

**NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2005**

King County has established Enterprise Funds to account for organizations which are intended to be self-supporting through fees charged for services provided to the public. The 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 – Accounts for the development and operations of a fiberoptic network which connects approximately 300 public facilities across King County. I-Net provides broadband internet connectivity, including data, voice and video communications to schools in unincorporated King County, public safety agencies, courts, public health facilities, and other public service agencies.

The King County International Airport (KCIA) Enterprise Fund – Accounts for the operations, maintenance, capital improvements, and expansion of the King County International Airport/Boeing Field. With its two runways (3,710 feet and 10,001 feet in length) and four fixed-base operators, KCIA provides all the facilities and services necessary to support jet and propeller-driven aircraft and helicopters. KCIA is an FAA-designated General Aviation Reliever for Sea-Tac Airport and averages over 375,000 general aviation operations per year.

The Radio Communications Services Enterprise Fund – Accounts for the operations, maintenance, capital improvements, and expansion of the 800 MHz trunked radio system that provides communications for virtually all public safety agencies of the County, as well as many other local government agencies. Costs are recovered primarily through user fees, including charges for maintenance and future equipment replacement.

The Sewer Utility Enterprise Fund – Originally established to collect assessments and pay principal and interest on sewer revenue bonds issued in the King County Utility Local Improvement District and the King County Sewer and Drainage District 4. This fund is slated for closure in 2006.

The Solid Waste Enterprise Fund – Accounts for the operations, maintenance, capital improvements, and expansion of the County's solid waste disposal facilities under the Solid Waste Division of the Department of Natural Resources and Parks. The County operates eight solid waste transfer stations, two drop box stations, two household hazardous waste facilities, one regional landfill, and recycling services for residential customers. Operating revenues result primarily from tipping fees at the active solid waste disposal sites, while bond proceeds fund most new construction. Significant reserves are set aside to replace landfills, to provide for post-closure care and remediation costs, and to replace capital equipment.

The Stadium Enterprise Fund – Originally 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 fund's remaining assets.

KING COUNTY, WASHINGTON

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2005
(IN THOUSANDS)

	TOTAL	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNI- CATIONS	SEWER UTILITY	SOLID WASTE	STADIUM
ASSETS							
Current assets							
Cash and cash equivalents	\$ 168,662	\$ 825	\$ 23,955	\$ 6,016	\$ 209	\$ 137,566	\$ 91
Accounts receivable	5,791	-	278	172	-	5,341	-
Estimated uncollectible accounts receivable	(45)	-	(7)	-	-	(38)	-
Notes and contracts receivable	6	-	-	6	-	-	-
Due from other funds	4,219	55	2,014	248	-	1,902	-
Due from other governments	713	20	243	-	-	450	-
Inventory of supplies	1,004	-	116	80	-	808	-
Total current assets	180,350	900	26,599	6,522	209	146,029	91
Capital assets							
Land	35,358	-	14,960	-	-	18,975	1,423
Buildings	58,442	-	32,446	280	-	24,983	733
Improvements other than buildings	142,882	-	26,605	-	-	116,277	-
Furniture, machinery and equipment	78,870	6,453	3,871	24,030	-	44,516	-
Accumulated depreciation	(156,828)	(4,754)	(29,927)	(14,889)	-	(106,525)	(733)
Work in progress	21,469	-	10,708	-	-	10,761	-
Total capital assets	180,193	1,699	58,663	9,421	-0-	108,987	1,423
TOTAL ASSETS	360,543	2,599	85,262	15,943	209	255,016	1,514
LIABILITIES							
Current liabilities							
Accounts payable	4,129	301	689	75	-	3,064	-
Due to other funds	6,372	22	4,280	31	-	2,039	-
Interest payable	241	-	29	-	-	212	-
Wages payable	1,337	19	118	32	-	1,168	-
Taxes payable	173	-	132	31	-	10	-
Unearned revenue	1,929	-	1,928	-	-	1	-
Obligations under reverse repurchase agreements	17,192	-	2,523	-	-	14,669	-
Revenue bonds payable	1	-	-	-	1	-	-
General obligation bonds payable	5,607	-	315	-	-	5,292	-
Total current liabilities	36,981	342	10,014	169	1	26,455	-0-
Long-term liabilities							
General obligation bonds payable	22,140	-	7,145	-	-	14,995	-
Deferred bond discount/refunding losses	(676)	-	-	-	-	(676)	-
Compensated absences payable	3,673	45	350	66	-	3,212	-
Customer deposits	558	208	342	8	-	-	-
Landfill closure and post- closure care liability	92,495	-	-	-	-	92,495	-
Total long-term liabilities	118,190	253	7,837	74	-0-	110,026	-0-
TOTAL LIABILITIES	155,171	595	17,851	243	1	136,481	-0-
NET ASSETS							
Invested in capital assets, net of related debt	153,122	1,699	51,203	9,421	-	89,376	1,423
Restricted	15,701	-	13,701	2,000	-	-	-
Unrestricted	36,549	305	2,507	4,279	208	29,159	91
TOTAL NET ASSETS	\$ 205,372	\$ 2,004	\$ 67,411	\$ 15,700	\$ 208	\$ 118,535	\$ 1,514

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
(IN THOUSANDS)

