421,535	283,924,005	20,997,768
Total net assets - ending	$ 144,723,506	$ 72,830,926	$ 79,434,197	$ 296,988,629	$ 19,238,069

See accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2010

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 25,195,868	$ 5,339,149	$ 11,075,128	$ 41,610,145	$ 13,694,835
Cash received for replacement	-	-	-	-	2,176,959
Cash payments to suppliers	(5,309,221)	(1,920,165)	(345,537)	(7,574,923)	(14,921,637)
Cash payments to employees	(2,979,185)	(368,952)	(2,393,620)	(5,741,757)	(3,105,062)
Cash payments to other governments	(10,343,104)	(1,318,593)	(177,689)	(11,839,386)	-
Internal activity - payments to other funds	(2,681,328)	(576,286)	(2,234,154)	(5,491,768)	(507,147)
Other operating receipts	(60,021)	(76,478)	-	(136,499)	1,458,822
Net cash provided (used) by operating activities	3,823,009	1,078,675	5,924,128	10,825,812	(1,203,230)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grant Proceeds	-	-	19,236	19,236	-
Non-Operating transfers out	-	-	-	-	(60,911)
Net cash provided by noncapital financing activities	-	-	19,236	19,236	(60,911)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(3,598,197)	(128,790)	(4,736,127)	(8,463,114)	(1,621,054)
Acquisition of Other Assets	-	-	-	-	(10,402)
Proceeds from sale of capital assets	-	-	-	-	207,262
Proceeds from sale of other assets	156,065	58,282	-	214,347	-
Capital contributions	834,304	73,970	714,561	1,622,835	-
Bond/grant proceeds	(590,000)	-	582,742	(7,258)	-
Interest paid on revenue bonds	(458,487)	-	-	(458,487)	-
Net cash provided (used) for capital and related financing activities	(3,656,315)	3,462	(3,438,824)	(7,091,677)	(1,424,194)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment purchases	(1,085,613)	(1,228,041)	(2,584,233)	(4,897,887)	(282,654)
Investment sales/maturities	-	-	-	-	1,680,088
Interest on investments	227,685	134,613	450,637	812,935	174,936
Net cash provided (used) in investing activities	(857,928)	(1,093,428)	(2,133,596)	(4,084,952)	1,572,370
Net increase (decrease) in cash and cash equivalents	(691,234)	(11,291)	370,944	(331,581)	(1,115,965)
Cash and cash equivalents-beginning of year	4,044,193	1,818,068	5,614,468	11,476,729	6,943,649
Cash and cash equivalents-end of year	$ 3,352,959	$ 1,806,777	$ 5,985,412	$ 11,145,148	$ 5,827,684

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2010

	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management	Totals	
Cash at the end of the year consists of:					
Operating fund cash	$ 3,151,456	$ 1,674,777	$ 5,971,168	$ 10,797,401	$ 5,827,684
Bond reserve cash	-	-	-	-	-
Customer deposits	201,503	132,000	14,244	347,747	-
Total cash at end of year	$ 3,352,959	$ 1,806,777	$ 5,985,412	$ 11,145,148	$ 5,827,684

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

Operating income (loss)	$ 700,097	$ (180,451)	$ 4,595,537	$ 5,115,183	$ (3,468,891)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	3,474,911	1,145,876	1,125,255	5,746,042	1,086,965
Decrease (increase) in accounts receivable	(255,301)	(22,577)	72,942	(204,936)	23,062
Decrease (increase) in inventory	67,907	-	-	67,907	(19,019)
Decrease (increase) in prepaid expenses	-	-	-	-	2,917
Decrease (increase) in Projects in Progress	-	-	-	-	(276,575)
Decrease (increase) in due from other governments	-	-	(45,122)	(45,122)	-
Increase (decrease) in accounts payable	(105,096)	219,070	172,070	286,044	77,283
Increase (decrease) due to other governments	(5,195)	-	(8,333)	(13,528)	-
Increase (decrease) in employee wages payable	(206)	(10)	135	(81)	624
Increase (decrease) in compensated absences payable	5,913	(515)	7,466	12,864	316
Reclassify other income	-	-	-	-	1,370,092
Increase (decrease) in customer deposits payable	(60,021)	(76,478)	4,178	(132,321)	(4)
Increase (decrease) in deferred revenue	-	(6,240)	-	(6,240)	-
Net cash provided (used) by operating activities	$ 3,823,009	$ 1,078,675	$ 5,924,128	$ 10,825,812	$ (1,203,230)

Noncash investing, capital and financing activities:					
Developers contributed infrastructure valued at	$ 2,672,991	$ 1,008,973	$ 1,755,008	$ 5,436,972	$ -
Other funds of the City transferred vehicles valued at	-	-	-	-	71,903
Fair value of investments decreased by	(7,149)	(5,495)	(18,039)	(30,683)	6,136

See accompanying notes to the financial statements.

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
As of December 31, 2010

	Firemen's Pension Fund	Agency Funds
ASSETS		
Cash and cash equivalents	$ 190,669	$ 1,227,471
Invested in Federal Agency Notes	775,927	-
Receivables		
Accounts	-	82,956
Interest	2,069	-
Total Assets	$ 968,665	$ 1,310,427
LIABILITIES		
Accounts payable	$ -	$ 20,291
Due to other governments	-	7,018
Custodial	-	33,076
Trust account	-	1,250,042
Total Liabilities	$ -	$ 1,310,427
NET ASSETS		
Held in trust for pension benefits	$ 968,665	$ -

See accompanying notes to the financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended December 31, 2010

	Firemen's Pension Fund
ADDITIONS	
Intergovernmental revenue	$ 133,868
Investment interest	11,500
Total additions	145,368
DEDUCTIONS	
Benefit payments	13,912
Administrative expenses	7,000
Total deductions	20,912
Change in net assets	124,456
Net assets-beginning	844,209
Net assets-ending	$ 968,665

See accompanying notes to the financial statements.

NOTE 1:
Summary of Significant Accounting Policies

The City of Redmond was incorporated on December 31, 1912 and operates under the laws of the State of Washington applicable to a Non-Charter Mayor/Council form of government (elected Mayor and City Council composed of seven members). Both Mayor and Council are elected to four-year terms. The City provides general government services including public safety, highways and streets, parks and recreation, planning and zoning, permits and inspection, sanitation, general administrative, and water and wastewater services.

The accounting and reporting policies of the City of Redmond conform to generally accepted accounting principles for governments and are regulated by the Washington State Auditor's Office.

The City's significant accounting policies are described in the following notes. The City's Comprehensive Annual Financial Report is prepared in accordance with Governmental Accounting Standards Board Statements.

Reporting Entity

The City's Comprehensive Annual Financial Report (CAFR) includes the financial statements for the City of Redmond and its component units, entities for which the City is considered to be financially accountable. The City has two blended component units, the Redmond Public Corporation and Redmond Community Properties. Although legally separate entities blended component units are, in substance, part of the City's operations. (See Note 15 for descriptions.)

Basic Financial Statements

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Under the modified accrual basis of accounting, property taxes, sales taxes, utility taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Grant revenue is recognized for cost reimbursement grants when the expenditure occurs in accordance with GASB Statement 33. When the expenditure is incurred, grant revenue is considered to have been earned and therefore available and recognized as revenue. Entitlement grant revenue is not tied to expenditures and is recognized when the City is entitled to receive it according to the grant agreement. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Financial Statement Presentation

The City reports the following major governmental funds:

> The **General Fund** is the general operating fund of the City. It accounts for all financial resources and transactions except those required to be accounted for in another fund.
>
> The **Capital Improvements Program Fund** accounts for financial resources to be used for the acquisition, construction, and preservation of major capital facilities other than those financed by proprietary funds.

The City reports the following major proprietary funds:

> The **Water/Wastewater Fund** accounts for the activities of providing water and sewer services to its citizens.
>
> The **UPD Water/Wastewater Fund** accounts for the activities of providing water and sewer services to an urban planned development outside the City limits. Both of these utilities' operations are self-supported through user charges.
>
> The **Stormwater Management Fund** accounts for the operation, construction, and maintenance of the City's stormwater management system. The utility's operations are self-supported through fees.

Additionally, the City reports the following fund types:

Internal Service Funds account for fleet maintenance, information technology, and insurance services provided to other departments of the City on a cost reimbursement basis, and for the activities of Redmond Community Properties, a blended component unit of the City.

Agency Funds account for assets held by the City as an agent for private individuals or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of the results of operations. The City has three Agency Funds: Intergovernmental Custodial, Municipal Employees Benefit Trust, and Contractor's Deposits.

The **Pension Trust Fund** accounts for the activities of the **Firemen's Pension Fund**, which accumulates resources for excess pension benefit payments to qualified firefighters.

Special Revenue Funds are used to account for specific revenues that are restricted to or reserved for expenditures for particular purposes.

Debt Service Funds account for the accumulation of resources for and the payment of general obligation and special assessment bonds.

The City does not have any permanent funds.

The City applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure. Governments have the option of following subsequent private-sector guidance for their business-type and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Direct expenses of the functional categories are included in the government-wide statement of activities while indirect expense allocations are eliminated. Indirect expenses are primarily charged to the various functions through the use of internal service funds for fleet maintenance and information technology. Elimination of payments to internal service funds are treated as expense reductions. No other indirect expenses are allocated to the various governmental functions. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The proprietary fund statements distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's utility funds and internal service funds are charges to customers for sales and services, vehicle replacement, and insurance. The City also recognizes as operating revenue the portion of utility connection fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, taxes, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgets and Budgetary Accounting

The City of Redmond budgets its funds in accordance with the Revised Code of Washington (RCW) 35A.34. In compliance with the code, budgets for all funds are established with the exception of the LID Control and the LID Guaranty Debt Service Funds, and Fiduciary funds. Budgets established for proprietary funds are "management budgets" and as such are not required to be reported in this report.

The biennial budget is proposed by the Mayor and adopted by the City Council with legal budgetary control at the fund level for all funds. Expenditures and other financing uses may not exceed budgeted appropriations at these levels. The Mayor may authorize transfers within all funds. The City Council must approve by ordinance any additional appropriations which increase the total at the fund level. Any unexpended appropriation balances lapse at the end of the biennium.

In addition to authorizing the budget, the City Council biennially approves the Capital Improvement Program. This is a six-year plan for capital project expenditures and anticipated revenue sources. Expenditures and revenues for these projects are budgeted in the Capital Projects Funds and Enterprise Funds.

The City prepares all biennial budgets on the modified accrual basis which conforms to generally accepted accounting principles. The CAFR includes budgetary comparisons for the general and capital projects governmental funds with legally adopted budgets.

The budget process and the time limits under which a budget must be developed are established by State law. The City uses a "budgeting for outcomes" format and follows the procedures outlined below in the year preceding the first year of the two-year budget to establish its biennial budget:

- In winter, community meetings are held to affirm or revise the City's budget priorities. The mayor appoints staff and citizens to teams which interpret these priorities and develop the primary factors that the City should support to pursue the given priority. These factors are used by staff to develop budget offers.
- In spring, the Mayor develops and submits a budget calendar to the City Council for approval.
- In June, the City Clerk publishes notice for the first public hearing. Also around mid-year staff prepares a six-year forecast and reviews this forecast with the City Council at a public meeting.
- Throughout the summer, City staff create budget offers and review revenue and expenditure estimates.
- In October, preliminary budget estimates are made available to the public.
- Sixty days before the ensuing fiscal year, the Mayor files the preliminary budget with the City Clerk's office.
- During the first two weeks of November, the City Clerk publishes notice of the filing of the preliminary budget and publishes notice of public hearings.
- The City Council holds a series of study sessions to review the preliminary budget to determine if they wish to make any modifications to the Mayor's recommended programs.
- Public hearings are held prior to the adoption of the budget for the public to comment on recommended programs and to offer ideas for new programs.
- Prior to the beginning of the first calendar year of the biennial budget, the City Council, by a majority of the members present, adopts a final operating budget by ordinance.
- The Final Budget document is printed and distributed after adoption.

Assets, Liabilities, and Net Assets or Equity

Cash and Investments

It is the City's policy to invest temporary cash surpluses. These investments are reported on the statement of net assets and the governmental funds balance sheet as cash and cash equivalents or investments. Included in cash and cash equivalents are currency on hand, demand deposits with banks or other financial institutions, investments with the Local Government Investment Pool, investments in U.S. Government Mutual Funds and investments with original maturities of three months or less. Interest is allocated to each fund on the basis of investments owned.

In accordance with City policy and Washington State law, authorized investment purchases include Certificates of Deposit with financial institutions qualified by the Washington Public Deposit Protection Commission, US Treasury and Agency Securities, bankers' acceptances, bonds of Washington state and any local government in Washington state which have, at the time of purchase, one of the three highest credit ratings of a nationally recognized rating agency, repurchase agreements, the State Investment Pool (which is a 2a7 pool), and mutual funds used specifically for debt issues related to arbitrage.

The City reports its deposit and investment risk disclosures in accordance with GASB 40 (see Note 4).

In accordance with GASB 31, investments in external 2a7-like pools, money market investments, and participating interest-earning investment contracts with remaining maturities of one year or less at the time of purchase are stated at amortized cost. All other investments including the Firemen's Pension Fund are stated at fair value.

Receivables

The City of Redmond recognizes receivables in its financial statements based on the accounting requirements for that statement. These receivables are as follows:

Property Taxes

Uncollected property taxes levied for the current year are reported as receivable at year-end. The City's property tax collections records show that approximately 99% of the property taxes due are collected during the year of levy and delinquent taxes are collected in the next few years. When property taxes become three years delinquent, the County is required by State statute to foreclose on the property. Historically, all taxes have been collected; therefore no allowance for uncollectible taxes is recorded.

Sales Taxes

There is a running two-month lag in remittance of sales tax to the City. Sales taxes collected in November and December are not remitted by the State to the City until January and February of the following year and they are reported as receivables at year-end. There is no allowance for uncollectible sales taxes because all sales taxes are required by law to be collected by businesses at the time of sale and remitted to the State.

Investment Interest

Interest receivable consists of interest earned on investments at the end of the year, accrued interest on investments purchased between interest dates, and accrued interest and penalties on special assessments receivable. In proprietary funds and the government-wide statement of net assets, investment interest is recorded as receivable, regardless of its payment date. In the governmental fund statements and schedules, investment interest is recorded as receivable if it will be paid to the City within 60 days of year-end.

Accounts Receivable

Customer accounts receivable consist of amounts owed by private individuals or organizations for goods and services provided. Unbilled services provided to utility customers are estimated at year-end and included in accounts receivable. Uncollectible amounts are considered immaterial and the direct write-off method is used.

Interfund Transactions

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Inventories

Inventories are defined as assets which may be held for internal consumption or for resale. The City uses the following policies in valuing and recording inventory items:

In proprietary funds a perpetual inventory is maintained, in which the cost is held in an asset account when inventory items are purchased, and expensed when the item is consumed. The first-in, first-out valuation method, which approximates market, is used to value the inventory. A physical inventory is taken at year-end. No inventory is maintained in governmental funds; however, the internal service fund inventories are included in the "Governmental Activities" on the Statement of Net Assets.

Restricted Assets

Restricted assets include those monies reserved for customers' deposits, bond reserve monies and impact fees.

Deferred Charges

Deferred charges in the Water/Wastewater Fund are amortized under guidance provided by FASB 71 and consist of a water comprehensive plan and a sewer comprehensive plan which will be amortized and charged to expense over a five-year period, and the Tolt Pipeline project and the Tolt Meter project with the City of Seattle. Issuance costs for the 2008 revenue bonds are also being amortized. Deferred charges in the governmental activities consist of issuance costs for the two bond offerings in 2008.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds. Capital assets are defined by the City as land and buildings with an original cost of $50,000 or more each, machinery, equipment, software, vehicles and other improvements with an original cost of $10,000 or more each and an estimated useful life of more than one year, and all artwork, transportation and utility infrastructure, regardless of their initial cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land, construction in progress, and works of art are not depreciated. Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings/Building Improvements	50
Other improvements	15-50
Vehicles	3-15
Machinery and equipment	6-20
Utility infrastructure	10-100
Streets, paths, trails	50
Street lights and traffic signals	30

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time in lieu of overtime, and sick leave benefits. Twenty-five percent of unused sick leave is payable at retirement or death. Any outstanding sick leave is lost at resignation; therefore, outstanding sick leave at year-end is not accrued because the payment cannot be deemed probable nor can the amount be reasonably estimated. All vacation and compensatory time is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Other Post-Employment Benefits

Lifetime full medical coverage is provided to uniformed Police and Fire personnel who became members of the Law Enforcement Officers and Fire Fighters (LEOFF 1) retirement system prior to October 1, 1977. A liability for the accumulated unfunded actuarially required contribution is reported in the Statement of Net Assets. The actual medical costs are reported as expenditures in the year they are incurred.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

NOTE 2:
Stewardship, Compliance and Accountability

During 2010, there have been no material violations of finance-related legal or contractual provisions.

NOTE 3:
Reconciliation of Government-Wide and Fund Financial Statements

Explanation of aggregated differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between total fund balance and total net assets as reported in the government-wide statement of net assets. The details of the aggregated differences are presented below.

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Investment interest accrued beyond the City's 60 day measurable	$	92,845
Deferred charge for bond issue costs		194,933
Net adjustment to increase fund balance - total governmental funds To arrive at net assets – governmental activities	$	287,778

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:

G.O Bonds payable	$	(67,540,000)
Unamortized bond premiums		(1,152,560)
Loans payable		(828,117)
Accrued interest payable		(130,814)
Compensated absences		(3,634,961)
Other post-employment benefits		(1,811,511)
Net adjustment to reduce fund balance - total governmental funds To arrive at net assets – governmental activities	$	(75,097,963)

Explanation of aggregated differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The details of the aggregated differences are presented below.

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Developer/Private asset contributions	$	2,095,729
Change in investment interest receivable due beyond the City's 60 day measurable and available period		(194,930)
Net adjustment to increase net change in fund balances - governmental funds to arrive at change in net assets- governmental activities	$	1,900,799

Receipt of long-term debt proceeds increases the current financial resources of governmental funds and repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Principal repayments:		
General obligation bonds	$	2,500,000
LID Bonds repayment		170,000
Public Works Trust Fund Loans repayment		333,611
Net adjustment to decrease net change in fund balances - governmental funds to arrive at change in net assets- governmental activities	$	3,003,611

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:

Change in accrued interest payable	$	14,157
Amortization of debt issue costs		(13,197)
Amortization of debt discounts and premiums		69,936
Change in compensated absences payable		(462,762)
Change in other post-employment benefits payable		(328,861)
Loss on sale of capital assets		(76,074)
Net adjustment to decrease net change in fund balances - governmental funds to arrive at change in net assets- governmental activities	$	(796,801)

NOTE 4:
Cash and Investments

The City of Redmond's deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington State Public Deposit Protection Commission (WPDPC). The FDIC insures the first $250,000 of the City's deposits. The deposit balances over $250,000 are insured by the WPDPC. State statute

permits additional amounts to be assessed on a pro rata basis to members of the WPDPC pool in the event the pool's collateral should be insufficient to cover a loss.

As of December 31, 2010 the carrying amount of the City's cash demand deposits with Bank of America (B of A) was $4,243,955 and the in-transit items were $20,792. Seized cash on deposit at B of A awaiting court decisions totaled $9,561. The carrying amount and bank balance of the City's cash demand deposits at U.S. Bank at December 31, 2010 was $368,000. $1,060,415 retained from contractors pending acceptance of City construction projects was held in escrow or savings accounts at various banks. $435,250 is held by Redmond Community Properties, a blended component unit of the City. Petty cash totaled $38,500, of which $33,070 was allocated to various City offices and $5,430 was unallocated and remains in the City's demand deposit account at Bank of America. $10,000 is held by the City of Bellevue for use by the Eastside Narcotics Task Force. The City maintains a separate account at B of A for proceeds from the 2008 Revenue Bond issuance. The money is transferred to the City's primary cash account as funds are spent. The balance at December 31, 2010 was $0. The City held $3,000,000 in a negotiable order of withdrawal account at Sterling Savings Bank.

The Local Government Investment Pool (LGIP) is an unrated 2a-7 like pool, as defined by GASB 31. Accordingly, participants' balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 60 days. Per GASB 40 guidelines the balances are also not subject to custodial credit risk. The credit risk of the LGIP is limited as most investments are either obligations of the US government, government sponsored enterprises, or insured demand deposit accounts and certificates of deposit. Investments or deposits held by the LGIP are either insured or held by a third-party custody provider in the LGIP's name. The fair value of the City's pool investments is determined by the pool's share price. The City has no regulatory oversight responsibility for the LGIP which is governed by the Washington State Finance Committee and is administered by the State Treasurer. The LGIP is audited annually by the Office of the State Auditor, an independently elected public official. The City includes the LGIP as an investment for internal tracking, but it is disclosed on the financial statements as a cash equivalent.

As of December 31, 2010, the City had the following investments and maturities:

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years
Bankers Acceptances	7,495,915	7,495,915	-
Certificates of Deposit	10,603,412	10,603,412	-
Federal Home Loan Bank	16,554,145	3,011,670	13,542,475
Federal Home Loan Mortgage Corporation	14,951,710	-	14,951,710
Federal National Mortgage Association	43,768,042	1,905,592	41,862,450
US Treasury Note	2,005,700	2,005,700	-
Local Gov't Bonds	6,915,764	1,034,670	5,881,094
Subtotal	102,294,688	26,056,959	76,237,729
Local Government Investment Pool	38,698,096	38,698,096	-
Total	140,992,784	64,755,055	76,237,729

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the City's policy requires that it diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The City coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date.

Credit Risk. State law and City policy limit investments to those authorized by State Statute including commercial paper and bonds of the State of Washington and any local government in the State of Washington which have, at the time of investment, one of the three highest credit ratings of a nationally recognized rating agency. The City further limits its holdings in commercial paper to 10% of the portfolio and 10% per issuer, and local government bonds to 25% of the portfolio and 10% of issuer. At December 31, 2010 the City held no investments in commercial paper.

Additionally, the City restricts its investment in mutual fund bonds to be used for arbitrage purposes only.

Concentration of Credit Risk. The City diversifies its investments by security type and institution. 100% of the City's portfolio may be invested in US Treasury Notes, Bonds or Certificates, US Government Sponsored Corporations, or the State Investment Pool. 50% of the portfolio may be invested in Certificates of Deposit with no more than 10% held by any one issuer and not exceeding 20% of the issuer's net worth. 25% of the portfolio may be invested in Bankers Acceptances (10% per issuer), State of Washington or Local Government Bonds (10% per issuer), and Repurchase Agreements (25% per dealer). 10% of the portfolio may be invested in Commercial Paper and other authorized investments. On December 31, 2010 more than five percent of the City's investments were in the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and Bankers Acceptances issued by Bank of America.

