CHARLESTON COUNTY COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments of the government, on a cost reimbursement basis.

Fleet Management - This fund is used to account for all operations of the County's centrally administered vehicle operation. Functions included within this operation are writing the specifications and assisting in the purchase of all on and off-road vehicles and equipment; owning all vehicles and equipment not specifically used in other County proprietary operations; maintaining all vehicles and equipment; operating a County-wide fuel distribution and monitoring system; operating a fleet of pool cars for those departments not directly assigned vehicles; and operating a vehicle parts warehouse.

Office Support Services - This fund is used to account for the mail pick-up and delivery service, duplicating machines, postage metering service and records management. Records management includes establishing records retention schedules for all County operations, centralized storage of records and a centralized microfilming operation.

Workers' Compensation - This fund is used to account for the costs of staffing a workers' compensation division as well as the cost of providing insurance through the S.C. Association of County Commissioners Self-Insurance Fund. Funding is provided by levying a percentage charge against all departmental payrolls. In fiscal year 1996, insurance was converted to self-insurance coverage for all claims less than \$100,000.

Employee Benefits Trust - This fund is used to account for costs of providing health and life insurance to the County's employees and retirees. Funding is provided by a percentage charge against all departmental payrolls, payments from retirees equaling 50 percent of coverage costs, payments from employees of 30 percent of dependent coverage and from investments. The fund is administered by seven trustees; the Controller and Human Resources Director as permanent members, the Chairman of the Employee Insurance Committee for the duration of term in office, and for two year periods, trustees appointed by the 1) Elected Officials, 2) Appointed Officials, 3) County Administrator, and 4) Chief Deputy Administrator. As of January 1, 1993, the Trustees had contracted with the South Carolina Department of Insurance to provide all of the County's health and life insurance.

Telecommunications – This fund is used to account for the centrally administered telecommunications system, which includes pagers and cellular telephones.

COUNTY OF CHARLESTON, SOUTH CAROLINA COMBINING STATEMENT OF NET ASSETS INTERNAL SERVICE FUNDS June 30, 2006

| ASSETS | Fleet Management | Office Support Services | Workers' Compensation | Employee Benefits Trust | Telecom- munications | Totals |
|--|------------------------|-------------------------------|--------------------------|-------------------------------|-------------------------|-------------------------------|
| Current assets: Pooled cash and cash equivalents Cash with fiscal agent | \$ 1,808,893 - | \$ | \$ | \$ | \$ 162,207 - | \$ 7,233,396 125,000 |
| Receivables (net of allowances for uncollectibles) Due from other funds Inventories | 43,786 - 323,597 | 6,150 - - | 800 114,185 - | 99,497 295,503 - | 13,893 - - | 164,126 409,688 323,597 |
| Total current assets | 2,176,276 | 476,697 | 4,112,711 | 1,314,023 | 176,100 | 8,255,807 |
| Capital assets: | | | | | | |
| Buildings | 1,550,503 | 131,801 | - | - | - | 1,682,304 |
| Machinery and equipment | 23,944,093 | 456,978 | 62,007 | - | 275,439 | 24,738,517 |
| Less accumulated depreciation | (16,005,420) | (330,835) | (4,660) | - | (167,368) | (16,508,283) |
| Total capital assets (net of | | | | | | |
