



INTERNAL SERVICE FUNDS

Internal Service Funds account for financing of goods or services provided to other county funds on a cost reimbursement basis. The accrual basis of accounting is used for *Internal Service Funds*.

Equipment Services Division – Purchases, maintains and repairs heavy equipment; and purchases materials needed to maintain county roadways. Rates for rental of equipment owned by the fund are intended to cover all costs of maintenance and repair, materials consumed, and future replacements. Roadway materials are billed at cost.

Information Services – Provides central computing and data processing services to all county departments. These services include design, development and implementation of new computer systems, as well as the maintenance and operation of existing systems. *Information Services* is also responsible for the maintenance and operation of county telecommunications systems. Funding is provided by user fees.

Facilities Management – Maintains and operates county buildings, including janitorial services, general maintenance and repairs, and grounds maintenance. User fees provide funding.

Radio Communications – Purchases, maintains and repairs the countywide microwave communications system, and associated radios and other hardware. Funding is provided by user fees.

Fleet Rental Services – Purchases, maintains and repairs county passenger vehicles. Rates for rental of vehicles owned by the fund are intended to cover all costs of maintenance and repair, materials and supplies consumed, and future replacements.

General Services – Provides and accounts for the following services to county government: office supplies, photocopying, printing, mail processing, routing, delivery services and records management. Funding is provided by user fees.

Self-Insurance – Manages county self-insurance activities, including purchasing of insurance coverage, payment of claim settlements, and minimization of potential loss exposure. Funding is provided by user fees based upon loss experience factors.

Workers Compensation – Administers employee safety and training programs in accordance with Washington Industrial Safety and Health Act of 1973, and the county self-insured workers compensation program as provided by the Industrial Insurance Act, Title 51, State of Washington. Funding is provided by premium charges to county departments.



Internal Service Funds
Combining Statement Of Net Assets
 At December 31, 2002
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	<u>Equipment Services Division</u>	<u>Information Services</u>	<u>Facilities Management</u>
ASSETS			
Current Assets			
Cash In Treasury Pool	\$ 8,393,897	\$ 3,844,251	\$ 2,502,009
Accounts Receivable, Net	8,045	88,788	206
Due From Other Funds	1,061,828	493,970	83,634
Due From Other Governments	-	1,489	-
Interfund Loans Receivable, Current	22,408	-	-
Inventory, At Cost	1,284,522	6,393	108,115
Prepaid Expense	-	-	-
Total Current Assets	<u>10,770,700</u>	<u>4,434,891</u>	<u>2,693,964</u>
Noncurrent Assets And Deferred Charges			
Advances To Other Funds	<u>876,292</u>	<u>-</u>	<u>-</u>
Capital Assets			
Land	-	-	-
Plant And Equipment	25,251,468	4,974,919	469,406
Construction In Progress	-	1,941,586	-
Accumulated Depreciation	<u>(13,149,690)</u>	<u>(3,068,499)</u>	<u>(191,538)</u>
Total Capital Assets, Net	<u>12,101,778</u>	<u>3,848,006</u>	<u>277,868</u>
TOTAL ASSETS	<u>\$ 23,748,770</u>	<u>\$ 8,282,897</u>	<u>\$ 2,971,832</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current Liabilities			
Vouchers And Accounts Payable	\$ 976,187	\$ 672,316	\$ 494,938
Due To Other Funds	7,947	33,404	105,402
Due To Other Governments	1,394	-	95,010
Accrued Wages And Benefits Payable	131,063	973,225	276,216
Estimated Claims Settlements	-	-	-
Deferred Revenues	-	-	11,533
TOTAL CURRENT LIABILITIES	<u>1,116,591</u>	<u>1,678,945</u>	<u>983,099</u>
NET ASSETS			
Invested in Capital Assets	12,101,778	3,848,006	277,868
Unrestricted	<u>10,530,401</u>	<u>2,755,946</u>	<u>1,710,865</u>
TOTAL NET ASSETS	<u>22,632,179</u>	<u>6,603,952</u>	<u>1,988,733</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 23,748,770</u>	<u>\$ 8,282,897</u>	<u>\$ 2,971,832</u>



