

KING COUNTY, WASHINGTON  
 GOVERNMENT-WIDE EXPENSES BY FUNCTION <sup>(a)</sup>  
 LAST TWO FISCAL YEARS

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT SERVICES</u>	<u>LAW, SAFETY &amp; JUSTICE</u>	<u>PHYSICAL ENVIRONMENT</u>	<u>TRANSPORTATION</u>	<u>ECONOMIC ENVIRONMENT</u>	<u>MENTAL &amp; PHYSICAL HEALTH</u>	<u>CULTURE &amp; RECREATION</u>	<u>INTEREST ON LONG-TERM DEBT</u>	<u>AIRPORT</u>	<u>PUBLIC TRANSPORTATION</u>	<u>SOLID WASTE</u>	<u>WATER QUALITY</u>	<u>OTHER</u>	<u>TOTAL</u>
2002	\$ 97,834,276	\$ 432,134,519	\$ 50,641,393	\$ 61,653,417	\$ 71,614,322	\$ 312,395,177	\$ 32,812,179	\$ 53,116,492	\$ 11,544,427	\$ 436,343,987	\$ 77,415,022	\$ 234,258,070	\$ 5,340,317	\$ 1,877,103,598
2003	111,186,739	457,883,202	51,622,353	62,885,117	78,758,617	322,776,692	35,619,462	45,979,564	11,353,422	453,875,458	76,642,990	226,636,873	6,184,385	1,941,404,874

(a) Data for the previous eight years is not available.

KING COUNTY, WASHINGTON  
GOVERNMENT-WIDE REVENUES <sup>(a)</sup>

LAST TWO FISCAL YEARS

FISCAL YEAR	PROGRAMS REVENUES			GENERAL REVENUES			
	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TAXES	UNRESTRICTED INVESTMENT EARNINGS	MISCELLANEOUS	TOTAL
2002	\$ 850,822,500	\$ 219,059,650	\$ 135,180,114	\$ 858,820,687	\$ 56,389,516	\$ (16,603,007)	\$ 2,103,669,460
2003	855,428,495	222,890,279	157,468,025	872,424,898	31,101,749	(812,251)	2,138,501,195

(a) Data for the previous eight years is not available.

KING COUNTY, WASHINGTON  
 GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION <sup>(a)</sup>  
 LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT SERVICES</u>	<u>LAW, SAFETY &amp; JUSTICE</u>	<u>PHYSICAL ENVIRONMENT</u>	<u>TRANSPORTATION</u>	<u>ECONOMIC ENVIRONMENT</u>	<u>MENTAL &amp; PHYSICAL HEALTH</u>	<u>CULTURE &amp; RECREATION</u>	<u>DEBT SERVICE</u>	<u>CAPITAL OUTLAY</u>	<u>TOTAL</u>
1994	\$ 67,782,067	\$ 234,398,276	\$ 21,051,153	\$ 42,652,821	\$ 50,705,576	\$ 168,735,481	\$ 22,543,314	\$ 78,260,831	\$ 14,908,850	\$ 701,038,369
1995	64,109,540	251,845,577	21,043,018	41,835,508	52,402,475	197,932,284	25,592,286	74,392,057	15,189,065	744,341,810
1996	69,776,924	276,521,781	23,731,459	44,849,809	53,567,723	217,003,714	24,627,764	144,844,023 <sup>(b)</sup>	10,553,359	865,476,556 <sup>(b)</sup>
1997	73,994,759	306,967,659	37,539,821	46,444,989	58,524,039	227,042,536	24,264,899	98,568,637	13,763,760	887,111,099
1998	92,252,966	327,982,260	37,742,763	46,858,392	60,418,071	245,712,268	27,003,590	101,157,117	13,939,986	953,067,413
1999	68,330,041	354,772,896	40,384,231	47,162,139	66,057,564	266,741,870	29,381,635	109,359,869	19,575,428	1,001,765,673
2000	77,639,069	367,912,868	39,685,756	49,868,286	64,073,077	275,676,778	32,343,019	101,995,065	21,779,086	1,030,973,004
2001	94,093,729	398,975,825	39,999,272	52,154,009	71,349,411	299,069,153	34,175,596	106,720,938	14,876,423	1,111,414,356
2002	74,690,714	419,765,977	38,474,388	54,230,994	70,683,790	306,732,099	30,341,259	105,212,048	10,118,788	1,110,250,057
2003	95,815,045	439,791,869	41,503,149	57,629,589	74,568,810	311,763,316	24,497,744	106,398,990	10,813,626	1,162,782,138

(a) General governmental expenditures include expenditures of the General, Special Revenue, and Debt Service Funds only. Payments to refunded bond escrow agents and operating transfers out are excluded.

(b) Includes \$65,453,220 of expenditures for refinancing a bond anticipation note.