NOTE 5:
Budget to GAAP Reconciliation

Differences Between 2009-2010 Biennium Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

		General Fund
REVENUES AND OTHER SOURCES:		
Budget and Actual Statement 2009/2010 Biennium	$	131,466,129
Less: 2009 Revenues and other sources		(65,195,281)
Statement of Revenues and Expenditures		66,270,848
EXPENDITURES AND OTHER USES:		
Budget and Actual Statement 2009/2010 Biennium	$	143,139,610
Less: 2009 Expenditures and other uses		(74,883,106)
Statement of Revenues and Expenditures		68,256,504

NOTE 6:
Receivables

Property Taxes

The King County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Collections are distributed on a daily basis.

	Property Tax Calendar
January 1	Taxes are levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	Second installment is due.

Property taxes are recorded as a receivable when levied, offset by a deferred revenue. During the year, property tax revenues are recognized when cash is received. At year-end, property tax revenues are recognized for December collections to be distributed by the county treasurer in January and February.

Under Washington State law a city may levy property taxes up to $3.60 per $1,000 of assessed valuation.

The City of Redmond's maximum property tax levy rate has been reduced from $3.60 to $3.10, or $.50, as a result of annexing to the King County Library District in May, 1990. In addition to the limitation previously noted, the City's levy rate is also subject to the following:

> Washington State law in RCW 84.55.010 limits the growth of regular property taxes to one percent per year or IPD, whichever is less, after adjustments for new construction and annexations, unless an increase greater than this limit is approved by the voters. If the assessed valuation increases by more than one percent due to revaluation, the levy rate will be decreased.
>
> The Washington State Constitution limits the total regular property tax levy to a maximum of one percent of assessed valuation or $10 per $1,000 of the market value of a property. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the one percent limit.

Accordingly, the City levied $1.55865 per $1,000 of assessed value for general governmental services, and an additional $0.02188 per $1,000 of assessed value for a voter-approved excess tax levy, for a combined total of $1.58053 per $1,000 of assessed value.

NOTE 7:
Interfund Receivables and Payables

The composition of interfund receivables and payables as of December 31, 2010 is as follows:

	Due To	Due From
Operating Reserves Fund	$ 1,070,195	$ -
Advanced Life Support Fund	-	1,070,195
	$ 1,070,195	$ 1,070,195

Advanced Life Support services are funded by a property tax levy collected by King County. The City provides the services and bills King County for these services on a cost reimbursement basis. In the interval between the payment of the expenditures by the City and the receipt of the expenditure reimbursement from King County, cash is transferred from the Operating Reserves Fund to the Advanced Life Support Fund to cover payment of these expenditures.

NOTE 8:
Capital Assets

The City had two instances of a decrease in Construction in Progress not resulting in an increase in another asset.

The first was a bridge over State Route 520. This multi-year project was accounted for in the CIP section of the City's Statement of Activities. Upon completion, this asset was transferred to the State of

Washington as required for all bridges over state-owned roadways. The total for this project was $26,680,231.

Second, the City was maintaining records management system costs within the CIP section of the City's Statement of Activities. After analyzing the project to date, the decision was made not to capitalize these costs. The total for this project was $637,336.

Capital asset activity for the year ended December 31, 2010 was as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Land	$ 73,707,419	$ 10,955,843	$ -	$ 84,663,262
Construction In Progress	23,508,459	32,353,079	(44,273,593)	11,587,945
Art	328,365	-	-	328,365
Total Capital Assets, Not Being Depreciated	97,544,243	43,308,922	(44,273,593)	96,579,572
Capital Assets, Being Depreciated:				
Buildings/Building Improvements	68,332,288	712	-	68,333,000
Improvements Other than Buildings	26,534,057	918,466	-	27,452,523
Machinery and Equipment	26,178,647	3,815,799	(1,755,042)	28,239,405
Infrastructure	205,877,874	7,260,237	-	213,138,111
Total Capital Assets, Being Depreciated	326,922,866	11,995,214	(1,755,042)	337,163,038
Less Accumulated Depreciation for:				
Buildings/Building Improvements	12,119,259	1,437,800	-	13,557,059
Improvements Other Than Buildings	7,321,223	981,949	-	8,303,172
Machinery and Equipment	14,081,192	2,412,151	(1,526,943)	14,966,400
Infrastructure	65,037,743	4,695,036	-	69,732,779
Total Accumulated Depreciation	98,559,417	9,526,936	(1,526,943)	106,559,410
Total Capital Assets, Being Depreciated, Net	228,363,449	2,468,278	(228,099)	230,603,628
Governmental Activities Capital Assets, Net	$ 325,907,692	$ 45,777,200	$ (44,501,692)	$ 327,183,200

Government Type Activities	
Capital assets not being depreciated	$ 96,579,572
Capital assets being depreciated	337,163,038
Less accumulated depreciation	(106,559,410)
Less GO bonds	(67,540,000)
Less bond premium	(1,152,560)
Unspent bond proceeds	-
Less Public Works Trust Fund loans	(828,118)
Governmental Net Assets, invested in Capital Assets net of related debt	$ 257,662,522

	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Land	$ 9,814,971	$ 1,027,614	$ -	$ 10,842,585
Construction In Progress	6,322,004	8,113,983	(3,506,754)	10,929,233
Total Capital Assets, Not Being Depreciated	16,136,975	9,141,597	(3,506,754)	21,771,818
Capital Assets, Being Depreciated:				
Buildings/Building Improvements	34,805,515	361,780	(300,649)	34,866,645
Improvements Other Than Buildings	243,741,621	7,888,049	(23,223)	251,606,448
Machinery and Equipment	709,860	8,870	(12,439)	706,291
Total Capital Assets, Being Depreciated	279,256,996	8,258,699	(336,311)	287,179,384
Less Accumulated Depreciation for:				
Buildings/Building Improvements	3,442,436	695,943	(191,134)	3,947,245
Improvements Other Than Buildings	45,928,226	4,926,036	(23,222)	50,831,040
Machinery and Equipment	422,076	60,221	(18,982)	463,315
Total Accumulated Depreciation	49,792,738	5,682,200	(233,338)	55,241,600
Total Capital Assets, Being Depreciated, Net	229,464,258	2,576,499	(102,973)	231,937,785
Business-Type Activities Capital Assets, Net	$ 245,601,233	$ 11,718,096	$ (3,609,727)	$ 253,709,602

INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT

Business-Type Activities	
Capital assets not being depreciated	$ 21,771,818
Capital assets being depreciated	287,179,384
Less accumulated depreciation	(55,241,600)
Less Revenue bonds	(10,600,000)
Less bond premium	(311,497)
Unspent bond proceeds	-
Business-Type Net Assets, invested in Capital Assets net of related debt	$ 242,798,105

Depreciation expense was charged to functions/programs of the primary government as follows:

The Business-Type Activities also had $143,604 in amortization expense that is included with depreciation expense in the financial statements.

GOVERNMENTAL ACTIVITIES:		
General Government	$	1,591,906
Security		1,064,095
Physical Environment		6,653
Transportation, Including Depreciation of General Infrastructure Assets		5,749,080
Economic Environment		77,824
Culture and Recreation		1,037,378
Total Depreciation Expense – Governmental Activities	$	9,526,936
BUSINESS-TYPE ACTIVITIES		
Water/Wastewater	$	3,411,360
UPD Water/Wastewater		1,145,585
Stormwater		1,125,255
Total Depreciation Expense – Business-type Activities	$	5,682,200

NOTE 9:
Pension Plans

Substantially all City full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, the under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia WA 98504-8380

It may also be obtained by downloading it from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to GASB Statements No. 27, *Accounting for Pensions by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27.*

Public Employees' Retirement System (PERS) Plans 1, 2, and 3

Plan Description

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges in a judicial retirement system); employees of legislative committees; employees of community and technical colleges; college and university employees not participating in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS participants joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees, have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is two percent of the average final compensation (AFC) per year of service, capped at 60 percent. (The AFC is based on the greatest compensation during any 24 eligible consecutive compensation months.) This annual benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members who retire from inactive status prior to the age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of-living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, which is increased three percent annually. Plan 1 members may also elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service with an allowance of two percent of the AFC per year of service. (The AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Plan 2 members who retire prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a three percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at one percent of the AFC per year of service. The AFC is based on the greatest compensation during any eligible consecutive 60-month period. Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at age 65, or they may retire at age 55 with ten years of service. PERS Plan 3 members who retire prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of

service, a three percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Employee Retirement Benefits Board.

There are 1,189 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans as of June 30, 2009:

Retirees and Beneficiaries Receiving Benefits	74,857
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	28,074
Active Plan Members Vested	105,339
Active Plan Members Non-vested	53,896
Total	**262,166**

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees and 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age. As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2010, are as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	5.31% **	5.31% **	5.31% ***
Employee	6.00%****	3.90%****	*****

* The employer rates include the employer administrative expense fee currently set at 0.16%.
** The employer rate for state elected officials is 7.89% for Plan 1 and 5.31% for Plans 2 and 3.
*** Plan 3 defined benefit portion only.
**** The employee rate for state elected officials is 7.50% for Plan 1 and 3.90% for Plan 2.
***** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Both the City of Redmond and the employees made the required contributions. The City of Redmond's required contributions for the four years ended December 31 were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2010	$ 73,971	$ 1,182,081	$ 341,287
2009	$ 82,158	$ 1,478,106	$ 429,341
2008	$ 81,108	$ 1,522,727	$ 427,579
2007	$ 77,085	$ 1,103,783	$ 285,675

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plans 1 and 2

Plan Description

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members. Membership in the system includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, those emergency medical technicians who were given the option and chose LEOFF Plan 2 membership. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003, being an exception.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature for the LEOFF Plan 2 retirement plan.

LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations. LEOFF retirement benefit provisions are established in state statute and may be amended by the State Legislature.

LEOFF Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50. The benefit per year of service calculated as a percent of final average salary (FAS) is as follows:

Term of Service	Percent of Final Average Salary
20 or more years	2.0%
10 but less than 20 years	1.5%
5 but less than 10 years	1.0%

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. A cost-of-living allowance is granted (based on the Consumer Price Index).

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of two percent of the FAS per year of service. The FAS is based on the highest consecutive

60 months. Plan 2 members who retire prior to the age of 53 receive reduced benefits. Benefits are actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

There are 372 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2009:

Retirees and Beneficiaries Receiving Benefits	9,454
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	674
Active Plan Members Vested	13,363
Active Plan Members Non-vested	3,944
Total	**27,435**

Funding policy

Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. LEOFF Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. All employers are required to contribute at the level required by state law. The Legislature, by means of a special funding arrangement, appropriated money from the state General Fund to supplement the current service liability and fund the prior service costs of LEOFF Plan 2 in accordance with the requirements of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2010, were as follows:

	LEOFF Plan 1	LEOFF Plan 2
Employer*	0.16%	5.24%**
Employee	0.00%	8.46%
State	N/A	3.38%

* The employer rates include the employer administrative expense fee currently set at 0.16%.

** The employer rate for ports and universities is 8.62%.

Both the City and the employees made the required contributions. The City's required contributions for the years ended December 31 were as follows:

	LEOFF Plan 1	LEOFF Plan 2
2010	$ 762	$ 1,174,424
2009	$ 756	$ 1,285,519
2008	$ 714	$ 1,060,013

Public Safety Employees' Retirement System (PSERS) Plan 2

Plan Description

PSERS is a cost-sharing multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2. PSERS was created by the 2004 Legislature and became effective July 1, 2006.

PSERS Plan 2 membership includes full-time employees of a covered employer on or before July 1, 2006, who met at least one of the PSERS eligibility criteria, and elected membership during the election period of July 1, 2006 to September 30, 2006; and those full-time employees, hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

A **covered employer** is one that participates in PSERS. Covered employers include: State of Washington agencies: Department of Corrections, Department of Natural Resources, Parks and Recreation Commission, Gambling Commission, Washington State Patrol, and Liquor Control Board; Washington state counties; and Washington State cities except for Seattle, Tacoma and Spokane.

To be eligible for PSERS, an employee must work on a full-time basis and:

- have completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job; OR
- have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; OR
- function as a limited authority Washington peace officer, as defined in RCW 10.93.020; OR
- have primary responsibility to supervise eligible members who meet the above criteria.

PSERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PSERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

PSERS Plan 2 members are vested after the completion of five years of eligible service. PSERS Plan 2 members may retire at the age of 65 with five years of service, or at the age of 60 with at least ten years of PSERS service credit, with an allowance of two percent of the average final compensation (AFC) per year of service. The AFC is the monthly average of the member's 60 consecutive highest-paid service credit months, excluding any severance pay such as lump-sum payments for deferred sick leave, vacation or annual leave. Plan 2 members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a three percent per year reduction for each year between the age at retirement and age 60 applies. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

There are 73 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarial valuation date for the plan of June 30, 2009:

Retirees and Beneficiaries Receiving Benefits	2
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	-
Active Plan Members Vested	-
Active Plan Members Non-vested	4,340
Total	4.342

Funding Policy

Each biennium, the state Pension Funding Council adopts PSERS Plan 2 employer and employee contribution rates. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2. All employers are required to contribute at the level established by the Legislature. The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.37 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2010, were as follows:

	PSERS Plan 2
Employer*	7.85%
Employee	6.55%

* The employer rates include the employer administrative expense fee currently set at 0.16%.

Both the City and the employees made the required contributions. The City's required contributions for the years ended December 31 were as follows:

	PSERS Plan 2
2010	$ 21,213
2009	$ 22,213
2008	$ 21,482

Firemen's Pension Plan

The City is the administrator of the Firemen's Pension Plan (FPP), a closed, single-employer defined benefit pension plan established in conformance with Revised Code of Washington (RCW) 41.18. The costs of administering the Plan are paid from the Firemen's Pension Fund. The Plan provided retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. Retirement benefit provisions are established in state statute and may be amended only by the State Legislature. Membership is limited to firefighters employed prior to March 1, 1970 when the LEOFF retirement system was established. The City's obligation under the Plan consists of paying the difference between pension and medical benefits provided by LEOFF and those provided by the FPP for covered firefighters who retire after March 1, 1970. Benefits and refunds of the Plan are recognized when due and payable in accordance with the terms of the Plan. Membership in the FPP consists of one deceased and four retired firefighters, one of whom is currently receiving benefits.

The benefits provided by the Plan are potentially in excess of the State's LEOFF plan. For funding purposes and accruing costs, the benefits are measured by a modified aggregate projected benefit method, with the annual cost spread over the period ending December 31, 2010. Under this method, the required contribution is the portion of the actuarial present value of benefits allocated to a valuation year. The actuarial accrued liability is equal to the actuarial value of assets. This cost method is not appropriate for GASB Statements 25 and 27 purposes though it is still recommended for funding purposes. For GASB purposes, the entry age normal cost method is used. Under this method the projected benefits are allocated on a level basis as a percentage of salary over the earnings of each individual between entry age and assumed exit age. The amount allocated to each year is called the Normal Cost and the portion of the Actuarial Present Value of all benefits not provided for by future Normal Cost payments is called the Actuarial Liability. Since all members have already retired, the amount of the annual Normal Cost is small. The Unfunded Actuarial Accrued Liability (UAAL) is the

Actuarial Liability minus the actuarial value of the fund assets. The UAAL will be amortized over a closed 30 year period beginning December 31, 2000. The Plan is a closed off plan and GASB disclosures make no special provision for reporting the cost for this type of plan. Therefore, the minimum actuarial required contribution (ARC) disclosed for GASB purposes has no relationship to the City's funding policy for the Plan.

Under State law, the FPP is provided an allocation of 25% of all moneys received by the State from taxes on fire insurance premiums, interest earnings, member contributions made prior to the inception of LEOFF, and City contributions required to meet projected future pensions obligations. These on behalf tax revenues were recognized in the general fund and expensed out to the Firemen's Pension Fund. The actuary has determined that no City contribution is required. The fire insurance premium for 2010 was $133,868 which was sufficient to pay the 2010 Firemen's Pension Fund expenses of $20,912. It also increased the negative Net Pension Obligation to ($789,978).

The financial activity of the Firemen's Pension Fund is included in this document, the Comprehensive Annual Financial Report of the City of Redmond. No separate stand-alone financial report is issued for the Firemen's Pension Fund.

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2010, the most recent actuarial valuation date, is as follows:

($ In Thousands)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAL as a Percentage of Covered Payroll
January 1, 2010	$ 856	$ 654	$ (202)	131%	$ 0	N/A

The Schedule of Funding Progress entitled Required Supplementary Information, which follows the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Schedule of Employer Contributions

($ In Thousands)

Fiscal Year Ending	Total Employer Contributions	Annual Required Contribution (ARC)	Percentage of ARC contributed
December 31, 2001	$ 48	$ 30	159.9%
December 31, 2002	$ 51	$ 15	333.1%
December 31, 2003	$ 59	$ 15	384.9%
December 31, 2004	$ 69	$ 12	573.8%
December 31, 2005	$ 87	$ 12	728.0%
December 31, 2006	$ 99	$ 1	16,266.0%
December 31, 2007	$ 107	$ 1	17,611.9%
December 31, 2008	$ 122	$ -	N/A
December 31, 2009	$ 117	$ (16)	N/A
December 31, 2010	$ 125	$ (14)	N/A

Three-Year Trend Information

(In whole dollars)

Fiscal Year Ending		Annual Pension Cost (APC)	Contribution as a Percentage of APC		Net Pension Obligation (NPO)
December 31, 2008	$	6,308	1,931.39%	$	(550,816)
December 31, 2009	$	(7,027)	N/A	$	(674,447)
December 31, 2010	$	9,330	1,338%	$	(789,978)

The information presented in the preceding required schedules was determined as part of the actuarial valuations as indicated.

Valuation date:	January 1, 2010
Actuarial cost method for GASB purposes:	Entry Age Normal
Amortization method:	30-Year, closed as of January 1,2000
Remaining amortization period:	20 years
Asset valuation method:	Fair Market Value

Actuarial Assumptions:

Inflation rate:	4%	Projected salary increases:	5%
Investment rate of return:	7%	Cost of living adjustments:	4%

Annual Pension Cost and Net Pension Obligation

	Year Ending 12/31/08	Year Ending 12/31/09	Year Ending 12/31/10
1. Annual Normal Cost, beginning of year	$ -	$ -	$ -
2. Amortization of UAL, beginning of year	(14,934)	(14,934)	(13,403)
3. Interest to end of year	(1,045)	(1,045)	(429)
4. Annual required contribution at end of year (1+2+3), not less than zero in 2008	-	(15,979)	(13,832)
5. Interest on net pension obligation	(30,470)	(38,557)	(21.582)
6. Adjustment to annual required contribution	(36,778)	(47,509)	(44,744)
7. Annual pension cost (4+5-6)	6,308	(7,027)	9,330
8. Employer Contributions	121,832	116,604	124,861
9. Change in net pension obligation (7-8)	(115,524)	(123,631)	(115,531)
10. Net pension obligation at beginning of year	(435,292)	(550,816)	(674,447)
11. Net pension obligation at end of year (9+10)	$ (550,816)	$ (674,447)	$ (789,978)

Municipal Employees Benefit Trust

By majority vote, City employees approved the City's withdrawal from the Social Security System pursuant to U.S.C.A., Section 418 (g) effective January 1, 1975. Permanent employees working 1,040 or more hours per year are eligible but not required to participate in the plan. Temporary employees working less than 1,040 hours per year are required to participate in the plan. Participating permanent employees may choose to defer income tax in accordance with Internal Revenue Code Section 401K, on all, part or none of their contribution while temporary employees may not defer income tax on any of their contribution. There were 628 permanent and 187 temporary participants with account balances at December 31, 2010.

The Municipal Employees Benefit Trust Plan is a defined contribution plan with participants contributing an amount equal to the current Social Security rate (7.65%). One hundred percent of the contributions made by employees hired before April 1, 1986 go to MEBT. Employees hired on or after April 1, 1986 contribute 6.2% to MEBT and 1.45% to Medicare. Permanent employees may make additional contributions up to the limit set by the Internal Revenue Code. The City contributes 7.65% for permanent employees and 4.75% for temporary employees. Of the City's contribution, 1.45% goes to Medicare for employees hired on or after April 1, 1986. Eighty percent of the remaining City contribution goes to MEBT and 20% to administrative fees. The City's contribution is based on the payroll for all employees who are eligible to participate in the plan, regardless of the number of participants. The City's payroll for participating employees in 2010 was $53,759,855. Employee contributions were $3,200,891. City contributions were $3,274,282. The City's total payroll was $53,890,792.

Plan assets consisting of stocks, bonds, and guaranteed insurance contracts, are not the property of the City and are not subject to the claims of the City's general creditors. The Plan is administered by the Plan Committee consisting of seven employee members appointed by the City. The Plan Committee administers the MEBT Plan according to the Plan Document adopted by the City and all applicable IRS regulations. Plan provisions may be established or amended by a majority vote of the Plan Committee. Employees who elect not to participate in the Municipal Employees Benefit Trust plan retain the disability and survivor income insurance provided by the Standard Insurance Company.

Actuarial determinations are not required because (1) long term disability insurance and survivor income insurance are provided by a group insurance policy with Standard Insurance Company, and (2) each participant shall at his normal retirement date instruct the Plan Committee to (a) acquire a non-forfeitable, non-transferable annuity contract, (b) pay retirement benefits in monthly or annual installments (no contributions by the City or the participant shall be added to his account after retirement), (c) pay a single sum in cash, or (d) elect to defer any or all retirement benefits to a later date.

NOTE 10:
Other Postemployment Benefits

Plan Description

As required by the Revised Code of Washington (RCW) Chapter 41.26, the City provides lifetime medical care for members of the Law Enforcement Officers and Firefighters (LEOFF) retirement system hired before October 1, 1977 under a defined benefit healthcare plan administered by the City. The members' necessary hospital, medical, and nursing care expenses not payable by worker's compensation, social security, insurance provided by another employer, other pension plan, or any other similar source are covered. Most medical coverage for eligible retirees is provided by one of the City's employee medical insurance programs. Under the authorization of the LEOFF Disability Board, direct payment is made for other retiree medical expenses not covered by standard medical plan benefit provisions. Financial reporting for the LEOFF retiree healthcare plan is included in the City's Comprehensive Annual Financial Report.

Funding Policy

Funding for LEOFF retiree healthcare costs is provided entirely by the City as required by RCW. The City's funding policy is based upon pay-as-you-go financing requirements.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost is calculated based upon the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years as of January 1, 2010. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB. The net OPEB obligation of $1,811,511 is included as a noncurrent liability on the Statement of Net Assets.

