

**NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2003**

Enterprise Funds are established to account for organizations which are intended to be self-supporting through fees charged for services provided to the public.

King County has six nonmajor enterprises that use the accrual basis of accounting. A typical enterprise consists of an operating fund and construction subfund and may also include debt service or other reserve subfunds.

The Institutional Network (I-Net) Enterprise Fund (#00000453-0) - Accounts for the development and operations of the fiber-optic-based network which provides broadband internet connectivity to agencies across the county.

The King County International Airport Enterprise Fund (#00000429-0 and 338-0) - Accounts for the operations, maintenance, capital improvements, and expansion of the King County International Airport/Boeing Field. Its major revenues consist of property leases, airport user fees, fuel flowage fees, service charges, concessions, and short-term rental agreements.

The Radio Communications Services Enterprise Fund (#00000450-1, 347-2, and 347-3) - Accounts for the operation, maintenance, capital improvements, and expansion of the 800 MHz trunked radio system and other radio services. Initial funding of the infrastructure was through a property tax levy. Costs are recovered primarily through user fees, including charges for maintenance and future equipment replacement.

The Sewer Utility Enterprise Fund (#00000890-0 and 4801-0) - Collects assessments and pays principal and interest on sewer revenue bonds issued to pay the costs of sewerage general plan service area construction for the King County Utility Local Improvement District and the King County Sewer and Drainage District 4.

The Solid Waste Enterprise Fund (#00000404-0, 390-0, 381-0, 391-0, 383-0, and 104-0) - Accounts for the operations, maintenance, capital improvements, and expansion of the County's solid waste disposal facilities under the King County Solid Waste Division. The County operates seven solid waste transfer stations, two solid waste drop box stations, and two sanitary landfills. Operating revenues come primarily from tipping fees at the County's eleven active solid waste disposal sites. Bond proceeds fund most construction. Significant reserves are set aside to replace landfills, to provide for post-closure care and remediation costs, and to replace equipment.

The Stadium Enterprise Fund (#00000448-0 and 394-0) - Established to account for the operations, maintenance, and capital improvements to the King County Stadium (the Kingdome). Although the implosion and subsequent demolition of the Kingdome took place in 2000, the enterprise fund remains open pending final disposition of the Kingdome's remaining assets.

KING COUNTY, WASHINGTON
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2003
 (PAGE 1 OF 2)

	<u>TOTAL</u>	<u>I-NET</u>	<u>KING COUNTY INTERNATIONAL AIRPORT</u>	<u>RADIO COMMUNICATIONS</u>	<u>SEWER UTILITY</u>	<u>SOLID WASTE</u>	<u>STADIUM</u>
ASSETS							
Current assets							
Cash and cash equivalents	\$ 171,973,032	\$ 496,194	\$ 25,808,292	\$ 3,753,837	\$ 198,780	\$ 140,626,860	\$ 1,089,069
Accounts receivable	5,692,118	-	249,092	325,473	-	5,117,553	-
Estimated uncollectible accounts receivable	(67,805)	-	(11,463)	-	-	(56,342)	-
Notes and contracts receivable	858,043	-	767,581	90,462	-	-	-
Due from other funds	891,539	1,378	73,050	244,132	-	572,979	-
Due from other governments	605,232	43,451	-	-	-	561,781	-
Inventory of supplies	734,985	-	96,655	66,219	-	572,111	-
Total current assets	<u>180,687,144</u>	<u>541,023</u>	<u>26,983,207</u>	<u>4,480,123</u>	<u>198,780</u>	<u>147,394,942</u>	<u>1,089,069</u>
Capital assets							
Land	37,323,180	-	14,960,463	-	-	20,939,852	1,422,865
Buildings	46,154,973	-	24,526,066	279,641	-	20,615,970	733,296
Improvements other than buildings	118,611,287	-	23,889,860	-	-	94,721,427	-
Furniture, machinery and equipment	61,540,387	3,457,849	3,691,668	18,010,110	-	36,380,760	-
Accumulated depreciation	(129,429,145)	(1,578,637)	(26,576,171)	(11,268,861)	-	(89,272,180)	(733,296)
Work in progress	32,862,274	-	12,223,012	5,728,223	-	14,911,039	-
Total capital assets	<u>167,062,956</u>	<u>1,879,212</u>	<u>52,714,898</u>	<u>12,749,113</u>	<u>-0-</u>	<u>98,296,868</u>	<u>1,422,865</u>
TOTAL ASSETS	<u>347,750,100</u>	<u>2,420,235</u>	<u>79,698,105</u>	<u>17,229,236</u>	<u>198,780</u>	<u>245,691,810</u>	<u>2,511,934</u>

KING COUNTY, WASHINGTON
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2003
 (PAGE 2 OF 2)

	<u>TOTAL</u>	<u>I-NET</u>	<u>KING COUNTY INTERNATIONAL AIRPORT</u>	<u>RADIO COMMUNICATIONS</u>	<u>SEWER UTILITY</u>	<u>SOLID WASTE</u>	<u>STADIUM</u>
LIABILITIES							
Current liabilities							
Accounts payable	\$ 7,102,333	\$ 4,229	\$ 1,098,812	\$ 32,317	\$ -	\$ 5,966,975	\$ -
Claims and judgments payable	519,528	-	170,000	89,000	-	260,528	-
Due to other funds	4,979,717	-	2,628,989	496	-	1,350,232	1,000,000
Interest payable	332,704	-	30,174	-	-	302,530	-
Wages payable	1,291,706	24,334	124,197	18,082	-	1,125,093	-
Taxes payable	366,359	-	300,719	-	-	65,640	-
Unearned revenue	1,521,990	-	1,521,990	-	-	-	-
Obligations under reverse repurchase agreements	7,611,932	-	1,158,567	-	-	6,453,365	-
Revenue bonds payable	500	-	-	-	500	-	-
General obligation bonds payable	5,131,204	-	305,000	-	-	4,826,204	-
Total current liabilities	<u>28,857,973</u>	<u>28,563</u>	<u>7,338,448</u>	<u>139,895</u>	<u>500</u>	<u>20,350,567</u>	<u>1,000,000</u>
Long-term liabilities							
General obligation bonds payable	33,107,579	-	7,770,000	-	-	25,337,579	-
Deferred bond discount/refunding losses	(923,649)	-	-	-	-	(923,649)	-
Compensated absences payable	3,643,419	63,708	371,145	100,103	-	3,108,463	-
Customer deposits	791,918	356,960	364,236	70,722	-	-	-
Landfill closure and post-closure care liability	95,267,965	-	-	-	-	95,267,965	-
Total long-term liabilities	<u>131,887,232</u>	<u>420,668</u>	<u>8,505,381</u>	<u>170,825</u>	<u>-0-</u>	<u>122,790,358</u>	<u>-0-</u>
TOTAL LIABILITIES	<u>160,745,205</u>	<u>449,231</u>	<u>15,843,829</u>	<u>310,720</u>	<u>500</u>	<u>143,140,925</u>	<u>1,000,000</u>
NET ASSETS							
Invested in capital assets, net of related debt	129,747,822	1,879,212	44,639,898	12,749,113	-	69,056,734	1,422,865
Restricted	18,632,250	-	17,133,585	1,300,385	198,280	-	-
Unrestricted	38,624,823	91,792	2,080,793	2,869,018	-	33,494,151	89,069
TOTAL NET ASSETS	<u>\$ 187,004,895</u>	<u>\$ 1,971,004</u>	<u>\$ 63,854,276</u>	<u>\$ 16,918,516</u>	<u>\$ 198,280</u>	<u>\$ 102,550,885</u>	<u>\$ 1,511,934</u>

KING COUNTY, WASHINGTON
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003
 (PAGE 1 OF 2)

