

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 workers compensation self-insurance program.

The Information Technology Fund accounts for the costs of information technology implementation, management, and support for all City departments.

The Redmond Community Properties (RCP) Fund reports the operating activities of a blended component unit of the City, the Redmond Public Corporation. This fund accounts for the monthly maintenance expenses of City Hall and the asset management fees paid to RCP.

CITY OF REDMOND

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
December 31, 2006

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ASSETS	Fleet Maintenance	Insurance	Medical Self-Insurance
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 376,249	\$ 31,957	\$ 288,393
Investments	4,241,025	368,664	2,894,845
Receivables:			
Accounts and Contracts			
Interest	61,156	5,316	41,077
Inventory	27,497	-	-
Prepaid insurance	-	322,939	-
Restricted assets:			
Deposits	-	1,576	197
Total current assets	<u>4,705,927</u>	<u>730,452</u>	<u>3,222,512</u>
Noncurrent assets:			
Land	584,292	-	-
Buildings	510,196	-	-
Improvements other than buildings	248,876	-	-
Equipment	8,987,696	-	-
Less accumulated depreciation	(6,013,892)	-	-
Total noncurrent assets	<u>4,317,168</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 9,023,095</u>	<u>\$ 730,452</u>	<u>\$ 3,222,512</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 82,392	\$ 16,854	\$ 995,603
Employee wages payable	15,638	11,778	163
Compensated absences	25,750	22,375	-
Customer deposits payable	-	1,576	197
Unearned Revenues	-	-	-
Total current liabilities	<u>123,780</u>	<u>52,583</u>	<u>995,963</u>
Noncurrent liabilities:			
Compensated absences	6,438	5,594	-
Total noncurrent liabilities	<u>6,438</u>	<u>5,594</u>	<u>-</u>
Total Liabilities	<u>130,218</u>	<u>58,177</u>	<u>995,963</u>
NET ASSETS			
Invested in capital assets, net of related debt	4,317,168	-	-
Unrestricted	4,575,709	672,275	2,226,549
Total Net Assets	<u>\$ 8,892,877</u>	<u>\$ 672,275</u>	<u>\$ 2,226,549</u>

Workman's Compensation	Information Technology	Redmond Community Properties	Total
\$ 10,909	\$ 417,467	\$ 130,317	\$ 1,253,292
113,713	-	-	7,618,247
		61,619	61,619
664	-	-	108,213
-	-	-	27,497
-	-	39,006	361,945
		-	1,773
<u>125,286</u>	<u>417,467</u>	<u>230,942</u>	<u>9,432,586</u>
-	-	-	584,292
-	109,298	-	619,494
-	8,107	-	256,983
-	142,063	-	9,129,759
-	(63,606)	-	(6,077,498)
-	195,862	-	4,513,030
\$ <u>125,286</u>	\$ <u>613,329</u>	\$ <u>230,942</u>	\$ <u>13,945,616</u>
\$ 79,538	\$ 30,653	\$ 51,945	\$ 1,256,985
-	69,014	16,066	112,659
-	87,804	-	135,929
-	-	-	1,773
-	-	90,643	90,643
<u>79,538</u>	<u>187,471</u>	<u>158,654</u>	<u>1,597,989</u>
-	21,952	-	33,984
-	21,952	-	33,984
<u>79,538</u>	<u>209,423</u>	<u>158,654</u>	<u>1,631,973</u>
-	195,862	-	4,513,030
45,748	208,044	72,288	7,800,613
\$ <u>45,748</u>	\$ <u>403,906</u>	\$ <u>72,288</u>	\$ <u>12,313,643</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 For the year ended December 31, 2006

	Fleet Maintenance	Insurance	Medical Self-Insurance
Operating revenues:			
Charges for services	\$ 255,777	\$ -	\$ -
Charges for replacement	1,501,574	-	-
Charges for insurance	-	1,104,309	5,791,117
Total Operating Revenues	1,757,351	1,104,309	5,791,117
Operating expenses:			
Administrative and general	855,939	961,511	5,603,663
Maintenance and operations	-	-	-
Supplies	396,309	430	1,378
Depreciation and amortization	824,398	-	-
Total Operating Expenses	2,076,646	961,941	5,605,041
Operating income (loss)	(319,295)	142,368	186,076
Nonoperating revenues (expenses):			
Interest and investment revenue	216,865	21,460	136,349
Gain on sale of capital assets	56,121	-	-
Miscellaneous	2,701	-	619,936
Total nonoperating revenues (expenses)	275,687	21,460	756,285
Income (loss) before contributions and transfers	(43,608)	163,828	942,361
Transfers in	93,977	-	-
Transfers out	-	-	(38,155)
Change in net assets	50,369	163,828	904,206
Total net assets - beginning	8,842,508	508,447	1,322,343
Total net assets - ending	\$ 8,892,877	\$ 672,275	\$ 2,226,549

Workman's Compensation	Information Technology	Redmond Community Properties	Total
\$ -	\$ 2,738,295	\$ 996,145	\$ 3,990,217
-	-	-	1,501,574
<u>774,311</u>	<u>-</u>	<u>-</u>	<u>7,669,737</u>
<u>774,311</u>	<u>2,738,295</u>	<u>996,145</u>	<u>13,161,528</u>
665,720	2,688,438	545,087	11,320,358
-	-	378,770	378,770
-	106,288	-	504,405
-	<u>14,978</u>	<u>-</u>	<u>839,376</u>
<u>665,720</u>	<u>2,809,704</u>	<u>923,857</u>	<u>13,042,909</u>
<u>108,591</u>	<u>(71,409)</u>	<u>72,288</u>	<u>118,619</u>
2,398	-	-	377,072
-	-	-	56,121
-	<u>55,000</u>	<u>-</u>	<u>677,637</u>
<u>2,398</u>	<u>55,000</u>	<u>-</u>	<u>1,110,830</u>
<u>110,989</u>	<u>(16,409)</u>	<u>72,288</u>	<u>1,229,449</u>
-	-	-	93,977
-	-	-	<u>(38,155)</u>
<u>110,989</u>	<u>(16,409)</u>	<u>72,288</u>	<u>1,285,271</u>
<u>(65,241)</u>	<u>420,315</u>	<u>-</u>	<u>11,028,372</u>
<u>\$ 45,748</u>	<u>\$ 403,906</u>	<u>\$ 72,288</u>	<u>\$ 12,313,643</u>