KING COUNTY, WASHINGTON  
GENERAL REVENUES BY SOURCE <sup>(a)</sup>

LAST TEN FISCAL YEARS

FISCAL YEAR	TAXES <sup>(b)</sup>	LICENSES & PERMITS	INTER- GOVERNMENTAL REVENUES	CHARGES FOR SERVICES	FINES & FORFEITS	INTEREST EARNINGS <sup>(c)</sup>	MISCELLANEOUS REVENUES	TOTAL
1994	\$ 373,053,514	\$ 15,947,228	\$ 217,525,529	\$ 106,681,521	\$ 7,872,114	\$ 13,392,661	\$ 7,619,991	\$ 742,092,558
1995	386,576,446	14,475,022	260,474,232	105,071,756	7,594,650	17,780,586	5,928,550	797,901,242
1996	403,926,887	14,467,859	289,966,633	118,294,545	7,281,335	19,391,688	8,933,451	862,262,398
1997	441,990,472	14,565,618	298,099,736	141,641,820	6,893,605	22,258,978	8,827,386	934,277,615
1998	440,291,859	15,851,073	314,423,625	144,971,471	6,890,788	19,544,441	8,648,636	950,621,893
1999	482,411,013	18,979,505	333,054,246	169,041,331	6,942,370	16,007,172	11,783,949	1,038,219,586
2000	507,551,880	13,506,373	338,155,972	180,804,518	8,042,684	27,415,536	12,636,262	1,088,113,225
2001	521,453,580	19,271,788	372,728,022	201,543,171	7,086,066	26,230,497	12,664,482	1,160,977,606
2002	540,130,685	17,321,654	384,021,861	188,512,049	8,015,179	18,597,540	12,492,130	1,169,091,098
2003	551,003,015	20,900,379	385,886,811	223,981,084	8,143,625	13,619,596	11,141,384	1,214,675,894

(a) General revenues include revenues of the General, Special Revenue, and Debt Service Funds only. Operating transfers in are excluded.

(b) Taxes for the years 1997 through 1999 have been restated for tax revenue related to the Washington State Major League Baseball Stadium Public Facilities District debt service which had been accounted for in a CIP Fund. In 2000 the accounting was reclassified to a Debt Service Fund.

(c) Interest Earnings revenues reported for the years 1997 through 2003 include the impact of the implementation of Statement No. 31 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Interest Earnings for the years 1994 through 1996 have not been restated.

KING COUNTY, WASHINGTON  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>TOTAL ADJUSTED TAX LEVY <sup>(a)</sup></u>	<u>CURRENT TAX COLLECTIONS</u>	<u>PERCENT OF CURRENT TAXES COLLECTED</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>RATIO OF TOTAL TAX COLLECTIONS TO TOTAL TAX LEVY</u>	<u>OUTSTANDING DELINQUENT TAXES</u>	<u>RATIO OF DELINQUENT TAXES TO TOTAL TAX LEVY</u>
1994	\$ 320,660,212	\$ 314,322,720	98.02%	\$ 7,088,266	\$ 321,410,986	100.23%	\$ 11,230,200	3.50%
1995	333,964,155	327,506,714	98.07%	6,219,393	333,726,107	99.93%	11,468,248	3.43%
1996	330,108,447	324,049,065	98.16%	6,345,223	330,394,288	100.09%	11,182,406	3.39%
1997	332,211,185	325,615,246	98.01%	7,073,080	332,688,326	100.14%	10,705,264	3.22%
1998	292,472,938	286,947,266	98.11%	6,469,534	293,416,800	100.32%	9,761,402	3.34%
1999	337,134,855	330,508,850	98.03%	5,802,566	336,311,416	99.76%	10,584,841	3.14%
2000	354,004,135	346,457,047	97.87%	7,092,545	353,549,592	99.87%	11,039,384	3.12%
2001	370,199,301	362,241,840	97.85%	6,943,009	369,184,849	99.73%	12,053,836	3.26%
2002	391,787,723	383,250,212	97.82%	7,811,551	391,061,763	99.81%	12,779,796	3.26%
2003	396,376,816	387,651,278	97.80%	8,603,308	396,254,586	99.97%	12,902,026	3.25%

(a) Includes changes in original levy due to omits, cancellations and supplements during the fiscal year.

KING COUNTY, WASHINGTON  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE <sup>(a)</sup>
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
1994	\$ 111,336,372,117	\$ 120,103,961,291	\$ 10,413,643,497	\$ 10,413,643,497	\$ 121,750,015,614	\$ 130,517,604,788	93.3%
1995	112,495,784,709	127,691,015,560	10,387,292,347	10,387,292,347	122,883,077,056	138,078,307,907	89.0%
1996	115,863,411,324	127,043,214,171	11,069,906,343	11,069,906,343	126,933,317,667	138,113,120,514	91.9%
1997	124,077,055,737	137,253,380,240	11,313,136,495	11,313,136,495	135,390,192,232	148,566,516,735	91.1%
1998	138,503,210,847	154,063,638,317	11,919,240,416	11,919,240,416	150,422,451,263	165,982,878,733	90.6%
1999	153,567,931,344	173,916,117,037	12,753,276,194	12,753,276,194	166,321,207,538	186,669,393,231	89.1%
2000	174,746,122,629	195,465,461,554	13,673,981,168	13,673,981,168	188,420,103,797	209,139,442,722	90.1%
2001	195,963,645,652	216,295,414,627	15,032,955,251	15,032,955,251	210,996,600,903	231,328,369,878	91.2%
2002	209,975,414,561	232,017,032,664	15,019,183,649	15,019,183,649	224,994,598,210	247,036,216,313	91.1%
2003	221,974,001,023	235,891,605,763	13,860,253,400	13,860,253,400	235,834,254,423	249,751,859,163	94.4%

(a) Ratios for real property and personal property were provided by State of Washington Department of Revenue.