	TOTAL	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNICATIONS	SEWER UTILITY	SOLID WASTE	STADIUM
OPERATING REVENUES							
I-Net fees	\$ 1,059,286	\$ 1,059,286	\$ -	\$ -	\$ -	\$ -	\$ -
Radio services	4,096,607	-	-	4,096,607	-	-	-
Solid waste disposal charges	81,870,408	-	-	-	-	81,870,408	-
Airfield fees	1,302,112	-	1,302,112	-	-	-	-
Hangar, building, and site rentals and leases	7,048,746	-	7,048,746	-	-	-	-
Reimbursement for services to tenants	1,017,927	-	1,017,927	-	-	-	-
Miscellaneous	29,559	-	29,559	-	-	-	-
Total operating revenues	<u>96,424,645</u>	<u>1,059,286</u>	<u>9,398,344</u>	<u>4,096,607</u>	<u>-0-</u>	<u>81,870,408</u>	<u>-0-</u>
OPERATING EXPENSES							
Personal services	35,728,497	413,684	3,844,676	829,101	-	30,638,052	2,984
Materials and supplies	4,836,928	1,880	420,298	226,963	-	4,187,787	-
Contract services and other charges	15,759,659	465,659	1,062,065	220,241	-	14,011,694	-
Utilities	1,140,680	6,629	937,895	89,578	-	102,993	3,585
Internal services	13,911,983	247,679	3,922,974	404,759	-	9,328,571	8,000
Landfill closure and post-closure care	4,503,661	-	-	-	-	4,503,661	-
Depreciation	14,606,153	1,172,865	1,071,781	2,101,871	-	10,259,636	-
Total operating expenses	<u>90,487,561</u>	<u>2,308,396</u>	<u>11,259,689</u>	<u>3,872,513</u>	<u>-0-</u>	<u>73,032,394</u>	<u>14,569</u>
OPERATING INCOME (LOSS)	<u>5,937,084</u>	<u>(1,249,110)</u>	<u>(1,861,345)</u>	<u>224,094</u>	<u>-0-</u>	<u>8,838,014</u>	<u>(14,569)</u>

KING COUNTY, WASHINGTON
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003
 (PAGE 2 OF 2)

	TOTAL	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNICATIONS	SEWER UTILITY	SOLID WASTE	STADIUM
NONOPERATING REVENUES							
Interest earnings	\$ 2,542,858	\$ 9,630	\$ 379,182	\$ 42,647	\$ 5,300	\$ 2,073,367	\$ 32,732
DNR administration	2,669,077	-	-	-	-	2,669,077	-
Rental income	224,622	-	-	-	-	224,622	-
Miscellaneous	1,966	-	-	-	-	-	1,966
Total nonoperating revenues	<u>5,438,523</u>	<u>9,630</u>	<u>379,182</u>	<u>42,647</u>	<u>5,300</u>	<u>4,967,066</u>	<u>34,698</u>
NONOPERATING EXPENSES							
Interest	2,138,701	-	311,257	486	-	1,826,958	-
DNR administration	3,139,288	-	-	-	-	3,139,288	-
(Gain) Loss on disposal of capital assets	546,366	-	(7,138)	12,816	-	540,688	-
Total nonoperating expenses	<u>5,824,355</u>	<u>-0-</u>	<u>304,119</u>	<u>13,302</u>	<u>-0-</u>	<u>5,506,934</u>	<u>-0-</u>
Income (loss) before contributions and transfers	5,551,252	(1,239,480)	(1,786,282)	253,439	5,300	8,298,146	20,129
Capital Contributions	1,397,273	-	468,684	-	-	928,589	-
Transfers in	406,036	1,378	192,340	9,421	-	202,897	-
Transfers out	<u>(1,099,662)</u>	<u>-</u>	<u>(11,429)</u>	<u>-</u>	<u>-</u>	<u>(88,233)</u>	<u>(1,000,000)</u>
CHANGE IN NET ASSETS	6,254,899	(1,238,102)	(1,136,687)	262,860	5,300	9,341,399	(979,871)
NET ASSETS - JANUARY 1, 2003	<u>180,749,996</u>	<u>3,209,106</u>	<u>64,990,963</u>	<u>16,655,656</u>	<u>192,980</u>	<u>93,209,486</u>	<u>2,491,805</u>
NET ASSETS - DECEMBER 31, 2003	<u>\$ 187,004,895</u>	<u>\$ 1,971,004</u>	<u>\$ 63,854,276</u>	<u>\$ 16,918,516</u>	<u>\$ 198,280</u>	<u>\$ 102,550,885</u>	<u>\$ 1,511,934</u>

KING COUNTY, WASHINGTON
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003
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	TOTAL	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNICATIONS	SEWER UTILITY	SOLID WASTE	STADIUM
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from customers	\$ 98,080,455	\$ 1,524,348	\$ 11,459,505	\$ 3,883,680	\$ -	\$ 81,212,922	\$ -
Cash payments to suppliers for goods and services	(32,755,213)	(712,906)	(5,324,472)	(1,055,687)	-	(25,650,563)	(11,585)
Cash payments for employee services	(35,351,388)	(401,303)	(3,837,743)	(827,652)	-	(30,281,706)	(2,984)
Other receipts	2,895,665	-	-	-	-	2,893,699	1,966
Other payments	(3,139,288)	-	-	-	-	(3,139,288)	-
Net Cash Provided (Used) by Operating Activities	<u>29,730,231</u>	<u>410,139</u>	<u>2,297,290</u>	<u>2,000,341</u>	<u>-0-</u>	<u>25,035,064</u>	<u>(12,603)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers in	406,036	1,378	192,340	9,421	-	202,897	-
Transfers out	(99,662)	-	(11,429)	-	-	(88,233)	-
Net Cash Provided by Noncapital Financing Activities	<u>306,374</u>	<u>1,378</u>	<u>180,911</u>	<u>9,421</u>	<u>-0-</u>	<u>114,664</u>	<u>-0-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition of capital assets	(26,529,930)	(9,807)	(5,593,755)	(1,498,833)	-	(19,427,535)	-
Principal paid on general obligation bonds	(5,463,987)	-	(305,000)	-	-	(5,158,987)	-
Interest paid on general obligation bonds	(2,149,935)	-	(375,197)	-	-	(1,774,738)	-
Arbitrage earnings	(4,439)	-	(1,102)	-	-	-	(3,337)
Capital grants received	1,397,273	-	468,684	-	-	928,589	-
Proceeds from sale of capital assets	744,922	-	58,656	56,864	-	629,402	-
Landfill closure and post-closure care	(4,531,338)	-	-	-	-	(4,531,338)	-
Net Cash Used by Capital and Related Financing Activities	<u>(36,537,434)</u>	<u>(9,807)</u>	<u>(5,747,714)</u>	<u>(1,441,969)</u>	<u>-0-</u>	<u>(29,334,607)</u>	<u>(3,337)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Increase in allocation of pooled reverse repurchase agreements	4,995,458	-	690,484	-	-	4,304,974	-
Interest on investments (including unrealized gains/losses reported as cash and cash equivalent)	2,542,372	9,630	379,182	42,161	5,300	2,073,367	32,732
Loan collections	338,390	-	338,390	-	-	-	-
Net Cash Provided by Investing Activities	<u>7,876,220</u>	<u>9,630</u>	<u>1,408,056</u>	<u>42,161</u>	<u>5,300</u>	<u>6,378,341</u>	<u>32,732</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS							
	<u>1,375,391</u>	<u>411,340</u>	<u>(1,861,457)</u>	<u>609,954</u>	<u>5,300</u>	<u>2,193,462</u>	<u>16,792</u>
CASH AND CASH EQUIVALENTS - JANUARY 1, 2003	<u>170,597,641</u>	<u>84,854</u>	<u>27,669,749</u>	<u>3,143,883</u>	<u>193,480</u>	<u>138,433,398</u>	<u>1,072,277</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2003	<u>\$ 171,973,032</u>	<u>\$ 496,194</u>	<u>\$ 25,808,292</u>	<u>\$ 3,753,837</u>	<u>\$ 198,780</u>	<u>\$ 140,626,860</u>	<u>\$ 1,089,069</u>