	Fiscal Year Ending 12/31/2008	Fiscal Year Ending 12/31/2009	Fiscal Year Ending 12/31/2010
Determination of Annual Required Contribution:			
1-Annual Normal Cost (BOY)	$ 67,300	$ 25,966	$ 27,070
2-Amortization of UAAL* (BOY)	555,157	545,784	545,784
3-Interest to EOY [1 + 2] x *(i)***	34,235	25,729	25,778
4-Annual Required Contribution [1 + 2 + 3]	656,692	597,479	598,632
Determination of Net OPEB Obligation:			
4-Annual Required Contribution	656,692	597,479	598,632
5-Interest on Net OPEB Obligation	45,965	54,296	66,719
6-Adjustment to ARC	56,097	70,883	87,103
7-Annual OPEB Cost [4 + 5 -6]	646,560	580,892	578,248
8-Employer Contributions	275,723	304,811	249,387
9-Change in Net OPEB Obligation [7 - 8]	370,837	276,081	328,860
10-Net OPEB Obligation-BOY [11 from prior year]	835,733	1,206,570	1,482,651
Net OPEB Obligation-end of year [9 + 10]	$ 1,206,570	$ 1,482,651	$ 1,811,511

*Unfunded Actuarial Accrued Liability (UAAL)

***(i)*is the assumed interest rate that year: 5.5% in 2008, 4.5% in 2009, 4.5% in 2010

The City's OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Contribution as a Percentage of OPEB Cost	Net OPEB Obligation
12/31/2008	$ 646,560	42.6%	$ 1,206,570
12/31/2009	$ 580,892	52.5%	$ 1,482,651
12/31/2010	$ 578,248	43.1%	$ 1,811,511

As of January 1, 2009, the most recent actuarial valuation date, the plan was 0% funded. The City's funding progress, the accrued liability for benefits, the actuarial value of the assets, the unfunded actuarial accrued liability (UAAL), the covered payroll, and the UAAL as a percentage of covered payroll for 2010 and preceding years were as follows:

Fiscal Year Ended	Actuarial Value of Assets	Actuarial Accrued Liabilities Entry Age	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL As a Percentage of Covered Payroll
Dec. 31, 2005	$ -	$ 8,512,284	$ 8,512,284	0%	$ 719,423	1183.20%
Dec. 31, 2006	$ -	$ 8,512,284	$ 8,512,284	0%	$ 764,518	1113.41%
Dec. 31, 2007	$ -	$ 8,512,284	$ 8,512,284	0%	$ 557,587	1526.63%
Dec. 31, 2008	$ -	$ 8,512,284	$ 8,512,284	0%	$ 446,200	1907.73%
Dec. 31, 2009		$ 9,290,267	$ 9,290,267	0%	$ 442,308	2100.41%
Dec. 31, 2010	$ -	$ 9,430,652	$ 9,430,652	0%	$ 461,106	2045.22%
	$ -					

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the January 1, 2009 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions used included a 4.50% discount rate, which is based upon the long-term investment yield on the investments that are expected to be used to finance payment of benefits. A medical inflation rate of 8.00%, graded to 6.50% over three years, was used along with a long-term care inflation rate of 5.00%.

The UAAL is being amortized on a closed basis at the assumed discount rate. The remaining amortization period at January 1, 2009 was 30 years.

Note 11:
Construction Commitments

At December 31, 2010 the City had significant contractual obligations on construction projects:

(In thousands)	
Street Projects	$5,496
Fire Projects	5,004
Utilities Projects	2,404
Total	$12,904

Note 12:
Interfund Transfers

(In whole dollars)

Fund	Transfer In	Transfer Out
General Fund	$ 1,635,556	$ 6,771,577
Capital Improvements Program Fund	12,186,076	470,000
Other Governmental Funds	5,713,988	12,305,033
Internal Service Funds		60,911
Total Transfers	$ 19,535,620	$ 19,607,521

Interfund transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, to move receipts for debt service from the fund collecting the receipts to a debt service fund as debt service payments become due, and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The $71,901 excess of transfers out over transfers in is due to a vehicle transferred from general government to fleet in lieu of charges for replacement.

Note 13:
Long-Term Obligations

General Obligation Bonds

General obligation bonds are a direct obligation of the City for which its full faith and credit are pledged. Debt service on the 1994 and 2003 bonds is paid from debt service funds. Debt service on the 2004 bonds is paid from the Capital Improvements Program fund. Debt service for unlimited tax voter-approved issues is funded by special property tax levies. These bonds are subject to federal arbitrage rules.

General obligation Bonds outstanding at year-end are as follows:

1994 Unlimited Tax General Obligation and Refunding Bonds and Refunded Debt in 2008: Issued to provide funds for a new fire station and to provide funds in an irrevocable trust to refund a portion of the 1990 GO Bonds and the 1985 GO Refunding Bonds. The 1985 GO Refunding Bonds were paid in full in 1995. The 1990 GO Bonds were paid in full in 2000. The balance of these bonds were paid in full using proceeds from a new refunding bond issuance in 2008. The proceeds of the refunding bond issue, which includes premiums in the amount of $29,600, have been placed in an irrevocable trust to provide for all future debt service payments on the old bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the City's financial statements.

2004 Limited Tax General Obligation Lease Revenue Bonds: Redmond Community Properties (RCP), a blended component unit of the City of Redmond, issued lease-revenue bonds on behalf of the City in accordance with the provisions of Revenue Ruling 63-20 of the US Treasury on April 1, 2004. Funds from the bonds were used to build the City Hall, a parking garage, and other improvements on the City campus. Although the bonds were issued by RCP, they are reported as a limited tax general obligation of the City in accordance with Generally Accepted Accounting Principles.

2008 Limited Tax General Obligation Bonds: In 2008, the City issued $33,935,000 Limited Tax General Bonds. Proceeds will be used for the Bear Creek Parkway Extension and other transportation projects in the City's Transportation Capital Improvement Plan. The Bear Creek Parkway Extension will provide an additional street connection through Downtown Redmond. The project will also improve transit connections and allow for better access to the open space in the downtown area. Redmond Way and Cleveland Street will better serve more uses, including transit, bicycle, and pedestrian traffic. Stronger connections will also support the economic vitality of Redmond's Downtown.

2008 Unlimited Tax General Obligation Refunding Bonds: On September 4, 2008, the City issued $1,315,000 in unlimited tax general obligation refunding bonds with an interest rate of 3.50% to advance refund $1,305,000 of outstanding 1994 unlimited general obligation and refunding bonds. The net proceeds, which included $29,600, were used to purchase U.S. government securities which were deposited with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, these bonds are considered defeased and the liability for these bonds have been removed from the general long-term debt.

The advance refunding resulted in a reduction in the aggregate debt service payments of $88,362. In addition, the economic gain (difference between the present values of the old and new debt service payments) was $80,826.

	Issue Date	Maturity Date	Interest Rate	Amount Issued	Redemptions to Date	Outstanding 12/31/2010
2004 LTGO Lease-Revenue Bonds	4/1/2004	12/1/2035	2.0% - 5.25%	$ 39,230,000	$ 4,150,000	$ 35,080,000
2008 GO/Refunding	9/4/2008	6/1/2013	3.50%	1,315,000	500,000	815,000
2008 LTGO Bonds	9/4/2008	12/1/2028	3.5% - 5.0%	33,935,000	2,290,000	31,645,000
Total General Obligation Bonds				$ 74,480,000	$ 6,940,000	$ 67,540,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Governmental Activities		
Year Ending December 31,	Principal	Interest
2011	$ 2,600,000	$ 3,165,744
2012	2,710,000	3,057,706
2013	2,820,000	2,944,831
2014	2,645,000	2,832,281
2015	2,760,000	2,720,056
2016-2020	15,965,000	11,439,381
2021-2025	15,455,000	7,694,887
2026-2030	14,015,000	3,837,025
2031-2035	8,570,000	1,327,250
	$ 67,540,000	$ 39,019,161

All long term debt is presented in the Statement of Net Assets net of premiums. The gross general obligation bonds payable and premium are as follows:

	2008 Refunding Bonds	2008 General Obligation Bonds
Bonds Outstanding	$ 815,000	$ 31,645,000
Plus Unamortized Bond Premium	16,280	1,136,280
Bonds Outstanding, Net	$ 831,280	$ 32,781,280

Revenue Bonds

Revenue Bonds are payable from revenues generated by the user fees. Revenue bonds for the City are backed by the Water/Wastewater and Stormwater utilities. Revenue bonds generally require a cash reserve be maintained as well as a minimum debt to income ratio be maintained for the life of the bonds.

2008 Water/Wastewater Bonds: Bonds in the amount of $11,755,000 were issued in 2008 to finance construction projects for the water utility.

Revenue bonds outstanding at year end are as follows:

	Issue Date	Maturity Date	Interest Rate	Amount Issued	Redemptions to Date	Outstanding 12/31/2010
2008 Water/ Wastewater Bonds	12/3/2008	12/1/2023	4.0% - 5.0%	$ 11,755,000	$ 1,155,000	$ 10,600,000
Total Revenue Bonds				$ 11,755,000	$ 1,155,000	$ 10,600,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

	Business-type Activities	
Year Ending December 31,	Principal	Interest
2011	$ 615,000	$ 89,288
2012	640,000	464,687
2013	665,000	439,088
2014	700,000	406,588
2015	725,000	378,588
2016-2020	4,155,000	1,365,975
2019-2023	3,100,000	315,000
	$ 10,600,000	$ 3,859,214

All long-term debt is presented in the Statement of Net Assets net of premiums. The gross bonds payable and premium are as follows:

	2008 Revenue Bonds
Bonds Outstanding	$ 10,600,000
Plus Unamortized Bond Premium	311,497
Bonds Outstanding, Net	$ 10,911,497

Special Assessment Debt with Governmental Commitment

Special Assessment Bonds were not a direct responsibility of the City but were funded from the collection of special assessment payments. Debt service principal and interest costs were paid in full from the LID Control Fund in 2010. The LID Control Fund and LID Guarantee Fund were closed into the General Fund in 2010.

Public Works Trust Fund Loans

State of Washington Public Works Trust Fund Loans are a direct responsibility of the City. Redmond had five such loans in 2010 with one being paid in full. The remaining loans with an outstanding principal balance of $828,117 are being repaid from General Fund revenues which are transferred to the Capital Improvements Program Fund where the loan payments are recorded. The water/wastewater loans are paid in full.

	Governmental Activities		Business-Type Activities	
Year	Principal	Interest	Principal	Interest
2011	$ 279,431	$ 16,115	$ -	$ -
2012	202,457	10,710	-	-
2013	202,457	6,074	-	-
2014	71,886	1,438	-	-
2015	71,887	719	-	-
	$ 828,118	$ 35,056	$ -	$ -

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General obligation bonds	$ 70,040,000	$ -	$ (2,500,000)	$ 67,540,000	$ 2,600,000
Special assessment debt with government commitment	170,000	-	(170,000)	-	-
Less deferred amounts:					
For issuance (Discounts)/Premiums	1,222,496	-	(69,936)	1,152,560	-
Total bonds payable	71,432,496	-	(2,739,936)	68,692,560	2,600,000
PWTF loans	$ 1,161,729	$ -	$ (333,611)	$ 828,118	$ 279,431
Other post-employment benefits payable	1,482,650	328,861	-	1,811,511	-
Compensated absences	3,377,145	3,764,953	(3,301,875)	3,840,223	3,072,179
Governmental activity long-term liabilities	$ 77,454,020	$ 4,093,813	$ (6,375,403)	$ 75,172,412	$ 5,951,610
Business-Type Activities:					
Bonds Payable:					
Revenue Bonds	$ 11,190,000	$ -	$ (590,000)	$ 10,600,000	$ 615,000
Plus Deferred Amounts:					
For issuance premiums	335,612	-	(24,115)	311,497	-
Total Bonds Payable	11,525,612	-	(614,115)	10,911,497	615,000
PWTF loans	$ -	$ -	$ -	$ -	$ -
Compensated absences	494,841	463,115	(450,253)	507,703	406,162
Business-type activity long-term liabilities	$ 12,020,453	$ 463,115	$ (1,064,368)	$ 11,419,200	$ 1,021,162

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Compensated absences for governmental activities are liquidated in the governmental fund from which the employee's salary is paid. Governmental funds typically used to liquidate compensated absences are the General Fund, Recreation Activities Fund, Arts Activity Fund, Parks Maintenance and Operation Fund, Advanced Life Support Fund, and the Recycling Fund.

NOTE 14:
Leases

Operating Leases:

Copier Leases

Operating lease obligations are primarily for rental of copy machines. Total expenditures for leases were $48,775 for the year ended December 31, 2010. The future minimum lease payments include the estimated cost for copy usage and are as follows:

Year Ending December 31		Amount
2011	$	27,002
2012		27,002
2013		27,002
2014		16,728
Total	$	97,734

Capital Leases:

On February 17, 2004 the City of Redmond entered into a capital lease agreement with Redmond Community Properties (RCP), A Washington Non-Profit Corporation, to lease a new City Hall and parking garage.

RCP, acting as an “on-behalf-of-issuer” under Internal Revenue Service Rulings 63-20 and 82-26, issued bonds dated April 1, 2004 on behalf of the City of Redmond. The bonds were used for construction of the City Hall and parking garage, with a gross amount of the buildings under this lease being $39,230,000. Bond principal and interest payments are the responsibility of RCP.

The lease payments made by the City to RCP will be sufficient to pay debt service on the bonds and operating costs of the buildings. Because RCP is a blended component unit of the City, the lease payments made by Redmond to RCP are reported as bond debt service payments by the City.

NOTE 15:
Blended Component Units Included in Reporting Entity

Two blended component units are included in the City’s reporting entity, the Redmond Public Corporation and Redmond Community Properties (RCP).

The RCW 39.84.100 grants cities the authority to establish Industrial Development Corporations. In 1982, the City of Redmond created the Redmond Public Corporation. This is a public corporation whose purpose is to issue tax-exempt non recourse revenue bonds to finance industrial development within City limits. The corporation may construct and maintain industrial facilities, which it then leases or sells to

industrial users. Revenue bonds issued by the corporation are payable from revenues of the industrial development facility funded by the revenue bonds.

In conformity with generally accepted accounting principles (GAAP), the Redmond Public Corporation has been included in the financial reporting entity. The Corporation's Board of Directors is comprised solely of members of the City Council who have the authority to approve issuance of the corporation's revenue bonds. The ability of the City Council to impose its will on the Redmond Public Corporation through the approval or disapproval of revenue bond issuance makes the City of Redmond financially accountable for the Public Corporation.

Although the Redmond Public Corporation is included in the reporting entity as a blended component unit, no financial impact is reported in the statements. The bonds are not a liability or a contingent liability of the City of Redmond or lien on any of its properties or revenues. Principal and interest on the bonds are payable solely from the funds provided for this payment from the revenues of the industrial development facilities funded by the revenue as provided in the RCW. Records regarding the financial statements of the entities on whose balance sheets the bond liabilities are reported are in the Office of the City Attorney, who acts as the Secretary of the Public Corporation.

RCP is a non-profit corporation organized in 2003 pursuant to Internal Revenue Service Revenue Ruling 63-20. It is related to the National Development Council, a 501(c)(3) organization, through common management. RCP is reported as if it were part of the City of Redmond because its sole purpose is to finance, construct, and lease a City Hall and parking garage to the City. RCP administrative offices are located at:

National Development Council
1425 Fourth Avenue, Suite 608
Seattle, WA 98101-2220

The City leases City Hall and the parking garage from RCP under a capital lease arrangement. For reporting purposes RCP and the City of Redmond are consolidated as required by GAAP. The capital lease payable is reported as bonds payable with City Hall and the parking garage reported as assets of the City. Bond principal and interest payments are reported as debt service by the City.

As part of the capital lease agreement the City pays monthly maintenance and asset management fees to RCP. The financial statements of RCP are reported as an Internal Service Fund in the City's fund financial statements and schedules.

NOTE 16:
Joint Ventures and Operations

Water Storage and Pumping Facility

In February 1990, the City of Redmond joined with the City of Bellevue to construct, operate, and maintain a joint-use water storage and pumping facility located on the common boundary of the two cities. The City of Redmond has an undivided interest in the facility of 44%, and the City of Bellevue has an undivided interest of 56%. The City of Redmond's share of costs to construct the joint-use facility totaled $2,078,539 and is reported on the business-type activity financial statements as improvements other than buildings. The City recognizes depreciation expense annually. Accumulated depreciation totals $1,103,704 with a net book value of $974,835. The City reimbursed the City of Bellevue $15,077 for its share of operating costs in 2010.

Cascade Water Alliance
In April 1999, the City of Redmond entered into an interlocal agreement with seven other water providers in the region to create the Cascade Water Alliance. The purpose of the Alliance is to provide water supply to meet current and future needs of the Alliance's members in a cost-effective and environmentally responsible manner.

The Alliance is governed by a board of directors consisting of one individual representative appointed by resolution of the member's legislative authority. Each member entity must pay annual dues based on the number of units served by the water system within their jurisdiction. The City of Redmond's dues for 2010 were $248,924. The City of Redmond also paid the Alliance $1,023,853 in 2010 for Regional Capital Facilities Charges for new hookups to the water system that Redmond collected from new customers.

A member may withdraw from the Alliance with a resolution of its legislative authority expressing such intent. The board will then determine the withdrawing member's obligations to the Alliance, as well as the withdrawing member's allocable share of the Alliance's then-existing obligations. The member's withdrawal shall be effective upon payment of obligations. Members do not hold legal ownership rights in any assets owned by the Alliance.

Audited financial information can be obtained from Pamela Higbee, Cascade Water Alliance, 1400 112th Avenue SE, Suite 220, Bellevue, WA 98004.

NOTE 17:
Contingencies and Litigation

As of December 31, 2010, there were a number of damage claims and lawsuits pending against the City. However, in our opinion, neither the potential liability from any single claim or lawsuit, nor the aggregate potential liability resulting from all pending claims or lawsuits, would affect materially the financial condition of the City.

NOTE 18:
Risk Management

The City is exposed to various risks of loss such as: theft and damage and destruction of assets, errors and omissions, injuries or property damage to others, employees' health, and natural disasters. The City has three internal service funds to account for and finance its self-insured risks of loss. The City purchases commercial insurance for claims in excess of self-insured losses. Most funds of the City participate in the self-insurance programs and make payments to the self-insurance funds based on estimates of the amounts needed to pay excess insurance and related risk management and service costs, prior and current year claims paid in the current year, and to maintain adequate reserves for catastrophic losses in a given year.

The claims payment portion of the Insurance Claims and Reserve Fund provides coverage up to a maximum of $100,000 per occurrence for insurance-related claims and expenses. There were no claims that settled in 2010 above the City's self-insurance limit. Reserves for open claims are established by an independent claims adjusting firm on a case reserve basis based on the assessment of the settlement potential and costs specifically associated with a particular claim, given the information available at the time. Cases are reviewed no less than monthly and are subject to periodic audits. Lawsuits are reviewed and handled directly by the City Attorney or the excess insurer's appointed legal counsel. Reserves are established for estimated ultimate loss costs and related loss adjustment expenses.

From January to November, the City of Redmond was an associate member of the Cities Insurance Association of Washington (CIAW). Effective 12/1 the City revised the risk program. See "Revised Rick Program" below for more information. Chapter 48.62 RCW authorizes the governing body of any one or

more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The pool was formed in September 1, 1988 when 34 cities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. The CIAW has 95 member cities and 161 associate members. The City of Redmond is an associate member.

The pool allows members to jointly purchase insurance coverage and provide related services, such as administration, risk management, claims administration, etc. Coverage for Public Officials' Liability is on a "claims made basis." All other coverages are on an "occurrence basis." The pool provides the following forms of group-purchased insurance coverage for its members: property, general liability, law enforcement liability, automobile liability, employment practices liability, boiler and machinery, bonds of various types, and public officials liability. The City of Redmond purchases all forms of insurance except property insurance from CIAW. Affiliated FM provides property insurance.

The pool acquires liability insurance from unrelated underwriters that are subject to a per-occurrence deductible of $100,000. As an associate member, the City can access the insurance coverage of the pool without being responsible for any financial shortfalls should the pool experience financial difficulties. Insurance carriers cover insured losses over $100,000 to the limits of each policy. Since the pool is a cooperative program, there is a joint liability among the participating members towards the sharing of the $99,000 portion of the deductible. The pool, however, purchases a Stop Loss Policy in the amount of $5,500,000 to eliminate any risk to members, and funds the stop loss in the budget.

Property insurance is subject to a per-location deductible of $100,000.

Equipment breakdown insurance is subject to a per-occurrence deductible of $5,000. The City is responsible for the deductible amount of each claim.

Each new member now pays the pool an admittance fee. This amount covers the member's share of unrestricted reserves. Members contract to remain in the pool for a minimum of one year, and must give notice before August 31 before terminating participation the following September 1. The Interlocal Governmental Agreement is renewed automatically each year. Even after termination, a member remains responsible for contributions to the pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Governmental Agreement.

The pool is fully funded by its member participants. Claims are filed by members with Canfield & Associates, which has been contracted to perform pool administration, claims adjustment and administration and loss prevention for the pool. Fees are paid by CIAW to the third party administrator under this arrangement.

A governing board is selected by the membership and is responsible for conducting the business affairs of the pool. The Board of Directors has contracted with Canfield & Associates to perform day-to-day administration of the pool. This pool has no employees. Copies of the pool's annual report may be obtained by writing to 451 Diamond Drive, Ephrata, WA 98823.

Revised Risk Program:

The city conducted a comprehensive review of its property and liability risk programs. As a result, the City issued a request for proposal (RFP) for a broker/consultant and selected Bannon Carlson & Kessel, Inc. Bannon Carlson & Kessel, Inc. then conducted a search for service providers to meet the City's needs. This resulted in the City selecting Travelers Insurance for liability coverage and retaining Affiliated FM for property coverage.

Medical Self Insurance Program:

The Medical Self-Insurance Fund provides coverage up to a maximum of $120,000 per person per calendar year with the excess insurance covering up to a lifetime major medical maximum of $1,000,000. There were five claims in excess of the per-person limit in 2010 and zero claims in 2009 and 2008. All funds of the City from which employee wages are paid make premium payments to the Medical Self-Insurance Fund based on health insurance rates derived from actual fund experience and historical and market trend rates.