Internal Service Funds
Combining Statement Of Net Assets
 At December 31, 2002
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<u>Radio Communications</u>	<u>Fleet Rental Services</u>	<u>General Services</u>	<u>Self-Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
\$ 952,313	\$ 4,192,385	\$ 260,178	\$ 15,777,049	\$ 1,300,519	\$ 37,222,601
7,383	-	-	-	-	104,422
63,018	308,499	76,965	82,676	1,181,058	3,351,648
1,155	-	18,698	-	1,831	23,173
-	-	-	-	-	22,408
-	67,571	6,359	-	-	1,472,960
-	-	44,293	145,974	-	190,267
<u>1,023,869</u>	<u>4,568,455</u>	<u>406,493</u>	<u>16,005,699</u>	<u>2,483,408</u>	<u>42,387,479</u>
-	-	-	-	-	876,292
-	211,440	-	-	-	211,440
989,919	12,830,222	45,226	-	15,661	44,576,821
484,820	-	-	-	-	2,426,406
<u>(267,810)</u>	<u>(6,340,424)</u>	<u>(27,086)</u>	<u>-</u>	<u>(7,112)</u>	<u>(23,052,159)</u>
<u>1,206,929</u>	<u>6,701,238</u>	<u>18,140</u>	<u>-</u>	<u>8,549</u>	<u>24,162,508</u>
<u>\$ 2,230,798</u>	<u>\$ 11,269,693</u>	<u>\$ 424,633</u>	<u>\$ 16,005,699</u>	<u>\$ 2,491,957</u>	<u>\$ 67,426,279</u>
\$ 51,626	\$ 135,699	\$ 84,090	\$ 118,926	\$ 296,465	\$ 2,830,247
3,678	12,411	3,286	3,623	1,819	171,570
-	-	-	-	-	96,404
51,083	26,831	46,008	73,989	13,675	1,592,090
-	-	-	7,913,039	2,338,594	10,251,633
<u>167,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,885</u>
<u>273,739</u>	<u>174,941</u>	<u>133,384</u>	<u>8,109,577</u>	<u>2,650,553</u>	<u>15,120,829</u>
1,206,929	6,701,238	18,140	-	8,549	24,162,508
<u>750,130</u>	<u>4,393,514</u>	<u>273,109</u>	<u>7,896,122</u>	<u>(167,145)</u>	<u>28,142,942</u>
<u>1,957,059</u>	<u>11,094,752</u>	<u>291,249</u>	<u>7,896,122</u>	<u>(158,596)</u>	<u>52,305,450</u>
<u>\$ 2,230,798</u>	<u>\$ 11,269,693</u>	<u>\$ 424,633</u>	<u>\$ 16,005,699</u>	<u>\$ 2,491,957</u>	<u>\$ 67,426,279</u>



Internal Service Funds
Combining Statement Of Revenues, Expenses And Changes In Fund Net Assets
 For The Year Ended December 31, 2002

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	Equipment Services Division	Information Services	Facilities Management
Operating Revenues			
Charges For Services	\$ 9,524,091	\$ 13,107,615	\$ 8,760,994
Operating Expenses			
Personal Services	1,535,518	8,979,254	2,763,441
Materials And Supplies	3,794,823	1,544,235	395,173
System Support Service	493,804	2,741,611	4,675,639
Depreciation And Amortization	1,976,786	535,713	36,993
Insurance, Claims Settlements, And Other Charges	-	-	-
Total Operating Expenses	7,800,931	13,800,813	7,871,246
OPERATING INCOME (LOSS)	1,723,160	(693,198)	889,748
Nonoperating Revenues (Expenses)			
Interest Income	44,344	-	-
Intergovernmental Grants	-	-	34,060
Gain (Loss) On Disposal Of Equipment	36,025	(77,842)	-
Total Nonoperating Revenues (Expenses)	80,369	(77,842)	34,060
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,803,529	(771,040)	923,808
Capital Contributions	561	26,795	-
Transfers In	202,897	3,699,131	-
Transfers Out	-	(13,348)	-
CHANGE IN NET ASSETS	2,006,987	2,941,538	923,808
TOTAL NET ASSETS - Beginning Of Year	20,625,192	3,662,414	1,064,925
TOTAL NET ASSETS - End Of Year	\$ 22,632,179	\$ 6,603,952	\$ 1,988,733



Internal Service Funds
Combining Statement Of Revenues, Expenses And Changes In Fund Net Assets
 For The Year Ended December 31, 2002
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<u>Radio Communications</u>	<u>Fleet Rental Services</u>	<u>General Services</u>	<u>Self-Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
\$ 1,386,946	\$ 3,220,995	\$ 2,706,805	\$ 7,118,343	\$ 1,945,886	\$ 47,771,675
472,601	206,737	447,623	426,195	132,283	14,963,652
688,208	818,656	1,851,628	14,754	17,051	9,124,528
242,088	251,418	286,222	1,217,093	255,602	10,163,477
43,526	1,637,343	4,111	-	3,058	4,237,530
-	-	-	2,343,556	3,066,773	5,410,329
<u>1,446,423</u>	<u>2,914,154</u>	<u>2,589,584</u>	<u>4,001,598</u>	<u>3,474,767</u>	<u>43,899,516</u>
<u>(59,477)</u>	<u>306,841</u>	<u>117,221</u>	<u>3,116,745</u>	<u>(1,528,881)</u>	<u>3,872,159</u>
66	-	-	-	-	44,410
4,851	-	-	-	-	38,911
-	(21,219)	-	-	-	(63,036)
<u>4,917</u>	<u>(21,219)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,285</u>
(54,560)	285,622	117,221	3,116,745	(1,528,881)	3,892,444
-	-	-	-	-	27,356
241,913	190,304	-	75,000	1,640,000	6,049,245
-	-	-	-	-	(13,348)
187,353	475,926	117,221	3,191,745	111,119	9,955,697
<u>1,769,706</u>	<u>10,618,826</u>	<u>174,028</u>	<u>4,704,377</u>	<u>(269,715)</u>	<u>42,349,753</u>
<u>\$ 1,957,059</u>	<u>\$ 11,094,752</u>	<u>\$ 291,249</u>	<u>\$ 7,896,122</u>	<u>\$ (158,596)</u>	<u>\$ 52,305,450</u>



