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.

CITY OF REDMOND
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2011

	Fleet Maintenance	Insurance	Medical Self-Insurance
ASSETS			
Current assets:			
Cash and cash equivalents	$ 466,081	$ 88,814	$ 580,833
Investments	3,082,346	804,041	5,259,057
Accounts and contracts	-	-	-
Interest	12,383	3,259	21,484
Due from other governments	-	-	-
Inventory	50,414	-	-
Pre-Paid insurance	-	523,710	-
Current assets restricted:			
Customer deposits:			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Revenue bond redemption:			
Cash	-	-	-
Investments	-	-	-
Total current assets	3,611,224	1,419,824	5,861,374
Noncurrent assets:			
Deferred charges	-	-	-
Capital assets:			
Land	584,292	-	-
Buildings	510,196	-	-
Leasehold improvements	-	-	-
Improvements other than buildings	248,876	-	-
Equipment	12,109,452	-	-
Construction in progress	-	-	-
Other property	-	-	-
Less accumulated depreciation	(8,163,650)	-	-
Projects in progress	-	-	-
Deferred charges	-	-	-
Total noncurrent assets	5,289,166	-	-
Total assets	$ 8,900,390	$ 1,419,824	$ 5,861,374

CITY OF REDMOND
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2011

	Fleet Maintenance	Insurance	Medical Self-Insurance
LIABILITIES			
Current liabilities:			
Accounts payable	$ 111,790	$ 470	$ 1,023,971
Employee wages payable	6,566	743	-
Compensated absences	30,974	4,730	-
Due to other governments	-	-	-
Current LID payable	-	-	-
Unearned revenues	-	-	-
Current liabilities payable from restricted assets:			
Customer deposits payable	-	-	-
Current bond principal	-	-	-
Accrued interest payable	-	-	-
Total current liabilities	149,330	5,943	1,023,971
Noncurrent liabilities:			
Revenue bonds payable, net	-	-	-
Loans payable	-	-	-
LID assessment	-	-	-
Compensated absences	4,614	706	-
Total noncurrent liabilities	4,614	706	-
Total liabilities	153,944	6,649	1,023,971
NET ASSETS			
Invested in capital assets, net of related debt	5,289,166	-	-
Restricted for debt service	-	-	-
Reserved for replacement	3,457,280	-	-
Unrestricted	-	1,413,175	4,837,403
Total net assets	$ 8,746,446	$ 1,413,175	$ 4,837,403

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

CITY OF REDMOND
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2011

	Workman's Compensation	Information Technology	Redmond Community Properties	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 93,985	$ 2,306,307	$ 872,455	$ 4,408,475
Investments	856,734	-	-	10,002,178
Accounts and contracts	-	-	-	-
Interest	3,330	-	1,210	41,666
Due from other governments	-	-	-	-
Inventory	-	-	-	50,414
Pre-Paid insurance	-	-	38,159	561,869
Current assets restricted:				
Customer deposits:				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Revenue bond redemption:				
Cash	-	-	-	-
Investments	-	-	-	-
Total current assets	954,049	2,306,307	911,824	15,064,602
Noncurrent assets:				
Deferred charges	-	-	-	-
Capital assets:				
Land	-	-	-	584,292
Buildings	-	109,298	-	619,494
Leasehold improvements	-	-	-	-
Improvements other than buildings	-	60,637	-	309,513
Equipment	-	386,310	-	12,495,762
Construction in progress	-	-	-	-
Other property	-	-	-	-
Less accumulated depreciation	-	(185,621)	-	(8,349,271)
Projects in progress	-	-	-	-
Deferred charges	-	-	-	-
Total noncurrent assets	-	370,624	-	5,659,790
Total assets	$ 954,049	$ 2,676,931	$ 911,824	$ 20,724,392