| accumulated depreciation) | 9,489,176 | 257,944 | 57,347 | - | 108,071 | 9,912,538 |
| Total assets | \$ 11,665,452 | \$ 734,641 | \$ 4,170,058 | \$ 1,314,023 | \$ 284,171 | \$ 18,168,345 |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | \$ 483,534 | \$ 120,472 | \$ 2,921,080 | \$ 500 | \$ 95,957 | \$ 3,621,543 |
| Accrued payroll and fringe benefits | 41,058 | 16,192 | 5,381 | - | 5,663 | 68,294 |
| Compensated absences-current | 19,344 | 3,074 | 1,704 | - | - | 24,122 |
| Intergovernmental payable | 2,625 | 6,514 | 147,407 | - | - | 156,546 |
| Deferred revenue | 45,686 | - | - | - | - | 45,686 |
| Accrued interest payable | 15,232 | - | - | - | - | 15,232 |
| Note payable - current | 50,291 | - | - | - | - | 50,291 |
| Leases payable - current | - | 15,416 | - | - | - | 15,416 |
| Total current liabilities | 657,770 | 161,668 | 3,075,572 | 500 | 101,620 | 3,997,130 |
| Noncurrent liabilities: | | | | | | |
| Compensated absences | 237,166 | 93,242 | 30,535 | - | - | 360,943 |
| Leases payable | , | 80,031 | - | - | - | 80,031 |
| Note payable | 450,587 | | | | | 450,587 |
| Total noncurrent liabilities | 687,753 | 173,273 | 30,535 | | | 891,561 |
| Total liabilities | 1,345,523 | 334,941 | 3,106,107 | 500 | 101,620 | 4,888,691 |
| NET ASSETS | | | | | | |
| Invested in capital accets not of | | | | | | |
| Invested in capital assets, net of related debt | 8,988,298 | 162,497 | 57,347 | | 108,071 | 9,316,213 |
| Unrestricted | 8,988,298 1,331,631 | 237,203 | 57,347 1,006,604 | - 1,313,523 | 74,480 | 9,316,213 3,963,441 |
| Ginestricted | 1,001,001 | 231,203 | 1,000,004 | 1,313,323 | 74,400 | 3,303,441 |
| Total net assets | \$ 10,319,929 | \$ 399,700 | \$ 1,063,951 | \$ 1,313,523 | \$ 182,551 | \$ 13,279,654 |



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COUNTY OF CHARLESTON, SOUTH CAROLINA COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS INTERNAL SERVICE FUNDS For the Year Ended June 30, 2006

| Operating revenues: Charges for services \$ 8,317,874 \$ 1,444,584 \$ 4,497,919 \$ 18,183,088 \$ 1,577,431 \$ 34,020,896 Operating revenues 8,317,874 1,444,584 4,497,919 18,183,088 1,577,431 \$ 34,020,896 Operating expenses: Personnel services 558,638 15,150 44,596 - 8,441 \$ 22,891,820 62,5335 Utilities 92,438 200,587 - 245 1,101,338 1,215,108 8,441 \$ 262,5335 14,44,75 16,404 89 37,754 - 14,221 106,404 Repairs and maintenance 1,2640 41,689 37,754 - 14,212 106,404 Renatia exponses 1,613 281,099 - - 14,475 22,421,414,75 22,441,475 21,846,711 21,846,711 21,846,711 21,846,711 21,846,711 21,846,711 21,846,711 21,846,711 21,846,711 21,846,711 21,846,711 21,846,711 | | Fleet Management | Office Support Services | Workers' Compensation | Employee Benefits Trust | Telecom- munications | Totals |
|--|--|---------------------|-------------------------------|--------------------------|-------------------------------|-------------------------|---------------|
| Total operating revenues 8,317,874 1,444,584 4,497,919 18,183,088 1,577,431 34,020,896 Operating expenses: Personnel services 558,638 15,150 44,596 - 289,340 2,991,820 Contractual services 558,638 15,150 44,596 - 8,441 626,525 Materials and supplies 5,670,030 302,516 135,269 - 8,120 6,205,935 Utilities 92,438 20,587 - 245 1,101,838 1,215,108 Repairs and maintenance 12,640 41,689 37,754 - 14,321 106,404 Rental expenses 11,613 281,089 - - - 228,712 Valice inter charges 80,916 11,331 13,774 - 242,712 Valice inter charges 80,916 11,391 3,74 - - 228,712 830,505 - 21,86,751 Cus and supplies - 143,686 - - 143,682 - - 143,686 - | Operating revenues: | | | | | | |