Council authorized the City to self-insure workers' compensation benefits effective January 1, 1998 for employee injuries and illnesses. The City self-insures $350,000 of each accident or illness ($500,000 for Police and Fire) and purchases excess insurance above that, up to the statutory requirements. No reported claim for 2010, 2009, or 2008 exceeded the City's self insurance coverage. Claims handling is currently contracted to an independent, qualified third party administrator (TPA).

As of December 31, 2010, the City had reserves of $1,493,277 in the Insurance Fund, $4,112,812 in the Medical Self-Insurance Fund, and $769,044 in the Workman's Compensation Fund to provide against risk of future loss. Claims liabilities of $1,006,400 have been reported in the Medical Self-Insurance Fund and $72,159 in the Workman's Compensation Fund based on estimates provided by the City's third party administrators. Historical claims liabilities for IBNR in the Insurance Claims and Reserve Fund average 15% to 17% of paid claims for the year. Reported claims liabilities are based on the requirements of GASB Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the self-insurance funds' claims liabilities in 2009 and 2010 were:

	Beginning of Year Liability	Current Year Claims & Changes in Estimates	Claims Payments	End of Year Liability
Insurance Fund				
2009	$ -	$ 135,463	$ 135,463	$ -
2010	$ -	$ 268,243	$ 268,243	$ -
Medical Insurance Fund				
2009	$ 751,000	$ 3,933,126	$ 5,640,226	$ 956,100
2010	$ 956,000	$ 5,671,121	$ 7,633,621	$ 1,006,400
Workman's Compensation Fund				
2009	$ 116,724	$ 254,449	$ 438,941	$ 67,768
2010	$ 67,768	$ 129,170	$ 267,734	$ 72,159

Commercial insurance policies were purchased to protect the City from claims which exceed the coverage provided by the self-insurance funds.

	Coverage	Self-Insured Retention
Property Policy Limit	$150,000,000	$100,000
Earth Movement	$50,000,000	3%/$100,00 minimum per location
Flood	$50,000,000	$100,000
Employee Theft	$1,000,000	$10,000
General Liability – Per Occurrence	$1,000,000	$25,000
General Liability – Aggregate	$2,000,000	
Law Enforcement	$1,000,000	$25,000
Employment Related Practices	$1,000,000	$25,000
Auto Liability	$1,000,000	$25,000
Umbrella Excess Liability (Excess of General Liability, Auto, Law Enforcement Liability)	$20,000,000	$10,000
Employment-Related Practices Excess	$9,000,000	
Underground Storage Tank Liability	$1,000,000	$5,000
Blanket fidelity (employee dishonesty)	$1,000,000	$10,000 deductible
Excess Worker's Compensation	statutory	$350,000; $500,000 Police & Fire
Excess Medical Insurance	$1,000,000	$120,000

NOTE 19:
Subsequent Events

In March 2011, the City issued $8,035,000 limited tax general obligation bonds which mature 12/1/2021. These bonds were sold at a premium, netting the City $608,290. Debt service will be structured with annual principal payments and semi-annual interest payments. Proceeds from the limited tax general obligation bonds will be used for a new Downtown Park and other park capital projects in the City's Capital Improvement Plan.

Required Supplementary Information
Firemen's Pension Plan
Schedule of Funding Progress
(rounded to thousands)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities Entry Age	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covere d Payroll	UAL as a Percentage of Covered Payroll
January 1, 2000	$ -	$ 374	$ 374	0%	$ -	N/A
January 1, 2002	$ 89	$ 277	$ 188	32%	$ -	N/A
January 1, 2004	$ 205	$ 347	$ 142	59%	$ -	N/A
January 1, 2006	$ 356	$ 363	$ 7	98%	$ -	N/A
January 1, 2008	$ 590	$ 413	$ (177)	143%	$ -	N/A
January 1, 2010	$ 856	$ 654	$ (202)	131%	$ -	N/A

Required Supplementary Information
LEOFF 1 Medical Benefits
Schedule of Funding Progress

Fiscal Year Ended	Actuarial Value of Assets	Actuarial Accrued Liabilities Entry Age	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL As a Percentage of Covered Payroll
Dec. 31, 2005	$ -	$ 8,512,284	$ 8,512,284	0%	$ 719,423	1183.20%
Dec. 31, 2006	$ -	$ 8,512,284	$ 8,512,284	0%	$ 764,518	1113.41%
Dec. 31, 2007	$ -	$ 8,512,284	$ 8,512,284	0%	$ 557,587	1526.63%
Dec. 31, 2008	$ -	$ 8,512,284	$ 8,512,284	0%	$ 446,200	1907.73%
Dec. 31, 2009	$ -	$ 9,290,267	$ 9,290,267	0%	$ 442,308	2100.41%
Dec. 31, 2010	$ -	$ 9,430,652	$ 9,430,652	0%	$ 461,106	2,045.22%

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are restricted to or reserved for expenditures for particular purposes.

The **Recreation Activities Fund** provides salaries, equipment and supplies needed to conduct year-round recreational programs. Funding comes from class fees, sports leagues, and transfers from the General Fund.

The **Arts Activity Fund** was established to administer the City's cultural arts programs and provide staff support to the Redmond Arts Commission. The primary sources of revenue are an annual transfer from the General Fund, grants and donations.

The **Parks Maintenance and Operations Fund** accounts for monies spent on maintenance of park grounds, rights of way, street trees, open space and the grounds surrounding City buildings and structures. These activities are funded from a property tax levy lid lift approved by the voters in 1989.

The **Community Events Fund** was established in 2004 to account for revenues received and expenditures incurred for, but not limited to, the production of special community events in the City. Revenue sources include private donations, participation fees, and transfers from the General Fund.

The **Development Review Fund** was established in 2007 to account for revenues received and expenditures incurred for, but not limited to, the review and inspection of development projects and their construction by the Microsoft Corporation in the City of Redmond for the duration of the approved "Memorandum of Understanding Regarding Staffing for Microsoft Development Review."

The **Cable Access Fund** was established in 2003 to monitor expenditures for cable access equipment, public education, service enhancement, and government access to television. The primary source of revenues is fees and contributions from cable television subscribers.

The **Operating Grants Fund** includes expenditures for special studies and pilot programs to support commute trip reduction in partnership with area employers. It is funded by federal, state, and local grants, private contributions and a portion of the business tax surcharge.

The **Human Services Grants Fund** accounts for Federal Block Grant monies and City per capita grants for community development assistance to low and moderate income persons.

The **Operating Reserves Fund** houses money set aside for General Fund operating reserves and building permit reserves. The General Fund reserves were created to offset significant downturns and revisions in any general municipal purpose funds and to provide sufficient cash flow for daily financial needs at all times. The building permit reserve was established to provide funding for completion of building permit responsibilities in the event of a decline in development activity.

The **Fire Levy Fund** was established to account for the revenues received and expenditures incurred for the fire property tax levy lid lift approved by the voters in 2007 for collection in 2008. These funds will provide additional firefighters to support fire and aid car operations at the Overlake Fire Station and the North Redmond Fire Station.

The **Police Levy Fund** was established to account for the revenues received and expenditures incurred for the police property tax levy lid lift approved by the voters in 2007 for collection in 2008. These funds will provide additional police personnel to support police operations and programs.

The **Parks Levy Fund** was established to account for the revenues received and expenditures incurred for the parks property tax levy lid lift approved by the voters in 2007 for collection in 2008. These funds will provide operation and maintenance of park facilities and programs.

The **Capital Equipment Fund** accumulates monies for replacement of general capital equipment. Funding in the Capital Equipment Fund is provided by an annual transfer from the City's General Fund.

The **Fire Equipment Fund** accumulates monies for replacement of fire capital equipment. Funding in the Fire Equipment Fund is provided by annual transfers from the General Fund and the Fire CIP fund.

The **Real Estate Excise Tax Fund** accounts for proceeds of the ½ of 1% Real Estate Excise Tax. This tax is collected by King County at the time property is sold in the City of Redmond and then remitted to the City. These funds must be used for construction of capital projects.

The **Felony Seizure Fund** accounts for monies and proceeds from the sale of property seized during drug and felony investigations. These funds are legally required to be expended on drug and felony related police activities.

The **Emergency Dispatch System Fund** was established in 1995 as a cost center for the emergency dispatch and records management systems. Funds were provided from a variety of sources including the General, Capital Equipment Reserve, CIP, and Public Safety Bond Funds.

The **Business License Surcharge Fund** receives revenues collected from businesses based on the employee hours worked in Redmond. The funds collected are earmarked for transportation and transportation demand management projects. All projects funded by this source are reviewed by the Business Tax/Transportation Improvement Committee and then submitted to the Council for approval.

The **Tourism Fund** is supported by a 1% special excise tax on overnight lodging in Redmond. This tax provides resources to support tourism development and promotion activities in Redmond.

The **Solid Waste Recycling Fund** accounts for monies received primarily through garbage franchise fees. Fund expenditures made are to develop, administer and improve solid waste collection and education.

The **Advanced Life Support Fund** accounts for the provision of Advanced Life Support (ALS) services (paramedic) within the City and Fire District 34 areas. The City provides these services in contract with King County Medic One and the County provides the resources for this service.

Debt Service Funds

Debt Service Funds account for the accumulation of resources for and the payment of general obligation and special assessment bonds.

The **Regular Levy Fund** accounts for the debt service on City Council approved (councilmanic) general obligation debt. During 2003, the City issued two long-term general obligation notes to fund improvements at Grasslawn and Perrigo Parks. During 2008, the City issued long-term general obligation bonds to fund the Bear Creek Parkway expansion. Debt service on those notes will be paid from this fund.

The **Special Levy Fund** accounts for the debt service on the voter-approved general obligation bonds. The City currently has one bond issue outstanding that is paid from this fund. In 1994 the City issued bonds to purchase land and build a new fire station. These bonds were refunded in 2008. The refunding activity ran through this fund in 2008 and the debt service on these bonds will be paid from this fund as well.

The **Local Improvement District Control Fund** was created to finance public improvements or services deemed to benefit the properties against which the special assessments are levied. Special assessment bonds are not a direct responsibility of the City but are funded from a collection of special assessment payments.

The **Local Improvement District Guaranty Fund** was established for the purpose of guaranteeing the payment of local improvement bonds and warrants and is funded from interest income and surplus from the Local Improvement District Control Fund.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Special Revenue Funds		
	Recreation Activities	Arts Activity	Parks Maintenance and Operation
ASSETS			
Cash and cash equivalents	$ 163,153	$ 59,157	$ 189,033
Cash with outside agency	-	-	-
Investments	495,137	245,480	721,886
Receivables:			
Taxes	-	-	11,067
Accounts	-	-	-
Interest	544	245	814
Due from other funds	-	-	-
Due From Other Governments	-	-	-
Restricted assets:			
Deposit cash	-	-	-
Cash	-	1,415	-
Total Assets	$ 658,834	$ 306,297	$ 922,800
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 48,001	$ 612	$ 14,218
Employee wages payable	3,320	-	2,172
Due to other funds	-	-	-
Payable from restricted assets:			
Deposits payable	-	-	-
Unearned revenues	-	-	11,067
Total Liabilities	51,321	612	27,457
Fund balances			
Reserved for:			
Debt service	-	-	-
Unreserved	607,513	305,685	895,343
Total Fund Balances	607,513	305,685	895,343
Total Liabilities and Fund Balances	$ 658,834	$ 306,297	$ 922,800

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Special Revenue Funds		
	Community Events	Development Review	Cable Access
ASSETS			
Cash and cash equivalents	$ 131,832	$ -	$ 272,240
Cash with outside agency	-	-	-
Investments	-	-	1,133,674
Receivables:			
Taxes	-	-	-
Accounts	7,000	-	47,147
Interest	-	-	1,305
Due from other funds	-	-	-
Due From Other Governments	-	-	-
Restricted assets:			
Deposit cash	-	-	-
Cash	-	-	-
Total Assets	$ 138,832	$ -	$ 1,454,366
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 9,573	$ -	$ 63
Employee wages payable	909	-	-
Due to other funds	-	-	-
Payable from restricted assets:			
Deposits payable	-	-	-
Unearned revenues	-	-	-
Total Liabilities	10,482	-	63
Fund balances			
Reserved for:			
Debt service	-	-	-
Unreserved	128,350	-	1,454,303
Total Fund Balances	128,350	-	1,454,303
Total Liabilities and Fund Balances	$ 138,832	$ -	$ 1,454,366

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Special Revenue Funds		
	Operating Grants	Human Services Grants	Operating Reserves
ASSETS			
Cash and cash equivalents	$ 1,066,834	$ 150,669	$ 1,249,986
Cash with outside agency	-	-	-
Investments	1,402,116	-	5,108,795
Receivables:			
Taxes	-	-	-
Accounts	2,659	385	1,972
Interest	2,421	-	-
Due from other funds	-	-	1,070,195
Due From Other Governments	-	-	-
Restricted assets:			
Deposit cash	-	-	-
Cash	-	-	-
Total Assets	$ 2,474,030	$ 151,054	$ 7,430,948
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 4,814	$ 108,975	$ 443
Employee wages payable	1,731	-	-
Due to other funds	-	-	-
Payable from restricted assets:			
Deposits payable	-	-	-
Unearned revenues	-	-	-
Total Liabilities	6,545	108,975	443
Fund balances			
Reserved for:			
Debt service	-	-	-
Unreserved	2,467,485	42,079	7,430,505
Total Fund Balances	2,467,485	42,079	7,430,505
Total Liabilities and Fund Balances	$ 2,474,030	$ 151,054	$ 7,430,948

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Special Revenue Funds		
	Fire Levy	Police Levy	Parks Levy
ASSETS			
Cash and cash equivalents	$ 384,836	$ 530,476	$ 63,724
Cash with outside agency	-	-	-
Investments	1,614,251	2,215,333	264,383
Receivables:			
Taxes	16,757	16,420	2,451
Accounts	-	-	-
Interest	1,878	2,596	268
Due from other funds	-	-	-
Due From Other Governments	-	-	-
Restricted assets:			
Deposit cash	-	-	-
Cash	-	-	-
Total Assets	$ 2,017,722	$ 2,764,825	$ 330,826
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ -	$ -	$ 423
Employee wages payable	6,513	4,961	666
Due to other funds	-	-	-
Payable from restricted assets:			
Deposits payable	-	-	-
Unearned revenues	16,758	16,421	2,451
Total Liabilities	23,271	21,382	3,540
Fund balances			
Reserved for:			
Debt service	-	-	-
Unreserved	1,994,451	2,743,443	327,286
Total Fund Balances	1,994,451	2,743,443	327,286
Total Liabilities and Fund Balances	$ 2,017,722	$ 2,764,825	$ 330,826

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Special Revenue Funds		
	Capital Equipment	Fire Equipment	Real Estate Excise Tax
ASSETS			
Cash and cash equivalents	$ 815,286	$ 994,622	$ 63,150
Cash with outside agency	-	-	-
Investments	2,875,523	2,873,037	-
Receivables:			
Taxes	-	-	212,744
Accounts	-	3,400	-
Interest	3,338	3,381	-
Due from other funds	-	-	-
Due From Other Governments	-	-	-
Restricted assets:			
Deposit cash	-	-	-
Cash	-	-	-
Total Assets	$ 3,694,147	$ 3,874,440	$ 275,894
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 123,263	$ 7,762	$ -
Employee wages payable	-	-	-
Due to other funds	-	-	-
Payable from restricted assets:			
Deposits payable	-	-	-
Unearned revenues	-	-	-
Total Liabilities	123,263	7,762	-
Fund balances			
Reserved for:			
Debt service	-	-	-
Unreserved	3,570,884	3,866,678	275,894
Total Fund Balances	3,570,884	3,866,678	275,894
Total Liabilities and Fund Balances	$ 3,694,147	$ 3,874,440	$ 275,894

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Special Revenue Funds		
	Felony Seizure	Emergency Dispatch	Business License Surcharge
ASSETS			
Cash and cash equivalents	$ 86,778	$ -	$ 26,563
Cash with outside agency	10,000	-	-
Investments	-	-	253,386
Receivables:			
Taxes	-	-	-
Accounts	-	-	-
Interest	-	-	414
Due from other funds	-	-	-
Due From Other Governments	-	-	-
Restricted assets:			
Deposit cash	200	-	-
Cash	-	-	-
Total Assets	$ 96,978	$ -	$ 280,363
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 70	$ -	$ -
Employee wages payable	-	-	-
Due to other funds	-	-	-
Payable from restricted assets:			
Deposits payable	7,761	-	-
Unearned revenues	-	-	-
Total Liabilities	7,831	-	-
Fund balances			
Reserved for:			
Debt service	-	-	-
Unreserved	89,147	-	280,363
Total Fund Balances	89,147	-	280,363
Total Liabilities and Fund Balances	$ 96,978	$ -	$ 280,363

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Special Revenue Funds			
	Tourism	Solid Waste Recycling	Advanced Life Support Fund	Total
ASSETS				
Cash and cash equivalents	$ 73,944	$ 53,685	$ 12,052	$ 6,388,020
Cash with outside agency	-	-	-	10,000
Investments	239,974	203,308	-	19,646,283
Receivables:				
Taxes	-	-	-	259,439
Accounts	-	128,734	985,746	1,177,043
Interest	239	243	-	17,686
Due from other funds	-	-	-	1,070,195
Due From Other Governments	-	3,159	439,737	442,896
Restricted assets:				
Deposit cash	-	-	-	200
Cash	-	-	-	1,415
Total Assets	$ 314,157	$ 389,129	$ 1,437,535	$ 29,013,177
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 13,625	$ 379	$ 21,127	$ 353,348
Employee wages payable	8	1,094	15,193	36,567
Due to other funds	-	-	1,070,195	1,070,195
Payable from restricted assets:				
Deposits payable	-	-	-	7,761
Unearned revenues	-	-	-	46,697
Total Liabilities	13,633	1,473	1,106,515	1,514,568
Fund balances				
Reserved for:				
Debt service	-	-	-	-
Unreserved	300,524	387,656	331,020	27,498,609
Total Fund Balances	300,524	387,656	331,020	27,498,609
Total Liabilities and Fund Balances	$ 314,157	$ 389,129	$ 1,437,535	$ 29,013,177

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Debt Service Funds		
	Regular Levy	Special Levy	L.I.D. Control
ASSETS			
Cash and cash equivalents	$ -	$ 273,907	$ -
Cash with outside agency	-	-	-
Investments	-	-	-
Receivables:			
Taxes	-	4,329	-
Accounts	-	-	-
Interest	-	-	-
Due from other funds	-	-	-
Due From Other Governments	-	-	-
Restricted assets:			
Deposit cash	-	-	-
Cash	-	-	-
Total Assets	$ -	$ 278,236	$ -
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ -	$ 603	$ -
Employee wages payable	-	-	-
Due to other funds	-	-	-
Payable from restricted assets:			
Deposits payable	-	-	-
Unearned revenues	-	4,329	-
Total Liabilities	-	4,932	-
Fund balances			
Reserved for:			
Debt service	-	273,304	-
Unreserved	-	-	-
Total Fund Balances	-	273,304	-
Total Liabilities and Fund Balances	$ -	$ 278,236	$ -

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2010

	Debt Service Funds		
	L.I.D. Guaranty	Total	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ -	$ 273,907	$ 6,661,927
Cash with outside agency	-	-	10,000
Investments	-	-	19,646,283
Receivables:			
Taxes	-	4,329	263,768
Accounts	-	-	1,177,043
Interest	-	-	17,685.9600
Due from other funds	-	-	1,070,195
Due From Other Governments	-	-	442,896
Restricted assets:			
Deposit cash	-	-	200
Cash	-	-	1,415
Total Assets	$ -	$ 278,236	$ 29,291,413
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ -	$ 603	$ 353,951
Employee wages payable	-	-	36,567
Due to other funds	-	-	1,070,195
Payable from restricted assets:			
Deposits payable	-	-	7,761
Unearned revenues	-	4,329	51,026
Total Liabilities	-	4,932	1,519,500
Fund balances			
Reserved for:			
Debt service	-	273,304	273,304
Unreserved	-	-	27,498,609
Total Fund Balances	-	273,304	27,771,913
Total Liabilities and Fund Balances	$ -	$ 278,236	$ 29,291,413

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	Special Revenue Funds		
	Recreation Activities	Arts Activity	Park Maintenance and Operation
REVENUES			
Taxes	$ -	$ -	$ 1,028,182
Contributions	3,096	-	3,652
Intergovernmental	-	-	6,200
Charges for services	1,885,006	705	211,709
Fines and forfeitures	-	-	-
Investment income	10,688	3,099	7,950
Miscellaneous	155,443	-	116,888
Total Revenues	2,054,233	3,804	1,374,581
EXPENDITURES			
Current			
General government	-	-	-
Security of persons and property	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Culture and recreation	1,956,692	113,976	1,421,345
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and Debt Issuance Costs	-	-	-
Total Expenditures	1,956,692	113,976	1,421,345
Excess (deficiency) of revenues over (unde	97,541	(110,172)	(46,764)
OTHER FINANCING SOURCES (USES)			
Disposition of capital assets	-	-	-
Transfers in	-	128,391	20,000
Transfers out	(21,311)	-	-
Total other financing sources (uses)	(21,311)	128,391	20,000
Net change in fund balances	76,230	18,219	(26,764)
Fund balances-beginning	531,283	287,466	922,107
Fund balances-ending	$ 607,513	$ 305,685	$ 895,343

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	Special Revenue Funds		
	Community Events	Development Review	Cable Access
REVENUES			
Taxes	$ -	$ -	$ -
Contributions	48,606	-	195,389
Intergovernmental	-	-	-
Charges for services	21,083	-	8
Fines and forfeitures	-	-	-
Investment income	-	-	18,016
Miscellaneous	17,150	-	563
Total Revenues	86,839	-	213,976
EXPENDITURES			
Current			
General government	-	25,298	-
Security of persons and property	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	2,328	44,983
Culture and recreation	353,272	-	-
Capital outlay	-	-	45,053
Debt service:			
Principal	-	-	-
Interest and Debt Issuance Costs	-	-	-
Total Expenditures	353,272	27,626	90,036
Excess (deficiency) of revenues over	(266,433)	(27,626)	123,940
OTHER FINANCING SOURCES (USE			
Disposition of capital assets	-	-	-
Transfers in	293,500	-	-
Transfers out	-	(733,641)	-
Total other financing sources (uses)	293,500	(733,641)	-
Net change in fund balances	27,067	(761,267)	123,940
Fund balances-beginning	101,283	761,267	1,330,363
Fund balances-ending	$ 128,350	$ -	$ 1,454,303