CITY OF REDMOND
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2011

	Workman's Compensation	Information Technology	Redmond Community Properties	Total
LIABILITIES				
Current liabilities:				
Accounts payable	$ 98,946	$ 72,228	108,465	$ 1,415,870
Employee wages payable	2,384	36,666	-	46,359
Compensated absences	11,652	168,271	-	215,627
Due to other governments	-	-	-	-
Current LID payable	-	-	-	-
Unearned revenues	-	-	323,093	323,093
Current liabilities payable from restricted assets:				
Customer deposits payable	-	-	-	-
Current bond principal	-	-	-	-
Accrued interest payable	-	-	-	-
Total current liabilities	112,982	277,165	431,558	2,000,949
Noncurrent liabilities:				
Revenue bonds payable, net	-	-	-	-
Loans payable	-	-	-	-
LID assessment	-	-	-	-
Compensated absences	1,736	16,084	-	23,140
Total noncurrent liabilities	1,736	16,084	-	23,140
Total liabilities	114,718	293,249	431,558	2,024,089
NET ASSETS				
Invested in capital assets, net of related debt	-	370,624	-	5,659,790
Restricted for debt service	-	-	-	-
Reserved for replacement	-	-	-	3,457,280
Unrestricted	839,331	2,013,058	480,266	9,583,233
Total net assets	$ 839,331	$ 2,383,682	$ 480,266	$ 18,700,303

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

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

	Fleet Maintenance	Insurance	Medical Self-Insurance
Operating revenues:			
Charges for services	$ 94,397	$ -	$ -
Metro	-	-	-
Charges for replacement	2,093,345	-	-
Charges for insurance	-	518,560	9,425,389
Total operating revenues	2,187,742	518,560	9,425,389
Operating expenses:			
Administrative and general	-	-	-
Purchased water	-	-	-
Metro service	-	-	-
Supplies	164,476	-	578
Maintenance and operations	1,262,291	633,277	9,602,030
Taxes	-	-	-
Depreciation and amortization	1,158,829	-	-
Total operating expenses	2,585,596	633,277	9,602,608
Operating income (loss)	(397,854)	(114,717)	(177,219)
Nonoperating revenues (expenses):			
Interest and investment revenue	31,632	10,522	56,384
Interest expense	-	-	-
Grant income	-	-	-
Intergovernmental COBRA tax credit	-	-	11,078
Amortization of debt issue costs	-	-	-
Gain (Loss) on sale of capital assets	110,446	-	-
Insurance recovery	-	24,072	936,466
Miscellaneous	-	21	679
Total nonoperating revenues (expenses)	142,078	34,615	1,004,607
Income (loss) before contributions and transfers	(255,776)	(80,102)	827,388
Capital contributions	-	-	-
Transfers in	7,800	-	-
Transfers out	-	-	(102,797)
Change in net assets	(247,976)	(80,102)	724,591
Total net assets - beginning	8,994,422	1,493,277	4,112,812
Total net assets - ending	$ 8,746,446	$ 1,413,175	$ 4,837,403

See accompanying notes to the financial statements.

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

	Workman's Compensation	Information Technology	Redmond Community Properties	Total
Operating revenues:				
Charges for services	$ -	$ 3,682,833	$ 1,000,774	$ 4,778,004
Metro	-	-	-	-
Charges for replacement	-	-	-	2,093,345
Charges for insurance	899,955	-	-	10,843,904
Total operating revenues	899,955	3,682,833	1,000,774	17,715,253
Operating expenses:				
Administrative and general	-	-	334,467	334,467
Purchased water	-	-	-	-
Metro service	-	-	-	-
Supplies	122	92,530	-	257,706
Maintenance and operations	837,556	4,659,352	581,503	17,576,009
Taxes	-	-	-	-
Depreciation and amortization	-	20,381	-	1,179,210
Total operating expenses	837,678	4,772,263	915,970	19,347,392
Operating income (loss)	62,277	(1,089,430)	84,804	(1,632,139)
Nonoperating revenues (expenses):				
Interest and investment revenue	8,011	-	59	106,608
Interest expense	-	-	-	-
Grant income	-	-	-	-
Intergovernmental COBRA tax credit	-	-	-	11,078
Amortization of debt issue costs	-	-	-	-
Gain (Loss) on sale of capital assets	-	-	-	110,446
Insurance recovery	-	-	-	960,538
Miscellaneous	-	-	-	700
Total nonoperating revenues (expenses)	8,011	-	59	1,189,370
Income (loss) before contributions and transfers	70,288	(1,089,430)	84,863	(442,769)
Capital contributions	-	-	-	-
Transfers in	-	-	-	7,800
Transfers out	-	-	-	(102,797)
Change in net assets	70,288	(1,089,430)	84,863	(537,766)
Total net assets - beginning	769,043	3,473,112	395,403	19,238,069
Total net assets - ending	$ 839,331	$ 2,383,682	$ 480,266	$ 18,700,303