| Operating expenses: Personnel services 1,778,214 695,949 228,717 - 288,940 2,991,820 Contractual services 556,638 15,150 14,556 - 8,441 626,825 Materials and supplies 5,670,030 392,516 135,269 - 8,120 6,209,352 Utilities 92,438 20,587 - 245 1,101,388 1,215,108 Repairs and maintenance 12,640 41,689 37,754 - 14,321 106,404 Rental expenses 1,613 281,099 - - - 282,712 Vehicle flet charges 80,916 11,331 13,734 - 7,894 114,475 Dither expenses 545,088 21,560 176,408 17,632 67,812 830,500 Depreciation 2,386,392 60,396 3,051 - 21,806,721 (2,621,281) Nonoperating expenses 14,075,969 1,540,877 4,268,887 18,237,270 1,519,174 36,642,177 | Charges for services | \$ 8,317,874 | \$ 1,444,584 | \$ 4,497,919 | \$ 18,183,088 | \$ 1,577,431 | \$ 34,020,896 |
| Personnel services 1,778,214 695,949 228,717 - 288,940 2.991,820 Contractual services 556,638 15,150 44,596 - 8,441 626,825 Materials and supplies 52,670,030 392,516 135,269 - 8,120 6,205,935 Utilities 92,438 20,687 - 245 1,10,338 1,215,108 Repairs and maintenance 12,640 41,689 37,754 - 14,321 106,404 Rental expenses 1,613 281,099 - - - 282,712 Vehicle flet charges 80,916 11,331 1,3734 - 7,894 114,475 Employee benefits - - 3,627,358 18,219,393 - 21,846,751 Other expenses 545,088 21,560 178,408 17,632 67,812 830,500 Depracting income (loss) (2,758,095) (96,293) 229,032 (54,182) 58,257 (2,621,281) Nonoperating revenues (expenses): Intere | Total operating revenues | 8,317,874 | 1,444,584 | 4,497,919 | 18,183,088 | 1,577,431 | 34,020,896 |
| Contractual services 558,638 15,150 44,596 - 8,441 626,825 Materials and supplies 5,670,030 392,516 135,269 - 8,120 6,205,935 Materials and supplies 92,438 20,587 - 245 1,101,838 1,215,168 Rental expenses 1,613 281,099 - - - 282,712 Vehicle fleet charges 80,916 11,931 13,734 - 7,894 114,475 Employee benefits - - 3,627,358 18,219,393 - 21,806 2,421,647 Total operating expenses 545,088 21,560 178,408 17,632 67,812 830,500 Depreciation 2,336,392 60,396 3,051 - 21,808 2,421,647 Total operating expenses 11,075,969 1,540,877 4,268,867 18,237,270 1,519,174 36,642,177 Operating income (loss) (2,758,095) (96,293) 229,032 (54,182) 58,257 (2,621,281) | Operating expenses: | | | | | | |
| Materials and supplies 5,670,030 392,516 135,269 - 6,120 6,026,335 Utilities 92,438 20,587 - 245 1,101,838 1,215,108 Repairs and maintenance 12,640 41,689 37,754 - 14,321 106,404 Rental expenses 1,613 281,099 - - - 282,712 Vehicle filet charges 80,916 11,331 13,734 - 7,894 114,475 Employee benefits - - 3,627,358 18,219,393 - 21,846,751 Other expenses 545,088 21,560 178,408 176,532 67,812 830,500 Depreciation 2,336,392 60,396 3,051 - 21,808 2,421,647 Total operating expenses 11,075,969 1,540,877 4,268,887 18,237,270 1,519,174 36,642,177 Operating income (loss) (2,758,095) (96,233) 229,032 (54,182) 58,257 (2,621,281) Nonoperating revenue | Personnel services | 1,778,214 | 695,949 | 228,717 | - | 288,940 | 2,991,820 |
| Utilities 92,438 20,587 - 245 1,101,838 1,215,108 Repairs and maintenance 12,640 41,689 37,754 - 14,321 106,404 Rental expenses 1,613 281,099 - - 282,712 Vehicle fleet charges 80,916 11,931 13,734 - 7,894 114,475 Other expenses 545,088 21,560 178,408 17,632 67,812 830,500 Depreciation 2,336,392 60,396 3,051 - 21,808 2,421,647 Total operating expenses 11,075,969 1,540,877 4,268,887 18,237,270 1,519,174 36,642,177 Operating income (loss) (2,758,095) (96,293) 229,032 (54,182) 58,257 (2,621,281) Nonoperating revenues (expenses): . | Contractual services | 558,638 | 15,150 | 44,596 | - | 8,441 | 626,825 |