KING COUNTY, WASHINGTON
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2003
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	<u>TOTAL</u>	<u>I-NET</u>	<u>KING COUNTY INTERNATIONAL AIRPORT</u>	<u>RADIO COMMUNICATIONS</u>	<u>SEWER UTILITY</u>	<u>SOLID WASTE</u>	<u>STADIUM</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating income (loss)	\$ 5,937,084	\$ (1,249,110)	\$ (1,861,345)	\$ 224,094	\$ -0-	\$ 8,838,014	\$ (14,569)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Depreciation	14,606,153	1,172,865	1,071,781	2,101,871	-	10,259,636	-
Landfill closure and post-closure care	4,503,661	-	-	-	-	4,503,661	-
Other nonoperating revenue/expense	(243,623)	-	-	-	-	(245,589)	1,966
Changes in assets - (increase) decrease							
Accounts receivable, net	(377,231)	-	103,635	(194,824)	-	(286,042)	-
Notes and contracts receivable	42,408	-	-	42,408	-	-	-
Due from other funds	(35,433)	27,932	(50,007)	(100,959)	-	87,601	-
Due from other governments	(257,054)	80,405	75,000	-	-	(412,459)	-
Inventory of supplies	5,184	-	4,229	453	-	502	-
Prepayments	7,740	7,740	-	-	-	-	-
Changes in liabilities - increase (decrease)							
Accounts payable	1,551,068	1,201	(10,248)	(203,600)	-	1,763,715	-
Due to other funds	2,343,485	(235)	2,561,530	(127)	-	(217,683)	-
Wages payable	(63,901)	(51,327)	6,612	(16,388)	-	(2,798)	-
Taxes payable	237,519	-	174,999	-	-	62,520	-
Unearned revenues	(11,823)	-	26,386	-	-	(38,209)	-
Compensated absences	441,010	63,708	321	17,837	-	359,144	-
Claims and judgments payable	519,528	-	170,000	89,000	-	260,528	-
Custodial accounts	153,745	-	-	-	-	153,745	-
Customer deposits	370,711	356,960	24,397	40,576	-	(51,222)	-
Total Adjustments	<u>23,793,147</u>	<u>1,659,249</u>	<u>4,158,635</u>	<u>1,776,247</u>	<u>-0-</u>	<u>16,197,050</u>	<u>1,966</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 29,730,231</u>	<u>\$ 410,139</u>	<u>\$ 2,297,290</u>	<u>\$ 2,000,341</u>	<u>\$ -0-</u>	<u>\$ 25,035,064</u>	<u>\$ (12,603)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:							
Contributions of capital assets from government	\$ 195,930	\$ -	\$ 192,340	\$ -	\$ -	\$ 3,590	\$ -

KING COUNTY, WASHINGTON
ENTERPRISE FUNDS
SCHEDULE OF ANNUAL BUDGETS AND EXPENDITURES (BUDGETARY BASIS) AND ENCUMBRANCES BY APPROPRIATION UNIT ^(a)
FOR THE YEAR ENDED DECEMBER 31, 2003

APPROPRIATION UNIT	BUDGET				ACTUAL		
	ORIGINAL	ADJUSTMENTS	FINAL	VARIANCE	TOTAL	2003 YEAR-END ENCUMBRANCES	EXPENDITURES
I-Net Operating Fund	\$ 947,858	\$ 207,962	\$ 1,155,820	\$ 134,444	\$ 1,021,376	\$ 7,111	\$ 1,014,265
King County International Airport							
Airport Operations	10,484,217	-	10,484,217	207,978	10,276,239	11,613	10,264,626
Airport Construction Transfers	600,000	-	600,000	-	600,000	-	600,000
Radio Communications Operating Fund	2,299,021	614,498	2,913,519	957,660	1,955,859	478,674	1,477,185
Sewer Utility Operating Fund	-	-	-	-	-	-	-
Solid Waste							
Solid Waste Operations	85,639,598	(403,682)	85,235,916	1,186,246	84,049,670	3,891,222	80,158,448
DNR Administration	5,045,031	-	5,045,031	3,323,862	1,721,169	-	1,721,169
Landfill Post-closure Maintenance	3,366,549	-	3,366,549	663,212	2,703,337	759,587	1,943,750
Stadium Operating Fund	-	1,027,998	1,027,998	13,247	1,014,751	-	1,014,751
Public Transportation							
Transit Operations	387,571,173	234,722	387,805,895	369,852	387,436,043	-	387,436,043
DOT Director's Office	4,392,835	-	4,392,835	31,445	4,361,390	-	4,361,390
Transit Revenue Vehicle Replacement	9,950,151	-	9,950,151	-	9,950,151	-	9,950,151
Water Quality							
Water Quality Operations	84,440,046	-	84,440,046	1,552,843	82,887,203	-	82,887,203
Water Quality Debt Service	103,214,000	-	103,214,000	13,234,127	89,979,873	-	89,979,873
Wastewater Treatment Reserve 108	5,027,000	-	5,027,000	5,027,000	-	-	-
Water Quality Construction Transfers	34,821,000	18,510,000	53,331,000	4,331,000	49,000,000	-	49,000,000
TOTAL OF ENTERPRISE ANNUAL BUDGETS	\$ 737,798,479	\$ 20,191,498	\$ 757,989,977	\$ 31,032,916	\$ 726,957,061	\$ 5,148,207	\$ 721,808,854

(a) The Schedule of Annual Budgets and Expenditures (Budgetary Basis) and Encumbrances by Appropriation Unit is presented in order to disclose budgeted and actual expenditures classified the same as, and at the same level of detail as, the legally adopted budget.

**INTERNAL SERVICE FUNDS
DECEMBER 31, 2003**

Construction and Facilities Management Fund (#00000551-0) – Accounts for custodial services, building maintenance, and CIP project management. The fund earns revenue by charging tenants of county buildings for facilities maintenance, renovation, and architectural services.

Employee Benefits Program Fund (#00000550-0) – Accounts for the activities of employee medical, dental, life insurance, and long-term disability benefit programs and will account for future modifications to existing benefits or additions of new employee benefits.

Financial Management Services Fund (#00000545-0) – Accounts for financial services, including accounting, treasury, contracts, and procurement services provided to King County and other contracting agencies.

Office of Information Resource Management Operating Fund (#00000547-0) – Accounts for the activities relating to the operations of the Office of Information Resource Management Division, including county-wide information technology strategic planning and project management oversight.

Information and Telecommunications Services Fund (#00000553-0) – The fund consists of two subfunds that account for data processing (#553-1) and telecommunications (#553-2) services provided to King County and other contracting agencies. The Data Processing Services subfund is responsible for data network, application development, data center operation, data base, internet access, help desk and broadband carrier transport (I-Net) services for King County and other contracting agencies. The Telecommunications Services subfund is responsible for managing desktop and wireless telephony services for all county agencies. This includes billing and inventory maintenance for telephone systems, management of calling card and long distance services, and providing consulting services on a time-available basis to county telephone users.

Insurance Fund (#00000552-0) – Accounts for the activities of the Office of Risk Management, which includes performing risk analysis, evaluating alternatives and purchasing insurance, adjusting claims, and recommending policies and practices to reduce potential liabilities and ensure the adequacy of insurance coverage for King County departments.

Geographic Information Systems Fund (#00000548-0) – Accounts for the activities required to operate, maintain, and enhance the automated geographic information systems that serve both King County agencies and external customers.

Motor Pool Equipment Rental Fund (#00000558-0) – Accounts for the purchase and maintenance of a fleet of vehicles for use by county agencies.

Printing/Graphic Arts Services Fund (#00000560-0) – Accounts for printing, graphic arts, and duplicating services.

Public Works Equipment Rental Fund (#00000557-0) – Accounts for the purchase and maintenance of equipment and materials primarily used by the Roads Division for road maintenance and repair.

Safety and Workers' Compensation Fund (#00000542-0) – Accounts for the administration of an employee safety and training program designed to provide a safe and healthful workplace, as required by the Washington Industrial Safety and Health Act of 1973, and accounts for King County's self-insured worker compensation system as certified under Title 51 Revised Code of Washington (RCW), Industrial Insurance Act.

Wastewater Equipment Rental Fund (#00000544-0) – Accounts for the purchase and maintenance of a fleet of equipment and vehicles for use by Wastewater Treatment Division and Water and Land Resources.