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2006**

	Fleet Maintenance	Insurance	Medical Self-Insurance
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 255,777	\$ 1,104,309	\$ 5,791,117
Cash received for replacement	1,501,574	-	-
Cash payments to suppliers	(354,857)	(712,707)	(5,516,532)
Cash payments to employees	(633,427)	(211,353)	163
Internal activity - payments to other funds	(239,114)	(22,419)	(1,010)
Other operating receipts	-	-	619,935
Other operating payments	-	(198,552)	-
Net cash provided (used) by operating activities	<u>529,953</u>	<u>(40,722)</u>	<u>893,673</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	-	-	(38,155)
Net cash used by noncapital financing activities	<u>-</u>	<u>-</u>	<u>(38,155)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,609,936)	-	-
Proceeds from sale of capital assets	73,700	-	-
Proceeds from sale of other assets	2,701	-	-
Net cash used for capital and related financing activities	<u>(1,533,535)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment purchases	-	-	(777,013)
Investment sales/maturities	762,543	18,554	-
Interest on investments	204,756	19,521	115,771
Net cash provided (used) in investing activities	<u>967,299</u>	<u>38,075</u>	<u>(661,242)</u>
Net increase (decrease) in cash and cash equivalents	(36,283)	(2,647)	194,276
Cash and cash equivalents-beginning of year	412,532	36,180	92,314
Cash and cash equivalents-end of year	<u>\$ 376,249</u>	<u>\$ 33,533</u>	<u>\$ 286,590</u>
Cash at the end of the year consists of:			
Operating fund cash	\$ 376,249	\$ 31,957	\$ 286,393
Customer deposits	-	1,576	197
Total cash at end of year	<u>\$ 376,249</u>	<u>\$ 33,533</u>	<u>\$ 286,590</u>

Workman's Compensation	Information Technology	Redmond Community Properties	Total
\$ 774,311	\$ 2,738,295	\$ 986,163	\$ 11,649,972
-	-	-	1,501,574
(683,160)	(796,823)	(635,288)	(8,699,367)
-	(1,785,861)	(220,558)	(2,851,036)
-	(220,522)	-	(483,065)
-	55,000	-	674,935
-	-	-	(198,552)
<u>91,151</u>	<u>(9,911)</u>	<u>130,317</u>	<u>1,594,461</u>
-	-	-	(38,155)
-	-	-	(38,155)
-	(60,719)	-	(1,670,655)
-	-	-	73,700
-	-	-	2,701
-	(60,719)	-	(1,594,254)
(113,713)	-	-	(890,726)
-	-	-	781,097
1,734	-	-	341,782
<u>(111,979)</u>	<u>-</u>	<u>-</u>	<u>232,153</u>
(20,828)	(70,630)	130,317	194,205
31,737	488,097	-	1,060,860
<u>\$ 10,909</u>	<u>\$ 417,467</u>	<u>\$ 130,317</u>	<u>\$ 1,255,065</u>
\$ 10,909	\$ 417,467	\$ 130,317	\$ 1,253,292
-	-	-	1,773
<u>\$ 10,909</u>	<u>\$ 417,467</u>	<u>\$ 130,317</u>	<u>\$ 1,255,065</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2006

	Fleet Maintenance	Insurance	Medical Self-Insurance
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (319,295)	\$ 142,368	\$ 186,076
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	824,398	-	-
Increase in accounts receivable	-	-	-
Decrease in inventory	(460)	-	-
Increase in prepaid expenses	-	(198,552)	-
Increase (decrease) in accounts payable	41,912	9,764	87,498
Increase (decrease) in employee wages payable	(17,441)	830	163
Increase in compensated absences	839	4,868	-
Increase (decrease) in customer deposits payable	-	-	-
Reclassify other income	-	-	619,936
Increase in deferred revenue	-	-	-
Net cash provided (used) by operating activities	<u>\$ 529,953</u>	<u>\$ (40,722)</u>	<u>\$ 893,673</u>

	Workman's Compensation		Information Technology		Redmond Community Properties		Total
\$	108,591	\$	(71,409)	\$	72,288	\$	118,619
	-		14,978		-		839,376
	-		-		(61,619)		(61,619)
	-		-		-		(460)
	-		-		(39,006)		(237,558)
	(17,440)		(10,441)		51,945		163,238
	-		(1,680)		16,066		(2,062)
	-		3,641		-		9,348
	-		-		-		-
	-		55,000		-		674,936
	-		-		90,643		90,643
\$	<u>91,151</u>	\$	<u>(9,911)</u>	\$	<u>130,317</u>	\$	<u>1,594,461</u>

Noncash investing, capital and financing activities:

Other funds of the city transferred vehicles valued at	\$	93,977
The fair value of investments in the Fleet Maintenance Fund increased by		19,254
The fair value of investments in the Insurance Fund increased by		1,674
The fair value of investments in the Medical Self-Insurance Fund increased by		13,142
The fair value of investments in the Workman's Compensation Fund increased by		516