	TOTAL	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNI- CATIONS	SEWER UTILITY	SOLID WASTE	STADIUM
OPERATING REVENUES							
I-Net fees	\$ 2,308	\$ 2,308	\$ -	\$ -	\$ -	\$ -	\$ -
Radio services	3,605	-	-	3,605	-	-	-
Solid waste disposal charges	88,101	-	-	-	-	88,101	-
Airfield fees	2,191	-	2,191	-	-	-	-
Hangar, building, and site rentals and leases	8,576	-	8,576	-	-	-	-
Reimbursement for services to tenants	524	-	524	-	-	-	-
Miscellaneous	17	-	17	-	-	-	-
Total operating revenues	<u>105,322</u>	<u>2,308</u>	<u>11,308</u>	<u>3,605</u>	<u>-0-</u>	<u>88,101</u>	<u>-0-</u>
OPERATING EXPENSES							
Personal services	36,853	516	3,763	901	-	31,673	-
Materials and supplies	7,384	38	370	325	-	6,651	-
Contract services and other charges	23,551	692	1,406	484	-	20,969	-
Utilities	2,775	4	1,003	133	-	1,635	-
Internal services	12,736	277	4,450	465	-	7,544	-
Landfill closure and post-closure care	8,683	-	-	-	-	8,683	-
Depreciation	16,454	319	1,853	1,627	-	12,655	-
Total operating expenses	<u>108,436</u>	<u>1,846</u>	<u>12,845</u>	<u>3,935</u>	<u>-0-</u>	<u>89,810</u>	<u>-0-</u>
OPERATING INCOME (LOSS)	<u>(3,114)</u>	<u>462</u>	<u>(1,537)</u>	<u>(330)</u>	<u>-0-</u>	<u>(1,709)</u>	<u>-0-</u>
NONOPERATING REVENUES (EXPENSES)							
Interest earnings	4,243	22	564	156	5	3,493	3
Interest expense	(1,571)	-	(362)	-	-	(1,209)	-
Rental income	183	-	-	-	-	183	-
DNR administration revenue	2,915	-	-	-	-	2,915	-
DNR administration expense	(2,866)	-	-	-	-	(2,866)	-
Gain (loss) on disposal of capital assets	(2,327)	-	(2,323)	(12)	-	8	-
Miscellaneous	(1,526)	-	-	-	-	(1,521)	(5)
Total nonoperating revenues (expenses)	<u>(949)</u>	<u>22</u>	<u>(2,121)</u>	<u>144</u>	<u>5</u>	<u>1,003</u>	<u>(2)</u>
Income (loss) before contributions and transfers	(4,063)	484	(3,658)	(186)	5	(706)	(2)
Capital grants and contributions	7,493	525	6,352	87	-	529	-
Transfers in	57	-	-	-	-	57	-
Transfers out	(824)	(732)	(26)	(9)	-	(57)	-
CHANGE IN NET ASSETS	2,663	277	2,668	(108)	5	(177)	(2)
NET ASSETS - JANUARY 1, 2005 (RESTATED)	<u>202,709</u> ^(a)	<u>1,727</u>	<u>64,743</u> ^(a)	<u>15,808</u>	<u>203</u>	<u>118,712</u> ^(a)	<u>1,516</u>
NET ASSETS - DECEMBER 31, 2005	<u>\$ 205,372</u>	<u>\$ 2,004</u>	<u>\$ 67,411</u>	<u>\$ 15,700</u>	<u>\$ 208</u>	<u>\$ 118,535</u>	<u>\$ 1,514</u>

(a) See Note 15, "Restrictions, Reserves, Designations, and Changes in Equity" – Restatements of Beginning Balances.

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
(IN THOUSANDS)
(PAGE 1 OF 2)

	TOTAL	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNI- CATIONS	SEWER UTILITY	SOLID WASTE	STADIUM
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from customers	\$ 104,310	\$ 2,377	\$ 10,032	\$ 3,641	\$ -	\$ 88,260	\$ -
Cash payments to suppliers for goods and services	(46,276)	(810)	(5,601)	(1,345)	-	(38,520)	-
Cash payments for employee services	(36,813)	(516)	(3,798)	(939)	-	(31,560)	-
Other receipts	3,098	-	-	-	-	3,098	-
Other payments	(4,392)	-	-	-	-	(4,387)	(5)
Net Cash Provided (Used) by Operating Activities	<u>19,927</u>	<u>1,051</u>	<u>633</u>	<u>1,357</u>	<u>-0-</u>	<u>16,891</u>	<u>(5)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Operating grants and contributions	208	208	-	-	-	-	-
Transfers in	57	-	-	-	-	57	-
Transfers out	(824)	(732)	(26)	(9)	-	(57)	-
Net Cash Used by Noncapital Financing Activities	<u>(559)</u>	<u>(524)</u>	<u>(26)</u>	<u>(9)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition of capital assets	(18,561)	(404)	(7,975)	(204)	-	(9,978)	-
Principal paid on general obligation bonds	(5,361)	-	(310)	-	-	(5,051)	-
Interest paid on general obligation bonds	(1,611)	-	(363)	-	-	(1,248)	-
Capital grants received	7,198	317	6,352	-	-	529	-
Proceeds from disposal of capital assets	21	-	-	-	-	21	-
Landfill closure and post-closure care	(3,960)	-	-	-	-	(3,960)	-
Net Cash Used by Capital and Related Financing Activities	<u>(22,274)</u>	<u>(87)</u>	<u>(2,296)</u>	<u>(204)</u>	<u>-0-</u>	<u>(19,687)</u>	<u>-0-</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Increase in allocation of pooled reverse repurchase agreements	12,731	-	1,855	-	-	10,876	-
Interest on investments (including unrealized gains and losses reported as cash and cash equivalents)	4,244	22	564	156	6	3,493	3
Net Cash Provided by Investing Activities	<u>16,975</u>	<u>22</u>	<u>2,419</u>	<u>156</u>	<u>6</u>	<u>14,369</u>	<u>3</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS							
CASH AND CASH EQUIVALENTS - JANUARY 1, 2005	154,593	363	23,225	4,716	203	125,993	93
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2005	<u>\$ 168,662</u>	<u>\$ 825</u>	<u>\$ 23,955</u>	<u>\$ 6,016</u>	<u>\$ 209</u>	<u>\$ 137,566</u>	<u>\$ 91</u>