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2003
(PAGE 1 OF 3)

	TOTAL	CONSTRUCTION & FACILITIES MANAGEMENT	EMPLOYEE BENEFITS PROGRAM	FINANCIAL MANAGEMENT SERVICES	OFFICE OF INFORMATION RESOURCE MANAGEMENT
ASSETS					
Current assets					
Cash and cash equivalents	\$ 148,569,079	\$ 1,004,832	\$ 20,180,078	\$ 6,269,399	\$ 871,337
Investments	111,371	-	-	-	-
Accounts receivable	1,592,669	18,790	207,715	-	-
Estimated uncollectible accounts receivable	(12,669)	-	-	-	-
Interest receivable	316	-	-	-	-
Due from other funds	2,231,300	1,154,440	853	99,806	4,624
Due from other governments	417,453	-	-	44,308	-
Estimated uncollectible due from other governments	(25,720)	-	-	-	-
Inventory of supplies	1,350,557	170,075	-	-	-
Prepayments	5,350,633	-	122,000	-	-
Total current assets	159,584,989	2,348,137	20,510,646	6,413,513	875,961
Capital assets					
Improvements other than buildings	1,189,149	525,000	-	615,855	-
Accumulated depreciation	(509,216)	(184,500)	-	(287,910)	-
Rental equipment	62,715,335	-	-	-	-
Accumulated depreciation	(39,932,273)	-	-	-	-
Furniture, machinery and equipment	10,425,227	3,006,074	18,680	3,473,688	76,955
Accumulated depreciation	(6,838,891)	(1,510,375)	(15,920)	(2,525,515)	(29,106)
Data processing equipment	12,465,849	-	-	-	-
Accumulated depreciation	(9,040,642)	-	-	-	-
Telecommunication equipment	963,339	-	-	-	-
Accumulated depreciation	(804,875)	-	-	-	-
Work in progress	1,779,476	75,673	-	26,164	-
Total capital assets	32,412,478	1,911,872	2,760	1,302,282	47,849
TOTAL ASSETS	191,997,467	4,260,009	20,513,406	7,715,795	923,810
LIABILITIES					
Current liabilities					
Accounts payable	7,343,203	655,012	937,265	299,712	104,052
Claims and judgments payable	1,231,542	28,866	80,000	565,711	-
Estimated claim settlements	64,962,919	-	13,192,000	-	-
Due to other funds	3,931,876	707,357	25,775	277,569	17,354
Interest payable	77,533	11,220	-	-	-
Wages payable	1,990,316	681,128	137,833	416,241	34,122
Taxes payable	11,876	7,505	-	246	-
Unearned revenues	489,022	-	221,396	267,626	-
Obligations under reverse repurchase agreements	4,583,649	-	928,248	-	-
General obligation bonds payable	1,095,000	150,000	-	-	-
Assessments payable	14,895	14,895	-	-	-
Total current liabilities	85,731,831	2,255,983	15,522,517	1,827,105	155,528
Long-term liabilities					
General obligation bonds payable	3,250,000	1,055,000	-	-	-
Compensated absences payable	9,144,355	2,428,887	183,925	2,541,215	164,963
Assessments payable	104,270	104,270	-	-	-
Estimated claim settlements	6,715,292	-	-	-	-
Total long-term liabilities	19,213,917	3,588,157	183,925	2,541,215	164,963
TOTAL LIABILITIES	104,945,748	5,844,140	15,706,442	4,368,320	320,491
NET ASSETS					
Invested in capital assets, net of related debt	28,067,478	706,872	2,760	1,302,282	47,849
Unrestricted	58,984,241	(2,291,003)	4,804,204	2,045,193	555,470
TOTAL NET ASSETS	\$ 87,051,719	\$ (1,584,131)	\$ 4,806,964	\$ 3,347,475	\$ 603,319

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2003
(PAGE 2 OF 3)

	INFORMATION & TELECOMMUNICATIONS SERVICES	INSURANCE	GEOGRAPHIC INFORMATION SYSTEMS	MOTOR POOL EQUIPMENT RENTAL
ASSETS				
Current assets				
Cash and cash equivalents	\$ 8,215,998	\$ 75,708,637	\$ 663,009	\$ 10,986,813
Investments	-	-	-	-
Accounts receivable	99,489	669,632	993	-
Estimated uncollectible accounts receivable	(12,669)	-	-	-
Interest receivable	-	-	-	-
Due from other funds	241,454	58,915	91,138	72,538
Due from other governments	55,345	-	-	-
Estimated uncollectible due from other governments	(25,720)	-	-	-
Inventory of supplies	-	-	-	40,823
Prepayments	-	5,228,633	-	-
Total current assets	<u>8,573,897</u>	<u>81,665,817</u>	<u>755,140</u>	<u>11,100,174</u>
Capital assets				
Improvements other than buildings	-	-	-	38,721
Accumulated depreciation	-	-	-	(27,233)
Rental equipment	-	-	-	29,190,564
Accumulated depreciation	-	-	-	(18,749,611)
Furniture, machinery and equipment	559,004	88,695	487,932	508,728
Accumulated depreciation	(451,602)	(76,409)	(353,135)	(424,046)
Data processing equipment	12,465,849	-	-	-
Accumulated depreciation	(9,040,642)	-	-	-
Telecommunication equipment	963,339	-	-	-
Accumulated depreciation	(804,875)	-	-	-
Work in progress	1,677,639	-	-	-
Total capital assets	<u>5,368,712</u>	<u>12,286</u>	<u>134,797</u>	<u>10,537,123</u>
TOTAL ASSETS	<u>13,942,609</u>	<u>81,678,103</u>	<u>889,937</u>	<u>21,637,297</u>
LIABILITIES				
Current liabilities				
Accounts payable	2,218,235	290,741	4,062	93,365
Claims and judgments payable	367,274	59,691	-	-
Estimated claim settlements	-	41,697,981	-	-
Due to other funds	41,310	276,376	2,694	2,488,048
Interest payable	66,313	-	-	-
Wages payable	317,254	56,334	56,270	50,601
Taxes payable	3,616	-	509	-
Unearned revenues	-	-	-	-
Obligations under reverse repurchase agreements	-	3,655,401	-	-
General obligation bonds payable	945,000	-	-	-
Assessments payable	-	-	-	-
Total current liabilities	<u>3,959,002</u>	<u>46,036,524</u>	<u>63,535</u>	<u>2,632,014</u>
Long-term liabilities				
General obligation bonds payable	2,195,000	-	-	-
Compensated absences payable	2,096,718	142,838	217,116	158,722
Assessments payable	-	-	-	-
Estimated claim settlements	-	-	-	-
Total long-term liabilities	<u>4,291,718</u>	<u>142,838</u>	<u>217,116</u>	<u>158,722</u>
TOTAL LIABILITIES	<u>8,250,720</u>	<u>46,179,362</u>	<u>280,651</u>	<u>2,790,736</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,228,712	12,286	134,797	10,537,123
Unrestricted	3,463,177	35,486,455	474,489	8,309,438
TOTAL NET ASSETS	<u>\$ 5,691,889</u>	<u>\$ 35,498,741</u>	<u>\$ 609,286</u>	<u>\$ 18,846,561</u>

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2003
(PAGE 3 OF 3)

	PRINTING/ GRAPHIC ARTS SERVICES	PUBLIC WORKS EQUIPMENT RENTAL	SAFETY & WORKERS' COMPENSATION	WASTEWATER EQUIPMENT RENTAL
ASSETS				
Current assets				
Cash and cash equivalents	\$ 301,844	\$ 11,548,961	\$ 8,203,551	\$ 4,614,620
Investments	-	-	111,371	-
Accounts receivable	-	-	596,050	-
Estimated uncollectible accounts receivable	-	-	-	-
Interest receivable	-	-	316	-
Due from other funds	153,407	349,171	4,954	-
Due from other governments	-	-	317,800	-
Estimated uncollectible due from other governments	-	-	-	-
Inventory of supplies	-	1,137,976	-	1,683
Prepayments	-	-	-	-
Total current assets	<u>455,251</u>	<u>13,036,108</u>	<u>9,234,042</u>	<u>4,616,303</u>
Capital assets				
Improvements other than buildings	-	9,573	-	-
Accumulated depreciation	-	(9,573)	-	-
Rental equipment	-	24,006,072	-	9,518,699
Accumulated depreciation	-	(13,326,396)	-	(7,856,266)
Furniture, machinery and equipment	521,604	1,045,254	203,664	434,949
Accumulated depreciation	(293,483)	(858,660)	(137,342)	(163,298)
Data processing equipment	-	-	-	-
Accumulated depreciation	-	-	-	-
Telecommunication equipment	-	-	-	-
Accumulated depreciation	-	-	-	-
Work in progress	-	-	-	-
Total capital assets	<u>228,121</u>	<u>10,866,270</u>	<u>66,322</u>	<u>1,934,084</u>
TOTAL ASSETS	<u>683,372</u>	<u>23,902,378</u>	<u>9,300,364</u>	<u>6,550,387</u>
LIABILITIES				
Current liabilities				
Accounts payable	134,430	1,457,496	1,083,461	65,372
Claims and judgments payable	-	50,000	80,000	-
Estimated claim settlements	-	-	10,072,938	-
Due to other funds	436	21,869	31,484	41,604
Interest payable	-	-	-	-
Wages payable	31,096	140,489	68,948	-
Taxes payable	-	-	-	-
Unearned revenues	-	-	-	-
Obligations under reverse repurchase agreements	-	-	-	-
General obligation bonds payable	-	-	-	-
Assessments payable	-	-	-	-
Total current liabilities	<u>165,962</u>	<u>1,669,854</u>	<u>11,336,831</u>	<u>106,976</u>
Long-term liabilities				
General obligation bonds payable	-	-	-	-
Compensated absences payable	290,701	739,959	179,311	-
Assessments payable	-	-	-	-
Estimated claim settlements	-	-	6,715,292	-
Total long-term liabilities	<u>290,701</u>	<u>739,959</u>	<u>6,894,603</u>	<u>-0-</u>
TOTAL LIABILITIES	<u>456,663</u>	<u>2,409,813</u>	<u>18,231,434</u>	<u>106,976</u>
NET ASSETS				
Invested in capital assets, net of related debt	228,121	10,866,270	66,322	1,934,084
Unrestricted	(1,412)	10,626,295	(8,997,392)	4,509,327
TOTAL NET ASSETS	<u>\$ 226,709</u>	<u>\$ 21,492,565</u>	<u>\$ (8,931,070)</u>	<u>\$ 6,443,411</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003
(PAGE 1 OF 3)