| Repairs and maintenance 12,640 41,689 37,754 - 14,321 106,604 Rental expenses 1,613 281,099 - - 282,712 Vehicle files tharges 80,916 11,931 13,734 - 7,894 114,475 Employee benefits - - 3,627,358 18,219,393 - 21,846,751 Other expenses 545,088 21,560 178,408 17,632 67,812 830,500 Depreciation 2,336,392 60,396 3,051 - 21,808 2,421,647 Total operating expenses 11,075,969 1,540,877 4,268,887 18,237,270 1,519,174 36,642,177 Operating income (loss) (2,758,095) (96,293) 229,032 (54,182) 58,257 (2,621,281) Nonoperating revenues (expenses): - - 143,686 - - 143,686 Interest income - - 143,686 - - (35,959) Loss on disposal of fixed assets (320,288) (19,122) - - - (339,410) | Materials and supplies | 5,670,030 | 392,516 | 135,269 | - | 8,120 | 6,205,935 |
| Rental expenses 1,613 281,099 - - - 282,712 Vehicle fleet charges 80,916 11,931 13,734 - 7,894 1114475 Employee benefits - 3,627,358 18,219,393 - 21,846,751 Other expenses 545,088 21,560 178,408 17,632 67,812 830,500 Depreciation 2,336,392 60,396 3,051 - 21,808 2,421,647 Total operating expenses 11,075,969 1,540,877 4,268,887 18,237,270 1,519,174 36,642,177 Operating income (loss) (2,758,095) (96,293) 229,032 (54,182) 58,257 (2,621,281) Nonoperating revenues (expenses): - - 143,686 - - 143,686 Interest income - - 143,686 - - (35,959) Loss on disposal of fixed assets (320,288) (19,122) - - (231,682) Income (loss) before transfers (3,109,577) | Utilities | 92,438 | 20,587 | - | 245 | 1,101,838 | 1,215,108 |
| Rental expenses 1,613 281,099 - - - 282,712 Vehicle fleet charges 80,916 11,331 13,734 - 7,894 1114475 Employee benefits - - 3,627,358 18,219,393 - 21,846,751 Other expenses 545,088 21,560 178,408 17,632 67,812 830,500 Depreciation 2,336,392 60,396 3,051 - 21,806 2,421,647 Total operating expenses 11,075,969 1,540,877 4,268,887 18,237,270 1,519,174 36,642,177 Operating income (loss) (2,758,095) (96,293) 229,032 (54,182) 58,257 (2,621,281) Nonoperating revenues (expenses): - - 143,686 - - (35,958) Interest income - - 143,686 - - (35,958) Loss on disposal of fixed assets (320,288) (19,122) - - (231,682) Income (loss) before transfers (3, | Repairs and maintenance | | | 37,754 | - | | |
| Vehicle fiest charges 80,916 11,931 13,734 - 7,894 114,475 Employee benefits - - 3,627,358 18,219,393 - 21,846,751 Other expenses 545,088 21,560 178,408 17,632 67,812 830,500 Depreciation 2,336,392 60,396 3,051 - 21,808 2,421,647 Total operating expenses 11,075,969 1,540,877 4,268,887 18,237,270 1,519,174 36,642,177 Operating income (loss) (2,758,095) (96,293) 229,032 (54,182) 58,257 (2,621,281) Nonoperating revenues (expenses): | Rental expenses | 1,613 | 281,099 | - | - | - | |
| Employee benefits - - 3,627,358 18,219,333 - 21,846,751 Other expenses 545,088 21,560 178,408 176322 67,912 830,500 Depreciation 2,336,392 60,396 3,051 - 21,808 2,421,647 Total operating expenses 11,075,969 1,540,877 4,268,887 18,237,270 1,519,174 36,642,177 Operating income (loss) (2,758,095) (96,293) 229,032 (54,182) 58,257 (2,621,281) Nonoperating revenues (expenses): - - 143,686 - - 143,686 Interest income - - 143,686 - - (35,98) Loss on disposal of fixed assets (320,288) (19,122) - - - (339,410) Total nonoperating revenues (351,482) (23,886) 143,686 - - (231,682) Income (loss) before (3,109,577) (120,179) 372,718 (54,182) 58,257 (2,852,963) | • | 80,916 | 11,931 | 13,734 | - | 7,894 | 114,475 |
| Other expenses 545,088 21,560 178,408 17,632 67,812 830,500 Depreciation 2,336,392 60,396 3,051 - 21,808 2,421,647 Total operating expenses 11,075,969 1,540,877 4,268,887 18,237,270 1,519,174 36,642,177 Operating income (loss) (2,758,095) (96,293) 229,032 (54,182) 58,257 (2,621,281) Nonoperating revenues (expenses): Interest income - - 143,686 - - 143,686 Interest expense (31,194) (4,764) - - (339,410) Total nonoperating revenues (expenses) (320,288) (19,122) - - (231,682) Income (loss) before transfers (31,194,577) (120,179) 372,718 (54,182) 58,257 (2,852,963) Transfers out (490,577) (120,179) 372,718 (54,182) 58,257 (2,852,963) Transfers in 3,367,428 - - - 124,294 3,491,722 | - | · - | - | 3,627,358 | 18,219,393 | · - | |