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
(IN THOUSANDS)
(PAGE 2 OF 2)

	TOTAL	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNI- CATIONS	SEWER UTILITY	SOLID WASTE	STADIUM
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating income (loss)	\$ (3,114)	\$ 462	\$ (1,537)	\$ (330)	\$ -0-	\$ (1,709)	\$ -0-
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Depreciation	16,454	319	1,853	1,627	-	12,655	-
Landfill closure and post-closure care	8,683	-	-	-	-	8,683	-
Other nonoperating revenue/expense	(1,294)	-	-	-	-	(1,289)	(5)
Class compensation expense	(83)	-	(12)	-	-	(71)	-
Changes in assets - (increase) decrease							
Accounts receivable, net	1,062	-	817	154	-	91	-
Notes and contracts receivable	42	-	-	42	-	-	-
Due from other funds	(3,014)	94	(1,998)	(182)	-	(928)	-
Due from other governments	236	50	96	-	-	90	-
Inventory of supplies	(179)	-	(11)	18	-	(186)	-
Changes in liabilities - increase (decrease)							
Accounts payable	(1,583)	180	(239)	13	-	(1,537)	-
Due to other funds	2,899	21	1,878	31	-	969	-
Wages payable	(11)	(1)	(33)	1	-	22	-
Taxes payable	(174)	-	(202)	26	-	2	-
Unearned revenues	(5)	-	(5)	-	-	-	-
Compensated absences	72	1	10	(38)	-	99	-
Customer deposits	(64)	(75)	16	(5)	-	-	-
Total Adjustments	23,041	589	2,170	1,687	-0-	18,600	(5)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 19,927	\$ 1,051	\$ 633	\$ 1,357	\$ -0-	\$ 16,891	\$ (5)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:							
Contributions of capital assets from government	\$ 127	\$ -	\$ -	\$ 87	\$ -	\$ 40	\$ -

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, 2005
(IN THOUSANDS)

APPROPRIATION UNIT	BUDGET				ACTUAL		
	ORIGINAL	ADJUSTMENTS	FINAL	VARIANCE	TOTAL	2005 YEAR-END ENCUMBRANCES	EXPENDITURES
I-Net Operating Fund	\$ 2,706	\$ 89	\$ 2,795	\$ 116	\$ 2,679	\$ 16	\$ 2,663
King County International Airport							
Airport Operations	10,884	144	11,028	560	10,468	102	10,366
Airport Construction Transfers	1,520	-	1,520	-	1,520	-	1,520
Radio Communications Operating Fund	2,597	(18)	2,579	43	2,536	9	2,527
Solid Waste							
Solid Waste Operations	88,734	(280)	88,454	137	88,317	3,139	85,178
DNR Administration	4,611	(49)	4,562	206	4,356	61	4,295
Landfill Post-closure Maintenance	3,493	(1)	3,492	381	3,111	571	2,540
Public Transportation							
Transit Operations	431,957	1,858	433,815	3,036	430,779	-	430,779
Transit Construction Transfers	(70,617)	-	(70,617)	-	(70,617)	-	(70,617)
DOT Director's Office	4,843	(5)	4,838	167	4,671	-	4,671
Transit Revenue Vehicle Replacement	9,321	-	9,321	-	9,321	-	9,321
Water Quality							
Water Quality Operations	86,860	(257)	86,603	3,377	83,226	-	83,226
Water Quality Debt Service	120,492	-	120,492	7,458	113,034	-	113,034
TOTAL OF ENTERPRISE ANNUAL BUDGETS	\$ 697,401	\$ 1,481	\$ 698,882	\$ 15,481	\$ 683,401	\$ 3,898	\$ 679,503

(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, 2005**

Construction and Facilities Management Fund – 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.

DES Equipment Replacement Fund – Accounts for the purchase and replacement of personal computers for the agencies in King County Department of Executive Services.

Employee Benefits Program Fund – 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 – 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 – Accounts for the activities relating to the operations of the Office of Information Resource Management Division, including countywide information technology strategic planning and project management oversight.

Information and Telecommunications Services Fund – Consists of two subfunds that account for data processing and telecommunications services provided to King County and other contracting agencies. The Data Processing Services subfund is responsible for the wide area data network, applications development and support, data center operations, database and server maintenance, server hosting, internet access, web infrastructure, help desk operations, and equipment replacement services. The Telecommunications Services subfund is responsible for managing desktop and wireless telephony services. This includes billing and inventory maintenance and replacement 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 – 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.

King County Geographic Information Systems Fund – 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 – Accounts for the purchase and maintenance of a fleet of vehicles for use by County agencies.

Printing/Graphic Arts Services Fund – Accounts for printing, graphic arts, and duplicating services.

Public Works Equipment Rental Fund – Accounts for the purchase and maintenance of equipment and materials primarily used by the Road Services Division for maintenance and repair.

Safety and Workers' Compensation Fund – 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 – Accounts for the purchase and maintenance of a fleet of equipment and vehicles for use by the Wastewater Treatment Division and Water and Land Resources.