	<u>TOTAL</u>	<u>CONSTRUCTION & FACILITIES MANAGEMENT</u>	<u>EMPLOYEE BENEFITS PROGRAM</u>	<u>FINANCIAL MANAGEMENT SERVICES</u>	<u>OFFICE OF INFORMATION RESOURCE MANAGEMENT</u>
OPERATING REVENUES					
Profit on stores sales					
Sales of stores and material	\$ 5,836,949	\$ -	\$ -	\$ -	\$ -
Cost of goods sold	<u>(4,957,454)</u>	-	-	-	-
Gross profit on stores sales	879,495	-	-	-	-
Data processing services - intracounty	20,502,406	-	-	-	-
Data processing services - other	511,161	-	-	-	-
Telecommunication services	1,895,478	-	-	-	-
Information resources management fees	1,225,892	-	-	-	1,225,892
Geographic information systems fees	2,805,486	-	-	-	-
Building operation and maintenance service fees	21,306,284	21,306,284	-	-	-
Architect/engineering/renovation service fees	8,348,385	8,348,385	-	-	-
Benefit program employer contributions	125,402,618	-	125,402,618	-	-
Benefit program employee fees	5,886,529	-	5,886,529	-	-
Financial services	23,218,233	-	-	23,218,233	-
Insurance services	20,727,560	-	-	-	-
Equipment rental fees	15,424,143	-	-	-	-
Garage shop services	250,104	-	-	-	-
Printing and duplication	3,269,730	-	-	-	-
Workers' compensation employer contributions	20,980,067	-	-	-	-
Miscellaneous	520,253	155,511	-	14,039	-
Total operating revenues	<u>273,153,824</u>	<u>29,810,180</u>	<u>131,289,147</u>	<u>23,232,272</u>	<u>1,225,892</u>
OPERATING EXPENSES					
Personal services	60,234,947	19,427,324	851,090	14,653,324	774,711
Materials and supplies	7,991,906	1,158,938	3,886	309,045	22,186
Contract services and other charges	177,852,189	8,505,230	125,777,593	3,074,075	120,408
Lease and maintenance of equipment	2,630,812	124,967	1,571	94,911	-
Internal services	17,459,996	3,187,954	238,395	5,987,524	137,083
Depreciation	7,594,253	199,413	6,259	329,234	12,594
Total operating expenses	<u>273,764,103</u>	<u>32,603,826</u>	<u>126,878,794</u>	<u>24,448,113</u>	<u>1,066,982</u>
OPERATING INCOME (LOSS)	<u>(610,279)</u>	<u>(2,793,646)</u>	<u>4,410,353</u>	<u>(1,215,841)</u>	<u>158,910</u>
NONOPERATING REVENUES					
Interest	3,228,175	73,761	456,951	716,440	22,732
NONOPERATING EXPENSES					
Interest	229,540	66,581	-	-	-
(Gain) loss on disposal of capital assets	37,030	(1,410)	17,057	402	(9,651)
Total nonoperating expenses	<u>266,570</u>	<u>65,171</u>	<u>17,057</u>	<u>402</u>	<u>(9,651)</u>
Income (loss) before contributions and transfers	2,351,326	(2,785,056)	4,850,247	(499,803)	191,293
Capital contributions	417,402	9,384	-	126,555	4,624
Transfers in	1,531,605	535,446	-	739	-
Transfers out	<u>(3,331,857)</u>	<u>(854,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	968,476	(3,094,226)	4,850,247	(372,509)	195,917
NET ASSETS - JANUARY 1, 2003	86,083,243	1,510,095	(43,283)	3,719,984	407,402
NET ASSETS - DECEMBER 31, 2003	<u>\$ 87,051,719</u>	<u>\$ (1,584,131)</u>	<u>\$ 4,806,964</u>	<u>\$ 3,347,475</u>	<u>\$ 603,319</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003
(PAGE 2 OF 3)

	INFORMATION & TELECOMMUNICATIONS SERVICES	INSURANCE	GEOGRAPHIC INFORMATION SYSTEMS	MOTOR POOL EQUIPMENT RENTAL
OPERATING REVENUES				
Profit on stores sales				
Sales of stores and material	\$ -	\$ -	\$ -	\$ 1,509,333
Cost of goods sold	-	-	-	(1,209,871)
Gross profit on stores sales	-	-	-	299,462
Data processing services - intracounty	20,502,406	-	-	-
Data processing services - other	511,161	-	-	-
Telecommunication services	1,895,478	-	-	-
Information resources management fees	-	-	-	-
Geographic information systems fees	-	-	2,805,486	-
Building operation and maintenance service fees	-	-	-	-
Architect/engineering/renovation service fees	-	-	-	-
Benefit program employer contributions	-	-	-	-
Benefit program employee fees	-	-	-	-
Financial services	-	-	-	-
Insurance services	-	20,727,560	-	-
Equipment rental fees	-	-	-	7,338,388
Garage shop services	-	-	-	29,280
Printing and duplication	-	-	-	-
Workers' compensation employer contributions	-	-	-	-
Miscellaneous	68,798	838	-	90,117
Total operating revenues	<u>22,977,843</u>	<u>20,728,398</u>	<u>2,805,486</u>	<u>7,757,247</u>
OPERATING EXPENSES				
Personal services	12,234,113	1,395,533	2,312,701	1,628,403
Materials and supplies	1,760,839	28,623	34,951	2,190,667
Contract services and other charges	3,919,464	17,251,928	96,699	146,228
Lease and maintenance of equipment	1,471,054	38,860	-	289,321
Internal services	2,612,444	1,633,629	269,588	730,622
Depreciation	1,123,626	4,355	43,569	3,301,430
Total operating expenses	<u>23,121,540</u>	<u>20,352,928</u>	<u>2,757,508</u>	<u>8,286,671</u>
OPERATING INCOME (LOSS)	<u>(143,697)</u>	<u>375,470</u>	<u>47,978</u>	<u>(529,424)</u>
NONOPERATING REVENUES				
Interest	-	1,151,389	-	293,149
NONOPERATING EXPENSES				
Interest	162,959	-	-	-
(Gain) loss on disposal of capital assets	73,555	(200)	360	5,133
Total nonoperating expenses	<u>236,514</u>	<u>(200)</u>	<u>360</u>	<u>5,133</u>
Income (loss) before contributions and transfers	(380,211)	1,527,059	47,618	(241,408)
Capital contributions	-	-	-	197,412
Transfers in	991,447	281	-	-
Transfers out	(675,184)	-	(2,673)	(1,800,000)
CHANGE IN NET ASSETS	<u>(63,948)</u>	<u>1,527,340</u>	<u>44,945</u>	<u>(1,843,996)</u>
NET ASSETS - JANUARY 1, 2003	<u>5,755,837</u>	<u>33,971,401</u>	<u>564,341</u>	<u>20,690,557</u>
NET ASSETS - DECEMBER 31, 2003	<u>\$ 5,691,889</u>	<u>\$ 35,498,741</u>	<u>\$ 609,286</u>	<u>\$ 18,846,561</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003
(PAGE 3 OF 3)