The City of Redmond

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	Special Revenue Funds		
	Operating Grants	Human Services Grants	Operating Reserve
REVENUES			
Taxes	$ -	$ -	$ -
Contributions	-	7,069	-
Intergovernmental	134,383	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	33,777	-	-
Miscellaneous	-	-	1,438
Total Revenues	168,160	7,069	1,438
EXPENDITURES			
Current			
General government	-	-	-
Security of persons and property	-	-	57,427
Physical environment	-	-	-
Transportation	919,725	-	-
Economic environment	892	677,588	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and Debt Issuance Costs	-	-	-
Total Expenditures	920,617	677,588	57,427
Excess (deficiency) of revenues over	(752,457)	(670,519)	(55,989)
OTHER FINANCING SOURCES (USE			
Disposition of capital assets	-	-	-
Transfers in	175,000	672,902	62,870
Transfers out	(96,874)	-	-
Total other financing sources (uses)	78,126	672,902	62,870
Net change in fund balances	(674,331)	2,383	6,881
Fund balances-beginning	3,141,816	39,696	7,423,624
Fund balances-ending	$ 2,467,485	$ 42,079	$ 7,430,505

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	Special Revenue Funds		
	Fire Levy	Police Levy	Parks Levy
REVENUES			
Taxes	$ 2,311,296	$ 2,220,471	$ 324,287
Contributions	-	-	22,000
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	19,928	27,954	2,670
Miscellaneous	-	-	-
Total Revenues	2,331,224	2,248,425	348,957
EXPENDITURES			
Current			
General government	-	-	-
Security of persons and property	1,982,068	1,422,177	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	(98)
Culture and recreation	-	-	251,163
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and Debt Issuance Costs	-	-	-
Total Expenditures	1,982,068	1,422,177	251,065
Excess (deficiency) of revenues over	349,156	826,248	97,892
OTHER FINANCING SOURCES (USE			
Disposition of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	349,156	826,248	97,892
Fund balances-beginning	1,645,295	1,917,195	229,394
Fund balances-ending	$ 1,994,451	$ 2,743,443	$ 327,286

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	Special Revenue Funds		
	Capital Equipment	Fire Equipment	Real Estate Excise Tax
REVENUES			
Taxes	$ -	$ -	$ 2,565,410
Contributions	-	54,188	-
Intergovernmental	-	-	-
Charges for services	-	40,453	-
Fines and forfeitures	-	-	-
Investment income	52,945	45,730	24,679
Miscellaneous	-	-	-
Total Revenues	52,945	140,371	2,590,089
EXPENDITURES			
Current			
General government	817,499	-	-
Security of persons and property	191,981	6,844	-
Physical environment	13,959	-	-
Transportation	-	-	-
Economic environment	-	-	-
Culture and recreation	52,628	-	-
Capital outlay	304,672	649,915	-
Debt service:			
Principal	-	-	-
Interest and Debt Issuance Costs	-	-	-
Total Expenditures	1,380,739	656,759	-
Excess (deficiency) of revenues over	(1,327,794)	(516,388)	2,590,089
OTHER FINANCING SOURCES (USE			
Disposition of capital assets	8,100	14,366	-
Transfers in	1,000,000	711,000	-
Transfers out	-	(71,903)	(2,913,206)
Total other financing sources (uses)	1,008,100	653,463	(2,913,206)
Net change in fund balances	(319,694)	137,075	(323,117)
Fund balances-beginning	3,890,578	3,729,603	599,011
Fund balances-ending	$ 3,570,884	$ 3,866,678	$ 275,894

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	Special Revenue Funds		
	Felony Seizure	Emergency Dispatch	Business License Surcharge
REVENUES			
Taxes	$ -	$ -	$ 4,018,352
Contributions	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	1,800	-	-
Investment income	-	(1,099)	71,582
Miscellaneous	-	-	-
Total Revenues	1,800	(1,099)	4,089,934
EXPENDITURES			
Current			
General government	-	-	-
Security of persons and property	45,190	8,594	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and Debt Issuance Costs	-	-	-
Total Expenditures	45,190	8,594	-
Excess (deficiency) of revenues over	(43,390)	(9,693)	4,089,934
OTHER FINANCING SOURCES (USE			
Disposition of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	(7,616,882)
Total other financing sources (uses)	-	-	(7,616,882)
Net change in fund balances	(43,390)	(9,693)	(3,526,948)
Fund balances-beginning	132,537	9,693	3,807,311
Fund balances-ending	$ 89,147	$ -	$ 280,363

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	Special Revenue Funds			
	Tourism	Solid Waste Recycling	Advanced Life Support Fund	Total
REVENUES				
Taxes	$ 256,664	$ -	$ -	$ 12,724,662
Contributions	-	-	50,000	384,000
Intergovernmental	-	128,036	5,561,777	5,830,396
Charges for services	-	386,818	-	2,545,782
Fines and forfeitures	-	-	-	1,800
Investment income	3,936	4,907	-	326,762
Miscellaneous	-	169	-	291,651
Total Revenues	260,600	519,930	5,611,777	22,105,053
EXPENDITURES				
Current				
General government	-	-	-	842,797
Security of persons and property	-	-	5,316,131	9,030,412
Physical environment	-	606,003	-	619,962
Transportation	-	-	-	919,725
Economic environment	181,595	-	-	907,288
Culture and recreation	-	-	-	4,149,076
Capital outlay	-	-	639,450	1,639,090
Debt service:				
Principal	-	-	-	-
Interest and Debt Issuance Costs	-	-	-	-
Total Expenditures	181,595	606,003	5,955,581	18,108,350
Excess (deficiency) of revenues over	79,005	(86,073)	(343,804)	3,996,703
OTHER FINANCING SOURCES (USE				
Disposition of capital assets	-	-	23,000	45,466
Transfers in	-	-	-	3,063,663
Transfers out	(67,487)	-	-	(11,521,304)
Total other financing sources (uses)	(67,487)	-	23,000	(8,412,175)
Net change in fund balances	11,518	(86,073)	(320,804)	(4,415,472)
Fund balances-beginning	289,006	473,729	651,824	31,914,081
Fund balances-ending	$ 300,524	$ 387,656	$ 331,020	$ 27,498,609

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	Debt Service Funds		
	Regular Levy	Special Levy	L.I.D. Control
REVENUES			
Taxes	$ -	$ 288,295	$ -
Contributions	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	-	40
Miscellaneous	-	-	-
Total Revenues	-	288,295	40
EXPENDITURES			
Current			
General government	-	-	-
Security of persons and property	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	1,165,000	255,000	170,000
Interest and Debt Issuance Costs	1,485,325	33,591	8,820
Total Expenditures	2,650,325	288,591	178,820
Excess (deficiency) of revenues over	(2,650,325)	(296)	(178,780)
OTHER FINANCING SOURCES (USE			
Disposition of capital assets	-	-	-
Transfers in	2,650,325	-	-
Transfers out	-	-	(128,531)
Total other financing sources (uses)	2,650,325	-	(128,531)
Net change in fund balances	-	(296)	(307,311)
Fund balances-beginning	-	273,600	307,311
Fund balances-ending	$ -	$ 273,304	$ -

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	Debt Service Funds		
	L.I.D. Guaranty	Total	Total Nonmajor Governmental Funds
REVENUES			
Taxes	$ -	$ 288,295	$ 13,012,957
Contributions	-	-	384,000
Intergovernmental	-	-	5,830,396
Charges for services	-	-	2,545,782
Fines and forfeitures	-	-	1,800
Investment income	(7,912)	(7,872)	318,890
Miscellaneous	-	-	291,651
Total Revenues	(7,912)	280,423	22,385,476
EXPENDITURES			
Current			
General government	-	-	842,797
Security of persons and property	-	-	9,030,412
Physical environment	-	-	619,962
Transportation	-	-	919,725
Economic environment	-	-	907,288
Culture and recreation	-	-	4,149,076
Capital outlay	-	-	1,639,090
Debt service:			
Principal	-	1,590,000	1,590,000
Interest and Debt Issuance Costs	-	1,527,736	1,527,736
Total Expenditures	-	3,117,736	21,226,086
Excess (deficiency) of revenues over	(7,912)	(2,837,313)	1,159,390
OTHER FINANCING SOURCES (USE			
Disposition of capital assets	-	-	45,466
Transfers in	-	2,650,325	5,713,988
Transfers out	(655,198)	(783,729)	(12,305,033)
Total other financing sources (uses)	(655,198)	1,866,596	(6,545,579)
Net change in fund balances	(663,110)	(970,717)	(5,386,189)
Fund balances-beginning	663,110	1,244,021	33,158,102
Fund balances-ending	$ -	$ 273,304	$ 27,771,913

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
RECREATION ACTIVITIES SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	$ 3,595,303	$ 3,595,303	$ 3,614,325	$ 19,022
Contributions	-	-	5,841	5,841
Investment income	-	-	27,604	27,604
Miscellaneous	338,726	338,726	291,965	(46,761)
Total Revenues	3,934,029	3,934,029	3,939,735	5,706
EXPENDITURES				
Culture and recreation	4,412,213	4,412,213	3,758,593	653,620
Total Expenditures	4,412,213	4,412,213	3,758,593	653,620
Excess (deficiency) of revenues over (under) expenditures	(478,184)	(478,184)	181,142	659,326
OTHER FINANCING SOURCES (USES)				
Transfers out	(42,413)	(42,204)	(272,989)	(230,785)
Total other financing sources (uses)	(42,413)	(42,204)	(272,989)	(230,785)
Net change in fund balance	(520,597)	(520,388)	(91,847)	428,541
Fund balance-beginning	578,939	699,360	699,360	-
Fund balance-ending	$ 58,342	$ 178,972	$ 607,513	$ 428,541

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ARTS ACTIVITY SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 50,000	$ 50,000	$ 22,000	$ (28,000)
Charges for services	9,409	9,409	705	(8,704)
Contributions	-	-	2,500	2,500
Investment income	-	-	6,503	6,503
Miscellaneous	100,000	100,000	-	(100,000)
Total Revenues	159,409	159,409	31,708	(127,701)
EXPENDITURES				
Culture and recreation	477,170	539,170	256,991	282,179
Capital outlay	137,414	137,414	18,384	119,030
Total Expenditures	614,584	676,584	275,375	401,209
Excess (deficiency) of revenues over (under) expenditures	(455,175)	(517,175)	(243,667)	273,508
OTHER FINANCING SOURCES (USES)				
Transfers in	236,694	298,694	317,715	19,021
Total other financing sources (uses)	236,694	298,694	317,715	19,021
Net change in fund balance	(218,481)	(218,481)	74,048	292,529
Fund balance-beginning	221,324	231,638	231,637	(1)
Fund balance-ending	$ 2,843	$ 13,157	$ 305,685	$ 292,528

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKS MAINTENANCE AND OPERATIONS SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 2,074,289	$ 2,074,289	$ 2,044,128	$ (30,161)
Intergovernmental	41,818	161,818	146,200	(15,618)
Charges for services	104,545	380,534	399,630	19,096
Contributions	-	-	3,752	3,752
Investment income	-	-	19,627	19,627
Miscellaneous	39,449	51,695	170,863	119,168
Total Revenues	2,260,101	2,668,336	2,784,200	115,864
EXPENDITURES				
Culture and recreation	2,267,213	2,540,145	2,702,672	(162,527)
Capital Outlay	-	-	13,222	(13,222)
Total Expenditures	2,267,213	2,540,145	2,715,894	(175,749)
Excess (deficiency) of revenues over (under) expenditures	(7,112)	128,191	68,306	(59,885)
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	-	-	200	200
Transfers in	-	250,784	254,773	3,989
Total other financing sources (uses)	-	250,784	254,973	4,189
Net change in fund balance	(7,112)	378,975	323,279	(55,696)
Fund balance-beginning	283,608	572,064	572,064	-
Fund balance-ending	$ 276,496	$ 951,039	$ 895,343	$ (55,696)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY EVENTS SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	$ 20,000	$ 20,689	$ 34,821	$ 14,132
Contributions	250,000	250,000	43,723	(206,277)
Miscellaneous	-	-	101,650	101,650
Total Revenues	270,000	270,689	180,194	(90,495)
EXPENDITURES				
Security of Persons and Property	-	-	214	(214)
Culture and recreation	636,157	641,846	650,971	(9,125)
Total Expenditures	636,157	641,846	651,185	(9,339)
Excess (deficiency) of revenues over (under) expenditures	(366,157)	(371,157)	(470,991)	(99,834)
OTHER FINANCING SOURCES (USES)				
Transfers in	560,000	565,000	579,155	14,155
Total other financing sources (uses)	560,000	565,000	579,155	14,155
Net change in fund balance	193,843	193,843	108,164	(85,679)
Fund balance-beginning	42,671	20,186	20,186	-
Fund balance-ending	$ 236,514	$ 214,029	$ 128,350	$ (85,679)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEVELOPMENT REVIEW SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and permits	$ 2,559,771	$ 2,559,771	$ 502,860	$ (2,056,911)
Total Revenues	2,559,771	2,559,771	502,860	(2,056,911)
EXPENDITURES				
General government	1,072,995	407,223	175,152	232,071
Security of persons and property	2,334,844	2,322,841	541,029	1,781,812
Physical environment	325,633	310,950	87,616	223,334
Economic development	161,091	161,091	28,045	133,046
Total Expenditures	3,894,563	3,202,105	831,842	2,370,263
Excess (deficiency) of revenues over (under) expenditures	(1,334,792)	(642,334)	(328,982)	313,352
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(665,772)	(733,641)	(67,869)
Total other financing sources (uses)	-	(665,772)	(733,641)	(67,869)
Net change in fund balance	(1,334,792)	(1,308,106)	(1,062,623)	245,483
Fund balance-beginning	1,438,525	1,438,525	1,062,623	(375,902)
Fund balance-ending	$ 103,733	$ 130,419	$ -	$ (130,419)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CABLE ACCESS SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	$ -	$	$ 31	$ 31
Contributions	580,798	580,798	399,862	(180,936)
Investment interest	-	-	41,349	41,349
Miscellaneous	-	-	563	563
Total Revenues	580,798	580,798	441,805	(138,993)
EXPENDITURES				
Economic development	340,674	340,674	176,352	164,322
Capital outlay	70,000	70,000	45,053	24,947
Total Expenditures	410,674	410,674	221,405	189,269
Excess (deficiency) of revenues over (under) expenditures	170,124	170,124	220,400	50,276
Net change in fund balance	170,124	170,124	220,400	50,276
Fund balance-beginning	1,046,088	1,233,404	1,233,903	499
Fund balance-ending	$ 1,216,212	$ 1,403,528	$ 1,454,303	$ 50,775

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OPERATING GRANTS SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 220,000	$ 634,432	$ 601,961	$ (32,471)
Charges for services	-	92,000	-	(92,000)
Investment income	150,000	150,000	105,620	(44,380)
Total Revenues	370,000	876,432	707,581	(168,851)
EXPENDITURES				
Transportation	4,370,408	5,093,841	2,075,582	3,018,259
Economic development	-	-	892	(892)
Capital outlay	-	-	29,921	(29,921)
Total Expenditures	4,370,408	5,093,841	2,106,395	2,987,446
Excess (deficiency) of revenues over (under) expenditures	(4,000,408)	(4,217,409)	(1,398,814)	2,818,595
OTHER FINANCING SOURCES (USES)				
Transfers in	520,000	741,655	435,000	(306,655)
Transfers out	-	(51,108)	(96,874)	(45,766)
Total other financing sources (uses)	520,000	690,547	338,126	(352,421)
Net change in fund balance	(3,480,408)	(3,526,862)	(1,060,688)	2,466,174
Fund balance-beginning	3,480,408	3,528,173	3,528,173	-
Fund balance-ending	$ -	$ 1,311	$ 2,467,485	$ 2,466,174

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HUMAN SERVICES GRANTS SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Contributions	$ -	$ 1,592	$ 8,661	$ 7,069
Total Revenues	-	1,592	8,661	7,069
EXPENDITURES				
Economic development	1,327,645	1,378,633	1,350,059	28,574
Total Expenditures	1,327,645	1,378,633	1,350,059	28,574
Excess (deficiency) of revenues over (under) expenditures	(1,327,645)	(1,377,041)	(1,341,398)	35,643
OTHER FINANCING SOURCES (USES)				
Transfers in	1,320,323	1,320,323	1,320,323	-
Total other financing sources (uses)	1,320,323	1,320,323	1,320,323	-
Net change in fund balance	(7,322)	(56,718)	(21,075)	35,643
Fund balance-beginning	11,258	63,154	63,154	-
Fund balance-ending	$ 3,936	$ 6,436	$ 42,079	$ 35,643

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OPERATING RESERVE SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ -	$ 454,814	$ 454,814
Miscellaneous	-	-	1,438	1,438
Total Revenues	-	-	456,252	456,252
EXPENDITURES				
Security of persons and property	-	96,000	92,197	3,803
Total expenditures	-	96,000	92,197	3,803
Excess (deficiency) of revenues over (under) expenditures	-	(96,000)	364,055	460,055
OTHER FINANCING SOURCES (USES)				
Transfers in	964,905	919,244	520,890	(398,354)
Total other financing sources (uses)	964,905	919,244	520,890	(398,354)
Net change in fund balance	964,905	823,244	884,945	61,701
Fund balance-beginning	6,584,952	6,630,613	6,545,560	(85,053)
Fund balance-ending	$ 7,549,857	$ 7,453,857	$ 7,430,505	$ (23,352)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE LEVY SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 4,640,397	$ 4,640,397	$ 4,595,495	$ (44,902)
Intergovernmental	-	-	4,200	4,200
Investment income	-	-	46,577	46,577
Total Revenues	4,640,397	4,640,397	4,646,272	5,875
EXPENDITURES				
Security	3,347,027	3,347,027	3,779,072	(432,045)
Total Expenditures	3,347,027	3,347,027	3,779,072	(432,045)
Excess (deficiency) of revenues over (under) expenditures	1,293,370	1,293,370	867,200	(426,170)
Net change in fund balance	1,293,370	1,293,370	867,200	(426,170)
Fund balance-beginning	1,321,713	1,321,713	1,127,251	(194,462)
Fund balance-ending	$ 2,615,083	$ 2,615,083	$ 1,994,451	$ (620,632)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
POLICE LEVY SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 4,413,550	$ 4,413,550	$ 4,415,011	$ 1,461
Investment income	-	-	57,099	57,099
Total Revenues	4,413,550	4,413,550	4,472,110	58,560
EXPENDITURES				
Security	3,158,266	3,158,266	2,828,905	329,361
Capital Outlay	-	-	65,191	(65,191)
Total Expenditures	3,158,266	3,158,266	2,894,096	264,170
Excess (deficiency) of revenues over (under) expenditures	1,255,284	1,255,284	1,578,014	322,730
Net change in fund balance	1,255,284	1,255,284	1,578,014	322,730
Fund balance-beginning	1,365,710	1,165,429	1,165,429	-
Fund balance-ending	$ 2,620,994	$ 2,420,713	$ 2,743,443	$ 322,730

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKS LEVY SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 647,602	$ 647,602	$ 644,608	$ (2,994)
Contributions	-	20,000	22,000	2,000
Investment income	-	-	4,387	4,387
Total Revenues	647,602	667,602	670,995	3,393
EXPENDITURES				
Economic development	61,000	61,000	1,648	59,352
Culture and recreation	587,102	607,102	469,467	137,635
Total Expenditures	648,102	668,102	471,115	196,987
Excess (deficiency) of revenues over (under) expenditures	(500)	(500)	199,880	200,380
Net change in fund balance	(500)	(500)	199,880	200,380
Fund balance-beginning	500	500	127,406	126,906
Fund balance-ending	$ -	$ -	$ 327,286	$ 327,286

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL EQUIPMENT SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Investment income	$ 84,000	$ 84,000	$ 131,126	$ 47,126
Total Revenues	84,000	84,000	131,126	47,126
EXPENDITURES				
Current				
General government	58,947	73,100	1,134,447	(1,061,347)
Security of persons and property	1,746,638	1,746,638	598,737	1,147,901
Physical environment	53,500	53,500	18,404	35,096
Transportation	10,500	10,500	-	10,500
Economic environment	2,000	2,000	-	2,000
Culture and recreation	187,050	230,550	132,561	97,989
Capital outlay	1,800,927	1,891,927	331,790	1,560,137
Total Expenditures	3,859,562	4,008,215	2,215,939	1,792,276
Excess (deficiency) of revenues over (under) expenditures	(3,775,562)	(3,924,215)	(2,084,813)	1,839,402
OTHER FINANCING SOURCES (USES)				
Transfers in	2,000,000	2,000,000	1,939,747	(60,253)
Disposition of capital assets	-	-	8,100	8,100
Total other financing sources (uses)	2,000,000	2,000,000	1,947,847	(52,153)
Net change in fund balance	(1,775,562)	(1,924,215)	(136,966)	1,787,249
Fund balance-beginning	2,928,160	3,076,813	3,707,850	631,037
Fund balance-ending	$ 1,152,598	$ 1,152,598	$ 3,570,884	$ 2,418,286

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE EQUIPMENT SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Contributions	$ -	$ -	$ 116,046	$ 116,046
Investment income	160,000	160,000	102,498	(57,502)
Miscellaneous	80,000	80,000	79,352	(648)
Total Revenues	240,000	240,000	297,896	57,896
EXPENDITURES				
Security of persons and property	110,000	113,831	11,112	102,719
Capital outlay	1,738,296	1,666,393	649,915	1,016,478
Total Expenditures	1,848,296	1,780,224	661,027	1,119,197
Excess (deficiency) of revenues over (under) expenditures	(1,608,296)	(1,540,224)	(363,131)	1,177,093
OTHER FINANCING SOURCES (USES)				
Disposition of capital assets	-	-	38,516	38,516
Transfers in	1,422,000	1,422,000	1,422,000	-
Transfers out	-	(71,903)	(71,903)	-
Total other financing sources (uses)	1,422,000	1,350,097	1,388,613	38,516
Net change in fund balance	(186,296)	(190,127)	1,025,482	1,215,609
Fund balance-beginning	1,955,488	1,955,488	2,841,196	885,708
Fund balance-ending	$ 1,769,192	$ 1,765,361	$ 3,866,678	$ 2,101,317

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REAL ESTATE EXCISE TAX SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 8,871,652	$ 8,871,652	$ 4,735,414	$ (4,136,238)
Investment income	-	-	165,319	165,319
Total Revenues	8,871,652	8,871,652	4,900,733	(3,970,919)
OTHER FINANCING SOURCES (USES)				
Transfers out	(18,277,479)	(18,277,479)	(14,170,604)	4,106,875
Total other financing sources (uses)	(18,277,479)	(18,277,479)	(14,170,604)	4,106,875
Net change in fund balance	(9,405,827)	(9,405,827)	(9,269,871)	135,956
Fund balance-beginning	9,405,827	9,405,827	9,545,765	139,938
Fund balance-ending	$ -	$ -	$ 275,894	$ 275,894