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2005
(IN THOUSANDS)
(PAGE 1 OF 3)

	<u>TOTAL</u>	<u>CONSTRUCTION & FACILITIES MANAGEMENT</u>	<u>DES EQUIPMENT REPLACEMENT</u>	<u>EMPLOYEE BENEFITS PROGRAM</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 165,476	\$ 2,537	\$ 479	\$ 29,711
Investments	111	-	-	-
Accounts receivable	600	458	-	63
Estimated uncollectible				
accounts receivable	(10)	(1)	-	-
Due from other funds	2,909	672	324	-
Due from other governments	100	-	-	-
Estimated uncollectible				
due from other governments	(27)	-	-	-
Inventory of supplies	1,571	434	-	-
Prepayments	3,521	-	-	-
Total current assets	<u>174,251</u>	<u>4,100</u>	<u>803</u>	<u>29,774</u>
Capital assets				
Improvements other than buildings	1,200	525	-	-
Accumulated depreciation	(771)	(266)	-	-
Rental equipment	65,976	-	-	-
Accumulated depreciation	(40,462)	-	-	-
Furniture, machinery and equipment	10,522	2,321	-	82
Accumulated depreciation	(6,952)	(1,044)	-	(25)
Data processing equipment	14,087	-	371	-
Accumulated depreciation	(10,542)	-	(34)	-
Telecommunication equipment	3,654	-	-	-
Accumulated depreciation	(3,636)	-	-	-
Work in progress	963	-	-	963
Total capital assets	<u>34,039</u>	<u>1,536</u>	<u>337</u>	<u>1,020</u>
TOTAL ASSETS	<u>208,290</u>	<u>5,636</u>	<u>1,140</u>	<u>30,794</u>
LIABILITIES				
Current liabilities				
Accounts payable	10,275	1,291	101	1,245
Estimated claim settlements	76,476	-	-	13,511
Due to other funds	2,696	612	-	122
Interest payable	33	9	-	-
Interfund short-term loans payable	279	-	-	-
Wages payable	2,466	677	-	148
Taxes payable	19	7	-	-
Unearned revenues	252	-	-	-
Obligations under reverse				
repurchase agreements	12,752	-	-	3,327
General obligation bonds payable	1,200	155	-	-
Assessments payable	15	15	-	-
Custodial accounts	92	-	-	92
Total current liabilities	<u>106,555</u>	<u>2,766</u>	<u>101</u>	<u>18,445</u>
Long-term liabilities				
General obligation bonds payable	905	750	-	-
Compensated absences payable	8,893	2,302	-	184
Assessments payable	74	74	-	-
Estimated claim settlements	37,891	-	-	-
Total long-term liabilities	<u>47,763</u>	<u>3,126</u>	<u>-0-</u>	<u>184</u>
TOTAL LIABILITIES	<u>154,318</u>	<u>5,892</u>	<u>101</u>	<u>18,629</u>
NET ASSETS				
Invested in capital assets, net of related debt	32,458	631	337	1,020
Unrestricted	21,514	(887)	702	11,145
TOTAL NET ASSETS	<u>\$ 53,972</u>	<u>\$ (256)</u>	<u>\$ 1,039</u>	<u>\$ 12,165</u>

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2005
(IN THOUSANDS)
(PAGE 2 OF 3)

FINANCIAL MANAGEMENT SERVICES	OFFICE OF INFORMATION RESOURCE MANAGEMENT OPERATING	INFORMATION & TELECOM- MUNICATIONS SERVICES	INSURANCE	KING COUNTY GEOGRAPHIC INFORMATION SYSTEMS	MOTOR POOL EQUIPMENT RENTAL
\$ 5,818	\$ 1,393	\$ 7,048	\$ 86,534	\$ 253	\$ 5,892
-	-	-	-	-	-
-	-	79	-	-	-
-	-	(9)	-	-	-
146	-	1,168	16	62	118
9	-	69	-	-	-
-	-	(26)	-	-	-
-	-	-	-	-	59
-	-	-	3,521	-	-
<u>5,973</u>	<u>1,393</u>	<u>8,329</u>	<u>90,071</u>	<u>315</u>	<u>6,069</u>
616	-	-	-	-	49
(463)	-	-	-	-	(32)
-	-	-	-	-	29,773
-	-	-	-	-	(18,469)
4,511	74	347	73	560	542
(2,994)	(48)	(226)	(68)	(483)	(451)
-	-	13,716	-	-	-
-	-	(10,508)	-	-	-
-	-	3,654	-	-	-
-	-	(3,636)	-	-	-
-	-	-	-	-	-
<u>1,670</u>	<u>26</u>	<u>3,347</u>	<u>5</u>	<u>77</u>	<u>11,412</u>
<u>7,643</u>	<u>1,419</u>	<u>11,676</u>	<u>90,076</u>	<u>392</u>	<u>17,481</u>
395	55	1,635	3,420	23	207
-	-	-	46,608	-	-
490	147	555	178	35	154
-	-	24	-	-	-
-	-	-	-	-	-
613	42	522	57	86	57
-	-	10	-	2	-
252	-	-	-	-	-
-	-	-	9,425	-	-
-	-	1,045	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,750</u>	<u>244</u>	<u>3,791</u>	<u>59,688</u>	<u>146</u>	<u>418</u>
-	-	155	-	-	-
2,530	259	1,845	190	253	164
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,530</u>	<u>259</u>	<u>2,000</u>	<u>190</u>	<u>253</u>	<u>164</u>
<u>4,280</u>	<u>503</u>	<u>5,791</u>	<u>59,878</u>	<u>399</u>	<u>582</u>
1,670	26	2,671	5	77	11,412
<u>1,693</u>	<u>890</u>	<u>3,214</u>	<u>30,193</u>	<u>(84)</u>	<u>5,487</u>
<u>\$ 3,363</u>	<u>\$ 916</u>	<u>\$ 5,885</u>	<u>\$ 30,198</u>	<u>\$ (7)</u>	<u>\$ 16,899</u>