| Depreciation 2,336,392 60,396 3,051 - 21,808 2,421,647 Total operating expenses 11,075,969 1,540,877 4,268,887 18,237,270 1,519,174 36,642,177 Operating income (loss) (2,758,095) (96,293) 229,032 (54,182) 58,257 (2,621,281) Nonoperating revenues (expenses): Interest income - - 143,686 - - 143,686 Interest expense (31,194) (4,764) - - (35,958) Loss on disposal of fixed assets (320,288) (19,122) - - (231,682) Income (loss) before transfers (3,109,577) (120,179) 372,718 (54,182) 58,257 (2,852,963) Transfers out Transfers in 3,367,428 - - - 124,294 3,491,722 Change in net assets (232,726) (244,473) 372,718 (54,182) 182,551 23,888 Total net assets - beginning as previously reported 10,567,735 644,173 691,233 1,367,705 - | | 545,088 | 21,560 | | | 67,812 | |
| Operating income (loss) (2,758,095) (96,293) 229,032 (54,182) 58,257 (2,621,281) Nonoperating revenues (expenses): Interest income - - 143,686 - - 143,686 Interest income - - 143,686 - - 143,686 Interest expense (31,194) (4,764) - - - (35,958) Loss on disposal of fixed assets (320,288) (19,122) - - - (339,410) Total nonoperating revenues (expenses) (351,482) (23,886) 143,686 - - (231,682) Income (loss) before transfers (3,109,577) (120,179) 372,718 (54,182) 58,257 (2,852,963) Transfers out transfers in (490,577) (124,294) - - - 124,294 3,491,722 Change in net assets (232,726) (244,473) 372,718 (54,182) 182,551 23,888 Total net assets - beginning as previously reported 10,567,735 644,173 691,233 | Depreciation | 2,336,392 | 60,396 | 3,051 | | 21,808 | 2,421,647 |
| Nonoperating revenues (expenses): Interest income 143,686 - - 143,686 Interest expense (31,194) (4,764) - - (35,958) Loss on disposal of fixed assets (320,288) (19,122) - - (339,410) Total nonoperating revenues (expenses) (351,482) (23,886) 143,686 - - (231,682) Income (loss) before transfers (3,109,577) (120,179) 372,718 (54,182) 58,257 (2,852,963) Transfers out Transfers in (490,577) (124,294) - - 124,294 3,491,722 Change in net assets (232,726) (244,473) 372,718 (54,182) 182,551 23,888 Total net assets - beginning as previously reported 10,567,735 644,173 691,233 1,367,705 - 13,270,846 Prior period adjustments (15,080) - - - (15,080) Total net assets - beginning as restated 10,552,655 644,173 691,233 1,367,705 - 13,255,766 | Total operating expenses | 11,075,969 | 1,540,877 | 4,268,887 | 18,237,270 | 1,519,174 | 36,642,177 |
| Interest income - - 143,686 - - 143,686 Interest expense (31,194) (4,764) - - (35,958) Loss on disposal of fixed assets (320,288) (19,122) - - - (339,410) Total nonoperating revenues (expenses) (351,482) (23,886) 143,686 - - (231,682) Income (loss) before transfers (3,109,577) (120,179) 372,718 (54,182) 58,257 (2,852,963) Transfers out Transfers in (490,577) (124,294) - - - (614,871) Transfers in 3,367,428 - - 124,294 3,491,722 Change in net assets (232,726) (244,473) 372,718 (54,182) 182,551 23,888 Total net assets - beginning as previously reported 10,567,735 644,173 691,233 1,367,705 - 13,270,846 Prior period adjustments (15,080) - - - - - (15,080) Total net assets - beginning as restated 10,552,655 644,173 691,233 1, | Operating income (loss) | (2,758,095) | (96,293) | 229,032 | (54,182) | 58,257 | (2,621,281) |
| Interest income - - 143,686 - - 143,686 Interest expense (31,194) (4,764) - - (35,958) Loss on disposal of fixed assets (320,288) (19,122) - - - (339,410) Total nonoperating revenues (expenses) (351,482) (23,886) 143,686 - - (231,682) Income (loss) before transfers (3,109,577) (120,179) 372,718 (54,182) 58,257 (2,852,963) Transfers out Transfers in (490,577) (124,294) - - - (614,871) Transfers in 3,367,428 - - 124,294 3,491,722 Change in net assets (232,726) (244,473) 372,718 (54,182) 182,551 23,888 Total net assets - beginning as previously reported 10,567,735 644,173 691,233 1,367,705 - 13,270,846 Prior period adjustments (15,080) - - - - - (15,080) Total net assets - beginning as restated 10,552,655 644,173 691,233 1, | Nonoperating revenues (expenses): | | | | | | |