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FELONY SEIZURE SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	$ 30,000	$ 32,916	$ 3,800	$ (29,116)
Total Revenues	30,000	32,916	3,800	(29,116)
EXPENDITURES				
Security of persons and property	155,753	158,669	51,078	107,591
Total Expenditures	155,753	158,669	51,078	107,591
Excess (deficiency) of revenues over (under) expenditures	(125,753)	(125,753)	(47,278)	78,475
Net change in fund balance	(125,753)	(125,753)	(47,278)	78,475
Fund balance-beginning	125,753	125,753	136,425	10,672
Fund balance-ending	$ -	$ -	$ 89,147	$ 89,147

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EMERGENCY DISPATCH SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Investment income	$ -	$ -	$ (1,099)	$ (1,099)
Total Revenues	-	-	(1,099)	(1,099)
EXPENDITURES				
Security of persons and property	-	-	8,594	(8,594)
Capital outlay	-	-	-	-
Total Expenditures	-	-	8,594	(8,594)
Excess (deficiency) of revenues over (under) expenditures	-	-	(9,693)	(9,693)
Net change in fund balance	-	-	(9,693)	(9,693)
Fund balance-beginning	-	9,693	9,693	-
Fund balance-ending	$ -	$ 9,693	$ -	$ (9,693)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BUSINESS LICENSE SURCHARGE SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 8,789,006	$ 8,789,006	$ 8,486,899	$ (302,107)
Investment income	200,000	200,000	266,207	66,207
Total Revenues	8,989,006	8,989,006	8,753,106	(235,900)
OTHER FINANCING SOURCES (USES)				
Transfers out	(13,684,925)	(13,684,925)	(13,316,456)	368,469
Total other financing sources (uses)	(13,684,925)	(13,684,925)	(13,316,456)	368,469
Net change in fund balance	(4,695,919)	(4,695,919)	(4,563,350)	132,569
Fund balance-beginning	4,854,669	4,854,669	4,843,713	(10,956)
Fund balance-ending	$ 158,750	$ 158,750	$ 280,363	$ 121,613

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOURISM SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 616,791	$ 616,791	$ 476,914	$ (139,877)
Investment income	16,884	16,884	11,611	(5,273)
Total Revenues	633,675	633,675	488,525	(145,150)
EXPENDITURES				
Economic development	570,500	692,344	440,081	252,263
Total Expenditures	570,500	692,344	440,081	252,263
Excess (deficiency) of revenues over (under) expenditures	63,175	(58,669)	48,444	107,113
OTHER FINANCING SOURCES (USES)				
Transfers out	(271,000)	(330,868)	(180,142)	150,726
Total other financing sources (uses)	(271,000)	(330,868)	(180,142)	150,726
Net change in fund balance	(207,825)	(389,537)	(131,698)	257,839
Fund balance-beginning	250,509	432,221	432,222	1
Fund balance-ending	$ 42,684	$ 42,684	$ 300,524	$ 257,840

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SOLID WASTE RECYCLING SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 110,818	$ 247,909	$ 247,720	$ (189)
Charges for services	815,982	815,982	774,973	(41,009)
Investment income	55,043	55,043	14,455	(40,588)
Miscellaneous	-	-	373	373
Total Revenues	981,843	1,118,934	1,037,521	(81,413)
EXPENDITURES				
Physical environment	1,345,603	1,337,423	1,249,146	88,277
Total Expenditures	1,345,603	1,337,423	1,249,146	88,277
Excess (deficiency) of revenues over (under) expenditures	(363,760)	(218,489)	(211,625)	6,864
Net change in fund balance	(363,760)	(218,489)	(211,625)	6,864
Fund balance-beginning	429,198	599,281	599,281	-
Fund balance-ending	$ 65,438	$ 380,792	$ 387,656	$ 6,864

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ADVANCED LIFE SUPPORT SPECIAL REVENUE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 11,530,325	$ 11,753,215	$ 11,565,490	$ (187,725)
Contributions	-	50,000	50,000	-
Total Revenues	11,530,325	11,803,215	11,615,490	(187,725)
EXPENDITURES				
Security of persons and property	10,627,119	10,816,738	10,510,819	305,919
Capital outlay	-	962,364	891,276	71,088
Debt Service				
Interest and Debt Issuance Costs	-	-	15,876	(15,876)
Total Expenditures	10,627,119	11,779,102	11,417,971	361,131
Excess (deficiency) of revenues over (under) expenditures	903,206	24,113	197,519	173,406
OTHER FINANCING SOURCES (USES)				
Disposition of capital assets	-	-	23,000	23,000
Total other financing sources (uses)	-	-	23,000	23,000
Net change in fund balance	903,206	24,113	220,519	196,406
Fund balance-beginning	-	-	110,501	110,501
Fund balance-ending	$ 903,206	$ 24,113	$ 331,020	$ 306,907

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS PROGRAM CAPITAL PROJECTS FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 2,200,000	$ 2,200,000	$ 2,108,333	$ (6,709,394)
Intergovernmental	6,124,724	8,817,727	13,399,443	5,337,413
Charges for services	8,062,030	8,062,030	11,714,099	10,455,607
Contributions	875,800	1,258,492	16,311,988	15,053,496
Investment income	2,099,424	2,099,424	1,634,733	(464,691)
Miscellaneous	23,357,360	23,359,408	554,066	(22,805,342)
Total Revenues	42,719,338	45,797,081	45,722,662	(74,419)
EXPENDITURES				
Current				
General government	3,915,436	4,092,940	2,948,112	1,144,828
Security of persons and property	583,000	1,183,000	1,187,871	(4,871)
Physical environment	-	100,308	76,121	24,187
Transportation	5,397,936	5,421,576	6,624,935	(1,203,359)
Economic development	4,353,316	1,441,171	514,608	926,563
Culture and Recreation	774,583	774,583	774,541	42
Capital outlay	114,431,702	116,687,720	59,777,963	56,909,757
Debt service				
Principal	2,842,297	2,842,297	2,796,389	45,908
Interest	3,533,962	3,533,962	3,579,840	(45,878)
Total Expenditures	135,832,232	136,077,557	78,280,380	57,797,177
Excess (deficiency) of revenues over (under) expenditures	(93,112,894)	(90,280,476)	(32,557,718)	57,722,758
OTHER FINANCING SOURCES (USES)				
Transfers in	40,192,817	40,192,821	33,470,149	(6,722,672)
Transfers out	(3,320,000)	(7,504,245)	(1,019,022)	6,485,223
Total other financing sources and uses	36,872,817	32,688,576	32,451,127	(237,449)
Net change in fund balance	(56,240,077)	(57,591,900)	(106,591)	57,485,309
Fund balance-beginning	70,524,588	70,524,584	47,383,944	(23,140,640)
Fund balance-ending	$ 14,284,511	$ 12,932,684	$ 47,277,353	$ 34,344,669

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REGULAR LEVY DEBT SERVICE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
EXPENDITURES				
Principal	$ 2,290,000	$ 2,290,000	$ 2,290,000	$ -
Interest	3,010,025	3,010,025	3,010,025	-
Total Expenditures	5,300,025	5,300,025	5,300,025	-
OTHER FINANCING SOURCES (USES)				
Transfers in	5,300,025	5,300,025	5,300,025	-
Total other financing sources (uses)	5,300,025	5,300,025	5,300,025	-
Net change in fund balance	-	-	-	-
Fund balance-beginning	-	-	-	-
Fund balance-ending	$ -	$ -	$ -	$ -

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL LEVY DEBT SERVICE FUND
For the Biennium Ended December 31, 2010

	Original Budget 2009-2010	Final Budget 2009-2010	Actual 2009-2010 Biennium	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 574,726	$ 574,726	$ 576,105	$ 1,379
Total Revenues	574,726	574,726	576,105	1,379
EXPENDITURES				
Principal	541,739	541,739	500,000	41,739
Interest	74,727	74,727	76,334	(1,607)
Total Expenditures	616,466	616,466	576,334	40,132
Excess (deficiency) of revenues over (under) expenditures	(41,740)	(41,740)	(229)	41,511
Net change in fund balance	(41,740)	(41,740)	(229)	41,511
Fund balance-beginning	953,881	953,881	273,533	(680,348)
Fund balance-ending	$ 912,141	$ 912,141	$ 273,304	$ (638,837)

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 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) Fun**d 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, 2010

	Fleet Maintenance	Insurance	Medical Self-Insurance	Workman's Compensation
ASSETS				
Current assets:				
Cash and cash equivalents	$ 722,785	$ 239,536	$ 1,013,838	$ 166,931
Investments	2,265,663	933,622	4,095,408	672,585
Receivables:				
Accounts and Contracts	-	-	869	-
Interest	5,934	2,382	10,813	1,686
Inventory	52,480	-	-	-
Prepaid insurance	-	328,226	-	-
Total current assets	3,046,862	1,503,766	5,120,928	841,202
Noncurrent assets:				
Land	584,292	-	-	-
Buildings	510,196	-	-	-
Improvements other than buildings	248,876	-	-	-
Equipment	11,781,539	-	-	-
Less accumulated depreciation	(7,004,821)	-	-	-
Projects in Progress	-	-	-	-
Total noncurrent assets	6,120,082	-	-	-
Total Assets	$ 9,166,944	$ 1,503,766	$ 5,120,928	$ 841,202
LIABILITIES				
Current liabilities:				
Accounts payable	$ 133,133	$ 9,576	$ 1,008,116	$ 72,159
Employee wages payable	2,023	678	-	-
Compensated absences	29,893	188	-	-
Total current liabilities	165,049	10,442	1,008,116	72,159
Noncurrent liabilities:				
Compensated absences	7,473	47	-	-
Total noncurrent liabilities	7,473	47	-	-
Total Liabilities	172,522	10,489	1,008,116	72,159
NET ASSETS				
Invested in capital assets, net of related debt	6,120,082	-	-	-
Reserved for Replacement	2,874,340	-	-	-
Unrestricted	-	1,493,277	4,112,812	769,043
Total Net Assets	$ 8,994,422	$ 1,493,277	$ 4,112,812	$ 769,043

See accompanying notes to the financial statements.

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
December 31, 2010

	Information Technology	Redmond Community Properties	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 3,249,345	$ 435,250	$ 5,827,685
Investments	-	-	7,967,278
Receivables:			
Accounts and Contracts	-	-	869
Interest	-	368	21,183
Inventory	-	-	52,480
Prepaid insurance	-	67,395	395,621
Total current assets	3,249,345	503,013	14,265,116
Noncurrent assets:			
Land	-	-	584,292
Buildings	109,298	-	619,494
Improvements other than buildings	29,223	-	278,099
Equipment	212,173	-	11,993,712
Less accumulated depreciation	(165,240)	-	(7,170,061)
Projects in Progress	242,929	-	242,929
Total noncurrent assets	428,383	-	6,548,465
Total Assets	$ 3,677,728	$ 503,013	$ 20,813,581
LIABILITIES			
Current liabilities:			
Accounts payable	$ 28,154	$ 107,610	$ 1,358,748
Employee wages payable	8,800	-	11,501
Compensated absences	134,129	-	164,210
Total current liabilities	171,083	107,610	1,534,459
Noncurrent liabilities:			
Compensated absences	33,533	-	41,053
Total noncurrent liabilities	33,533	-	41,053
Total Liabilities	204,616	107,610	1,575,512
NET ASSETS			
Invested in capital assets, net of related debt	428,383	-	6,548,465
Reserved for Replacement	-	-	2,874,340
Unrestricted	3,044,729	395,403	9,815,264
Total Net Assets	$ 3,473,112	$ 395,403	$ 19,238,069

See accompanying notes to the financial statements.

The City of Redmond

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

For the year ended December 31, 2010

	Fleet Maintenance	Insurance	Medical Self-Insurance
Operating revenues:			
Charges for services	$ 60,075	$ -	$ -
Charges for replacement	2,248,862	-	-
Charges for insurance	-	1,179,115	7,742,512
Total Operating Revenues	2,308,937	1,179,115	7,742,512
Operating expenses:			
Administrative and general	-	-	-
Purchased water	-	-	-
Maintenance and operations	2,329,601	1,016,404	9,594,170
Supplies	426,896	175	(95)
Depreciation and amortization	1,053,518	-	-
Total Operating Expenses	3,810,015	1,016,579	9,594,075
Operating income (loss)	(1,501,078)	162,536	(1,851,563)
Nonoperating revenues (expenses):			
Interest and investment revenue	44,393	14,259	68,555
Intergovernmental COBRA tax credit	-	-	39,731
Gain on sale of capital assets	225,990	-	-
Insurance Recovery	-	23,806	-
Miscellaneous	56,707	-	1,306,130
Total nonoperating revenues (expenses)	327,090	38,065	1,414,416
Income (loss) before contributions and transfers	(1,173,988)	200,601	(437,147)
Transfers out	-	-	(60,911)
Change in net assets	(1,173,988)	200,601	(498,058)
Total net assets - beginning	10,168,410	1,292,676	4,610,870
Total net assets - ending	$ 8,994,422	$ 1,493,277	$ 4,112,812

The City of Redmond

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

For the year ended December 31, 2010

	Workman's Compensation	Information Technology	Redmond Community Properties	Total
Operating revenues:				
Charges for services	$ -	$ 3,128,049	$ 974,391	$ 4,162,515
Charges for replacement	-	-	-	2,248,862
Charges for insurance	587,635	-	-	9,509,262
Total Operating Revenues	587,635	3,128,049	974,391	15,920,639
Operating expenses:				
Administrative and general	-	-	347,013	347,013
Purchased water	-	-	542,574	542,574
Maintenance and operations	477,311	3,421,903	-	16,839,389
Supplies	-	146,613	-	573,589
Depreciation and amortization	-	33,447	-	1,086,965
Total Operating Expenses	477,311	3,601,963	889,587	19,389,530
Operating income (loss)	110,324	(473,914)	84,804	(3,468,891)
Nonoperating revenues (expenses):				
Interest and investment revenue	9,004	-	190	136,401
Intergovernmental COBRA tax credit	-	-	-	39,731
Gain on sale of capital assets	-	(18,662)	-	207,328
Insurance Recovery	-	-	-	23,806
Miscellaneous	-	-	-	1,362,837
Total nonoperating revenues (expenses)	9,004	(18,662)	190	1,770,103
Income (loss) before contributions and transfers	119,328	(492,576)	84,994	(1,698,788)
Transfers out	-	-	-	(60,911)
Change in net assets	119,328	(492,576)	84,994	(1,759,699)
Total net assets - beginning	649,715	3,965,688	310,409	20,997,768
Total net assets - ending	$ 769,043	$ 3,473,112	$ 395,403	$ 19,238,069

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2010

	Fleet Maintenance	Insurance	Medical Self-Insurance
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 60,075	$ 1,179,115	$ 7,765,298
Cash received for replacement	2,176,959	-	-
Cash payments to suppliers	(1,928,255)	(804,400)	(9,543,414)
Cash payments to employees	(522,378)	(186,994)	-
Internal activity - payments to other funds	(227,217)	(35,796)	-
Other operating receipts	72,328	40,633	1,345,861
Net cash provided (used) by operating activities	(368,488)	192,558	(432,255)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Non-Operating transfers out	-	-	(60,911)
Net cash provided by noncapital financing activities	-	-	(60,911)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,587,368)	-	-
Acquisition of Other Assets	(10,402)	-	-
Proceeds from sale of capital assets	170,988	-	-
Net cash used for capital and related financing activities	(1,426,782)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment purchases	-	(172,188)	-
Investment sales/maturities	1,424,006	-	256,082
Interest on investments	68,053	17,694	77,502
Net cash provided (used) in investing activities	1,492,059	(154,494)	333,584
Net increase (decrease) in cash and cash equivalents	(303,211)	38,064	(159,582)
Cash and cash equivalents-beginning of year	1,025,996	201,472	1,173,418
Cash and cash equivalents-end of year	$ 722,785	$ 239,536	$ 1,013,836
Cash at the end of the year consists of:			
Operating fund cash	$ 722,785	$ 239,536	$ 1,013,836
Total cash at end of year	$ 722,785	$ 239,536	$ 1,013,836

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2010

	Workman's Compensation	Information Technology	Redmond Community Properties	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 587,635	$ 3,128,049	$ 974,663	$ 13,694,835
Cash received for replacement	-	-	-	2,176,959
Cash payments to suppliers	(472,919)	(1,346,118)	(826,531)	(14,921,637)
Cash payments to employees	-	(2,242,014)	(153,676)	(3,105,062)
Internal activity - payments to other funds	-	(244,134)	-	(507,147)
Other operating receipts	-	-	-	1,458,822
Net cash provided (used) by operating activities	114,716	(704,217)	(5,544)	(1,203,230)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Non-Operating transfers out	-	-	-	(60,911)
Net cash provided by noncapital financing activities	-	-	-	(60,911)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(33,686)	-	(1,621,054)
Acquisition of Other Assets	-	-	-	(10,402)
Proceeds from sale of capital assets	-	36,274	-	207,262
Net cash used for capital and related financing activities	-	2,588	-	(1,424,194)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment purchases	(110,466)	-	-	(282,654)
Investment sales/maturities	-	-	-	1,680,088
Interest on investments	11,497	-	190	174,936
Net cash provided (used) in investing activities	(98,969)	-	190	1,572,370
Net increase (decrease) in cash and cash equivalents	15,747	(701,629)	(5,354)	(1,115,965)
Cash and cash equivalents-beginning of year	151,185	3,950,974	440,604	6,943,649
Cash and cash equivalents-end of year	$ 166,932	$ 3,249,345	$ 435,250	$ 5,827,684
Cash at the end of the year consists of:				
Operating fund cash	$ 166,932	$ 3,249,345	$ 435,250	$ 5,827,684
Total cash at end of year	$ 166,932	$ 3,249,345	$ 435,250	$ 5,827,684

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2010

	Fleet Maintenance	Insurance	Medical Self-Insurance
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	$ (1,501,078)	$ 162,536	$ (1,851,564)
Adjustments to reconcile operating income to net cash provided by Operating activities:			
Depreciation and amortization	1,053,518	-	-
Decrease (increase) in accounts receivable	-	-	22,790
Decrease (increase) in inventory	(19,019)	-	-
Decrease (increase) in prepaid expenses	-	16,827	-
Decrease (increase) in Projects in Progress	-	-	-
Increase (decrease) in accounts payable	101,514	3,894	50,662
Increase (decrease) in employee wages payable	(8)	(93)	-
Increase (decrease) in compensated absences payable	(3,840)	(14,412)	-
Increase (decrease) in customer deposits payable	-	-	(4)
Reclassify other income	425	23,806	1,345,861
Net cash provided (used) by operating activities	$ (368,488)	$ 192,558	$ (432,255)

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2010

	Workman's Compensation	Information Technology	Redmond Community Properties	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	$ 110,325	$ (473,914)	$ 84,804	$ (3,468,891)
Adjustments to reconcile operating income to net cash provided by Operating activities:				
Depreciation and amortization	-	33,447	-	1,086,965
Decrease (increase) in accounts receivable	-	-	272	23,062
Decrease (increase) in inventory	-	-	-	(19,019)
Decrease (increase) in prepaid expenses	-	-	(13,910)	2,917
Decrease (increase) in Projects in Progress	-	(276,575)	-	(276,575)
Increase (decrease) in accounts payable	4,391	(6,468)	(76,710)	77,283
Increase (decrease) in employee wages payable	-	725	-	624
Increase (decrease) in compensated absences payable	-	18,568	-	316
Increase (decrease) in customer deposits payable	-	-	-	(4)
Reclassify other income	-	-	-	1,370,092
Net cash provided (used) by operating activities	$ 114,716	$ (704,217)	$ (5,544)	$ (1,203,230)

Noncash investing, capital and financing activities:	
Other funds of the city transferred vehicles valued at	$ 71,903
The fair value of investments in the Fleet Maintenance Fund increased by	1,745
The fair value of investments in the Insurance Fund increased by	719
The fair value of investments in the Medical Self-Insurance Fund increased by	3,154
The fair value of investments in the Workman's Compensation Fund increased by	518

Agency Funds

Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

The **Intergovernmental Custodial Fund** accounts for revenues which are transferred to other governmental agencies.

The **Municipal Employees Benefit Trust (MEBT)** accounts for retirement monies until they are transferred to an investment firm. In 1975, City employees voted to replace the Federal Social Security Program with this private retirement plan.

The **Contractor's Deposit Fund** accounts for cash bond deposits received from contractors or private parties and amounts retained from contractor's payments on City projects as a performance guarantee.