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2005
(IN THOUSANDS)
(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	\$ -	\$ 10,298	\$ 11,335	\$ 4,178
Investments	-	-	111	-
Accounts receivable	-	-	-	-
Estimated uncollectible accounts receivable	-	-	-	-
Due from other funds	41	265	31	66
Due from other governments	22	-	-	-
Estimated uncollectible due from other governments	(1)	-	-	-
Inventory of supplies	-	1,075	-	3
Prepayments	-	-	-	-
Total current assets	62	11,638	11,477	4,247
Capital assets				
Improvements other than buildings	-	10	-	-
Accumulated depreciation	-	(10)	-	-
Rental equipment	-	24,621	-	11,582
Accumulated depreciation	-	(13,768)	-	(8,225)
Furniture, machinery and equipment	603	933	191	285
Accumulated depreciation	(400)	(798)	(176)	(239)
Data processing equipment	-	-	-	-
Accumulated depreciation	-	-	-	-
Telecommunication equipment	-	-	-	-
Accumulated depreciation	-	-	-	-
Work in progress	-	-	-	-
Total capital assets	203	10,988	15	3,403
TOTAL ASSETS	265	22,626	11,492	7,650
LIABILITIES				
Current liabilities				
Accounts payable	127	520	1,204	52
Estimated claim settlements	-	-	16,357	-
Due to other funds	145	156	51	51
Interest payable	-	-	-	-
Interfund short-term loans payable	279	-	-	-
Wages payable	43	144	77	-
Taxes payable	-	-	-	-
Unearned revenues	-	-	-	-
Obligations under reverse repurchase agreements	-	-	-	-
General obligation bonds payable	-	-	-	-
Assessments payable	-	-	-	-
Custodial accounts	-	-	-	-
Total current liabilities	594	820	17,689	103
Long-term liabilities				
General obligation bonds payable	-	-	-	-
Compensated absences payable	246	733	187	-
Assessments payable	-	-	-	-
Estimated claim settlements	-	-	37,891	-
Total long-term liabilities	246	733	38,078	-0-
TOTAL LIABILITIES	840	1,553	55,767	103
NET ASSETS				
Invested in capital assets, net of related debt	203	10,988	15	3,403
Unrestricted	(778)	10,085	(44,290)	4,144
TOTAL NET ASSETS	\$ (575)	\$ 21,073	\$ (44,275)	\$ 7,547

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COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
(IN THOUSANDS)
(PAGE 1 OF 3)

	TOTAL	CONSTRUCTION & FACILITIES MANAGEMENT	DES EQUIPMENT REPLACEMENT	EMPLOYEE BENEFITS PROGRAM
OPERATING REVENUES				
Profit on inventory sales				
Sales of inventory	\$ 6,813	\$ -	\$ -	\$ -
Cost of goods sold	<u>(5,908)</u>	-	-	-
Gross profit on inventory	905	-	-	-
Data processing services - intracounty	24,094	-	-	-
Data processing services - other	356	-	-	-
Telecommunication services	1,921	-	-	-
Information resources management fees	1,725	-	-	-
Geographic information systems fees	2,965	-	-	-
Building operation and maintenance service fees	26,511	26,511	-	-
Architect/engineering/renovation service fees	8,021	8,021	-	-
Benefit program employer contributions	145,009	-	-	145,009
Benefit program employee fees	6,785	-	-	6,785
Financial services	27,088	-	-	-
Insurance services	22,628	-	-	-
Equipment rental fees	14,518	-	-	-
Fixed asset data management services	142	-	-	-
Garage shop services	160	-	-	-
Printing and duplication	3,441	-	-	-
Workers' compensation employer contributions	28,271	-	-	-
Miscellaneous	383	14	-	-
Total operating revenues	<u>314,923</u>	<u>34,546</u>	<u>-0-</u>	<u>151,794</u>
OPERATING EXPENSES				
Personal services	66,169	20,006	-	1,525
Materials and supplies	8,223	1,049	-	23
Contract services and other charges	213,858	9,348	-	150,005
Lease and maintenance of equipment	2,078	104	-	12
Internal services	19,555	3,534	-	339
Depreciation	8,139	285	34	11
Total operating expenses	<u>318,022</u>	<u>34,326</u>	<u>34</u>	<u>151,915</u>
OPERATING INCOME (LOSS)	<u>(3,099)</u>	<u>220</u>	<u>(34)</u>	<u>(121)</u>
NONOPERATING REVENUES				
Intergovernmental	12	12	-	-
Interest	4,208	128	17	786
Total nonoperating revenues	<u>4,220</u>	<u>140</u>	<u>17</u>	<u>786</u>
NONOPERATING EXPENSES				
Interest	122	49	-	-
(Gain) loss on disposal of capital assets	(489)	168	-	5
Total nonoperating expenses	<u>(367)</u>	<u>217</u>	<u>-0-</u>	<u>5</u>
Income (loss) before contributions and transfers	1,488	143	(17)	660
Capital contributions	1,255	190	1	4
Transfers in	2,285	873	570	-
Transfers out	<u>(3,204)</u>	<u>(116)</u>	<u>(73)</u>	<u>(7)</u>
CHANGE IN NET ASSETS	1,824	1,090	481	657
NET ASSETS - JANUARY 1, 2005 (RESTATED)	<u>52,148</u>	<u>(1,346)</u> ^(a)	<u>558</u>	<u>11,508</u> ^(a)
NET ASSETS - DECEMBER 31, 2005	<u>\$ 53,972</u>	<u>\$ (256)</u>	<u>\$ 1,039</u>	<u>\$ 12,165</u>

(a) See Note 15, "Restrictions, Reserves, Designations, and Changes in Equity" – Restatements of Beginning Balances.

