CITY OF REDMOND BALANCE SHEET GOVERNMENTAL FUNDS

December 31, 2012

		General		Capital Improvements Program Fund		Other Governmental Funds	_	Governmental Funds Total
ASSETS								
Cash and cash equivalents	\$	9,038,397	\$	8,894,012	\$	1,891,604	\$	19,824,013
Cash with outside agency		-		-		10,000		10,000
Investments		26,014,464		21,408,119		4,926,542		52,349,125
Receivables:								-
Taxes		5,183,299		-		476,083		5,659,382
Accounts		205,884		46,553		39,416		291,853
Interest		256,342		106,996		24,623		387,961
Due from other funds		452,513		-		-		452,513
Due from other governments		2,643,982		270,961		1,140,426		4,055,369
Prepayments		-		104,166		-		104,166
Restricted assets:		4 400 440		00.000		10.150		4 4 4 4 005
Deposit investments	•	4,102,418	Φ	28,688	Φ	10,159	φ-	4,141,265
Total Assets	\$	47,897,299	\$	30,859,495	\$	8,518,853	\$	87,275,647
LIABILITIES AND FUND BALANCES Liabilities:								
Accounts/claims payable	\$	3,024,873	\$	1,208,188	\$	298,804	\$	4,531,865
Employee wages payable		663,911		16,445		46,848		727,204
Due to other funds		-		-		452,513		452,513
Due to other governments		464,444		-				464,444
Payable from restricted assets:								
Deposits payable		4,102,418		28,688		10,159		4,141,265
Unearned revenues		611,744		-		-		611,744
Unapplied King County receipts		228,358					_	228,358
Total Liabilities		9,095,748		1,253,321		808,324	_	11,157,393
5 11 1 (11 (22)								
Fund balances: (Note 20)				404.400				404400
Non-spendable		-		104,166		-		104,166
Spendable: Restricted		7 006 746		0.967.900		6 006 067		22 064 522
Committed		7,086,746 8,265,882		9,867,809		6,906,967		23,861,522 8,265,882
Assigned		11,471,854		19,634,199		803,562		31,909,615
Unassigned		11,977,069		19,054,199		003,302		11,977,069
Total Fund Balances		38,801,551		29,606,174		7,710,529	-	76,118,254
Total Liabilities and Fund Balances	\$	47,897,299	\$	30,859,495	\$	8,518,853	-	70,110,204
Total Elabilities and Fana Balances	Ψ	17,007,200	Ψ	00,000,100	Ψ	0,010,000		
Amounts reported for governmental a Capital assets used in governmenta and therefore not reported in the fu	l activi				fere	ent because:		343,599,838
Internal service funds are used by m insurance, information services, an liabilities of these internal service for Statement of Net Position.	d fleet	t maintenance, to i	ndiv	idual funds. The a	sse			19,907,631
Some liabilities, including bonds,load and payable in the current period a		•						(79,436,272)
Net position of governmental activities	S						\$	360,189,451