	PRINTING/ GRAPHIC ARTS SERVICES	PUBLIC WORKS EQUIPMENT RENTAL	SAFETY & WORKERS' COMPENSATION	WASTEWATER EQUIPMENT RENTAL
OPERATING REVENUES				
Profit on stores sales				
Sales of stores and material	\$ -	\$ 4,145,634	\$ -	\$ 181,982
Cost of goods sold	-	(3,577,995)	-	(169,588)
Gross profit on stores sales	-	567,639	-	12,394
Data processing services - intracounty	-	-	-	-
Data processing services - other	-	-	-	-
Telecommunication services	-	-	-	-
Information resources management fees	-	-	-	-
Geographic information systems fees	-	-	-	-
Building operation and maintenance service fees	-	-	-	-
Architect/engineering/renovation service fees	-	-	-	-
Benefit program employer contributions	-	-	-	-
Benefit program employee fees	-	-	-	-
Financial services	-	-	-	-
Insurance services	-	-	-	-
Equipment rental fees	-	6,459,930	-	1,625,825
Garage shop services	-	220,824	-	-
Printing and duplication	3,269,730	-	-	-
Workers' compensation employer contributions	-	-	20,980,067	-
Miscellaneous	11,292	179,264	-	394
Total operating revenues	<u>3,281,022</u>	<u>7,427,657</u>	<u>20,980,067</u>	<u>1,638,613</u>
OPERATING EXPENSES				
Personal services	1,283,946	2,545,043	2,939,441	189,318
Materials and supplies	484,106	1,769,501	57,376	171,788
Contract services and other charges	751,134	233,979	17,969,510	5,941
Lease and maintenance of equipment	376,357	126,187	82,968	24,616
Internal services	605,379	844,116	1,037,403	175,859
Depreciation	23,944	2,092,204	33,702	423,923
Total operating expenses	<u>3,524,866</u>	<u>7,611,030</u>	<u>22,120,400</u>	<u>991,445</u>
OPERATING INCOME (LOSS)	<u>(243,844)</u>	<u>(183,373)</u>	<u>(1,140,333)</u>	<u>647,168</u>
NONOPERATING REVENUES				
Interest	4,941	297,551	104,413	106,848
NONOPERATING EXPENSES				
Interest	-	-	-	-
(Gain) loss on disposal of capital assets	7,886	(16,850)	7,176	(46,428)
Total nonoperating expenses	<u>7,886</u>	<u>(16,850)</u>	<u>7,176</u>	<u>(46,428)</u>
Income (loss) before contributions and transfers	(246,789)	131,028	(1,043,096)	800,444
Capital contributions	-	79,427	-	-
Transfers in	-	-	3,692	-
Transfers out	-	-	-	-
CHANGE IN NET ASSETS	<u>(246,789)</u>	<u>210,455</u>	<u>(1,039,404)</u>	<u>800,444</u>
NET ASSETS - JANUARY 1, 2003	<u>473,498</u>	<u>21,282,110</u>	<u>(7,891,666)</u>	<u>5,642,967</u>
NET ASSETS - DECEMBER 31, 2003	<u>\$ 226,709</u>	<u>\$ 21,492,565</u>	<u>\$ (8,931,070)</u>	<u>\$ 6,443,411</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003
(PAGE 1 OF 3)

	TOTAL	CONSTRUCTION & FACILITIES MANAGEMENT	EMPLOYEE BENEFITS PROGRAM	FINANCIAL MANAGEMENT SERVICES	OFFICE OF INFORMATION RESOURCE MANAGEMENT
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from users	\$ 278,220,582	\$ 29,432,703	\$ 131,048,655	\$ 23,401,446	\$ 1,221,268
Cash payments to suppliers for goods and services	(205,973,847)	(13,117,763)	(123,733,163)	(8,861,585)	(199,446)
Cash payments for employee services	(59,398,222)	(19,068,885)	(945,074)	(14,290,935)	(746,335)
Other operating revenues	520,253	155,511	-	14,039	-
Net cash provided (used) by operating activities	<u>13,368,766</u>	<u>(2,598,434)</u>	<u>6,370,418</u>	<u>262,965</u>	<u>275,487</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	1,531,605	535,446	-	739	-
Transfers out	(3,331,857)	(854,000)	-	-	-
Net cash provided (used) by noncapital financing activities	<u>(1,800,252)</u>	<u>(318,554)</u>	<u>-0-</u>	<u>739</u>	<u>-0-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of assets	(9,864,696)	(90,542)	-	(279,641)	(10,398)
Principal paid on general obligation bonds	(1,165,000)	(135,000)	-	-	-
Interest paid on general obligation bonds	(243,957)	(57,957)	-	-	-
Principal paid on assessment	(14,895)	(14,895)	-	-	-
Interest paid on assessment	(10,725)	(10,725)	-	-	-
Proceeds from disposal of capital assets	783,500	1,410	296	-	-
Net cash provided (used) by capital and related financing activities	<u>(10,515,773)</u>	<u>(307,709)</u>	<u>296</u>	<u>(279,641)</u>	<u>(10,398)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Increase in allocation of pooled reverse repurchase agreement	3,250,958	-	928,248	-	-
Interest on investments (Including unrealized gains/ losses reported as cash and cash equivalents)	3,227,900	73,761	456,951	716,440	22,732
Net cash provided by investing activities	<u>6,478,858</u>	<u>73,761</u>	<u>1,385,199</u>	<u>716,440</u>	<u>22,732</u>
NET CASH INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,531,599	(3,150,936)	7,755,913	700,503	287,821
CASH AND CASH EQUIVALENTS - JANUARY 1, 2003	141,037,480	4,155,768	12,424,165	5,568,896	583,516
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2003	<u>\$ 148,569,079</u>	<u>\$ 1,004,832</u>	<u>\$ 20,180,078</u>	<u>\$ 6,269,399</u>	<u>\$ 871,337</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ (610,279)	\$ (2,793,646)	\$ 4,410,353	\$ (1,215,841)	\$ 158,910
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Depreciation	7,594,253	199,413	6,259	329,234	12,594
Change in assets - (increase) decrease					
Accounts receivable, net	128,904	(1,181)	128,151	-	-
Due from other funds	616,923	(217,911)	(853)	(79,017)	(4,624)
Due from other governments, net	(6,359)	-	-	(5,396)	-
Inventory of supplies	39,121	54,049	-	-	-
Prepayments	(1,211,656)	-	220,950	67,134	-
Change in liabilities - increase (decrease):					
Accounts payable	1,762,894	(277,371)	(55,190)	(262,741)	64,440
Claims and judgments payable	1,231,542	28,866	80,000	565,711	-
Estimated claim settlements	1,334,078	-	2,064,867	-	-
Due to other funds	1,771,560	55,067	(22,345)	233,890	15,791
Wages payable	(405,468)	(12,460)	28,539	(127,216)	(3,922)
Taxes payable	(879)	(34)	-	10	-
Unearned revenues	(104,289)	(4,125)	(367,790)	267,626	-
Compensated absences	1,242,193	370,899	(122,523)	489,605	32,298
Other liabilities	(13,772)	-	-	(34)	-
Total adjustments	<u>13,979,045</u>	<u>195,212</u>	<u>1,960,065</u>	<u>1,478,806</u>	<u>116,577</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 13,368,766	\$ (2,598,434)	\$ 6,370,418	\$ 262,965	\$ 275,487
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Contributions of capital assets from government	\$ 412,778	\$ 9,384	\$ -	\$ 126,555	\$ -

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003
(PAGE 2 OF 3)