Internal Service Funds
Combining Statement Of Cash Flows
 For The Year Ended December 31, 2002
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	<u>Equipment Services Division</u>	<u>Information Services</u>	<u>Facilities Management</u>
Cash Flows From Operating Activities:			
Cash Received From Customers	\$ 44,784	\$ 332,337	\$ 1,071,215
Cash Received For Interfund Services Provided	9,573,335	12,472,697	7,750,813
Cash Paid To Suppliers For Goods And Services	(4,029,615)	(3,360,160)	(4,306,753)
Cash Payments To Employees For Services And Benefits	(1,534,801)	(8,866,898)	(2,747,748)
Cash Payments For Interfund Services Used	(306,800)	(863,939)	(577,453)
Cash Paid For Insurance	-	-	-
Cash Paid For Claims Settlements	-	-	-
Net Cash Provided (Used) By Operating Activities	<u>3,746,903</u>	<u>(285,963)</u>	<u>1,190,074</u>
Cash Flows From Investing Activities:			
Interest Income	-	-	-
Net Cash Provided By Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Noncapital Financing Activities:			
Loans And Advances To Others Funds	(272,000)	-	-
Transfers In	-	3,368,000	-
Intergovernmental Grants	-	-	34,060
Net Cash Provided (Used) By Noncapital Financing Activities	<u>(272,000)</u>	<u>3,368,000</u>	<u>34,060</u>
Cash Flows From Capital And Related Financing Activities:			
Proceeds From Sale Of Capital Assets	134,130	-	-
Transfers In For Capital Purposes	202,897	331,131	-
Transfers Out	-	(13,348)	-
Acquisition Of Capital Assets	(2,215,265)	(2,526,379)	(82,232)
Net Cash Used By Capital And Related Financing Activities	<u>(1,878,238)</u>	<u>(2,208,596)</u>	<u>(82,232)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,596,665	873,441	1,141,902
CASH AND CASH EQUIVALENTS - Beginning Of Year	<u>6,797,232</u>	<u>2,970,810</u>	<u>1,360,107</u>
CASH AND CASH EQUIVALENTS - End Of Year	<u>\$ 8,393,897</u>	<u>\$ 3,844,251</u>	<u>\$ 2,502,009</u>



Internal Service Funds
Combining Statement Of Cash Flows
 For The Year Ended December 31, 2002
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<u>Radio Communications</u>	<u>Fleet Rental Services</u>	<u>General Services</u>	<u>Self-Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
\$ 83,131	\$ 14,160	\$ 113,909	\$ 114,383	\$ 71,974	\$ 1,845,893
1,359,072	3,247,283	2,629,143	6,922,494	923,862	44,878,699
(776,205)	(1,007,428)	(1,997,929)	(120,664)	(181,813)	(15,780,567)
(470,219)	(203,044)	(442,342)	(470,313)	(143,178)	(14,878,543)
(256,671)	(90,452)	(167,497)	(1,186,072)	(37,014)	(3,485,898)
-	-	-	(899,968)	(89,254)	(989,222)
-	-	-	(2,281,476)	(2,196,548)	(4,478,024)
<u>(60,892)</u>	<u>1,960,519</u>	<u>135,284</u>	<u>2,078,384</u>	<u>(1,651,971)</u>	<u>7,112,338</u>
<u>66</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66</u>
<u>66</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66</u>
-	-	-	-	-	(272,000)
-	-	-	75,000	1,640,000	5,083,000
<u>167,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>201,232</u>
<u>167,172</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>1,640,000</u>	<u>5,012,232</u>
-	165,614	-	-	-	299,744
241,913	190,304	-	-	-	966,245
-	-	-	-	-	(13,348)
<u>(237,730)</u>	<u>(1,757,692)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,819,298)</u>
<u>4,183</u>	<u>(1,401,774)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,566,657)</u>
110,529	558,745	135,284	2,153,384	(11,971)	6,557,979
<u>841,784</u>	<u>3,633,640</u>	<u>124,894</u>	<u>13,623,665</u>	<u>1,312,490</u>	<u>30,664,622</u>
<u>\$ 952,313</u>	<u>\$ 4,192,385</u>	<u>\$ 260,178</u>	<u>\$ 15,777,049</u>	<u>\$ 1,300,519</u>	<u>\$ 37,222,601</u>



