

CITY OF REDMOND  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2011

	General Fund	Capital Improvements Program Fund	Other Governmental Funds	Governmental Funds Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,127,461	\$ 22,756,178	\$ 3,081,620	\$ 30,965,259
Cash with outside agency	-	-	10,000	10,000
Investments	27,956,934	14,048,703	4,927,383	46,933,020
Receivables:				-
Taxes	5,355,689	-	257,923	5,613,612
Accounts	99,555	8,717	-	108,272
Interest	201,770	92,568	15,216	309,554
Due from other funds	-	-	-	-
Due from other governments	486,835	453,728	147,753	1,088,316
Prepayments	-	104,166	-	104,166
Restricted assets:				
Deposit cash	-	-	-	-
Deposit investments	3,081,336	-	-	3,081,336
Cash	-	-	-	-
Deferred charges	-	-	-	-
Total Assets	<u>\$ 42,309,580</u>	<u>\$ 37,464,060</u>	<u>\$ 8,439,895</u>	<u>\$ 88,213,535</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts/claims payable	\$ 3,458,643	\$ 1,725,748	\$ 274,234	\$ 5,458,625
Employee wages payable	1,127,238	14,516	70,641	1,212,395
Due to other funds	-	-	-	-
Due to other governments	166,730	-	-	166,730
Payable from restricted assets:				
Deposits payable	3,081,336	28,688	9,551	3,119,575
Deferred revenues	540,945	-	-	540,945
Unclaimed property	1,333	-	-	1,333
Total liabilities	<u>8,376,225</u>	<u>1,768,952</u>	<u>354,426</u>	<u>10,499,603</u>
<b>Fund balances: (Note 1)</b>				
Non-spendable	-	-	-	-
Spendable:				
Restricted	-	17,573,422	6,704,623	24,278,045
Committed	22,827,874	18,121,686	1,380,846	42,330,406
Assigned	-	-	-	-
Unassigned	11,105,481	-	-	11,105,481
Total fund balances	<u>33,933,355</u>	<u>35,695,108</u>	<u>8,085,469</u>	<u>77,713,932</u>
Total liabilities and fund balances	<u>\$ 42,309,580</u>	<u>\$ 37,464,060</u>	<u>\$ 8,439,895</u>	

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. 335,605,818

Other long-term assets are not available to pay for current-period  
expenditures and therefore are deferred in the funds. (Note 3) 244,524

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. 18,700,303

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) (80,396,339)

Net assets of governmental activities \$ 351,868,238

See accompanying notes to the financial statements.

CITY OF REDMOND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	General Fund	Capital Improvements Program Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 61,705,416	\$ 1,119,800	\$ 3,386,053	\$ 66,211,269
Licenses and permits	6,510,382	-	-	6,510,382
Contributions from property owners	153,257	10,000	106,393	269,650
Intergovernmental	10,434,725	2,380,941	5,588,264	18,403,930
Charges for services	4,344,218	3,064,948	2,450,804	9,859,970
Fines and forfeitures	2,200,648	-	3,218	2,203,866
Investment income	354,900	435,613	65,100	855,613
Miscellaneous	365,402	296,730	310,581	972,713
Total Revenues	<u>86,068,948</u>	<u>7,308,032</u>	<u>11,910,413</u>	<u>105,287,393</u>
<b>EXPENDITURES</b>				
Current				
General government	12,885,060	-	58,224	12,943,284
Security of persons and property	36,656,597	-	5,534,496	42,191,093
Physical environment	3,786,636	-	618,580	4,405,216
Transportation	7,097,926	-	1,101,666	8,199,592
Economic environment	4,743,190	-	120,356	4,863,546
Mental/physical health	889,741	-	-	889,741
Culture and recreation	8,483,736	-	2,158,584	10,642,320
Capital outlay	964,140	23,342,490	284,627	24,591,257
Debt service:				
Principal	-	1,409,431	2,175,000	3,584,431
Interest and debt issue costs	-	1,845,448	1,729,086	3,574,534
Total Expenditures	<u>75,507,026</u>	<u>26,597,369</u>	<u>13,780,619</u>	<u>115,885,014</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,561,922</u>	<u>(19,289,337)</u>	<u>(1,870,206)</u>	<u>(10,597,621)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond/loan proceeds	-	-	8,643,290	8,643,290
Insurance proceeds	2,598	-	-	2,598
Disposition of capital assets	7,200	-	10,500	17,700
Transfers in (Note 11)	6,139,893	14,442,126	4,489,384	25,071,403
Transfers out (Note 11)	(8,581,965)	(6,735,034)	(9,659,407)	(24,976,406)
Total other financing sources and uses	<u>(2,432,274)</u>	<u>7,707,092</u>	<u>3,483,767</u>	<u>8,758,585</u>
Net change in fund balances	<u>8,129,648</u>	<u>(11,582,245)</u>	<u>1,613,561</u>	<u>(1,839,036)</u>
Fund balances-beginning	<u>25,803,707</u>	<u>47,277,353</u>	<u>6,471,908</u>	<u>79,552,968</u>
Fund balances-ending	<u>\$ 33,933,355</u>	<u>\$ 35,695,108</u>	<u>\$ 8,085,469</u>	<u>\$ 77,713,932</u>