CITY OF REDMOND STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2012

	,	General Fund		Capital Improvements Program Fund	·	Other Governmental Funds	_	Total Governmental Funds
REVENUES								
Taxes	\$	58,095,412	\$	1,135,475	\$	4,323,959	\$	63,554,846
Licenses and permits		7,508,861		-		-		7,508,861
Contributions from property owners		274,976		628,607		82,889		986,472
Intergovernmental		12,220,618		1,559,628		6,219,178		19,999,424
Charges for services		4,654,118		5,657,889		2,733,592		13,045,599
Fines and forfeitures		1,952,190		-		-		1,952,190
Investment income		163,513		366,411		(15,442)		514,482
Miscellaneous		389,594		203,159		323,939	_	916,692
Total Revenues		85,259,282		9,551,169		13,668,115	-	108,478,566
EXPENDITURES								
Current:								
General government		14,947,676		=		-		14,947,676
Security of persons and property		38,394,493		-		5,731,241		44,125,734
Physical environment		2,423,066		-		675,247		3,098,313
Transportation		7,721,935		-		1,236,327		8,958,262
Economic environment		4,586,703		-		243,644		4,830,347
Culture and recreation		8,834,495		-		2,324,370		11,158,865
Capital outlay		794,452		16,569,786		105,808		17,470,046
Debt service:								
Principal		-		1,392,457		3,562,375		4,954,832
Interest and debt issue costs		-		1,776,504		147,916	-	1,924,420
Total Expenditures	•	77,702,820		19,738,747		14,026,928	-	111,468,495
Excess (deficiency) of revenues								
Over (under) expenditures		7,556,462	•	(10,187,578)		(358,813)	-	(2,989,929)
OTHER FINANCING SOURCES (USES)								
Bond/loan proceeds		_		1,794,564		-		1,794,564
Disposition of capital assets		52,613		-		-		52,613
Transfers in (Note 11)		5,506,743		8,414,123		4,170,673		18,091,539
Transfers out (Note 11)		(8,247,622)		(6,110,043)		(4,186,800)		(18,544,465)
Total other financing sources and uses	•	(2,688,266)	•	4,098,644		(16,127)	-	1,394,251
Net change in fund balances	į	4,868,196		(6,088,934)		(374,940)	-	(1,595,678)
-			1		•	· · · · ·	-	<u> </u>
Fund balances-beginning		33,933,355		35,695,108		8,085,469		77,713,932
Fund balances-ending	\$	38,801,551	\$	29,606,174	\$	7,710,529	\$	76,118,254

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, 2012

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

Net change in fund balances-total governmental funds.	\$ (1,595,678)
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 \$17,470,046 exceeded depreciation of \$8,870,920 and new assets of \$900,260 in the	
current period.	8,599,125
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 8)	(1,212,403)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (Note 3)	607,727
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 position. (Note 3)	1,757,893
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	1,207,329
reported with governmental activities. 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)	(797,825)
Change in net position of governmental activities.	\$ 8,566,168

CITY OF REDMOND STATEMENT OF NET POSITION PROPRIETARY FUNDS December 31, 2012

Page 1 of 2

	Business-type Activities Enterprise Funds						Governmental Activities		
		Water/		UPD Water/		Stormwater			Internal
		Wastewater		Wastewater	_	Management		Totals	Service Funds
ASSETS									
Current assets:									
Cash and cash equivalents	\$	2,338,455 \$	5	3,151,894	\$	8,389,231	\$	13,879,580 \$	5,493,843
Investments		12,442,356		8,919,703		19,618,474		40,980,533	10,327,612
Accounts and contracts receivable		2,636,478		472,128		957,589		4,066,195	-
Interest receivable		62,187		44,581		98,053		204,821	64,347
Due from other Governments		15,717		-		1,097,539		1,113,256	-
Inventory		44,097		-		-		44,097	61,906
Prepaid insurance		-		-		-		-	456,384
Restricted assets:									
Customer deposits:									
Cash and cash equivalents		163,255		158,250		7,268		328,773	-
Revenue bond reserve:									
Investments		1,175,500		-		-		1,175,500	-
Rate stabilization fund:									
Cash and cash equivalents		1,644,361		547,086		-		2,191,447	-
Total current assets	_	20,522,406	_	13,293,642	-	30,168,154	_	63,984,202	16,404,092
Noncurrent assets:									
Advance on service contract		105,035		4,357		-		109,392	-
Capital assets:									
Land		2,910,587		3,274,106		6,423,801		12,608,494	584,292
Buildings		25,377,864		11,031,564		738,100		37,147,528	619,494
Improvements other than buildings		159,464,626		60,334,213		60,941,006		280,739,845	337,411
Equipment		200,479		269,028		236,785		706,292	12,822,381
Construction in progress		707,553		92,474		7,779,051		8,579,078	-
Less accumulated depreciation		(42,470,246)		(11,766,905)		(11,917,995)		(66,155,146)	(8,751,831)
Total capital assets (net of depreciation)	_	146,190,863	_	63,234,480	-	64,200,748	_	273,626,091	5,611,747
Total noncurrent assets	_	146,295,898	_	63,238,837	-	64,200,748	_	273,735,483	5,611,747
Total assets	\$	166,818,304	\$	76,532,479	\$	94,368,902	\$	337,719,685 \$	22,015,839