KING COUNTY, WASHINGTON

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
(IN THOUSANDS)
(PAGE 2 OF 3)

FINANCIAL MANAGEMENT SERVICES	OFFICE OF INFORMATION RESOURCE MANAGEMENT OPERATING	INFORMATION & TELECOM- MUNICATIONS SERVICES	INSURANCE	KING COUNTY GEOGRAPHIC INFORMATION SYSTEMS	MOTOR POOL EQUIPMENT RENTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,786
-	-	-	-	-	(1,624)
-	-	-	-	-	162
-	-	24,094	-	-	-
-	-	356	-	-	-
-	-	1,921	-	-	-
-	1,725	-	-	-	-
-	-	-	-	2,965	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27,088	-	-	-	-	-
-	-	-	22,628	-	-
-	-	-	-	-	7,323
-	-	-	-	-	-
-	-	-	-	-	34
-	-	-	-	-	-
-	-	-	-	-	-
8	-	10	20	-	73
<u>27,096</u>	<u>1,725</u>	<u>26,381</u>	<u>22,648</u>	<u>2,965</u>	<u>7,592</u>
16,882	1,350	13,890	1,726	2,576	1,655
312	14	1,033	14	75	2,843
2,890	52	5,471	20,156	146	151
53	-	821	56	-	453
6,949	248	1,975	1,134	331	1,248
377	18	1,562	5	63	2,911
<u>27,463</u>	<u>1,682</u>	<u>24,752</u>	<u>23,091</u>	<u>3,191</u>	<u>9,261</u>
<u>(367)</u>	<u>43</u>	<u>1,629</u>	<u>(443)</u>	<u>(226)</u>	<u>(1,669)</u>
-	-	-	-	-	-
249	38	-	2,059	-	198
<u>249</u>	<u>38</u>	<u>-0-</u>	<u>2,059</u>	<u>-0-</u>	<u>198</u>
-	-	66	-	-	-
30	1	35	1	-	(181)
<u>30</u>	<u>1</u>	<u>101</u>	<u>1</u>	<u>-0-</u>	<u>(181)</u>
(148)	80	1,528	1,615	(226)	(1,290)
-	-	648	-	-	77
-	-	842	-	-	-
<u>(159)</u>	<u>-</u>	<u>(2,035)</u>	<u>(12)</u>	<u>(1)</u>	<u>(1)</u>
(307)	80	983	1,603	(227)	(1,214)
<u>3,670</u> ^(a)	<u>836</u>	<u>4,902</u>	<u>28,595</u> ^(a)	<u>220</u>	<u>18,113</u> ^(a)
<u>\$ 3,363</u>	<u>\$ 916</u>	<u>\$ 5,885</u>	<u>\$ 30,198</u>	<u>\$ (7)</u>	<u>\$ 16,899</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2005
 (IN THOUSANDS)
 (PAGE 3 OF 3)

	PRINTING/ GRAPHIC ARTS SERVICES	PUBLIC WORKS EQUIPMENT RENTAL	SAFETY & WORKERS' COMPENSATION	WASTEWATER EQUIPMENT RENTAL
OPERATING REVENUES				
Profit on inventory sales				
Sales of inventory	\$ -	\$ 4,778	\$ -	\$ 249
Cost of goods sold	-	(4,056)	-	(228)
Gross profit on inventory	-	722	-	21
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	-	5,506	-	1,689
Fixed asset data management services	-	142	-	-
Garage shop services	-	126	-	-
Printing and duplication	3,441	-	-	-
Workers' compensation employer contributions	-	-	28,271	-
Miscellaneous	-	102	153	3
Total operating revenues	3,441	6,598	28,424	1,713
OPERATING EXPENSES				
Personal services	1,324	2,172	2,844	219
Materials and supplies	582	1,991	41	246
Contract services and other charges	765	214	24,602	58
Lease and maintenance of equipment	294	154	93	38
Internal services	650	806	2,006	335
Depreciation	18	2,178	24	653
Total operating expenses	3,633	7,515	29,610	1,549
OPERATING INCOME (LOSS)	(192)	(917)	(1,186)	164
NONOPERATING REVENUES				
Intergovernmental	-	-	-	-
Interest	-	323	280	130
Total nonoperating revenues	-0-	323	280	130
NONOPERATING EXPENSES				
Interest	7	-	-	-
(Gain) loss on disposal of capital assets	-	(481)	-	(67)
Total nonoperating expenses	7	(481)	-0-	(67)
Income (loss) before contributions and transfers	(199)	(113)	(906)	361
Capital contributions	7	140	-	188
Transfers in	-	-	-	-
Transfers out	(1)	(783)	(16)	-
CHANGE IN NET ASSETS	(193)	(756)	(922)	549
NET ASSETS - JANUARY 1, 2005 (RESTATED)	(382)	21,829 ^(a)	(43,353) ^(a)	6,998
NET ASSETS - DECEMBER 31, 2005	\$ (575)	\$ 21,073	\$ (44,275)	\$ 7,547

(a) See Note 15, "Restrictions, Reserves, Designations, and Changes in Equity" – Restatements of Beginning Balances.