See accompanying notes to the financial statements.

CITY OF REDMOND
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Fleet Maintenance	Insurance	Medical Self-Insurance
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 2,187,742	$ 518,560	$ 9,426,258
Cash received for replacement	-	-	-
Cash received from interest	-	-	-
Cash received from prior period overpayment	-	-	-
Cash payments to suppliers	(1,385,256)	(830,916)	(363,635)
Cash payments to employees	(58,023)	(1,685)	(9,223,119)
Cash payments to other governments	-	-	-
Internal activity - payments to other funds	-	-	-
Other operating receipts	-	-	-
Other operating payments		24,093	-
Net cash provided by operating activities	744,463	(289,948)	(160,496)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Non-Operating transfers out	-	-	(102,797)
Dividends	-	-	-
Employee insurance premium contributions	-	-	-
Grants	-	-	-
Interfund loan repayment	-	-	-
Contributed capital	-	-	-
Other non-operating revenues (expenses)	-	-	948,223
Residual equity transfers out	7,800	-	-
Net cash provided (used) by noncapital financing activities	7,800	-	845,426
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(327,914)	-	-
Acquisition of other assets	-	-	-
Proceeds from sale of capital assets	110,446	-	-
Proceeds from sale of other assets	-	-	-
Principal paid on revenue bonds	-	-	-
Principal paid on other debt	-	-	-
Interest paid on revenue bonds and other debt	-	-	3,204
Net cash used for capital and related financing activities	(217,468)	-	3,204
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment purchases	-	-	-
Investment sales/maturities	(816,683)	129,581	(1,166,853)
Interest on investments	25,184	9,645	45,714
Net cash provided (used) in investing activities	(791,499)	139,226	(1,121,139)
Net increase (decrease) in cash and cash equivalents	(256,704)	(150,722)	(433,005)
Cash and cash equivalents-beginning of year	722,785	239,536	1,013,838
Cash and cash equivalents-end of year	$ 466,081	$ 88,814	$ 580,833

CITY OF REDMOND
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Fleet Maintenance	Insurance	Medical Self-Insurance
Cash at the end of the year consists of:			
Operating fund cash	466,081	88,814	580,833
Bond reserve cash	-	-	-
Customer deposits	-	-	-
Total cash at end of year	$ 466,081	$ 88,814	$ 580,833

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

Operating income (loss)	$ (397,854)	$ (114,717)	$ (177,219)
Adjustments to reconcile operating income to net cash provided by Operating activities:			
Depreciation and amortization	1,158,829	-	-
Decrease (increase) in accounts receivable	-	-	869
Decrease (increase) in inventory	2,066	-	-
Decrease (increase) in prepaid expenses	-	(195,484)	-
Increase in due from other governments	-	-	-
Decrease (increase) in projects in progress	-	-	-
Increase (decrease) in accounts payable	(21,343)	(9,106)	15,854
Increase (decrease) in employee wages payable	4,543	65	-
Increase (decrease) in compensated absences payable	(1,778)	5,201	-
Increase (decrease) in due to other governments	-	-	-
Increase (decrease) in customer deposits payable	-	-	-
Reclassify other income	-	-	-
Increase (decrease) in unearned revenues	-	24,093	-
Net cash provided by operating activities	$ 744,463	$ (289,948)	$ (160,496)

See accompanying notes to the financial statements.