See accompanying notes to the financial statements.

CITY OF REDMOND  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2011

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

Net change in fund balances-total governmental funds.	\$	(1,839,036)
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 \$24,591,257 exceeded depreciation of \$9,008,432 and new assets of \$652,942 in the current period.		16,235,767
A CIP reduction that does not result in an increase in depreciable assets reflects an increase in expenses on the statement of activities but not in the governmental funds. (Note 7)		(1,532,621)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (Note 3)		283,031
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)		(5,058,859)
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.		(537,766)
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)		<u>(297,868)</u>
Change in net assets of governmental activities.	\$	<u><u>7,252,648</u></u>

See accompanying notes to the financial statements.

CITY OF REDMOND  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2011

	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management		
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 2,273,200	\$ 994,239	\$ 2,529,930	\$ 5,797,369	\$ 4,408,475
Investments	8,983,077	9,082,582	23,854,023	41,919,682	10,002,178
Accounts and contracts receivables	2,641,695	90,065	999,498	3,731,258	-
Interest receivables	50,682	38,511	98,363	187,556	41,666
Due from other government	16,394	319,964	480,504	816,862	-
Inventory	48,403	-	-	48,403	50,414
Pre-paid insurance	-	-	-	-	561,869
<b>Restricted assets:</b>					
Customer deposits:					
Cash and cash equivalents	283,255	132,000	17,128	432,383	-
Revenue bond redemption:					
Cash	-	-	-	-	-
Investments	1,175,500	-	-	1,175,500	-
Rate stabilization fund:					
Rate stabilization fund	900,000	145,000	-	1,045,000	-
Total current assets	<u>16,372,206</u>	<u>10,802,361</u>	<u>27,979,446</u>	<u>55,154,013</u>	<u>15,064,602</u>
<b>Noncurrent assets:</b>					
Deferred charges	216,623	4,647	-	221,270	-
<b>Capital assets:</b>					
Land	2,901,812	3,274,106	6,268,352	12,444,270	584,292
Buildings	25,377,865	11,031,564	738,100	37,147,529	619,494
Leasehold improvements	-	-	-	-	-
Improvements other than buildings	153,605,279	59,696,200	51,743,235	265,044,714	309,513
Equipment	200,478	269,028	236,785	706,291	12,495,762
Construction in progress	924,557	65,505	11,122,324	12,112,386	-
Other property	8,775	-	-	8,775	-
Less accumulated depreciation	(39,773,750)	(10,437,770)	(10,785,264)	(60,996,784)	(8,349,271)
Total capital assets (net of depreciation)	<u>143,245,016</u>	<u>63,898,633</u>	<u>59,323,532</u>	<u>266,467,181</u>	<u>5,659,790</u>
Total noncurrent assets	<u>143,461,639</u>	<u>63,903,280</u>	<u>59,323,532</u>	<u>266,688,451</u>	<u>5,659,790</u>
Total assets	<u>\$ 159,833,845</u>	<u>\$ 74,705,641</u>	<u>\$ 87,302,978</u>	<u>\$ 321,842,464</u>	<u>\$ 20,724,392</u>