DIRECT AND OVERLAPPING GOVERNMENTS' (a) (b)  
 PROPERTY TAX RATES (c)  
 LAST TEN FISCAL YEARS

FISCAL YEAR	CITY (d)	SCHOOL DISTRICT (e)	COUNTY	STATE	OTHER (f)	TOTAL (g)
1994	\$ 2.71	\$ 3.18	\$ 2.22	\$ 3.40	\$ 0.99	\$ 12.50
1995	2.78	3.38	2.25	3.42	1.05	12.88
1996	2.94	3.90	2.21	3.50	1.07	13.62
1997	2.94	3.93	2.13	3.52	1.11	13.63
1998	2.90	3.74	1.85	3.51	0.88	12.88
1999	2.77	3.89	1.77	3.36	1.15	12.94
2000	2.77	3.69	1.69	3.30	1.12	12.57
2001	2.69	3.38	1.55	3.15	1.02	11.79
2002	2.49	3.13	1.45	2.99	1.03	11.09
2003	2.40	3.13	1.35	2.90	1.12	10.90

- (a) Limitations on levies: Article 7, § 2 (as amended) of the Washington State Constitution and Revised Code of Washington (RCW) 84.52.050, limit the total "regular" property tax levy to a maximum of \$10 per \$1,000 of true and fair value of real and personal property valuation. This "1 percent of value" limitation does not include tax levies of port and public utility districts. This limit is subject to further reduction since RCW 84.52.043(2) limits the overlapping levy rate excluding the State (school), port districts, and public utility districts to \$5.90 per \$1,000 of assessed value. RCW 84.55.010, as amended by Ch. 1, Laws of 2002 (approved as Initiative 747 by State voters in November 2001) also limits the total dollar amount of regular property taxes levied by an individual taxing district to the amount of such taxes levied in the highest of the three most recent years multiplied by a limit factor, plus an amount applicable to new construction. The limit factor is defined as the lesser of 101 percent or 100 percent plus inflation, but if the inflation rate is less than one percent, the limit factor can be increased to 101 percent, if approved by a majority plus one vote of the governing body of the municipality upon a finding of substantial need. In addition, the limit factor may be increased, regardless of inflation, if such increase is authorized by the governing body of the municipality upon a finding of substantial need and is also approved by the voters at a general or special election within the municipality. These limitations are not applicable to "excess" or "special" levies approved by the electorate of districts.
- (b) Real and personal property taxes are payable on or after February 15. Unpaid taxes become delinquent after April 30, unless tax is \$50 or more and one-half is paid before April 30. In this case, the second half is not delinquent until after October 31.
- (c) Tax rates are in dollars per thousand dollars of assessed value. Rates include excess and special levies not subject to the limitations discussed in footnote (a) above.
- (d) This is an average rate based on total assessed value of cities and towns. Each city has its own rate.
- (e) This is an average rate based on the total assessed value of all school districts. Each district has its own rate.
- (f) These are average rates based on the total County rates less city, school district, County, and Washington State rates. Each district within this group has its own assessed property value and rate.
- (g) This is an average rate based on total tax levies for King County and total assessed property value in King County.