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
December 31, 2010

	Inter-Governmental Custodial	MEBT	Contractor's Deposits	Total
ASSETS				
Cash and cash equivalents	$ 27,104	$ 33,076	$ 1,167,291	$ 1,227,471
Receivables	205	-	82,751	82,956
Total assets	$ 27,309	$ 33,076	$ 1,250,042	$ 1,310,427
LIABILITIES				
Accounts payable	$ 20,291	$ -	$ -	$ 20,291
Due to other governments	7,018	-	-	7,018
Custodial	-	33,076	-	33,076
Trust account	-	-	1,250,042	1,250,042
Total liabilities	$ 27,309	$ 33,076	$ 1,250,042	$ 1,310,427

COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended December 31, 2010

	1-1-10 BALANCE	ADDITIONS	DELETIONS	12-31-10 BALANCE
INTERGOVERNMENTAL CUSTODIAL				
ASSETS				
Cash and cash equivalents	$ 38,443	$ 388,357	$ 399,696	$ 27,104
Accounts receivable	4	4,724	4,523	205
Total Assets	$ 38,447	$ 393,081	$ 404,219	$ 27,309
LIABILITIES				
Accounts payable	$ 26,154	$ 20,291	$ 26,154	$ 20,291
Due to other governments	38,447	380,482	411,911	7,018
Total Liabilities	$ 64,601	$ 400,773	$ 438,065	$ 27,309
MEBT				
ASSETS				
Cash and cash equivalents	$ 34,048	$ 4,155,599	$ 4,156,571	$ 33,076
Total Assets	$ 34,048	$ 4,155,599	$ 4,156,571	$ 33,076
LIABILITIES				
Custodial	$ 34,048	$ 4,155,599	$ 4,156,571	$ 33,076
Total Liabilities	$ 34,048	$ 4,155,599	$ 4,156,571	$ 33,076
CONTRACTORS DEPOSIT				
ASSETS				
Cash and cash equivalents	$ 1,100,432	$ 1,080,563	$ 1,013,704	$ 1,167,291
Accounts Receivable	-	82,751	-	82,751
Total Assets	$ 1,100,432	$ 1,163,314	$ 1,013,704	$ 1,250,042
LIABILITIES				
Trust account	$ 1,100,432	$ 846,877	$ 697,267	$ 1,250,042
Total Liabilities	$ 1,100,432	$ 846,877	$ 697,267	$ 1,250,042
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	$ 1,172,923	$ 5,624,519	$ 5,569,971	$ 1,227,471
Accounts Receivable	4	87,475	4,523	82,956
Total Assets	$ 1,172,927	$ 5,711,994	$ 5,574,494	$ 1,310,427
LIABILITIES				
Accounts payable	$ 26,154	$ 20,291	$ 26,154	$ 20,291
Due to other governments	38,447	380,482	411,911	7,018
Custodial	34,048	4,155,599	4,156,571	33,076
Trust account	1,100,432	846,877	697,267	1,250,042
Total Liabilities	$ 1,199,081	$ 5,403,249	$ 5,291,903	$ 1,310,427

Capital Assets Used in the Operation of Government Funds

Capital Assets Used in the Operation of Governmental Funds

Comparative Schedules by Source

December 31, 2010 and 2009

	2010	2009
Governmental funds capital assets:		
Land	$ 84,078,971	$ 73,123,128
Buildings	67,713,506	67,712,794
Improvements other than buildings	27,174,424	26,255,958
Machinery and equipment	16,245,692	14,870,853
Artwork	328,365	328,365
Infrastructure	213,138,110	205,877,874
Construction in progress	11,345,016	23,508,459
Total governmental funds capital assets	$ 420,024,084	$ 411,677,431

Investments in governmental funds capital assets by source:		
General fund	$ 267,438,403	$ 260,030,406
Special revenue funds	9,952,852	8,751,268
Impact fees	24,425,167	22,225,367
Federal grants	5,045,187	9,603,642
General obligation bonds	87,678,316	87,678,316
Private gifts	25,484,159	23,388,432
Total governmental funds capital assets	$ 420,024,084	$ 411,677,431

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets

Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2010

Function and Activity	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment
General government				
Finance	$ -	$ -	$ -	$ 3,497,122
Planning	-	-	-	1,128,743
General government	9,061,967	36,574,185	5,829,103	403,382
Public works/general	5,071,065	2,592,361	267,533	205,766
Total general government	14,133,032	39,166,546	6,096,636	5,235,013
Security				
Police	-	7,531,872	92,458	2,012,070
Fire	3,263,488	10,594,687	234,014	8,471,924
Total security	3,263,488	18,126,559	326,472	10,483,994
Transportation	43,325,470	-	-	51,975
Culture and recreation				
Parks and recreation	23,250,167	8,597,876	20,551,316	441,050
Senior center	106,814	1,822,525	200,000	33,660
Total culture and recreation	23,356,981	10,420,401	20,751,316	474,710
Total governmental funds capital assets	$ 84,078,971	$ 67,713,506	$ 27,174,424	$ 16,245,692

Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2010

Function and Activity	Artwork	Infrastructure	Construction in Progress	Total
General government				
Finance	$ -	$ -	$ -	$ 3,497,122
Planning	-	-	-	1,128,743
General government	-	-		51,868,637
Public works/general	-	-	193,489	8,330,214
Total general government	-	-	193,489	64,824,716
Security				
Police	-	-	-	9,636,400
Fire	-	-	1,083,975	23,648,088
Total security	-	-	1,083,975	33,284,488
Transportation	-	205,458,996	9,358,216	258,194,657
Culture and recreation				
Parks and recreation	328,365	7,679,114	709,336	61,557,224
Senior center	-	-	-	2,162,999
Total culture and recreation	328,365	7,679,114	709,336	63,720,223
Total governmental funds capital assets	$ 328,365	$ 213,138,110	$ 11,345,016	$ 420,024,084

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes by Function and Activity

For the Year Ended December 31, 2010

Function and Activity	Governmental Funds Capital Assets 1-1-10	Additions	Deductions	Governmental Funds Capital Assets 12-31-10
General government				
Finance	$ 3,374,620	$ 238,437	$ 115,935	$ 3,497,122
Planning	824,920	310,363	6,540	1,128,743
General government	52,529,471		637,336	51,892,135
Public works/general	5,109,986	3,220,228		8,330,214
Total general government	61,838,997	3,769,028	759,811	64,848,214
Security				
Police	9,623,037	42,630	29,267	9,636,400
Fire	22,249,938	1,560,102	161,952	23,648,088
Total security	31,872,975	1,602,732	191,219	33,284,488
Transportation	263,309,276	28,560,813	33,775,897	258,094,192
Culture and recreation				
Parks and recreation	52,493,184	20,078,823	10,937,816	61,634,191
Senior center	2,162,999	-	-	2,162,999
Total culture and recreation	54,656,183	20,078,823	10,937,816	63,797,190
Total governmental funds capital asset	$ 411,677,431	$ 54,011,396	$ 45,664,743	$ 420,024,084

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

Statistical Section

This part of the City of Redmond's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Page**

Financial Trends 124
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 130
These schedules contain information to help the reader assess the City's tax revenue sources.

Debt Capacity 135
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 140
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 142
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

Schedule 1

Net Assets by Component (in thousands)

Last Nine Fiscal Years*

Accrual Basis of Accounting

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities									
Invested in capital assets, net of related debt	$ 147,898	$ 166,566	$ 183,981	$ 197,288	$ 209,981	$ 231,771	$ 238,895	$ 256,114	$ 257,663
Restricted	16,655	15,844	18,383	17,545	23,428	24,320	24,203	25,938	37,127
Unrestricted	53,633	51,403	50,835	52,174	55,978	67,326	77,758	83,798	49,826
Total governmental activities net assets	$ 218,186	$ 233,813	$ 253,199	$ 267,007	$ 289,387	$ 323,417	$ 340,856	$ 365,850	$ 344,616
Business-type activities									
Invested in capital assets, net of related debt	$ 135,246	$ 149,666	$ 158,988	$ 171,591	$ 193,432	$ 212,565	$ 228,193	$ 234,272	$ 242,798
Restricted	1,005	-	-	-	-	-	7,686	1,372	2,221
Unrestricted	28,312	30,450	30,783	28,482	22,841	35,988	37,126	48,280	51,970
Total business-type activities net assets	$ 164,563	$ 180,116	$ 189,771	$ 200,073	$ 216,273	$ 248,553	$ 273,005	$ 283,924	$ 296,989
Primary government									
Invested in capital assets, net of related debt	$ 283,144	$ 316,232	$ 342,969	$ 368,879	$ 403,413	$ 444,336	$ 467,088	$ 490,386	$ 500,461
Restricted	17,660	15,844	18,383	17,545	23,428	24,320	31,889	27,310	39,348
Unrestricted	81,945	81,853	81,618	80,656	78,819	103,314	114,884	132,078	101,796
Total primary government net assets	$ 382,749	$ 413,929	$ 442,970	$ 467,080	$ 505,660	$ 571,970	$ 613,861	$ 649,774	$ 641,605

*Only nine years of data available due to implementation of GASB 34 in 2002.

Schedule 2

Changes in Net Assets (in thousands)
Last Nine Fiscal Years*
Accrual Basis of Accounting

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Governmental activities:									
General government	$ 10,413	$ 10,554	$ 10,599	$ 14,498	$ 14,024	$ 13,390	$ 14,823	$ 18,222	$ 19,571
Security	23,487	26,711	30,032	31,089	34,353	41,105	40,940	40,319	36,764
Physical Environment	3,875	4,074	3,080	3,055	3,395	3,360	3,962	3,763	5,283
Economic environment	3,018	3,603	3,391	3,160	3,458	3,488	3,689	4,664	5,719
Transportation	8,077	8,633	7,983	9,150	9,533	10,616	16,502	16,530	42,052
Mental/physical health	85	88	95	94	98	98	97	12	13
Culture and Recreation	6,304	7,779	7,489	8,121	8,908	9,551	11,104	11,103	14,457
Interest on long-term debt	910	747	459	462	2,012	1,990	2,045	1,891	1,813
Total governmental activities expenses	56,169	62,189	63,128	69,629	75,781	83,598	93,162	96,504	125,672
Business-type activities:									
Water/wastewater	17,286	18,323	18,340	20,617	20,915	22,528	26,467	27,085	25,191
UPD Water/wastewater	1,622	2,121	3,373	4,003	3,610	5,466	5,908	4,963	5,542
Stormwater	3,937	4,799	5,293	5,332	5,949	6,188	6,580	6,746	6,407
Total business-type activities net assets	22,845	25,243	27,006	29,952	30,474	34,182	38,955	38,794	37,140
Total primary government expenses	$ 79,014	$ 87,432	$ 90,134	$ 99,581	$ 106,255	$ 117,780	$ 132,117	$ 135,298	$ 162,812
Program Revenues									
Governmental activities:									
Charges for services:									
General government	$ 2,207	$ 2,366	$ 2,406	$ 2,249	$ 2,746	$ 3,040	$ 3,066	$ 3,198	$ 3,355
Security	5,535	8,237	9,001	9,140	10,687	13,223	13,881	15,764	13,776
Physical Environment	359	397	248	365	376	372	379	421	468
Economic environment	4,910	7,795	9,166	7,567	10,573	12,874	14,256	16,573	9,132
Transportation	328	141	23	24	652	1,398	433	13	11
Culture and Recreation	1,016	1,116	1,252	1,532	1,701	1,774	1,793	2,050	2,171
Operating grants and contributions	1,970	2,589	3,356	5,158	6,967	5,903	7,383	2,830	8,334
Capital grants and contributions	9,616	5,381	6,067	2,778	5,312	5,227	5,240	19,834	3,419
Total governmental activities program revenues	$ 25,941	$ 28,022	$ 31,519	$ 28,813	$ 39,014	$ 43,811	$ 46,431	$ 60,683	$ 40,666

Schedule 2 (continued)

Changes in Net Assets (in thousands)
Last Nine Fiscal Years*
Accrual Basis of Accounting

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Business-type activities:									
Charges for services:									
Water/wastewater	$ 17,182	$ 18,440	$ 19,684	$ 20,658	$ 21,085	$ 26,127	$ 24,960	$ 26,577	$ 25,451
UPD Water/wastewater	1,600	2,111	3,440	3,804	3,363	5,525	5,098	4,829	5,362
Stormwater	6,863	6,940	7,216	7,164	7,466	11,315	10,715	10,656	11,002
Operating grants and contributions	-	1	29	-	0	523	19	58	602
Capital grants and contributions	19,078	12,651	7,115	7,809	13,341	21,160	20,735	6,681	7,060
Total business-type activities program revenues	44,723	40,143	37,484	39,435	45,255	64,650	61,527	48,801	49,477
Total primary government program revenues	$ 70,664	$ 68,165	$ 69,003	$ 68,248	$ 84,269	$ 108,461	$ 107,958	$ 109,484	$ 90,143
Net (Expense)/Revenue									
Governmental activities	$ (30,228)	$ (34,169)	$ (31,608)	$ (41,147)	$ (36,768)	$ (39,787)	$ (46,733)	$ (35,821)	$ (85,007)
Business-type activities	21,878	14,899	10,478	9,813	14,781	30,470	22,571	10,007	12,337
Total primary government net expense	(8,350)	(19,270)	(21,130)	(31,334)	(21,987)	(9,317)	(24,162)	(25,814)	(72,670)
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Taxes									
Property taxes	12,974	13,298	13,813	14,692	12,621	13,039	18,589	19,446	20,930
Sales taxes	15,905	17,575	18,955	18,648	20,071	24,420	20,675	18,996	19,038
Other	15,117	16,164	16,510	18,705	22,174	27,404	19,578	19,263	18,664
Unrestricted investment interest	3,052	1,681	1,119	1,928	3,665	5,135	4,087	2,087	1,114
Miscellaneous	285	894	524	605	582	4,203	1,121	1,008	4,103
Gain (Loss) on sale of capital assets	-	22	49	18	7	(384)	121	14	(76)
Transfers	16	161	24	29	29	-	-	-	-
Total governmental activities	47,349	49,795	50,994	54,625	59,149	73,817	64,171	60,814	63,773
Business-type activities:									
Unrestricted investment interest	1,135	767	517	785	1,298	1,668	1,740	737	623
Miscellaneous	54	48	47	63	149	143	140	176	105
Special items	(637)	-	-	-	-	-	-	-	-
Transfers	(16)	(161)	(24)	(28)	(29)	-	-	-	-
Total business-type activities	536	654	540	820	1,418	1,811	1,880	913	728
Total primary government	$ 47,885	$ 50,449	$ 51,534	$ 55,445	$ 60,567	$ 75,628	$ 66,051	$ 61,727	$ 64,501
Change in Net Assets									
Governmental activities	$ 17,120	$ 15,627	$ 19,386	$ 13,477	$ 22,380	$ 34,030	$ 17,439	$ 24,994	$ (21,234)
Business-type activities	22,413	15,554	11,018	10,633	16,200	32,280	24,452	10,919	13,065
Total primary government	$ 39,533	$ 31,181	$ 30,404	$ 24,110	$ 38,580	$ 66,310	$ 41,891	$ 35,913	$ (8,169)

*Only nine years of data available due to implementation of GASB 34 in 2002.

Schedule 3

Fund Balances, Governmental Funds (in thousands)

Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	Fiscal Year									
	2001**	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	*	$ 23	$ 23	$ 23	$ 23	$ 23	$ 32	$ -	$ -	$ -
Unreserved	*	5,015	5,286	5,008	6,182	9,035	14,653	16,177	6,489	4,504
Total	$ 5,978	$ 5,038	$ 5,309	$ 5,031	$ 6,205	$ 9,058	$ 14,685	$ 16,177	$ 6,489	$ 4,504
All Other Governmental Funds										
Reserved	$ 3,078	$ 1,924	$ 1,593	$ 1,675	$ 1,537	$ 1,550	$ 1,608	$ 1,526	$ 1,244	$ 273
Unreserved, reported in:										
Special revenue funds	16,571	20,302	21,500	21,670	21,413	24,249	32,280	38,603	31,914	27,499
Capital projects funds	40,560	39,797	35,774	36,783	34,293	39,688	37,125	47,384	61,866	47,277
Total all other governmental funds:	$ 60,209	$ 62,023	$ 58,867	$ 60,128	$ 57,243	$ 65,487	$ 71,013	$ 87,513	$ 95,024	$ 75,049

*The General Fund reserved/unreserved breakdown is unavailable before implementation of GASB 34 in 2002.

**The substantial decrease in the fund balance of the General Fund in 2001 resulted from a one-time transfer to the Capital Projects Funds of approximately $10 million.

Schedule 4

Changes in Fund Balances, Governmental Funds (in thousands)

Last Nine Fiscal Years*

Modified Accrual Basis of Accounting

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues									
Taxes	$ 43,587	$ 46,582	$ 48,762	$ 51,518	$ 54,353	$ 64,271	$ 58,256	$ 57,101	$ 57,958
Special assessments	981	542	487	297	273	245	287	88	-
Licenses and permits	3,659	4,427	3,823	5,879	7,639	9,920	8,297	7,057	6,523
Contributions from property owners	3,847	2,178	3,707	837	4,035	3,677	2,629	10,554	6,474
Intergovernmental	8,003	12,378	13,684	12,918	15,057	17,459	18,077	26,569	18,465
Charges for services	5,355	7,373	9,361	6,259	8,007	9,258	12,325	15,448	8,880
Fines and forfeitures	326	222	181	97	52	826	864	1,053	1,038
Investment interest	3,678	1,857	944	1,582	3,146	4,406	3,752	2,237	1,238
Miscellaneous	287	878	524	604	581	1,011	1,011	957	601
Total revenues	69,723	76,437	81,473	79,991	93,143	111,073	105,498	121,064	101,177
Expenditures									
General government	9,710	10,052	10,239	12,616	12,963	12,384	13,785	18,087	15,132
Security (persons/property)	22,707	25,840	29,452	30,008	33,247	40,155	39,775	43,229	41,858
Physical environment	3,896	3,838	3,440	2,995	3,416	3,382	3,817	3,728	3,475
Transportation	4,245	5,857	4,808	5,237	4,415	6,712	6,685	9,260	6,552
Economic environment	3,114	3,591	3,429	3,297	3,524	3,382	3,907	4,343	4,649
Mental/physical health	85	88	95	94	98	98	97	12	13
Culture and Recreation	6,704	7,270	7,132	7,225	8,072	8,690	9,901	10,060	10,913
Capital outlay	13,573	22,058	56,228	15,255	12,303	23,865	39,832	28,016	34,282
Debt service:									
Principal	3,962	3,750	4,229	4,469	1,940	2,540	2,448	3,109	3,008
Interest and debt issue costs	928	767	750	607	2,110	2,041	2,565	3,420	3,298
Total expenditures	68,924	83,111	119,802	81,803	82,088	103,249	122,812	123,264	123,180
Excess of revenues over (under) expenditures	$ 799	$ (6,674)	$ (38,329)	$ (1,812)	$ 11,055	$ 7,824	$ (17,314)	$ (2,200)	$ (22,003)

Schedule 4 (continued)

Changes in Fund Balances, Governmental Funds (in thousands)

Last Nine Fiscal Years*

Modified Accrual Basis of Accounting

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other Finance Sources (Uses)									
Insurance Recoveries	$ -	$ -	$ -	$ -	$ -	$ -	$ 111	$ -	$ 8
Proceeds from borrowing	-	3,698	39,230	-	-	-	36,560	-	-
Disposition of capital assets	7	25	7	4	4	3,196	-	49	45
Transfers in	16,198	18,325	15,784	16,682	17,335	23,294	12,929	27,681	19,536
Transfers out	(16,130)	(18,260)	(15,709)	(16,584)	(17,297)	(23,161)	(12,966)	(27,707)	(19,547)
Bond Proceeds to Refunding Trustee	-	-	-	-	-	-	(1,328)	-	-
Total other financing sources (uses)	75	3,788	39,312	102	42	3,329	35,306	23	42
Net change in fund balances	$ 874	$ (2,886)	$ 983	$ (1,710)	$ 11,097	$ 11,153	$ 17,992	$ (2,177)	$ (21,961)
Debt service as a percentage of noncapital expenditures	8.82%	7.39%	7.83%	7.46%	5.63%	5.77%	6.04%	6.85%	7.09%

*Only nine years of data available due to implementation of GASB 34 in 2002.

Schedule 5

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Total Taxable Assessed Valuation	Total Direct Tax Rate*
2001	$ 6,115,398,537	$ 1,061,261,507	$ 7,176,660,044	$ 1.76
2002	$ 6,941,422,915	$ 1,288,207,660	$ 8,229,630,575	$ 1.60
2003	$ 7,409,495,346	$ 1,181,627,039	$ 8,591,122,385	$ 1.57
2004	$ 7,762,955,643	$ 1,038,619,530	$ 8,801,575,173	$ 1.59
2005	$ 8,114,876,599	$ 1,205,491,934	$ 9,320,368,533	$ 1.58
2006	$ 8,759,508,942	$ 1,551,414,614	$ 10,310,923,556	$ 1.23
2007	$ 9,821,026,886	$ 1,359,505,337	$ 11,180,532,223	$ 1.18
2008	$ 12,739,900,548	$ 1,332,371,332	$ 14,072,271,880	$ 1.47
2009	$ 13,205,438,085	$ 1,333,419,562	# $ 14,538,857,647	$ 1.35
2010	$ 11,966,374,536	$ 1,362,914,250	$ 13,329,288,786	$ 1.58

Source: King County Accounting Division

Real and personal property has been assessed at 100% of the estimated value.

* Tax rates are per $1,000 of assessed value.

Schedule 6

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

	City Direct Rates			Overlapping Rates										
	General Fund	General Obligation Debt Service	Total Direct Rate*	WA State	King County	Port Of Seattle	School District #414	Hospital District #2	King Co. Library	Emer. Medical Service	Redmond Capital Facilities Area**	King Co. Ferry*** District	King Co. Flood*** District	Total Direct and Overlapping Rate
2001	1.45	0.31	1.76	3.15	1.55	0.19	3.53	0.39	0.56	0.25	-	-	-	11.38
2002	1.31	0.29	1.60	2.99	1.45	0.19	3.18	0.36	0.53	0.25	-	-	-	10.55
2003	1.29	0.28	1.57	2.90	1.35	0.26	3.07	0.34	0.55	0.24	-	-	-	10.28
2004	1.33	0.26	1.59	2.76	1.43	0.25	2.96	0.34	0.60	0.24	-	-	-	10.17
2005	1.32	0.26	1.58	2.69	1.38	0.25	2.83	0.59	0.53	0.23	-	-	-	10.08
2006	1.20	0.03	1.23	2.50	1.33	0.23	2.65	0.54	0.53	0.22	-	-	-	9.23
2007	1.15	0.03	1.18	2.33	1.29	0.23	2.57	0.50	0.50	0.21	0.05	-	-	8.86
2008	1.45	0.02	1.47	2.13	1.21	0.22	2.33	0.45	0.45	0.30	0.05	0.06	0.10	8.77
2009	1.33	0.02	1.35	1.96	1.10	0.20	2.23	0.40	0.42	0.27	0.04	0.05	0.09	8.11
2010	1.56	0.02	1.58	2.22	1.28	0.22	2.80	0.46	0.49	0.30	0.04	0.003	0.11	9.50

Source: King County Assessor's Office

*Tax rates are per $1,000 of assessed value.
Initiative 747 passed in November 2001, and subsequent actions by the Washington State Legislature in 2007 limited the annual optional increase in property tax levies to the lesser of one percent or the implicit price deflator.

**New taxing district as of 2007.

***New taxing districts as of 2008.

Schedule 7

Principal Property Taxpayers

Current Year and Nine Years Ago

	2010			2001		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value*	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value**
Microsoft (includes MSNBC)	$ 2,233,251,626	1	16.75%	$ 910,607,722	1	12.69%
Puget Sound Energy	133,077,711	2	1.00%	96,658,266	3	1.35%
Nintendo	96,805,508	3	0.73%	43,596,211	6	0.61%
ASN - Washington Holdings	93,942,000	4	0.70%	-		-
BRE Properties	80,541,000	5	0.60%	-		-
PPR Redmond Retail LLC (Redmond Town Center)	77,255,799	6	0.58%	103,012,298	2	1.44%
Tishman Speyer Archstone (formerly Archstone-Smith)	74,477,000	7	0.56%	-		-
Hines Reit Laguna Campus	73,003,200	8	0.55%	-		-
PS Business Parks LP (formerly Yett Family Partnership)	63,731,000	9	0.48%	35,122,200	9	0.49%
Verizon Northwest Inc.	27,896,299	10	0.21%	59,189,860	5	0.82%
Safeco	-		-	40,930,400	4	0.57%
Eddie Bauer	-		-	41,266,666	7	0.58%
Spacelabs Medical, Inc.	-		-	51,988,405	5	0.72%
Liebow Todd S Mai (Cambrian Apts)	-		-	38,624,800	8	0.54%
McElroy George & Assoc	-		-	33,715,312	10	0.47%
TOTAL	$ 2,953,981,143		22.16%	$ 1,454,712,140		20.27%

Source: King County Assessor

* In 2010 the estimated value of real and personal property in the City of Redmond was $13,329,288,786.