Internal Service Funds
Combining Statement Of Cash Flows
For The Year Ended December 31, 2002
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	Equipment Services Division	Information Services	Facilities Management
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	<u>\$ 1,723,160</u>	<u>\$ (693,198)</u>	<u>\$ 889,748</u>
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:			
Depreciation	1,976,786	535,713	36,993
Decrease (Increase) In Assets:			
Receivables	39,196	(50,953)	3,131
Due From Other Funds	54,832	(251,301)	67,463
Due From Other Governments	-	(327)	-
Inventory	(79,926)	1,576	(15,585)
Prepaid Expense	-	-	-
Increase (Decrease) In Liabilities:			
Vouchers And Accounts Payable	34,414	54,406	17,635
Due To Other Funds	(3,670)	5,828	95,181
Due To Other Governments	1,394	(63)	89,375
Accrued Wages And Benefits Payable	717	112,356	15,693
Estimated Claims Settlements	-	-	-
Deferred Revenues	-	-	(9,560)
Total Adjustments	<u>2,023,743</u>	<u>407,235</u>	<u>300,326</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 3,746,903</u>	<u>\$ (285,963)</u>	<u>\$ 1,190,074</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Capital Asset Trade-ins	\$ -	\$ 43,513	\$ -
Purchase Of Capital Assets On Account	783,450	241,238	-
Capital Assets Contributed From Other Funds	561	26,795	-
TOTAL NONCASH ACTIVITIES	<u>\$ 784,011</u>	<u>\$ 311,546</u>	<u>\$ -</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS, END OF YEAR TO BALANCE SHEET:			
Cash And Cash Equivalents Per Balance Sheet:			
Cash In Treasury Pool	<u>\$ 8,393,897</u>	<u>\$ 3,844,251</u>	<u>\$ 2,502,009</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 8,393,897</u>	<u>\$ 3,844,251</u>	<u>\$ 2,502,009</u>



Internal Service Funds
Combining Statement Of Cash Flows
 For The Year Ended December 31, 2002
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<u>Radio Communications</u>	<u>Fleet Rental Services</u>	<u>General Services</u>	<u>Self-Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
\$ (59,477)	\$ 306,841	\$ 117,221	\$ 3,116,745	\$ (1,528,881)	\$ 3,872,159
43,526	1,637,343	4,111	-	3,058	4,237,530
157	452	-	-	-	(8,017)
52,965	39,996	41,458	(81,466)	(1,021,577)	(1,097,630)
2,135	-	(5,211)	-	(447)	(3,850)
-	(23,625)	1,529	-	-	(116,031)
-	-	1,259	96,917	-	98,176
(20,606)	(15,987)	(30,819)	(43,060)	73,271	69,254
(81,974)	11,806	455	(3,691)	(790)	23,145
-	-	-	-	-	90,706
2,382	3,693	5,281	(44,118)	(10,895)	85,109
-	-	-	(962,943)	834,290	(128,653)
-	-	-	-	-	(9,560)
<u>(1,415)</u>	<u>1,653,678</u>	<u>18,063</u>	<u>(1,038,361)</u>	<u>(123,090)</u>	<u>3,240,179</u>
<u>\$ (60,892)</u>	<u>\$ 1,960,519</u>	<u>\$ 135,284</u>	<u>\$ 2,078,384</u>	<u>\$ (1,651,971)</u>	<u>\$ 7,112,338</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,513
9,075	-	-	-	-	1,033,763
-	-	-	-	-	27,356
<u>\$ 9,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,104,632</u>
<u>\$ 952,313</u>	<u>\$ 4,192,385</u>	<u>\$ 260,178</u>	<u>\$ 15,777,049</u>	<u>\$ 1,300,519</u>	<u>\$ 37,222,601</u>
<u>\$ 952,313</u>	<u>\$ 4,192,385</u>	<u>\$ 260,178</u>	<u>\$ 15,777,049</u>	<u>\$ 1,300,519</u>	<u>\$ 37,222,601</u>



This is a view of the sun rising over Mount Rainier as seen from the County-City Building. Since the turn of the century Mount Rainier has been used to represent "quality of life". Advertising campaigns that displayed bountiful harvests and fat, grazing cattle established Pierce County as a place where one could attain wealth and health.