SPECIAL ASSESSMENT COLLECTIONS  
LAST TEN FISCAL YEARS

FISCAL YEAR	ASSESSMENTS RECEIVABLE CLASSIFICATION	ASSESSMENTS RECEIVABLE JANUARY 1	ASSESSMENTS RECEIVABLE ADDITIONS (DEDUCTIONS)	ASSESSMENTS COLLECTED	ASSESSMENTS RECEIVABLE DECEMBER 31
1994	Current	\$ 813,217	\$ 696,449	\$ 757,976	\$ 751,690
	Delinquent	59,542	58,320	52,638	65,224
	Deferred	11,598,475	(320,080)	1,306,687	9,971,708
1994	Total	<u>\$ 12,471,234</u>	<u>\$ 434,689</u>	<u>\$ 2,117,301</u>	<u>\$ 10,788,622</u>
1995	Current	\$ 751,690	\$ 662,116	\$ 693,768	\$ 720,038
	Delinquent	65,224	45,004	30,809	79,419
	Deferred	9,971,708	(612,131)	311,985	9,047,592
1995	Total	<u>\$ 10,788,622</u>	<u>\$ 94,989</u>	<u>\$ 1,036,562</u>	<u>\$ 9,847,049</u>
1996	Current	\$ 720,038	\$ 566,718	\$ 624,193	\$ 662,563
	Delinquent	79,419	83,531	50,868	112,082
	Deferred	9,047,592	(531,559)	711,316	7,804,717
1996	Total	<u>\$ 9,847,049</u>	<u>\$ 118,690</u>	<u>\$ 1,386,377</u>	<u>\$ 8,579,362</u>
1997	Current	\$ 662,563	\$ 624,512	\$ 646,090	\$ 640,985
	Delinquent	112,082	(59,815)	42,583	9,684
	Deferred	7,804,717	(542,092)	217,001	7,045,624
1997	Total	<u>\$ 8,579,362</u>	<u>\$ 22,605</u>	<u>\$ 905,674</u>	<u>\$ 7,696,293</u>
1998	Current	\$ 640,985	\$ 515,483	\$ 574,163	\$ 582,305
	Delinquent	9,684	15,656	8,939	16,401
	Deferred	7,045,624	(62,094)	1,132,400	5,851,130
1998	Total	<u>\$ 7,696,293</u>	<u>\$ 469,045</u>	<u>\$ 1,715,502</u>	<u>\$ 6,449,836</u>
1999	Current	\$ 582,305	\$ 598,708.00	\$ 604,687.00	\$ 576,326
	Delinquent	16,401	16,230	23,418	9,213
	Deferred	5,851,130	(527,118)	85,436	5,238,576
1999	Total	<u>\$ 6,449,836</u>	<u>\$ 87,820</u>	<u>\$ 713,541</u>	<u>\$ 5,824,115</u>
2000	Current	\$ 576,326	\$ 543,014	\$ 569,361	\$ 549,979
	Delinquent	9,213	5,156	9,008	5,361
	Deferred	5,238,576	137,724	900,714	4,475,586
2000	Total	<u>\$ 5,824,115</u>	<u>\$ 685,894</u>	<u>\$ 1,479,083</u>	<u>\$ 5,030,926</u>
2001	Current	\$ 549,979	\$ 523,043	\$ 532,696	\$ 540,326
	Delinquent	5,361	18,218	4,618	18,961
	Deferred	4,475,586	(363,732)	184,493	3,927,361
2001	Total	<u>\$ 5,030,926</u>	<u>\$ 177,529</u>	<u>\$ 721,807</u>	<u>\$ 4,486,648</u>
2002	Current	\$ 540,326	\$ 512,103	\$ 510,130	\$ 542,299
	Delinquent	18,961	29,810	18,187	30,584
	Deferred	3,927,361	(385,944)	175,251	3,366,166
2002	Total	<u>\$ 4,486,648</u>	<u>\$ 155,969</u>	<u>\$ 703,568</u>	<u>\$ 3,939,049</u>
2003	Current	\$ 542,299	\$ 406,948	\$ 496,404	\$ 452,843
	Delinquent	30,584	38,765	25,629	43,720
	Deferred	3,366,166	(46,579)	369,606	2,949,981
2003	Total	<u>\$ 3,939,049</u>	<u>\$ 399,134</u>	<u>\$ 891,639</u>	<u>\$ 3,446,544</u>

KING COUNTY, WASHINGTON  
SPECIAL TAXES AND REVENUES COLLECTIONS  
LIMITED TAX GENERAL OBLIGATION BONDS, 1997, SERIES A-D, 2002 REFUNDING (BASEBALL STADIUM) <sup>(a)</sup>  
LAST EIGHT FISCAL YEARS

<u>FISCAL YEAR</u>	<u>FOOD AND BEVERAGE TAXES</u>	<u>CAR RENTAL TAXES</u>	<u>COUNTY SALES TAXES</u>	<u>STATE LOTTERY RECEIPTS</u>	<u>STATE LICENSE PLATE RECEIPTS</u>	<u>STADIUM ADMISSION TAXES</u>	<u>TOTAL</u>
1996	\$ 8,843,708	\$ 3,640,099	\$ 3,936,908	\$ 3,000,000	\$ 99,000	\$ N/A	\$ 19,519,715
1997	11,760,427	4,369,488	5,222,599	3,120,000	326,172	N/A	24,798,686
1998	12,671,068	4,656,192	5,661,823	3,244,800	220,453	N/A	26,454,336
1999	13,530,820	4,931,238	6,155,973	3,374,592	210,285	1,774,153	29,977,061
2000	14,642,553	5,228,152	6,782,327	3,509,576	204,096	4,001,499	34,368,203
2001	15,049,724	5,185,242	6,670,963	3,649,960	203,095	5,263,268	36,022,252
2002	15,172,504	4,831,450	6,364,653	3,795,957	187,135	4,552,461	34,904,160
2003	15,583,729	4,793,457	6,423,003	3,947,796	179,000	4,462,494	35,389,479

(a) The County's outstanding Limited Tax General Obligation Bonds, 1997 Series C and D, and 2002 Refunding (Baseball Stadium) are additionally secured by certain Special Taxes and Revenues. This data is presented pursuant to the Securities and Exchange Commission Rule 15c2-12.