	INFORMATION & TELECOMMUNICATIONS SERVICES	INSURANCE	GEOGRAPHIC INFORMATION SYSTEMS	MOTOR POOL EQUIPMENT RENTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from users	\$ 23,574,414	\$ 20,680,721	\$ 2,817,568	\$ 8,899,240
Cash payments to suppliers for goods and services	(9,455,648)	(21,789,934)	(436,280)	(2,180,745)
Cash payments for employee services	(12,307,638)	(1,323,093)	(2,314,875)	(1,597,690)
Other operating revenues	68,798	838	-	90,117
Net cash provided (used) by operating activities	<u>1,879,926</u>	<u>(2,431,468)</u>	<u>66,413</u>	<u>5,210,922</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	991,447	281	-	-
Transfers out	(675,184)	-	(2,673)	(1,800,000)
Net cash provided (used) by noncapital financing activities	<u>316,263</u>	<u>281</u>	<u>(2,673)</u>	<u>(1,800,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of assets	(777,665)	(14,066)	(107,949)	(4,689,097)
Principal paid on general obligation bonds	(1,030,000)	-	-	-
Interest paid on general obligation bonds	(186,000)	-	-	-
Principal paid on assessment	-	-	-	-
Interest paid on assessment	-	-	-	-
Proceeds from disposal of capital assets	-	200	-	414,946
Net cash provided (used) by capital and related financing activities	<u>(1,993,665)</u>	<u>(13,866)</u>	<u>(107,949)</u>	<u>(4,274,151)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Increase in allocation of pooled reverse repurchase agreement	-	2,453,188	-	-
Interest on investments (Including unrealized gains/ losses reported as cash and cash equivalents)	-	1,151,389	-	293,149
Net cash provided by investing activities	<u>-0-</u>	<u>3,604,577</u>	<u>-0-</u>	<u>293,149</u>
NET CASH INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	202,524	1,159,524	(44,209)	(570,080)
CASH AND CASH EQUIVALENTS - JANUARY 1, 2003	8,013,474	74,549,113	707,218	11,556,893
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2003	<u>\$ 8,215,998</u>	<u>\$ 75,708,637</u>	<u>\$ 663,009</u>	<u>\$ 10,986,813</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (143,697)	\$ 375,470	\$ 47,978	\$ (529,424)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Depreciation	1,123,626	4,355	43,569	3,301,430
Change in assets - (increase) decrease				
Accounts receivable, net	(5,369)	12,076	(993)	-
Due from other funds	678,574	(58,915)	13,075	22,239
Due from other governments, net	(963)	-	-	-
Inventory of supplies	-	-	-	9,085
Prepayments	-	(1,499,740)	-	-
Change in liabilities - increase (decrease):				
Accounts payable	1,026,013	(124,202)	(2,229)	(23,348)
Claims and judgments payable	367,274	59,691	-	-
Estimated claim settlements	-	(1,549,019)	-	-
Due to other funds	(1,076,969)	276,376	(33,258)	2,400,227
Wages payable	(256,546)	23,169	(49,447)	3,883
Taxes payable	(1,300)	-	445	-
Unearned revenues	-	-	-	-
Compensated absences	183,021	49,271	47,273	26,830
Other liabilities	(13,738)	-	-	-
Total adjustments	<u>2,023,623</u>	<u>(2,806,938)</u>	<u>18,435</u>	<u>5,740,346</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,879,926</u>	<u>\$ (2,431,468)</u>	<u>\$ 66,413</u>	<u>\$ 5,210,922</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Contributions of capital assets from government	\$ -	\$ -	\$ -	\$ 197,412

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003
(PAGE 3 OF 3)

	PRINTING/ GRAPHIC ARTS SERVICES	PUBLIC WORKS EQUIPMENT RENTAL	SAFETY & WORKERS' COMPENSATION	WASTEWATER EQUIPMENT RENTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from users	\$ 3,253,119	\$ 10,624,937	\$ 21,364,800	\$ 1,901,711
Cash payments to suppliers for goods and services	(2,144,384)	(5,507,373)	(18,032,226)	(515,300)
Cash payments for employee services	(1,290,375)	(2,401,767)	(2,922,237)	(189,318)
Other operating revenues	11,292	179,264	-	394
Net cash provided (used) by operating activities	<u>(170,348)</u>	<u>2,895,061</u>	<u>410,337</u>	<u>1,197,487</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	-	-	3,692	-
Transfers out	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-0-</u>	<u>-0-</u>	<u>3,692</u>	<u>-0-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of assets	(6,694)	(3,382,717)	-	(505,927)
Principal paid on general obligation bonds	-	-	-	-
Interest paid on general obligation bonds	-	-	-	-
Principal paid on assessment	-	-	-	-
Interest paid on assessment	-	-	-	-
Proceeds from disposal of capital assets	-	320,220	-	46,428
Net cash provided (used) by capital and related financing activities	<u>(6,694)</u>	<u>(3,062,497)</u>	<u>-0-</u>	<u>(459,499)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Increase in allocation of pooled reverse repurchase agreement	-	-	(130,478)	-
Interest on investments (including unrealized gains/losses reported as cash and cash equivalents)	4,941	297,551	104,138	106,848
Net cash provided by investing activities	<u>4,941</u>	<u>297,551</u>	<u>(26,340)</u>	<u>106,848</u>
NET CASH INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(172,101)	130,115	387,689	844,836
CASH AND CASH EQUIVALENTS - JANUARY 1, 2003	473,945	11,418,846	7,815,862	3,769,784
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2003	<u>\$ 301,844</u>	<u>\$ 11,548,961</u>	<u>\$ 8,203,551</u>	<u>\$ 4,614,620</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (243,844)	\$ (183,373)	\$ (1,140,333)	\$ 647,168
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Depreciation	23,944	2,092,204	33,702	423,923
Change in assets - (increase) decrease				
Accounts receivable, net	-	-	(3,780)	-
Due from other funds	(16,611)	(201,451)	388,513	93,904
Due from other governments, net	-	-	-	-
Inventory of supplies	-	(23,848)	-	(165)
Prepayments	-	-	-	-
Change in liabilities - increase (decrease):				
Accounts payable	72,156	1,063,066	226,061	56,239
Claims and judgments payable	-	50,000	80,000	-
Estimated claim settlements	-	-	818,230	-
Due to other funds	436	(44,813)	(9,260)	(23,582)
Wages payable	(26,797)	11,237	4,092	-
Taxes payable	-	-	-	-
Unearned revenues	-	-	-	-
Compensated absences	20,368	132,039	13,112	-
Other liabilities	-	-	-	-
Total adjustments	<u>73,496</u>	<u>3,078,434</u>	<u>1,550,670</u>	<u>550,319</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (170,348)</u>	<u>\$ 2,895,061</u>	<u>\$ 410,337</u>	<u>\$ 1,197,487</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Contributions of capital assets from government	\$ -	\$ 79,427	\$ -	\$ -

KING COUNTY, WASHINGTON
INTERNAL SERVICE FUNDS
SCHEDULE OF ANNUAL BUDGETS AND EXPENDITURES (BUDGETARY BASIS) AND ENCUMBRANCES BY APPROPRIATION UNIT^(a)
FOR THE YEAR ENDED DECEMBER 31, 2003

APPROPRIATION UNIT	BUDGET				ACTUAL		
	ORIGINAL	ADJUSTMENTS	FINAL	VARIANCE	TOTAL	2003 YEAR-END ENCUMBRANCES	EXPENDITURES
Construction and Facilities Management	\$ 33,940,510	\$ 342,290	\$ 34,282,800	\$ 1,151,147	\$ 33,131,653	\$ 68,089	\$ 33,063,564
Employee Benefits Program	124,566,745	5,504,994	130,071,739	5,221,844	124,849,895	-	124,849,895
Financial Management Services	25,903,118	(14,282)	25,888,836	1,842,888	24,045,948	346,042	23,699,906
Office of Information Resource Management	3,725,777	(2,500,000)	1,225,777	193,289	1,032,488	-	1,032,488
Information and Telecommunications Services							
Data Processing Services	23,136,850	(886)	23,135,964	386,933	22,749,031	519,671	22,229,360
Telecommunication Services	2,046,336	-	2,046,336	161,641	1,884,695	9,356	1,875,339
Total Information and Telecommunications Services	<u>25,183,186</u>	<u>(886)</u>	<u>25,182,300</u>	<u>548,574</u>	<u>24,633,726</u>	<u>529,027</u>	<u>24,104,699</u>
Insurance	24,217,165	-	24,217,165	823,875	23,393,290	90,853	23,302,437
Geographic Information Systems	3,325,335	-	3,325,335	548,048	2,777,287	-	2,777,287
Motor Pool Equipment Rental	14,009,036	-	14,009,036	2,064,194	11,944,842	497,333	11,447,509
Printing/Graphic Arts Services	3,602,262	-	3,602,262	77,050	3,525,212	37,896	3,487,316
Public Works Equipment Rental	12,732,238	-	12,732,238	3,805,845	8,926,393	206,888	8,719,505
Safety and Workers' Compensation	21,800,137	1,497,952	23,298,089	406,934	22,891,155	-	22,891,155
Wastewater Equipment Rental	1,904,711	-	1,904,711	768,442	1,136,269	62,820	1,073,449
TOTAL OF INTERNAL SERVICE FUNDS WITH ANNUAL BUDGETS	<u>\$ 294,910,220</u>	<u>\$ 4,830,068</u>	<u>\$ 299,740,288</u>	<u>\$ 17,452,130</u>	<u>\$ 282,288,158</u>	<u>\$ 1,838,948</u>	<u>\$ 280,449,210</u>

(a) The Schedule of Annual Budgets and Expenditures (Budgetary Basis) and Encumbrances by Appropriation Unit is presented in order to disclose budgeted and actual expenditures classified the same as, and at the same level of detail as, the legally adopted budget.