15

CITY OF REDMOND STATEMENT OF NET POSITION PROPRIETARY FUNDS December 31, 2012

Page 2 of 2

	Business-type Activities Enterprise Funds								Governmental Activities
		Water/		UPD Water/		Stormwater			Internal
		Wastewater	_	Wastewater		Management		Totals	Service Funds
LIABILITIES									
Current liabilities:	_		_		_		_		
Accounts payable	\$	534,615	<u>\$</u>	587,865	\$	735,905	\$	1,858,385 \$	1,495,853
Employee wages payable		101,812		749		58,597		161,158	54,033
Compensated absences		221,356		-		197,999		419,355	182,513
Due to other governments		69		382		14,990		15,441	-
Unearned revenues		-		-		-		-	330,180
Current portion of reveune bonds payable		665,000		-		-		665,000	-
Accrued interest payable		36,591		-		-		36,591	-
Current liabilities payable from									
restricted assets:									
Customer deposits payable		163,255		158,250		7,268		328,773	
Total current liabilities		1,722,698		747,246		1,014,759		3,484,703	2,062,579
Noncurrent liabilities:									
Revenue bonds payable, net		8,943,264		-		-		8,943,264	-
Compensated absences		55,339		-		49,500		104,839	45,629
Total noncurrent liabilities		8,998,603	_	-		49,500		9,048,103	45,629
Total liabilities	_	10,721,301	_	747,246		1,064,259	_	12,532,806	2,108,208
NET POSITION									
Net investment in capital assets		136,582,599		63,234,480		64,200,748		264,017,827	5,611,747
Restricted for debt service		1,175,500		-		-		1,175,500	-
Restricted for rate stabilization		1,644,361		547,086		-		2,191,447	-
Unrestricted		16,694,543		12,003,667		29,103,895		57,802,105	14,295,884
Total net position	\$	156,097,003	\$	75,785,233	\$	93,304,643	\$	325,186,879 \$	19,907,631

CITY OF REDMOND STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended December 31, 2012

_		Governmental Activities-						
		Water/		UPD Water/		Stormwater		Internal
-		Wastewater	-	Wastewater		Management	Totals	Service Funds
Operating revenues:								
Charges for services	\$	18,352,114	\$	5,001,060	\$	11,117,216 \$	34,470,390 \$	15,466,190
Metro service	,	11,335,722	•	1,598,449	•	-	12,934,171	-
Charges for replacement		-		-		-	-	2,133,654
Charges for insurance		-		-		-	_	783,743
Total operating revenues	_	29,687,836	-	6,599,509		11,117,216	47,404,561	18,383,587
Operating expenses:								
Administrative and general		3,820,971		537,623		2,560,055	6,918,649	342,351
Purchased water		5,429,664		2,044,385		, , -	7,474,049	· -
Metro service		10,916,196		1,553,118		-	12,469,314	_
Supplies		-		-		-	-	271,074
Maintenance and operations		2,816,163		511,697		3,302,125	6,629,985	16,367,624
Taxes		1,745,349		144,961		216,932	2,107,242	-
Depreciation and amortization		3,668,413		1,329,425		1,170,308	6,168,146	899,341
Total operating expenses	-	28,396,756	-	6,121,209	•	7,249,420	41,767,385	17,880,390
Operating income (loss)	_	1,291,080	-	478,300		3,867,796	5,637,176	503,197
Nonoperating revenues (expenses):								
Interest and investment revenue		114,187		80,914		235,293	430,394	54,347
Grant income		79,454		-		1,114,401	1,193,855	-
Interest expense		(438,741)		-		-	(438,741)	-
Intergovernmental COBRA tax credit		-		-			-	-
Gain on sale of capital assets		-		-		-	-	64,909
Insurance recovery		-		-		-	-	108,382
Lease and other revenue		113,816		63,040		-	176,856	23,568
Total nonoperating revenues (expenses)		(131,284)		143,954	_	1,349,694	1,362,364	251,205
Income before contributions and transfers	; –	1,159,796	-	622,254	•	5,217,490	6,999,540	754,402
Capital contributions		6,924,927		680,125		1,844,170	9,449,222	-
Transfers in		-		-		-	-	528,777
Transfers out		-	_	-		-		(75,851)
Change in net position		8,084,723		1,302,379		7,061,660	16,448,762	1,207,328
Total net position - beginning, as				74 400 074		00 040 000	000 000 004	10 700 000
previously reported		148,104,484		74,482,854		86,242,983	308,830,321	18,700,303
Change in accounting principle (Note 19)	_	(92,204)	-	74 460 05 1		-	(92,204)	40.700.000
Total net position, as restated	φ -	148,012,280	φ-	74,482,854	φ.	86,242,983	308,738,117	18,700,303
Total net position - ending	\$ =	156,097,003	Φ.	75,785,233	Ф	93,304,643 \$	325,186,879 \$	19,907,631