N/A: Not Available

KING COUNTY, WASHINGTON  
RATIO OF NET GENERAL BONDED DEBT  
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION <sup>(a)</sup>	ASSESSED VALUE	GROSS BONDED DEBT <sup>(b) (d)</sup>	NET DEBT SERVICE FUNDS <sup>(c)</sup>	NET BONDED DEBT <sup>(d)</sup>	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1994	1,599,500	\$ 121,750,015,614	\$ 611,425,293	\$ 10,803,639	\$ 600,621,654	.0049	\$376
1995	1,613,600	122,883,077,056	601,931,465	12,944,574	588,986,891	.0048	365
1996	1,628,800	126,933,317,667	557,995,931 <sup>(e)</sup>	15,388,841	542,607,090	.0043	375
1997	1,645,200	135,390,192,232	585,540,588	17,385,383	568,155,205	.0042	345
1998	1,665,800	150,422,451,263	546,183,694	16,641,071	529,542,623	.0035	318
1999	1,677,000	166,321,207,538	556,165,858	17,388,675	538,777,183	.0032	321
2000	1,737,034	188,420,103,797	499,177,559	14,100,445	485,077,114	.0026	279
2001	1,758,300	210,996,600,903	514,052,670	15,939,713	498,112,957	.0024	283
2002	1,774,300	224,994,598,210	508,474,665	19,988,909	488,485,756	.0022	275
2003	1,779,300	235,834,254,423	483,993,179	16,011,165	467,982,014	.0020	263

(a) Source: State of Washington Office of Financial Management.

(b) Excludes general obligation bonds payable from hotel/motel tax, special public facilities district taxes, proprietary type fund resources, component units' resources, and special assessment bonds payable from road improvement district resources.

(c) Excludes Debt Service Funds resources related to bonds excluded at footnote (b) above.

(d) To be consistent with change made in 1995, amounts prior to 1995 have been restated to reflect exclusion of gross bonded debt paid from component unit resources.

(e) Amount restated to exclude from gross bonded debt, general long-term debt which has been restructured to be paid from hotel/motel tax.

COMPUTATION OF LEGAL DEBT MARGIN  
DECEMBER 31, 2003

2003 ASSESSED VALUE	<u>\$ 235,834,254,423</u>
Debt limit of limited tax (LT) general obligations for metropolitan functions	
3/4% of assessed value	\$ 1,768,756,908
Less: Net LT general obligation indebtedness for metropolitan functions	<u>(518,046,521)</u>
LT GENERAL OBLIGATION DEBT MARGIN FOR METROPOLITAN FUNCTIONS	<u>\$ 1,250,710,387</u>
Debt limit of LT general obligations for general county purposes and metropolitan functions - 1½% of assessed value	\$ 3,537,513,816
Less: Net LT general obligation indebtedness for general county purposes	<u>(888,269,816)</u>
Net LT general obligation indebtedness for metropolitan functions	<u>(518,046,521)</u>
Net total LT general obligation indebtedness for general county purposes and metropolitan functions	<u>(1,406,316,337)</u>
LT GENERAL OBLIGATION DEBT MARGIN FOR GENERAL COUNTY PURPOSES AND METROPOLITAN FUNCTIONS	<u>\$ 2,131,197,479</u>
Debt limit of total general obligations for metropolitan functions	
2½% of assessed value	\$ 5,895,856,361
Less: Net total general obligation indebtedness for metropolitan functions	<u>(518,046,521)</u>
TOTAL GENERAL OBLIGATION DEBT MARGIN FOR METROPOLITAN FUNCTIONS	<u>\$ 5,377,809,840</u>
Debt limit of total general obligations for general county purposes	
2½% of assessed value	\$ 5,895,856,361
Less: Net unlimited tax general obligation indebtedness for general county purposes	<u>(219,867,226)</u>
Net LT general obligation indebtedness for general county purposes	<u>(888,269,816)</u>
Net total general obligation indebtedness for general county purposes	<u>(1,108,137,042)</u>
TOTAL GENERAL OBLIGATION DEBT MARGIN FOR GENERAL COUNTY PURPOSES	<u>\$ 4,787,719,319</u>

Debt Limitation: Under Washington state law (Revised Code of Washington (RCW) 39.36.020), a county may incur general obligation debt for general county purposes in an amount not to exceed 2½ percent of the assessed value of all taxable property within the county. State law requires all property to be assessed at 100 percent of its true and fair value. Unlimited tax general obligation debt requires an approving vote of the people, and any election to validate such general obligation debt must have a voter turnout of at least 40 percent of those who voted in the last State general election and, of those voting, 60 percent must be in the affirmative. The County Council may by resolution authorize the issuance of limited tax general obligation debt in an amount up to 1½ percent of assessed value of property within the County for general county purposes and 3/4 percent for metropolitan functions, but the total of limited tax general obligation debt for general county purposes and metropolitan functions should not exceed 1½ percent of the assessed value. No combination of limited and unlimited tax debt, for general county purposes, and no combination of limited and unlimited tax debt, for metropolitan functions, may exceed 2½ percent of the valuation. The debt service on unlimited tax debt is secured by excess property tax levies, whereas the debt service on limited tax debt is secured by property taxes collected within the \$1.80 per \$1,000 of assessed value operating levy.