* * In 2001 the estimated value of real and personal property in the City of Redmond was $7,176,660,044.

Schedule 8

Property Tax Levies and Collections

Last Ten Fiscal Years

		Collected within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year	Taxes Levied for the Fiscal Year*	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2001	$ 12,582,147	$ 12,463,331	99.06%	$ 96,392	$ 12,559,723	99.82%
2002	13,024,297	12,851,125	98.67%	119,886	12,971,011	99.59%
2003	13,424,237	13,203,511	98.36%	103,163	13,306,674	99.12%
2004	13,734,935	13,624,998	99.20%	222,707	13,847,705	100.82%
2005	14,682,653	14,565,908	99.20%	135,829	14,701,737	100.13%
2006	12,691,175	12,491,154	98.42%	143,531	12,634,685	99.55%
2007	12,957,835	12,856,101	99.21%	211,699	13,067,800	100.85%
2008	18,692,476	18,510,492	99.03%	98,185	18,608,677	99.55%
2009	19,538,614	19,322,310	98.89%	148,728	19,471,038	99.65%
2010	21,033,841	20,844,302	99.10%	231,450	21,075,751	100.20%

Source: King County Assessor and Redmond accounting division

*Includes levy adjustments, penalties and interest

Schedule 9

Summary of Sales Tax Revenues

Last Nine Fiscal Years

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Retail Trade Sales Tax									
Electronics and Appliances	330,752	305,285	690,202	658,225	671,664	638,768	531,796	1,087,674	1,445,772
Furniture	533,665	410,689	313,708	259,799	336,218	262,470	436,382	266,049	288,418
General Merchandise	350,324	337,771	650,100	623,497	1,537,810	1,515,512	911,412	1,343,640	1,363,100
Miscellaneous Retail Trade	468,573	476,925	405,616	406,411	137,621	146,303	470,973	612,515	683,478
Other	2,977,413	3,671,622	3,773,098	4,013,911	3,838,023	4,356,254	4,196,636	2,375,512	2,501,637
Total - Retail Trade	4,660,728	5,202,291	5,832,724	5,961,843	6,521,336	6,919,307	6,547,199	5,685,390	6,282,405
Other Sectors Sales Tax									
Accommodation and Food Services	1,304,170	1,367,188	1,436,081	1,553,008	1,653,784	1,739,732	1,777,479	1,689,694	1,784,896
Construction	2,226,883	2,172,882	2,467,526	2,768,950	3,151,657	3,125,692	3,783,006	3,771,855	2,486,201
Information	1,195,058	2,786,641	1,939,671	1,986,737	1,536,738	4,814,199	1,051,283	1,385,499	974,378
Miscellaneous	1,732,511	1,617,544	1,654,226	1,646,143	1,896,963	2,229,314	1,867,005	1,621,406	1,650,525
Service	1,273,046	1,127,475	1,148,434	1,184,711	1,770,263	1,490,641	1,827,122	1,388,234	1,604,083
Wholesale	2,222,360	2,233,746	2,057,502	2,251,409	2,132,688	2,526,034	2,127,576	2,395,461	2,976,015
Total - Other Sectors Sales Tax	9,954,029	11,305,477	10,703,439	11,390,957	12,142,092	15,925,612	12,433,471	12,252,149	11,476,098
Adjustments *	260,046	-	1,298,906	-	-	-	118,361		
Total - Retail Trade and Other Sectors	14,874,804	16,507,768	17,835,068	17,352,800	18,663,428	22,844,919	19,099,031	17,937,539	17,758,503
Sales Taxes - Miscellaneous **	1,029,701	1,067,436	1,120,313	1,295,090	1,407,234	1,575,433	1,576,329	1,278,411	1,279,366
Total Sales Tax	15,904,505	17,575,204	18,955,381	18,647,890	20,070,662	24,420,352	20,675,360	19,215,950	19,037,869

Notes:

* Includes One-Time Adjustments in 2002, 2004 and 2008, also includes an SST Mitigation payment of $85,660 in 2008.

** Sales Tax - Miscellaneous includes Sales Tax-Criminal Justice, Washington State Use Tax and Hotel/Motel Tax. Due to a computer system conversion, details for this data is not available before 2002.

Schedule 10

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

	Governmental Activities					Business-Type Activities				
Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Public Works Trust Fund Loans	Capital Leases	Private Contract	Revenue Bonds	Loans	Total Primary Government	Percentage Of Per Capita Personal Income*	Debt Per Capita**
2001	$ 11,875,000	$ 3,835,000	$ 4,097,361	$ -	$ -	$ 3,255,000	$ 822,461	$ 23,884,822	1.20%	$ 525
2002	9,635,000	2,485,000	3,725,644	-	1,016,417	2,855,000	713,837	20,430,898	1.00%	444
2003	10,933,472	1,745,000	3,353,927	-	777,950	-	605,211	17,415,560	0.84%	375
2004	46,927,432	1,410,000	2,982,210	-	529,348	-	496,587	52,345,577	2.26%	1,116
2005	43,454,879	1,045,000	2,610,492	-	270,181	-	387,962	47,768,514	2.06%	1,004
2006	42,504,603	780,000	2,238,775	-	-	-	609,477	46,132,855	1.76%	925
2007	40,531,384	585,000	1,867,058	-	-	-	465,385	43,448,827	1.49%	857
2008	72,455,000	530,000	1,495,340	-	-	11,755,000	85,356	86,320,696	2.91%	1,682
2009	70,040,000	170,000	1,161,728	-	-	11,190,000	-	82,561,728	2.74%	1,591
2010	67,540,000	-	828,118	-	-	10,600,000	-	78,968,118	2.59%	1,471

* 2009 per capita income of $56,904 from US Bureau of Economic Analysis.

** 2010 population total of 53,680 from State of Washington Office of Financial Management.

Schedule 11

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property*	Per Capita
2001	$ 11,875,000.00	0.17%	$ 261.05
2002	9,635,000	0.12%	209
2003	10,933,472	0.13%	235
2004	46,927,432	0.54%	1,001
2005	43,454,879	0.47%	913
2006	42,504,603	0.42%	852
2007	40,531,384	0.36%	800
2008	72,455,000	0.51%	1,412
2009	70,040,000	0.48%	1,350
2010	67,540,000	0.51%	1,258

Source: King County Assessor

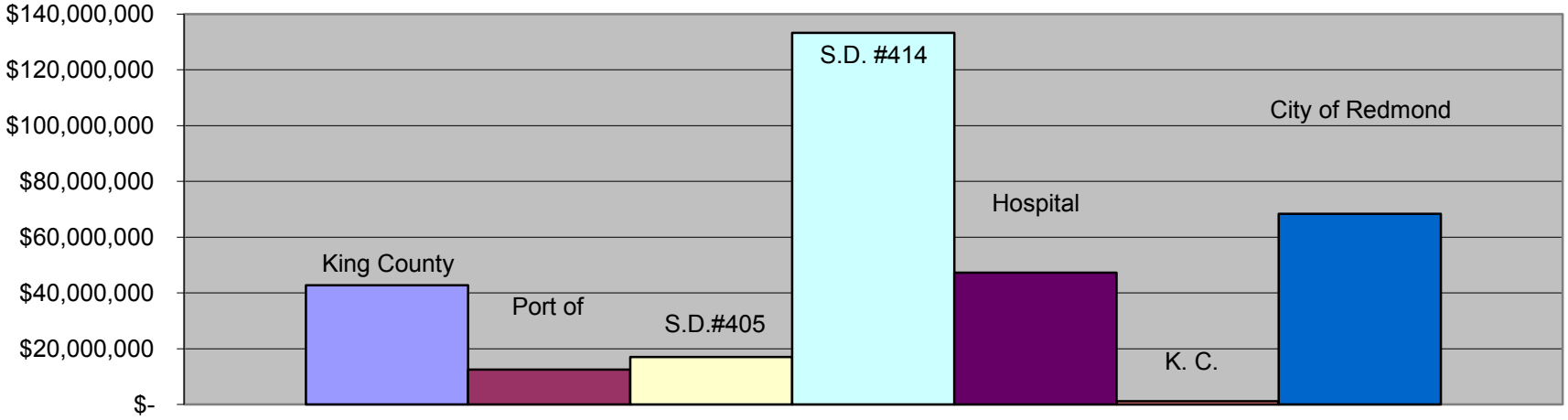
* In 2010 the estimated value of real and personal property in the City of Redmond was $13,329,288,786

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Schedule 12

Direct and Overlapping Governmental Activities Debt
As of December 31, 2010

	Net Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Overlapping Debt:			
King County	$ 1,140,426,000	3.75%	$ 42,765,975
Port of Seattle	335,500,000	3.75%	12,581,250
School District #405	280,255,858	6.08%	17,039,556
School District #414	462,443,155	28.81%	133,229,873
Hospital District #2	224,573,187	21.07%	47,317,571
King County Library	131,901,411	0.91%	1,200,303
Total Overlapping Debt	2,575,099,611		254,134,528
Direct Debt: City of Redmond**	68,368,118	100.00%	68,368,118
Total Direct and Overlapping Debt	$ 2,643,467,729		$ 322,502,646



* Applicable percentage is determined by the ration of assessed valuation of taxable property in overlapping unit to valuation of property subject to taxation in the City of Redmond.

**City of Redmond Overlapping Debt - [prev. year] Tax Roll

Source:King County Finance Office; King County Assessor

Schedule 13

Legal Debt Margin Information (in thousands)

Last Ten Fiscal Years	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	$ 538,250	$ 617,222	$ 644,334	$ 660,118	$ 699,028	$ 773,319	$ 838,540	$ 955,493	$ 990,408	$ 998,139
Total net debt applicable to limit	11,675	10,439	11,498	47,218	43,496	42,259	40,287	72,182	69,767	67,267
Legal debt margin	$ 526,575	$ 606,783	$ 632,836	$ 612,900	$ 655,532	$ 731,060	$ 798,253	$ 883,311	$ 920,641	$ 930,872
Total net debt applicable to limit as a percentage of debt limit	2.17%	1.69%	1.78%	7.16%	6.23%	5.46%	4.80%	4.80%	7.04%	6.74%

Note: Under State law voters may approve general obligation debt issues of up to 7.5% of assessed valuation. This 7.5% debt capacity is allocated evenly among general government, parks/open space, and utilities resulting in a 2.5% limit for each. Within the 2.5% limit, the City Council has authority to issue bonds without voter approval for a combined total of up to 1.5% of the City's assessed valuation.

	General Capacity		Special Purpose Capacity		Total Capacity
	Councilmanic	Excess Levy	Parks and Open Space	Utility Purposes	
December 31, 2010 Assessed Value: $13,308,519					
2.50% of Assessed Value	$ -	$ 332,713	$ 332,713	$ 332,713	$ 998,139
1.50% of Assessed Value	199,628	(199,628)	-	-	-
Statutory Debt Limit	199,628	133,085	332,713	332,713	998,139
Debt Outstanding:					
Bonds	66,725	815	-	-	67,540
Total Debt Outstanding	66,725	815	-	-	67,540
Less amount available in Debt Service Fund	-	273	-	-	273
Net Debt Outstanding	66,725	542	-	-	67,267
Remaining Debt Capacity	$ 132,903	$ 132,543	$ 332,713	$ 332,713	$ 930,872

*Property assessed at 100% of the estimated value.

Schedule 14

Pledged-Revenue Coverage

Last Ten Fiscal Years

	Water/Wastewater Revenue Bonds						Special Assessment Bonds			
Fiscal Year	Gross Revenue **	Less: Operating Expenses ***	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage ****	Special Assessment Collections	Debt Service Principal	Debt Service Interest	Coverage
2001	$ 17,352,101	$ 14,067,650	$ 3,284,451	$ 385,000	$ 188,510	3.93	$ 1,127,685	$ 1,140,410	$ 275,113	0.80
2002	19,605,245	15,955,300	3,649,945	400,000	170,800	5.73	981,313	1,350,000	226,862	0.62
2003*	N/A	N/A	N/A	N/A	N/A	N/A	541,955	740,000	147,442	0.61
2004*	N/A	N/A	N/A	N/A	N/A	N/A	487,101	335,000	106,935	1.10
2005*	N/A	N/A	N/A	N/A	N/A	N/A	296,953	365,000	82,519	0.66
2006*	N/A	N/A	N/A	N/A	N/A	N/A	273,089	265,000	55,532	0.85
2007*	N/A	N/A	N/A	N/A	N/A	N/A	244,988	195,000	39,378	1.05
2008	37,014,274	28,868,139	8,146,135	-	-	N/A	286,814	55,000	28,775	3.40
2009	40,094,938	28,376,280	11,718,658	565,000	532,513	10.68	92,929	360,000	25,796	0.24
2010^	38,542,022	26,557,555	11,984,467	590,000	512,887	10.87	-	170,000	8,820	0.00

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
The stormwater utility and the water/wastewater utility are combined into the waterworks utility for purposes of the 2008 debt issuance.

* Revenue bond coverage ratio is not applicable as bonds were called early and paid off.

** Includes operating and investment income excluding unrealized gains or losses on investments.

*** Excludes depreciation and amortization, includes operating transfers out.

**** The 1993 Refunding Bond Issue required coverage of 1.25. The 2008 Revenue Bond Issue requires coverage of 1.20.

^ The Special Assessment bonds were paid in full in 2010

Schedule 15

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Redmond Population*	Redmond Personal Income (in thousands)**	King County Per Capita Personal Income***	School Enrollment#	Number of Housing Units	Unemployment Rate##
2001	45,490	$ 1,994,327	$ 43,841	7,385	20,368	3.5
2002	46,040	$ 2,040,171	$ 44,313	7,401	20,654	4.5
2003	46,480	$ 2,067,523	$ 44,482	7,594	21,974	6.0
2004	46,900	$ 2,311,513	$ 49,286	7,822	22,183	4.5
2005	47,600	$ 2,322,356	$ 48,789	7,900	22,204	4.0
2006	49,890	$ 2,626,958	$ 52,655	8,014	22,616	3.6
2007	50,680	$ 2,924,743	$ 57,710	8,126	22,869	3.0
2008	51,320	$ 2,983,796	$ 58,141	8,098	23,144	3.6
2009	51,890	$ 2,952,749	$ 56,904	8,369	23,323	6.6
2010	53,680	$ -	-	8,789	24,227	7.0

* State of Washington, Office of Financial Management.
** King County Per Capita Personal Income applied to Redmond populatoin.
*** King County Per Capita Personal Income as provided by Bureau of Economic Analysis.
# Lake Washington School District total as of October, 2008; includes schools with Redmond addresses, although some are located in unincorporated King County. Statistics are not available to determine the number of students from the Redmond/King County populace.
State of Washington, Department of Employment Security (figures are prorated on Redmond's relationship to the County's unemployment rate).

Schedule 16

Principal Employers

Current Year and Nine Years Ago

	2010			2001		
Employer	Employees	Rank	Percentage of Total City Employment**	Employees	Rank	Percentage of Total City Employment***
Microsoft Corporation (includes M S N B C)	31,981	1	43.94%	17,645	1	30.52%
AT&T Mobility	1,302	2	1.79%	1,220	5	2.11%
Genie Industries	1,191	3	1.64%	2,253	2	3.90%
Lake Washington School District *	990	4	1.36%	-	-	-
Volt Technical Resources, LLC (includes VMC Consulting)	964	5	1.32%	1,206	6	2.09%
Nintendo of America Inc. (includes Nintendo Software Technology)	796	6	1.09%	727	9	1.26%
Honeywell	727	7	1.00%	1120	7	1.94%
Eurest Dining Services @ Microsoft	678	8	0.93%	-	-	-
United Parcel Service	600	9	0.82%	-	-	-
Physio Control	559	10	0.77%	-	-	-
Eddie Bauer, Inc.	-	-	-	1,020	8	1.76%
Group Health *	-	-	-	1,227	4	2.12%
Safeco Insurance Co.*	-	-	-	2,171	3	3.76%
Spacelabs Medical, Inc.	-	-	-	671	10	1.16%
TOTAL	39,788		54.66%	29,260		50.61%

Source: City of Redmond Finance Dept., Business License Division

*Employer exempt from business license requirement

**Total City employment including exempt businesses listed is 72,791 for 2010.

***Total City employment including exempt businesses listed was 57.809 for 2001.

Schedule 17

Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function/Program										
General Government										
Executive	5.00	5.00	5.00	5.00	5.00	11.00	11.50	11.00	14.00	13.00
Finance and Information Services	55.22	55.22	58.60	58.60	58.60	58.60	62.60	63.60	59.97	55.81
Human Resources	8.00	8.00	8.00	8.00	8.00	8.00	9.63	9.63	13.43	11.50
Legal	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Planning and Community Development	60.57	60.57	58.24	58.24	56.24	50.24	50.81	58.31	50.72	43.65
Security										
Police	110.50	110.50	110.50	110.50	110.50	110.50	115.50	127.50	128.40	127.30
Fire	106.20	106.20	134.20	134.20	137.20	141.20	149.20	171.20	168.50	164.50
Culture and Recreation	50.24	50.24	51.12	51.12	50.82	50.82	54.12	62.22	62.67	61.55
Public Works	91.68	91.68	84.18	84.18	77.18	77.18	75.75	77.75	79.05	72.71
Water/Wastewater	36.88	36.88	37.13	37.13	38.78	38.78	39.60	39.60	40.60	39.29
UPD Water/Wastewater	6.84	6.84	6.84	6.84	5.94	5.94	5.94	5.94	5.94	-
Stormwater Management	28.49	28.49	26.49	26.49	29.46	29.46	29.77	29.77	28.77	31.67
Total	563.87	563.87	584.55	584.55	581.97	585.97	608.67	660.77	656.30	625.23

Source: City Budget Office

Schedule 18

Operating Indicators by Function/Program

Last Ten Fiscal Years*

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function/Program										
Police										
Calls dispatched	22,300	21,693	22,739	23,488	24,036	24,473	24,276	24,286	27,030	27,531
Parking violations	-	-	-	-	1,092	1,140	1,189	1,137	1,116	1,179
Traffic violations	-	-	-	-	7,183	8,120	7,381	9,381	10,532	13,574
Fire										
Calls for service (fire and aid)	6,364	6,625	7,999	9,736	9,733	10,905	9,896	10,508	10,740	10,404
Average response time (fire & aid) - minutes & seconds	-	-	7:06	6:54	7:11	7:27	7:14	6:30	6:30	6:24
Fire prevention maintenance inspections	-	-	-	-	803	1,421	1,394	1,500	2,587	1,606
Operations inspections ***	-	-	-	-	645	484	19 **	495	-	256
Culture and Recreation										
Preschool registrations	11,465	10,205	11,256	11,777	12,230	12,851	25,000 #	21,412	19,456	20,093
Youth registrations	16,154	15,388	17,307	18,684	19,132	20,292	24,377	26,415	18,046	19,118
Teen program registrations	7,135	13,171	21,642	21,264	27,753	25,843	28,047	25,097	18,722	19,512
Adult program registrations	14,749	18,947	37,656	37,843	47,044	54,585	61,450	59,959	43,151	41,920
Senior Center participants	44,397	65,288	75,386	74,816	75,612	84,752	45,028 ##	45,807	37,443	41,785
Utility Services ###										
Residential units served	9,453	9,943	10,985	11,755	12,284	12,805	13,195	13,563	13,669	13,972
Commercial units served	1,306	1,333	1,380	1,389	1,416	1,440	1,451	1,474	1,482	1,429
Water										
Average daily demand (gallons)		5,700,000	7,009,225	7,026,998	6,489,890	6,981,844	6,520,473	6,506,569	6,754,372	5,900,305

* Ten year trend information is not available for all categories due to initial implementation of GASB 44 on 12/31/05

** Program was suspended January 2007 - March 2008

*** Data is no longer seperated for maintenance inspections

New programs were added in 2007

Method of calculation changed in 2007 to more accurately assess number of visitors

###Sewage treatment provided by King County Wastewater Treatment Division

Schedule 19

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years*

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of police vehicles *	n/a	n/a	n/a	n/a	49	49	49	50	45	59
Fire										
Number of stations	6	6	6	6	6	6	6	6	6	6
Number of fire engines	8	8	8	9	9	9	11	11	9	9
Number of aid vehicles	7	7	**13	13	13	16	15	15	16	15
Transportation										
Center lane miles of paved roads	130	131	131	131	136	136	137	138	138	142
Traffic signals	78	80	83	87	89	89	90	91	95	98
Street lights	n/a	943	970	983	983	983	1,132	1,290	1,286	1,279
Bridges	8	8	8	8	9	9	9	9	9	9
Culture and Recreation										
Number of developed parks	22	25	28	29	30	30	30	30	30	30
Number of undeveloped parks	16	14	16	14	13	9	7	7	8	8
Acres of developed parks	1,046	1,087	1,129	1,131	1,168	1,200	1,200	1,172	1,203	1,204
Acres of undeveloped parks	319	216	189	173	148	105	105	105	106	106
Miles of developed trails	20	24	24	25	25	44	44	44	44	36

Schedule 19 (continued)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Utility Services										
Water										
Storage Capacity (millions of gallons)	26.6	26.6	31.8	31.8	31.8	31.8	31.8	31.8	31.8	31.8
Number of wells	5	5	5	5	5	5	5	5	5	5
Miles of main	255	280	280	280	283	304	309	315	327	328
Sewer										
Number of manholes	5,464	5,609	6,743	6,791	6,791	5,918	6,733	6,937	6,645	6,651
Miles of main***	202	221	216	218	218	194	214	219	211	212
Number of pumplift stations***	16	16	15	15	15	21	23	23	23	23
Stormwater										
# of manholes/catch basins	7,862	7,913	8,552	15,158	15,158	9,621	9,951	10,327	10,475	10,529
Miles of pipe***	238	252	164	169	169	162	167	172	173	174
Oil water separators***	201	211	24	24	24	24	24	24	24	24

*Ten-year trend information is not available for all categories due to initial implementation of GASB 44 on 12/31/05. Data available only for years listed.

**The City assumed Advanced Life Support services equipment from King County.

***Decrease from 2002 due to different method of tracking these quantities.