CITY OF REDMOND STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended December 31, 2012

Page 1 of 2

		Business-type Enterprise			Governmental Activities-
	Water/	UPD Water/	Stormwater		Internal
	Wastewater	Wastewater	Management	Totals	Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 29,573,052 \$	6,243,696	\$ 11,149,265	\$ 46,966,013	\$ 18,383,587
Cash payments to suppliers	(20,697,815)	(4,145,978)	(2,107,034)	(26,950,827)	(4,627,701)
Cash payments to employees	(2,502,753)	(3,018)	(3,756,012)	(6,261,783)	(12,175,235)
Cash payments to other governments	(771,881)	(144,961)	(216,932)	(1,133,774)	-
Internal activity - payments to other funds	(973,467)	-	-	(973,467)	-
Other operating receipts	746	320,346	(602,045)	(280,953)	-
Other operating payments	-	-	-	-	25,129
Net cash provided (used) by operating activities	4,627,882	2,270,085	4,467,242	11,365,209	1,605,780
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVIT	TES				
Nonoperating transfers in	-	-	-	-	452,926
Grant proceeds	79,454	-	42,982	122,436	-
Other non-operating revenues (expenses)	108,755	63,041	-	171,796	171,731
Net cash provided by noncapital					
financing activities	188,209	63,041	42,982	294,232	624,657
CASH FLOWS FROM CAPITAL AND RELATED					
FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(3,793,436)	(63,013)	(5,839,612)	(9,696,061)	(851,297)
Proceeds from sale of other assets	5,060	-	-	5,060	-
Capital contributions	4,123,488	78,155	1,636,257	5,837,900	-
Bond/grant proceeds	-	-	1,071,419	1,071,419	-
Interest paid on revenue bonds	(464,990)	-	-	(464,990)	-
Principal paid on other debt	(640,000)	-	-	(640,000)	-
Interest paid on other debt	-	-	-	-	410,648
Net cash provided (used) for capital and					
related financing activities	(769,878)	15,142	(3,131,936)	(3,886,672)	(440,649)
CASH FLOWS FROM INVESTING ACTIVITIES					
Internal activity, net investment purchases	(2,569,035)	-	-	(2,569,035)	(1,568,856)
Internal activity, net investment sales/maturities	-	256,863	4,154,194	4,411,057	822,919
Interest on investments	112,438	125,860	316,959	555,257	41,517
Net cash provided (used) in investing activities	(2,456,597)	382,723	4,471,153	2,397,279	(704,420)
Net increase (decrease) in cash and cash equivalents	1,589,616	2,730,991	5,849,441	10,170,048	1,085,368
Cash and cash equivalents-beginning of year	2,556,455	1,126,239	2,547,058	6,229,752	4,408,475
Cash and cash equivalents-end of year	\$ 4,146,071 \$	3,857,230 \$	8,396,499	\$ 16,399,800	\$ 5,493,843