KING COUNTY, WASHINGTON

COMPUTATION OF DIRECT AND OVERLAPPING DEBT <sup>(a)</sup>  
DECEMBER 31, 2003

NAME OF GOVERNMENTAL UNIT	OUTSTANDING	PERCENTAGES <sup>(b)</sup>	
		GOVERNMENTAL UNIT	KING COUNTY SHARE OF DEBT
King County – net direct debt			
prorate applicable to:			
King County – unincorporated	\$ 111,198,618	\$	\$
City of Seattle	258,102,249		
City of Auburn	13,268,952		
City of Bellevue	65,412,080		
City of Federal Way	19,348,402		
City of Kent	26,084,430		
City of Kirkland	22,897,261		
City of Mercer Island	19,554,953		
City of Redmond	27,064,068		
City of Renton	19,595,282		
City of SeaTac	10,109,223		
City of Shoreline	16,407,790		
Other cities and towns	116,126,246		
Total King County – net direct debt	<u>725,169,554</u> <sup>(c)</sup>	100.000%	<u>725,169,554</u>
Port of Seattle	217,285,000	100.000%	217,285,000
School Districts:			
Auburn	\$ 106,104,867		
Federal Way	113,907,508		
Fife	44,855,322		
Highline	155,458,853		
Issaquah	207,583,130		
Kent	225,111,354		
Lake Washington	206,237,740		
Northshore	269,564,062		
Renton	240,460,260		
Shoreline	96,754,191		
South Central	49,657,863		
Other school districts	<u>417,246,784</u>		
Total school districts	2,132,941,934	94.105%	2,007,207,472
Cities and towns			
City of Seattle	\$ 946,594,519		
City of Bellevue	55,377,753		
City of Federal Way	31,327,802		
City of Issaquah	29,589,022		
City of Kent	82,314,659		
City of Kirkland	26,248,472		
City of Mercer Island	5,883,966		
City of Redmond	11,498,519		
City of Renton	30,568,456		
Other cities and towns	<u>100,602,047</u>		
Total cities and towns	1,320,005,215	99.585%	1,314,526,962
Water and sewer districts	67,267	100.000%	67,267
Fire districts	39,172,257	100.000%	39,172,257
Hospital districts	139,045,592	100.000%	139,045,592
Parks and recreation service area district	5,070,470	68.748%	3,485,861
Rural library district	42,781,816	98.642%	42,200,796
Total King County net overlapping debt	<u>3,896,369,551</u>		<u>3,762,991,207</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u>\$ 4,621,539,105</u>		<u>\$ 4,488,160,761</u>

- (a) Within King County, other municipal governments incur general obligation debt. Debts incurred by other governmental units, although overlapping, have no claim on any County revenues.
- (b) Determined by ratio of assessed valuation of property in overlapping unit subject to taxation in reporting unit to total valuation of property subject to taxation in overlapping unit.
- (c) \$1,027,241,490 General long-term debt – General Obligation Bonds, capital leases, and compensated absences  
 80,000,000 General short-term debt – General Obligation Bond Anticipation Notes  
 (250,035,000) Public Facilities District special taxes and revenue financed - Limited G.O. Bonds  
 (116,025,772) Hotel/motel tax financed – Stadium Unlimited G.O. Bonds \$14,990,000, Stadium Limited and G.O. Bonds \$101,035,772  
 (16,011,164) Funds available in G.O. Debt Service Funds excluding balance of hotel/motel and Special taxes \$24,119,251

\$ 725,169,554 NET DIRECT DEBT

KING COUNTY, WASHINGTON  
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
 GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES  
 LAST TEN FISCAL YEARS

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL <sup>(a)</sup> DEBT SERVICE	TOTAL GENERAL <sup>(c)</sup> GOVERNMENTAL EXPENDITURES	RATIO OF DEBT SERVICE TO EXPENDITURES
1994	\$ 38,367,202	\$ 30,655,713	\$ 69,022,915	\$ 701,038,369	9.85%
1995	35,175,608	32,407,320	67,582,928	744,341,810	9.08%
1996	39,905,742	30,504,302	70,410,044 <sup>(b)</sup>	865,476,556	8.14%
1997	40,133,041	32,495,229	72,628,270	887,111,099	8.19%
1998	38,957,605	30,693,673	69,651,278	953,067,413	7.31%
1999	46,544,216	30,322,072	76,866,288	1,001,765,673	7.67%
2000	45,313,296	25,611,106	70,924,402	1,030,973,004	6.88%
2001	48,274,889	24,919,305	73,194,194	1,111,414,356	6.59%
2002	43,918,005	24,369,581	68,287,586	1,110,250,057	6.15%
2003	48,036,047	21,065,586	69,101,633	1,162,782,138	5.94%

(a) Excludes debt service expenditures for general obligation bonds paid from hotel/motel tax, special public facilities district taxes, and component units' resources.

(b) Excludes \$65,453,220 of expenditures for refinancing a bond anticipation note.

(c) "General Governmental Expenditures" includes expenditures of the General, Special Revenue, and Debt Service Funds only. Payments to refunded bond escrow agents and transfers out are excluded.