CITY OF REDMOND  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2011

	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management		
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 741,869	\$ 87,020	\$ 732,668	\$ 1,561,557	\$ 1,415,870
Employee wages payable	94,253	692	49,806	144,751	46,359
Compensated Absences	239,104	2,460	208,314	449,878	215,627
Unearned revenues	-	-	-	-	323,093
Current liabilities payable from restricted assets:					
Customer deposits payable	283,255	132,000	17,128	432,383	-
Current bond principal	640,000	-	-	640,000	-
Accrued interest payable	38,724	-	-	38,724	-
Total current liabilities	<u>2,037,205</u>	<u>222,172</u>	<u>1,007,916</u>	<u>3,267,293</u>	<u>2,000,949</u>
Noncurrent liabilities:					
Revenue bonds payable, net	9,632,380	-	-	9,632,380	-
LID assessment	-	-	-	-	-
Compensated absences	59,776	615	52,079	112,470	23,140
Total noncurrent liabilities	<u>9,692,156</u>	<u>615</u>	<u>52,079</u>	<u>9,744,850</u>	<u>23,140</u>
Total liabilities	<u>11,729,361</u>	<u>222,787</u>	<u>1,059,995</u>	<u>13,012,143</u>	<u>2,024,089</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	132,972,636	63,898,633	59,323,532	256,194,801	5,659,790
Restricted for debt service	1,175,500	-	-	1,175,500	-
Restricted for rate stabilization	900,000	145,000	-	1,045,000	-
Reserved for replacement	-	-	-	-	3,457,280
Unrestricted	13,056,348	10,439,221	26,919,451	50,415,020	9,583,233
Total net assets	<u>\$ 148,104,484</u>	<u>\$ 74,482,854</u>	<u>\$ 86,242,983</u>	<u>\$ 308,830,321</u>	<u>\$ 18,700,303</u>

See accompanying notes to the financial statements.

CITY OF REDMOND  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-type Activities- Enterprise Funds			Totals	Governmental Activities- Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management		
Operating revenues:					
Charges for services	\$ 16,949,645	\$ 4,342,207	\$ 11,154,082	\$ 32,445,934	\$ 4,778,004
Metro service	11,027,587	1,507,711	-	12,535,298	-
Charges for replacement	-	-	-	-	2,093,345
Charges for insurance	-	-	-	-	10,843,904
Total operating revenues	<u>27,977,232</u>	<u>5,849,918</u>	<u>11,154,082</u>	<u>44,981,232</u>	<u>17,715,253</u>
Operating expenses:					
Administrative and general	4,504,502	494,859	2,634,729	7,634,090	334,467
Purchased water	4,717,588	1,793,026	-	6,510,614	-
Metro service	11,098,387	1,462,050	-	12,560,437	-
Supplies	-	-	-	-	257,706
Maintenance and operations	3,053,316	567,389	3,164,388	6,785,093	17,576,009
Taxes	574,188	134,927	190,648	899,763	-
Depreciation and amortization	3,571,416	1,299,684	1,071,514	5,942,614	1,179,210
Total operating expenses	<u>27,519,397</u>	<u>5,751,935</u>	<u>7,061,279</u>	<u>40,332,611</u>	<u>19,347,392</u>
Operating income (loss)	<u>457,835</u>	<u>97,983</u>	<u>4,092,803</u>	<u>4,648,621</u>	<u>(1,632,139)</u>
Nonoperating revenues (expenses):					
Interest and investment revenue	124,903	98,309	295,844	519,056	106,608
Grant income	16,394	-	582,882	599,276	-
Interest expense	(463,122)	-	-	(463,122)	-
Amortization of debt issue costs	(7,689)	-	-	(7,689)	-
Intergovernmental COBRA tax credit	-	-	-	-	11,078
Gain on sale of capital assets	-	-	-	-	110,446
Insurance recovery	-	-	-	-	960,538
Miscellaneous	82,052	60,611	-	142,663	700
Total nonoperating revenues (expenses)	<u>(247,462)</u>	<u>158,920</u>	<u>878,726</u>	<u>790,184</u>	<u>1,189,370</u>
Income before contributions and transfers	210,373	256,903	4,971,529	5,438,805	(442,769)
Capital contributions	3,170,605	1,395,025	1,837,257	6,402,887	-
Transfers in	-	-	-	-	7,800
Transfers out	-	-	-	-	(102,797)
Change in net assets	<u>3,380,978</u>	<u>1,651,928</u>	<u>6,808,786</u>	<u>11,841,692</u>	<u>(537,766)</u>
Total net assets - beginning	<u>144,723,506</u>	<u>72,830,926</u>	<u>79,434,197</u>	<u>296,988,629</u>	<u>19,238,069</u>
Total net assets - ending	<u>\$ 148,104,484</u>	<u>\$ 74,482,854</u>	<u>\$ 86,242,983</u>	<u>\$ 308,830,321</u>	<u>\$ 18,700,303</u>