INFORMATION AND TELECOMMUNICATIONS SERVICES FUND
 COMBINING SCHEDULE OF NET ASSETS
 DECEMBER 31, 2003

	TOTAL INFORMATION & TELECOMMUNICATIONS SERVICES FUND	DATA PROCESSING SERVICES SUBFUND	TELECOMMUNICATION SERVICES SUBFUND
ASSETS			
Current assets			
Cash and cash equivalents	\$ 8,215,998	\$ 5,728,411	\$ 2,487,587
Accounts receivable	99,489	85,152	14,337
Estimated uncollectible accounts receivable	(12,669)	-	(12,669)
Due from other funds	241,454	200,059	41,395
Due from other governments	55,345	45,993	9,352
Estimated uncollectible due from other governments	(25,720)	(25,720)	-
Total current assets	<u>8,573,897</u>	<u>6,033,895</u>	<u>2,540,002</u>
Capital assets			
Furniture, machinery and equipment	559,004	469,051	89,953
Accumulated depreciation	(451,602)	(398,688)	(52,914)
Data processing equipment	12,465,849	12,465,849	-
Accumulated depreciation	(9,040,642)	(9,040,642)	-
Telecommunication equipment	963,339	-	963,339
Accumulated depreciation	(804,875)	-	(804,875)
Work in progress	1,677,639	1,677,639	-
Total capital assets	<u>5,368,712</u>	<u>5,173,209</u>	<u>195,503</u>
TOTAL ASSETS	<u>13,942,609</u>	<u>11,207,104</u>	<u>2,735,505</u>
LIABILITIES			
Current liabilities			
Accounts payable	2,218,235	1,689,767	528,468
Claims and judgments payable	367,274	367,274	-
Due to other funds	41,310	41,227	83
Interest payable	66,313	66,313	-
Wages payable	317,254	304,770	12,484
Taxes payable	3,616	3,245	371
General obligation bonds payable	945,000	945,000	-
Total current liabilities	<u>3,959,002</u>	<u>3,417,596</u>	<u>541,406</u>
Long-term liabilities			
General obligation bonds payable	2,195,000	2,195,000	-
Compensated absences payable	2,096,718	2,028,900	67,818
Total long-term liabilities	<u>4,291,718</u>	<u>4,223,900</u>	<u>67,818</u>
TOTAL LIABILITIES	<u>8,250,720</u>	<u>7,641,496</u>	<u>609,224</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,228,712	2,033,209	195,503
Unrestricted	3,463,177	1,532,399	1,930,778
TOTAL NET ASSETS	<u>\$ 5,691,889</u>	<u>\$ 3,565,608</u>	<u>\$ 2,126,281</u>

INFORMATION AND TELECOMMUNICATIONS SERVICES FUND
 COMBINING SCHEDULE OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	TOTAL INFORMATION & TELECOMMUNICATIONS SERVICES FUND	DATA PROCESSING SERVICES SUBFUND	TELECOMMUNICATION SERVICES SUBFUND
OPERATING REVENUES			
Data processing services - intracounty	\$ 20,502,406	\$ 20,502,406	\$ -
Data processing services - other	511,161	511,161	-
Telecommunication services	1,895,478	-	1,895,478
Miscellaneous	68,798	2,375	66,423
Total operating revenues	<u>22,977,843</u>	<u>21,015,942</u>	<u>1,961,901</u>
OPERATING EXPENSES			
Personal services	12,234,113	11,637,716	596,397
Materials and supplies	1,760,839	1,720,148	40,691
Contract services and other charges	3,919,464	3,642,711	276,753
Lease and maintenance of equipment	1,471,054	1,399,901	71,153
Internal services	2,612,444	2,124,045	488,399
Depreciation	1,123,626	1,007,434	116,192
Total operating expenses	<u>23,121,540</u>	<u>21,531,955</u>	<u>1,589,585</u>
Operating income (loss)	<u>(143,697)</u>	<u>(516,013)</u>	<u>372,316</u>
NONOPERATING EXPENSES			
Interest	162,959	162,959	-
Loss on disposal of capital assets	73,555	8,423	65,132
Total nonoperating expenses	236,514	171,382	65,132
Income (loss) before contributions and transfers	(380,211)	(687,395)	307,184
Transfers in	991,447	991,447	-
Transfers out	(675,184)	(375,184)	(300,000)
CHANGE IN NET ASSETS	(63,948)	(71,132)	7,184
NET ASSETS - JANUARY 1, 2003	<u>5,755,837</u>	<u>3,636,740</u>	<u>2,119,097</u>
NET ASSETS - DECEMBER 31, 2003	<u>\$ 5,691,889</u>	<u>\$ 3,565,608</u>	<u>\$ 2,126,281</u>

INFORMATION AND TELECOMMUNICATIONS SERVICES FUND
 COMBINING SCHEDULE OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2003

	TOTAL INFORMATION & TELECOMMUNICATIONS SERVICES FUND	DATA PROCESSING SERVICES SUBFUND	TELECOMMUNICATION SERVICES SUBFUND
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from users	\$ 23,574,414	\$ 21,530,847	\$ 2,043,567
Cash payments to suppliers for goods and services	(9,455,648)	(8,444,447)	(1,011,201)
Cash payments for employee services	(12,307,638)	(11,727,466)	(580,172)
Other operating revenues	68,798	2,375	66,423
Net cash provided by operating activities	<u>1,879,926</u>	<u>1,361,309</u>	<u>518,617</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	991,447	991,447	-
Transfers out	(675,184)	(375,184)	(300,000)
Net cash provided (used) by noncapital financing activities	<u>316,263</u>	<u>616,263</u>	<u>(300,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of assets	(777,665)	(773,563)	(4,102)
Principal paid on general obligation bonds	(1,030,000)	(900,000)	(130,000)
Interest paid on general obligation bonds	(186,000)	(182,750)	(3,250)
Net cash used by capital and related financing activities	<u>(1,993,665)</u>	<u>(1,856,313)</u>	<u>(137,352)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	202,524	121,259	81,265
CASH AND CASH EQUIVALENTS - JANUARY 1, 2003	<u>8,013,474</u>	<u>5,607,152</u>	<u>2,406,322</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2003	<u>\$ 8,215,998</u>	<u>\$ 5,728,411</u>	<u>\$ 2,487,587</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	<u>\$ (143,697)</u>	<u>\$ (516,013)</u>	<u>\$ 372,316</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Depreciation	1,123,626	1,007,434	116,192
Changes in assets - (increase) decrease:			
Accounts receivable, net	(5,369)	(13,772)	8,403
Due from other funds	678,574	521,591	156,983
Due from other governments, net	(963)	8,389	(9,352)
Changes in liabilities - increase (decrease):			
Accounts payable	1,026,013	1,095,705	(69,692)
Claims and judgments payable	367,274	367,274	-
Due to other funds	(1,076,969)	(1,018,249)	(58,720)
Wages payable	(256,546)	(237,365)	(19,181)
Taxes payable	(1,300)	(1,300)	-
Compensated absences	183,021	147,615	35,406
Other liabilities	(13,738)	-	(13,738)
Total adjustments	<u>2,023,623</u>	<u>1,877,322</u>	<u>146,301</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,879,926</u>	<u>\$ 1,361,309</u>	<u>\$ 518,617</u>