KING COUNTY, WASHINGTON  
REVENUE BOND COVERAGE - WATER QUALITY ENTERPRISE BONDS <sup>(a)</sup>  
LAST TEN FISCAL YEARS

FISCAL YEAR	OPERATING REVENUES	INTEREST EARNED ON INVESTMENTS <sup>(b)</sup>	SUBTOTAL	OPERATING AND MAINTENANCE EXPENSE	NET AVAILABLE FOR DEBT SERVICE	DEBT SERVICE	
						REQUIREMENT	COVERAGE
1994	\$ 133,791,000	\$ 10,300,000	\$ 144,091,000	\$ 53,134,000	\$ 90,957,000	\$ 69,750,606	130%
1995	154,050,000	11,866,000	165,916,000	55,986,000	109,930,000	75,890,000	145%
1996	167,796,905	12,191,348	179,988,253	66,917,137	113,071,116	76,742,000	147%
1997	172,613,423	9,509,135	182,122,558	66,848,601	115,273,957	78,559,416	147%
1998	171,746,219	6,381,239	178,127,458	66,709,723	111,417,735	74,244,927	150%
1999	174,509,806	8,804,582	183,314,388	74,818,704	108,495,684	77,880,769	139%
2000	180,263,080	10,417,465	190,680,545	82,778,908	107,901,637	81,536,386	132%
2001	187,073,879	7,091,481	194,165,360	89,073,443	105,091,917	77,544,882	136%
2002	213,223,188	4,875,491	218,098,679	79,639,598	138,459,081	79,211,650	175%
2003	214,157,704	5,072,035	219,229,739	82,887,203	136,342,536	93,361,370	146%

(a) The Water Quality Enterprise is obligated by bond ordinance to collect net revenue equal to at least 1.15 times the defined debt service requirements payable from revenues of the Enterprise.

(b) By interpretation of applicable rate covenant, interest earned on investments for all years excludes the effects of GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. For 2003 the exclusion increases interest income by \$3,153,756.

WATER QUALITY ENTERPRISE  
 ADDITIONAL COVERAGE RATIOS  
 DECEMBER 31, 2003

The Water Quality Enterprise is obligated by applicable bond ordinances to set sewage disposal rates at a level adequate to provide net revenue equal to at least 1.15 times the annual debt service requirements for sewer revenue and general obligation bonds payable from revenues of the Enterprise. It is the adopted policy of the Enterprise to achieve a debt service coverage ratio of 1.25.

Coverage (1.15 required by covenant, adopted policy 1.25) 1.46

In 2001 the County adopted a new debt service coverage target of 1.15 times the annual debt service for bonds, obligations, notes, and loans of the Enterprise.

Coverage (1.15 adopted target) 1.41

The Enterprise is required to generate revenues sufficient to pay all costs of operation of the sewage treatment system and debt service on obligations of the Enterprise.

Coverage (1.00 required by covenant) 1.20

In 2001 the Enterprise issued an additional tier of revenue bonds. The bond covenants of the Junior Lien Variable Rate Demand Sewer Revenue Bonds, Series 2001A and Series 2001B, require that sewage disposal rates provide net revenue equal to at least 1.10 times the annual debt service requirements for all junior lien obligations after payment of senior lien requirements.

Coverage (1.10 required by covenant) 23.33

TEN LARGEST CUSTOMERS OF THE WATER QUALITY ENTERPRISE  
DECEMBER 31, 2003

<u>CUSTOMER</u>	<u>PERCENT OF REVENUE</u>
City of Seattle	43.5 %
City of Bellevue	8.6
City of Kent	5.4
Alderwood Sewer District	4.2
Soos Creek Sewer District	4.2
Northshore Utility District	4.1
City of Redmond	3.7
City of Auburn	3.7
City of Renton	3.7
Ronald Sewer District	3.2
Total percent of revenue of ten largest customers	<u>84.3 %</u>

KING COUNTY, WASHINGTON  
DEMOGRAPHIC STATISTICS  
DECEMBER 31, 2003

YEAR	POPULATION <sup>(a)</sup>			POPULATION 65 YEARS OLD AND OVER <sup>(a) (b)</sup>	NUMBER OF STUDENTS IN PUBLIC SCHOOLS <sup>(c)</sup>	MEDIAN HOUSEHOLD INCOME ESTIMATES <sup>(a)(d)</sup>
	TOTAL	UNINCORPORATED	INCORPORATED			
1994	1,599,500	507,226	1,092,274	174,854	233,686	\$43,985
1995	1,613,600	497,403	1,116,197	177,276	237,717	45,617
1996	1,628,800	431,920	1,196,880	179,337	242,907	46,980
1997	1,646,200	432,084	1,214,116	180,073	247,428	48,795
1998	1,665,800	404,905	1,260,895	180,817	249,769	51,487
1999	1,677,000	387,148	1,289,852	181,976	249,591	53,157
2000	1,737,046	349,234	1,387,812	181,772	249,319	56,571
2001	1,758,312	353,040	1,405,272	183,267	250,104	57,939
2002	1,774,312	351,136	1,423,176	183,667	249,690	58,040
2003	1,779,300	351,843	1,427,457	184,114	250,439	59,190

NON-AGRICULTURAL EMPLOYMENT DISTRIBUTION IN SEATTLE PMSA <sup>(e) (f)</sup>

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Goods Producing					
Construction	5.7%	5.9%	5.9%	5.7%	5.7%
Manufacturing	15.0	13.7	13.3	12.3	11.3
Services Providing					
Trade, Transportation and Utilities	19.8	19.8	19.7	19.5	19.5
Information	4.7	5.4	5.5	5.4	5.4
Financial Activities	6.3	6.2	6.4	6.6	6.8
Professional and Business Services	13.8	14.4	13.7	13.3	13.3
Education and Health Services	9.2	9.2	9.4	10.0	10.2
Leisure and Hospitality	8.7	8.6	8.7	8.8	9.0
Other Services	3.3	3.4	3.4	3.6	3.7
Government	13.5	13.4	14.0	14.8	15.1
TOTAL	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