See accompanying notes to the financial statements.

CITY OF REDMOND  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2011

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	Business-type Activities- Enterprise Funds			Totals	Governmental Activities- Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 27,985,829	\$ 6,143,260	\$ 11,398,211	\$ 45,527,300	\$ 17,716,122
Cash received for replacement	-	-	-	-	-
Cash payments to suppliers	(23,891,335)	(4,610,534)	(5,734,837)	(34,236,706)	(7,614,676)
Cash payments to employees	(290,291)	(24,543)	(229,593)	(544,427)	(10,026,182)
Cash payments to other governments	-	-	-	-	-
Internal activity - payments to other funds	-	-	-	-	-
Other operating receipts	81,752	-	2,884	84,636	-
Other operating payments	-	-	-	-	24,093
Net cash provided (used) by operating activities	<u>3,885,955</u>	<u>1,508,183</u>	<u>5,436,665</u>	<u>10,830,803</u>	<u>99,357</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Non-Operating transfers out	-	-	-	-	(102,797)
Dividends	-	-	-	-	-
Employee insurance premium contributions	-	-	-	-	-
Grant proceeds	-	-	-	-	-
Other non-operating revenues (expenses)	-	-	-	-	948,223
Residual equity transfers out	-	-	-	-	7,800
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>853,226</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(6,120,482)	(1,455,441)	(11,123,978)	(18,699,901)	(533,465)
Acquisition of other assets	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	110,446
Proceeds from sale of other assets	82,051	60,611	-	142,662	-
Capital contributions	3,170,606	1,395,024	1,837,256	6,402,886	-
Bond/grant proceeds	(639,116)	-	582,882	(56,234)	-
Interest paid on revenue bonds	(399,570)	-	-	(399,570)	859,938
Principal paid on other debt	-	-	-	-	-
Interest paid on other debt	-	-	-	-	-
Net cash provided (used) for capital and related financing activities	<u>(3,906,511)</u>	<u>194</u>	<u>(8,703,840)</u>	<u>(12,610,157)</u>	<u>436,919</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment purchases	-	-	-	-	-
Investment sales/maturities	(894,850)	(1,963,861)	(471,840)	(3,330,551)	(2,894,838)
Interest on investments	118,902	(225,054)	300,661	194,509	86,126
Net cash provided (used) in investing activities	<u>(775,948)</u>	<u>(2,188,915)</u>	<u>(171,179)</u>	<u>(3,136,042)</u>	<u>(2,808,712)</u>
Net increase (decrease) in cash and cash equivalents	(796,504)	(680,538)	(3,438,354)	(4,915,396)	(1,419,210)
Cash and cash equivalents-beginning of year	3,352,959	1,806,777	5,985,412	11,145,148	5,827,685
Cash and cash equivalents-end of year	<u>\$ 2,556,455</u>	<u>\$ 1,126,239</u>	<u>\$ 2,547,058</u>	<u>\$ 6,229,752</u>	<u>\$ 4,408,475</u>