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COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
(IN THOUSANDS)
(PAGE 1 OF 3)

	TOTAL	CONSTRUCTION & FACILITIES MANAGEMENT	DES EQUIPMENT REPLACEMENT	EMPLOYEE BENEFITS PROGRAM
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from users	\$ 320,865	\$ 34,987	\$ -	\$ 152,174
Cash payments to suppliers for goods and services	(237,215)	(12,975)	-	(149,868)
Cash payments for employee services	(66,223)	(20,270)	-	(1,575)
Other operating revenues	383	14	-	-
Net cash provided (used) by operating activities	<u>17,810</u>	<u>1,756</u>	<u>-0-</u>	<u>731</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants and subsidies received	12	12	-	-
Interest paid on short-term loans	(7)	-	-	-
Interfund loan principal	78	-	-	-
Transfers in	2,519	873	804	-
Transfers out	(2,849)	(116)	(73)	(7)
Net cash provided (used) by noncapital financing activities	<u>(247)</u>	<u>769</u>	<u>731</u>	<u>(7)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of assets	(11,072)	(55)	(269)	(1,012)
Principal paid on general obligation bonds	(1,145)	(150)	-	-
Interest paid on general obligation bonds	(130)	(43)	-	-
Principal paid on assessment	(15)	(15)	-	-
Interest paid on assessment	(8)	(8)	-	-
Proceeds from disposal of capital assets	1,150	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(11,220)</u>	<u>(271)</u>	<u>(269)</u>	<u>(1,012)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in allocation of pooled reverse repurchase agreement	9,552	-	-	2,323
Interest on investments (Including unrealized gains/ losses reported as cash and cash equivalents)	4,209	128	17	786
Net cash provided by investing activities	<u>13,761</u>	<u>128</u>	<u>17</u>	<u>3,109</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	20,104	2,382	479	2,821
CASH AND CASH EQUIVALENTS - JANUARY 1, 2005	145,372	155	-	26,890
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2005	\$ 165,476	\$ 2,537	\$ 479	\$ 29,711
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (3,099)	\$ 220	\$ (34)	\$ (121)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Depreciation	8,139	285	34	11
Class compensation expenses	(137)	(35)	-	(32)
Change in assets - (increase) decrease				
Accounts receivable, net	50	(413)	-	288
Due from other funds	292	868	-	-
Due from other governments, net	(11)	-	-	-
Inventory of supplies	(143)	(256)	-	-
Prepayments	3,045	-	-	122
Change in liabilities - increase (decrease)				
Accounts payable	3,847	863	-	(185)
Estimated claim settlements	5,299	-	-	456
Due to other funds	380	453	-	118
Wages payable	109	(59)	-	(46)
Taxes payable	(21)	-	-	-
Custodial accounts	92	-	-	92
Unearned revenues	(6)	-	-	-
Compensated absences	(26)	(170)	-	28
Total adjustments	<u>20,909</u>	<u>1,536</u>	<u>34</u>	<u>852</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 17,810	\$ 1,756	\$ -0-	\$ 731
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets from government	\$ 1,255	\$ 190	\$ 1	\$ 4

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
(IN THOUSANDS)
(PAGE 2 OF 3)

FINANCIAL MANAGEMENT SERVICES	OFFICE OF INFORMATION RESOURCE MANAGEMENT OPERATING	INFORMATION & TELECOM- MUNICATIONS SERVICES	INSURANCE	KING COUNTY GEOGRAPHIC INFORMATION SYSTEMS	MOTOR POOL EQUIPMENT RENTAL
\$ 27,075	\$ 1,725	\$ 25,987	\$ 22,612	\$ 2,917	\$ 9,078
(10,523)	(167)	(8,749)	(15,831)	(652)	(6,223)
(16,709)	(1,267)	(13,861)	(1,705)	(2,553)	(1,648)
<u>8</u>	<u>-</u>	<u>10</u>	<u>20</u>	<u>-</u>	<u>73</u>
<u>(149)</u>	<u>291</u>	<u>3,387</u>	<u>5,096</u>	<u>(288)</u>	<u>1,280</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	842	-	-	-
<u>(159)</u>	<u>-</u>	<u>(1,680)</u>	<u>(12)</u>	<u>(1)</u>	<u>(1)</u>
<u>(159)</u>	<u>-0-</u>	<u>(838)</u>	<u>(12)</u>	<u>(1)</u>	<u>(1)</u>
(277)	(9)	(514)	(1)	(30)	(3,842)
-	-	(995)	-	-	-
-	-	(87)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	360
<u>(277)</u>	<u>(9)</u>	<u>(1,596)</u>	<u>(1)</u>	<u>(30)</u>	<u>(3,482)</u>
-	-	-	7,229	-	-
<u>249</u>	<u>38</u>	<u>-</u>	<u>2,059</u>	<u>-</u>	<u>198</u>
<u>249</u>	<u>38</u>	<u>-0-</u>	<u>9,288</u>	<u>-0-</u>	<u>198</u>
(336)	320	953	14,371	(319)	(2,005)
<u>6,154</u>	<u>1,073</u>	<u>6,095</u>	<u>72,163</u>	<u>572</u>	<u>7,897</u>
<u>\$ 5,818</u>	<u>\$ 1,393</u>	<u>\$ 7,048</u>	<u>\$ 86,534</u>	<u>\$ 253</u>	<u>\$ 5,892</u>
<u>\$ (367)</u>	<u>\$ 43</u>	<u>\$ 1,629</u>	<u>\$ (443)</u>	<u>\$ (226)</u>	<u>\$ (1,669)</u>
377	18	1,562	5	63	2,911
(41)	-	-	(3)	-	(6)
38	-	7	-	-	-
(67)	-	(380)	(16)	(48)	(65)
22	-	(12)	-	-	-
-	-	-	-	-	(5)
-	-	-	2,923	-	-
(239)	55	565	3,191	17	69
-	-	-	(158)	-	-
(56)	92	(15)	(427)	(118)	32
111	(5)	73	1	12	8
(24)	-	2	-	1	-
-	-	-	-	-	-
(6)	-	-	-	-	-
<u>103</u>	<u>88</u>	<u>(44)</u>	<u>23</u>	<u>11</u>	<u>5</u>
<u>218</u>	<u>248</u>	<u>1,758</u>	<u>5,539</u>	<u>(62)</u>	<u>2,949</u>
<u>\$ (149)</u>	<u>\$ 291</u>	<u>\$ 3,387</u>	<u>\$ 5,096</u>	<u>\$ (288)</u>	<u>\$ 1,280</u>
\$ -	\$ -	\$ 648	\$ -	\$ -	\$ 77