EMPLOYMENT STATISTICS – ANNUAL AVERAGES <sup>(e)</sup>

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
King County					
Employed	1,002,200	992,500	957,400	955,900	949,700
Unemployed	33,100	36,700	51,600	66,400	68,800
% Unemployed	3.2%	3.6%	5.1%	6.5%	6.8%
Seattle PMSA <sup>(f)</sup>					
Employed	1,365,900	1,343,600	1,303,100	1,301,100	1,295,100
Unemployed	47,900	52,000	71,000	94,800	98,400
% Unemployed	3.4%	3.7%	5.2%	6.8%	7.1%
State of Washington					
Employed	2,948,000	2,896,400	2,830,700	2,882,600	2,902,900
Unemployed	145,300	159,400	193,600	226,800	237,000
% Unemployed	4.7%	5.2%	6.4%	7.3%	7.6%

- (a) Source: Washington State Office of Financial Management publication "2003 Population Trends for Washington State."
- (b) Estimates developed on the basis of Federal Medicare enrollment.
- (c) Source: Puget Sound Educational Service District.
- (d) Source: Washington State Office of Financial Management, 2002 data preliminary, 2003 data projected.
- (e) Source: Washington State Employment Security Department.
- (f) Primary metropolitan statistical area.

KING COUNTY, WASHINGTON  
PROPERTY VALUE, CONSTRUCTION, BANK DEPOSITS, AND TAXABLE RETAIL SALES  
LAST TEN FISCAL YEARS

YEAR	ASSESSED VALUATION		CONSTRUCTION <sup>(a)</sup>				BANK DEPOSITS <sup>(b)</sup> (in thousands)	TAXABLE RETAIL SALES <sup>(c)</sup> (in thousands)
	REAL	PERSONAL	HOUSEKEEPING RESIDENTIAL BUILDINGS		ALL OTHER NEW BUILDINGS AND STRUCTURES			
			NUMBER OF PERMITS	VALUE OF CONSTRUCTION	NUMBER OF PERMITS	VALUE OF CONSTRUCTION		
1994	\$ 111,336,372,117	\$ 10,413,643,497	5,062	\$ 441,491,492	1,090	\$ 112,196,334	\$ 18,763,680	\$ 23,786,571
1995	112,495,784,709	10,387,292,347	3,888	342,016,386	996	163,365,564	21,602,083	25,196,531
1996	115,863,411,324	11,069,906,343	3,745	403,485,023	756	107,143,353	25,390,527	26,557,687
1997	124,077,055,737	11,313,136,495	3,771	455,826,857	458	111,960,605	27,581,709	29,336,538
1998	138,503,210,847	11,919,240,416	1,963	309,039,587	224	50,880,138	27,035,907	31,749,547
1999	153,567,931,344	12,753,276,194	4,040	364,339,000	256	204,406,000	27,381,328	34,810,738
2000	174,746,122,629	13,673,981,168	2,924	453,987,000	399	249,353,000	30,345,530	37,771,529
2001	195,963,645,652	15,032,955,251	2,806	424,624,000	433	68,108,000	32,574,000	36,113,326
2002	209,975,414,561	15,019,183,649	3,196	540,535,000	383	144,404,000	40,179,000	35,156,210
2003	221,974,001,023	13,860,253,400	3,559	579,928,578	421	174,874,884	N/A	35,370,831

(a) Exclusive of cities and towns.

(b) Federal Deposit Insurance Corporation.

(c) Washington State Department of Revenue.

N/A: Not available

PRINCIPAL TAXPAYERS  
DECEMBER 31, 2003

<u>TAXPAYER</u>	<u>ASSESSED VALUATION</u>	<u>PERCENT</u>
The Boeing Company	\$2,929,076,252	1.30 %
Puget Sound Energy	1,306,201,396	0.58
Qwest (US West Communications)	1,260,376,347	0.56
Microsoft Corporation	1,230,971,037	0.55
EOP Northwest Properties	487,010,700	0.22
Bank of America	460,649,071	0.20
Alaska Airlines	360,995,296	0.16
Union Square Limited	350,415,108	0.16
McElroy George & Assoc., Inc.	349,018,300	0.16
Spieker Properties	<u>335,709,800</u>	<u>0.15</u>
 TOTAL ASSESSED VALUATION OF TEN PRINCIPAL TAXPAYERS	 9,070,423,307	 4.04
 TOTAL ASSESSED VALUATION OF OTHER TAXPAYERS	 <u>215,924,174,903</u>	 <u>95.96</u>
 TOTAL 2002 ASSESSED VALUATION FOR TAXES DUE IN 2003	 <u><u>\$ 224,994,598,210</u></u>	 <u><u>100.00 %</u></u>

Source: King County Department of Assessments.