CITY OF REDMOND
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Workman's Compensation	Information Technology	Redmond Community Properties	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 899,955	$ 3,682,833	$ 1,000,774	$ 17,716,122
Cash received for replacement	-	-	-	-
Cash received from interest	-	-	-	-
Cash received from prior period overpayment	-	-	-	-
Cash payments to suppliers	(299,402)	(4,172,681)	(562,786)	(7,614,676)
Cash payments to employees	(495,716)	(247,639)	-	(10,026,182)
Cash payments to other governments	-	-	-	-
Internal activity - payments to other funds	-	-	-	-
Other operating receipts	-	-	-	-
Other operating payments	-	-	-	24,093
Net cash provided by operating activities	104,837	(737,487)	437,988	99,357
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Non-Operating transfers out	-	-	-	(102,797)
Dividends	-	-	-	-
Employee insurance premium contributions	-	-	-	-
Grants	-	-	-	-
Interfund loan repayment	-	-	-	-
Contributed capital	-	-	-	-
Other non-operating revenues (expenses)	-	-	-	948,223
Residual equity transfers out	-	-	-	7,800
Net cash provided (used) by noncapital financing activities	-	-	-	853,226
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(205,551)	-	(533,465)
Acquisition of other assets	-	-	-	-
Proceeds from sale of capital assets	-	-	-	110,446
Proceeds from sale of other assets	-		-	-
Principal paid on revenue bonds	-	-	-	-
Principal paid on other debt	-	-	-	-
Interest paid on revenue bonds and other debt	856,734	-	-	859,938
Net cash used for capital and related financing activities	856,734	(205,551)	-	436,919
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment purchases	-	-	-	-
Investment sales/maturities	(1,040,883)	-	-	(2,894,838)
Interest on investments	6,366	-	(783)	86,126
Net cash provided (used) in investing activities	(1,034,517)	-	(783)	(2,808,712)
Net increase in cash and cash equivalents	(72,946)	(943,038)	437,205	(1,419,210)
Cash and cash equivalents-beginning of year	166,931	3,249,345	435,250	5,827,685
Cash and cash equivalents-end of year	$ 93,985	$ 2,306,307	$ 872,455	$ 4,408,475

CITY OF REDMOND
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Workman's Compensation	Information Technology	Redmond Community Properties	Total
Cash at the end of the year consists of:				
Operating fund cash	93,985	2,306,307	872,455	4,408,475
Bond reserve cash	-	-	-	-
Customer deposits	-	-	-	-
Total cash at end of year	$ 93,985	$ 2,306,307	$ 872,455	$ 4,408,475

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

Operating income (loss)	$ 62,277	$ (1,089,430)	$ 84,804	$ (1,632,139)
Adjustments to reconcile operating income to net cash provided by Operating activities:				
Depreciation and amortization	-	20,381	-	1,179,210
Decrease (increase) in accounts receivable	-	-	-	869
Decrease (increase) in inventory	-	-	-	2,066
Decrease (increase) in prepaid expenses	-	242,929	29,236	76,681
Increase in due from other governments	-	-	-	-
Decrease (increase) in projects in progress	-	-	-	-
Increase (decrease) in accounts payable	26,788	44,074	855	57,122
Increase (decrease) in employee wages payable	2,384	27,866	-	34,858
Increase (decrease) in compensated absences payable	13,388	16,693	-	33,504
Increase (decrease) in due to other governments	-	-	-	-
Increase (decrease) in customer deposits payable	-	-	-	-
Reclassify other income	-	-	-	-
Increase (decrease) in unearned revenues	-	-	323,093	347,186
Net cash provided (used) by operating activities	$ 104,837	$ (737,487)	$ 437,988	$ 99,357

Noncash investing, capital and financing activities:	
Other funds of the city transferred vehicles valued at	$ 7,800
The fair value of investments in the Fleet Maintenance Fund increased by	(5,241)
The fair value of investments in the Insurance Fund increased by	(1,367)
The fair value of investments in the Medical Self-Insurance Fund increased by	8,943
The fair value of investments in the Workman's Compensation Fund increased by	(1,457)

See accompanying notes to the financial statements.