| Interest expense (31,194) (4,764) - - (35,958) Loss on disposal of fixed assets (320,288) (19,122) - - (339,410) Total nonoperating revenues (expenses) (351,482) (23,886) 143,686 - - (231,682) Income (loss) before transfers (3,109,577) (120,179) 372,718 (54,182) 58,257 (2,852,963) Transfers out Transfers in (490,577) (120,179) 372,718 (54,182) 58,257 (2,852,963) Change in net assets (232,726) (244,473) 372,718 (54,182) 182,551 23,888 Total net assets - beginning as previously reported 10,567,735 644,173 691,233 1,367,705 - 13,270,846 Prior period adjustments 10,552,655 644,173 691,233 1,367,705 - 13,255,766 | , | - | - | 143,686 | - | - | 143,686 |
| Loss on disposal of fixed assets (320,288) (19,122) - - (339,410) Total nonoperating revenues (expenses) (351,482) (23,886) 143,686 - - (231,682) Income (loss) before transfers (3,109,577) (120,179) 372,718 (54,182) 58,257 (2,852,963) Transfers out Transfers in (490,577) (124,294) - - (614,871) Transfers in 3,367,428 - - 124,294 3,491,722 Change in net assets (232,726) (244,473) 372,718 (54,182) 182,551 23,888 Total net assets - beginning as previously reported 10,567,735 644,173 691,233 1,367,705 - 13,270,846 Prior period adjustments (15,080) - - - - 13,255,766 | Interest expense | (31,194) | (4,764) | · - | - | - | (35,958) |
| (expenses) (351,482) (23,886) 143,686 - - (231,682) Income (loss) before transfers (3,109,577) (120,179) 372,718 (54,182) 58,257 (2,852,963) Transfers out Transfers in (490,577) (124,294) - - (614,871) Transfers in 3,367,428 - - 124,294 3,491,722 Change in net assets (232,726) (244,473) 372,718 (54,182) 182,551 23,888 Total net assets - beginning as previously reported Prior period adjustments 10,567,735 644,173 691,233 1,367,705 - 13,270,846 Total net assets - beginning as restated 10,552,655 644,173 691,233 1,367,705 - 13,275,766 | Loss on disposal of fixed assets | (320,288) | (19,122) | | | | |
| (expenses) (351,482) (23,886) 143,686 - - (231,682) Income (loss) before transfers (3,109,577) (120,179) 372,718 (54,182) 58,257 (2,852,963) Transfers out Transfers in (490,577) (124,294) - - (614,871) Transfers in 3,367,428 - - 124,294 3,491,722 Change in net assets (232,726) (244,473) 372,718 (54,182) 182,551 23,888 Total net assets - beginning as previously reported Prior period adjustments 10,567,735 644,173 691,233 1,367,705 - 13,270,846 Total net assets - beginning as restated 10,552,655 644,173 691,233 1,367,705 - 13,275,766 | Total nonoperating revenues | | | | | | |
| transfers (3,109,577) (120,179) 372,718 (54,182) 58,257 (2,852,963) Transfers out Transfers in (490,577) (124,294) - - (614,871) Transfers in 3,367,428 - - (244,473) 372,718 (54,182) 182,551 23,888 Change in net assets (232,726) (244,473) 372,718 (54,182) 182,551 23,888 Total net assets - beginning as previously reported Prior period adjustments 10,567,735 644,173 691,233 1,367,705 - 13,270,846 Total net assets - beginning as restated 10,552,655 644,173 691,233 1,367,705 - 13,255,766 | | (351,482) | (23,886) | 143,686 | - | | (231,682) |
| transfers (3,109,577) (120,179) 372,718 (54,182) 58,257 (2,852,963) Transfers out Transfers in (490,577) (124,294) - - (614,871) Transfers in 3,367,428 - - (244,473) 372,718 (54,182) 182,551 23,888 Change in net assets (232,726) (244,473) 372,718 (54,182) 182,551 23,888 Total net assets - beginning as previously reported Prior period adjustments 10,567,735 644,173 691,233 1,367,705 - 13,270,846 Total net assets - beginning as restated 10,552,655 644,173 691,233 1,367,705 - 13,255,766 | Income (loss) before | | | | | | |