CITY OF REDMOND  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2011

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	Business-type Activities- Enterprise Funds			Totals	Governmental Activities- Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management		
Cash at the end of the year consists of:					
Operating fund cash	\$ 2,273,200	\$ 994,239	\$ 2,529,930	\$ 5,797,369	\$ 4,408,475
Bond reserve cash	-	-	-	-	-
Customer deposits	283,255	132,000	17,128	432,383	-
Total cash at end of year	<u>\$ 2,556,455</u>	<u>\$ 1,126,239</u>	<u>\$ 2,547,058</u>	<u>\$ 6,229,752</u>	<u>\$ 4,408,475</u>

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

Operating income (loss)	\$ 457,835	\$ 97,983	\$ 4,092,803	\$ 4,648,621	\$ (1,632,139)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	3,571,416	1,299,684	1,071,514	5,942,614	1,179,210
Decrease (increase) in accounts receivable	8,597	293,342	244,129	546,068	869
Decrease (increase) in inventory	518	-	(435,382)	(434,864)	2,066
Decrease (increase) in prepaid expenses	-	-	-	-	76,681
Decrease (increase) in projects in progress	-	-	-	-	-
Decrease (increase) in due from other governments	-	-	-	-	-
Increase (decrease) in accounts payable	(331,380)	(158,323)	358,445	(131,258)	57,122
Increase (decrease) due to other governments	-	-	-	-	-
Increase (decrease) in employee wages payable	15,286	(25,624)	63,216	52,878	34,858
Increase (decrease) in compensated absences payable	81,931	1,121	39,056	122,108	33,504
Increase (decrease) in customer deposits payable	81,752	-	2,884	84,636	-
Increase (decrease) in deferred revenue	-	-	-	-	347,186
Decrease (increase) in deferred charges	-	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 3,885,955</u>	<u>\$ 1,508,183</u>	<u>\$ 5,436,665</u>	<u>\$ 10,830,803</u>	<u>\$ 99,357</u>

Noncash investing, capital and financing activities:

Developers contributed infrastructure valued at	\$ 2,413,743	\$ 1,331,274	\$ 924,437	\$ 4,669,454	\$ -
Other funds of the city transferred vehicles valued at	-	-	-	-	7,800
Fair value of investments decreased by	(18,805)	(15,691)	(40,563)	(75,059)	878

See accompanying notes to the financial statements.

CITY OF REDMOND  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
AS OF DECEMBER 31, 2011

	<u>Firemen's Pension Fund</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 108,340	\$ 953,225
Invested in Federal Agency Notes	983,480	
Receivables		
Accounts		1,962
Interest	4,940	
Total Assets	<u>\$ 1,096,760</u>	<u>\$ 955,187</u>
<b>LIABILITIES</b>		
Accounts payable	\$	\$ 12,403
Due to other governments		3,591
Custodial		356,243
Trust account		582,950
Total Liabilities	<u>\$ -</u>	<u>\$ 955,187</u>
<b>NET ASSETS</b>		
Held in trust for pension benefits	<u>\$ 1,096,760</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

CITY OF REDMOND  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Firemen's Pension Fund</u>
<b>ADDITIONS</b>	
Intergovernmental revenue	\$ 135,412
Investment interest	12,517
Total additions	<u>147,929</u>
<b>DEDUCTIONS</b>	
Benefit payments	18,834
Administrative expenses	1,000
Total deductions	<u>19,834</u>
Change in net assets	128,095
Net assets-beginning	<u>968,665</u>
Net assets-ending	<u>\$ 1,096,760</u>

See accompanying notes to the financial statements.