CITY OF REDMOND STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended December 31, 2012

Page 2 of 2

			Business-ty Enterpri	•				C	Sovernmental Activities-
	_	Water/	UPD Water/	-	Stormwater		-	_	Internal
Cook and sook assimplements	-	Wastewater	Wastewater	-	Management	_	Totals		Service Funds
Cash and cash equivalents	\$	2 220 <i>AEE</i>	2 151 904	Ф	0 200 221	Ф	12 970 E90	c	E 402 942
Operating fund cash Rate Stabilization Fund	Ф	2,338,455 \$ 1,644,361	3,151,894 547,086	\$	8,389,231	\$	13,879,580 2,191,447	\$	5,493,843
		1,644,361	,		7.000		, ,		-
Customer deposits	φ-		158,250	\$	7,268	φ-	328,773	φ-	- - -
Cash and cash equivalents-end of year	Φ=	4,146,071 \$	3,857,230	Φ_	8,396,499	\$ _	16,399,800	\$ <u></u>	5,493,843
Reconciliation of operating income to net cash provided I	ру оре	erating activities:							
Operating income (loss)	\$	1,291,080 \$	478,300	\$	3,867,796	\$	5,637,176	\$	503,197
Adjustments to reconcile operating									
income to net cash provided by									
operating activities:									
Depreciation and amortization		3,668,413	1,329,425		1,170,308		6,168,146		899,341
Decrease (increase) in accounts receivable		5,217	(382,063)		41,909		(334,937)		-
Decrease (increase) in inventory		4,306	-		-		4,306		(11,492)
Decrease (increase) in prepaid expenses		-	-		-		-		105,485
Decrease (increase) in due from other governments		677	319,964		(617,035)		(296,394)		-
Increase (decrease) in accounts payable		(207,254)	500,845		3,237		296,828		79,984
Increase (decrease) due to other governments		69	382		14,990		15,441		-
Increase (decrease) in employee wages payable Increase (decrease) in compensated absences		(22,185)	(2,460)		(12,894)		(37,539)		7,674
payable		7,559	(558)		8,791		15,792		(10,625)
Increase (decrease) in customer deposits payable		(120,000)	26,250		(9,860)		(103,610)		-
Increase (decrease) in unearned revenue		-	-		-		-		32,216
Net cash provided (used) by operating activities	\$	4,627,882 \$	2,270,085	\$	4,467,242	\$	11,365,209	\$	1,605,780
Noncash investing, capital and financing activities:									
Developers contributed infrastructure valued at	\$	2,801,439 \$	601,970	\$	207,913	\$	3,611,322	\$	_
Other funds of the city transferred vehicles valued at	Ψ	2,001,π00 ψ	-	Ψ	201,913	Ψ	5,011,322	Ψ	
Fair value of investments decreased by		(9,756)	(51,016)		(81,355)		(142,127)		(71,873)

CITY OF REDMOND STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of December 31, 2012

		Firemen's Pension Fund		Agency Funds
ASSETS	•	050.000	•	704.070
Cash and cash equivalents	\$	358,939	\$	731,376
Investments		845,493		293,256
Receivables:				
Accounts		-		7,688
Interest		4,226		
Total Assets		1,208,658		1,032,320
LIABILITIES				
Accounts payable	\$	300	\$	186,211
Due to other governments		-		5,703
Custodial		-		34,583
Trust account		-		805,823
Total Liabilities	<u> </u>	300		1,032,320
NET POSITION				
Held in trust for pension benefits	\$	1,208,358	\$	-

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the year ended December 31, 2012

		Firemen's Pension Fund
ADDITIONS		
Intergovernmental revenue	\$	127,251
Investment interest		5,283
Total additions	_	132,534
DEDUCTIONS		
Benefit payments		15,672
Administrative expenses		5,264
Total deductions	_	20,936
Change in net position		111,598
Net position-beginning		1,096,760
Net position-ending	\$	1,208,358