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
(IN THOUSANDS)
(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	\$ 3,447	\$ 10,606	\$ 28,385	\$ 1,872
Cash payments to suppliers for goods and services	(2,193)	(7,270)	(21,895)	(869)
Cash payments for employee services	(1,324)	(2,227)	(2,865)	(219)
Other operating revenues	-	102	153	3
Net cash provided (used) by operating activities	<u>(70)</u>	<u>1,211</u>	<u>3,778</u>	<u>787</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants and subsidies received	-	-	-	-
Interest paid on short-term loans	(7)	-	-	-
Interfund loan principal	78	-	-	-
Transfers in	-	-	-	-
Transfers out	(11)	(783)	(16)	-
Net cash provided (used) by noncapital financing activities	<u>70</u>	<u>(783)</u>	<u>(16)</u>	<u>-0-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of assets	-	(3,421)	-	(1,642)
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	-	723	-	67
Net cash provided (used) by capital and related financing activities	<u>-0-</u>	<u>(2,698)</u>	<u>-0-</u>	<u>(1,575)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in allocation of pooled reverse repurchase agreement	-	-	-	-
Interest on investments (Including unrealized gains/ losses reported as cash and cash equivalents)	-	323	281	130
Net cash provided by investing activities	<u>-0-</u>	<u>323</u>	<u>281</u>	<u>130</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS - JANUARY 1, 2005	<u>-0-</u>	<u>12,245</u>	<u>7,292</u>	<u>4,836</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2005	<u>\$ -0-</u>	<u>\$ 10,298</u>	<u>\$ 11,335</u>	<u>\$ 4,178</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (192)	\$ (917)	\$ (1,186)	\$ 164
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Depreciation	18	2,178	24	653
Class compensation expenses	-	(19)	(1)	-
Change in assets - (increase) decrease	-	-	130	-
Accounts receivable, net	-	-	(16)	(66)
Due from other funds	28	54	-	-
Due from other governments, net	(21)	-	-	-
Inventory of supplies	-	118	-	-
Prepayments	-	-	-	-
Change in liabilities - increase (decrease)	(47)	(276)	(205)	39
Accounts payable	-	-	5,001	-
Estimated claim settlements	-	-	51	(3)
Due to other funds	144	109	3	-
Wages payable	7	4	-	-
Taxes payable	-	-	-	-
Custodial accounts	-	-	-	-
Unearned revenues	-	-	-	-
Compensated absences	(7)	(40)	(23)	-
Total adjustments	<u>122</u>	<u>2,128</u>	<u>4,964</u>	<u>623</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (70)</u>	<u>\$ 1,211</u>	<u>\$ 3,778</u>	<u>\$ 787</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets from government	\$ 7	\$ 140	\$ -	\$ 188

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, 2005
(IN THOUSANDS)

APPROPRIATION UNIT	BUDGET				ACTUAL		
	ORIGINAL	ADJUSTMENTS	FINAL	VARIANCE	TOTAL	2005 YEAR-END ENCUMBRANCES	EXPENDITURES
Construction and Facilities Management	\$ 35,726	\$ (82)	\$ 35,644	\$ 729	\$ 34,915	\$ 61	\$ 34,854
DES Equipment Replacement	-	463	463	93	370	-	370
Employee Benefits Program	165,354	(1,048)	164,306	11,012	153,294	15	153,279
Financial Management Services	28,733	(185)	28,548	754	27,794	375	27,419
Office of Information Resource Management Operating	1,918	(16)	1,902	317	1,585	-	1,585
Information and Telecommunications Services							
Data Processing Services	25,028	367	25,395	740	24,655	-	24,655
Telecommunication Services	1,799	(12)	1,787	208	1,579	-	1,579
Total Information and Telecommunications Services	<u>26,827</u>	<u>355</u>	<u>27,182</u>	<u>948</u>	<u>26,234</u>	<u>-0-</u>	<u>26,234</u>
Insurance	20,994	(31)	20,963	455	20,508	197	20,311
King County Geographic Information Systems	3,532	(44)	3,488	340	3,148	-	3,148
Motor Pool Equipment Rental	10,566	2,593	13,159	525	12,634	248	12,386
Printing/Graphic Arts Services	3,658	(22)	3,636	7	3,629	-	3,629
Public Works Equipment Rental	13,474	91	13,565	3,397	10,168	587	9,581
Safety and Workers' Compensation	30,519	(35)	30,484	4,090	26,394	-	26,394
Wastewater Equipment Rental	2,917	52	2,969	227	2,742	205	2,537
TOTAL OF INTERNAL SERVICE FUNDS WITH ANNUAL BUDGETS	<u>\$ 344,218</u>	<u>\$ 2,091</u>	<u>\$ 346,309</u>	<u>\$ 22,894</u>	<u>\$ 323,415</u>	<u>\$ 1,688</u>	<u>\$ 321,727</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.

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