| Transfers in 3,367,428 - - - 124,294 3,491,722 Change in net assets (232,726) (244,473) 372,718 (54,182) 182,551 23,888 Total net assets - beginning as previously reported 10,567,735 644,173 691,233 1,367,705 - 13,270,846 Prior period adjustments (15,080) - - - - (15,080) Total net assets - beginning as restated 10,552,655 644,173 691,233 1,367,705 - 13,270,846 Total net assets - beginning as restated 10,552,655 644,173 691,233 1,367,705 - 13,255,766 | · · · | (3,109,577) | (120,179) | 372,718 | (54,182) | 58,257 | (2,852,963) |
| Change in net assets (232,726) (244,473) 372,718 (54,182) 182,551 23,888 Total net assets - beginning as previously reported 10,567,735 644,173 691,233 1,367,705 - 13,270,846 Prior period adjustments (15,080) - - - - (15,080) Total net assets - beginning as restated 10,552,655 644,173 691,233 1,367,705 - 13,255,766 | Transfers out | (490,577) | (124,294) | - | - | | (614,871) |
| Total net assets - beginning as previously reported 10,567,735 644,173 691,233 1,367,705 - 13,270,846 Prior period adjustments (15,080) - - - - (15,080) Total net assets - beginning as restated 10,552,655 644,173 691,233 1,367,705 - 13,270,846 | Transfers in | 3,367,428 | | - | - | 124,294 | 3,491,722 |
| previously reported 10,567,735 644,173 691,233 1,367,705 - 13,270,846 Prior period adjustments (15,080) - - - - (15,080) Total net assets - beginning as restated 10,552,655 644,173 691,233 1,367,705 - 13,255,766 | Change in net assets | (232,726) | (244,473) | 372,718 | (54,182) | 182,551 | 23,888 |
| | previously reported | , , | 644,173 | 691,233 | 1,367,705 | - | |
| Total net assets - ending | Total net assets - beginning as restated | 10,552,655 | 644,173 | 691,233 | 1,367,705 | | 13,255,766 |
| | Total net assets - ending | \$ 10,319,929 | \$ 399,700 | \$ 1,063,951 | \$ 1,313,523 | \$ 182,551 | \$ 13,279,654 |

COUNTY OF CHARLESTON, SOUTH CAROLINA COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended June 30, 2006

| | Fleet Management | Office Support Services | Workers' Compensation | Employee Benefits Trust | Telecom- munications | Totals |
|---|----------------------------|--------------------------------|--------------------------|-------------------------------|--------------------------|---------------------------------|
| Cash flows from operating activities: Cash received from customers Cash receipts from interfund services provided | \$ 8,063,603 252,277 | \$ 1,426,314 22,108 | \$ 4,664,614 - | \$ 18,503,730 - | \$ | \$ 34,172,893 323,291 |
| Cash payments to suppliers for goods and services Cash payments to employees for services | (6,998,680) (1,815,800) | (795,146) (730,515) | (4,105,207) (234,031) | (18,237,323) - | (1,112,469) (283,277) | (31,248,825) (3,063,623) |
| Net cash provided by (used in) operating activities | (498,600) | (77,239) | 325,376 | 266,407 | 167,792 | 183,736 |
| Cash flows from noncapital financing activities: Transfers in (out) | 2,876,851 | (124,294) | | - | 124,294 | 2,876,851 |
| Net cash provided by noncapital financing activities | 2,876,851 | (124,294) | | | 124,294 | 2,876,851 |
| Cash flows from capital and related financing activities: | | | | | | |
| Principal paid on long-term debt Proceeds from capital lease | (47,366) - (32,634) | (16,735) 100,110 (4,764) | - | - | - | (64,101) 100,110 (27,208) |
| Interest paid Proceeds from sale of capital assets Acquisition and construction of capital | (32,634) 425,499 | (4,764) 105,598 | - | - | - | (37,398) 531,097 |
| assets (including capitalized interest) Net cash used in capital and related financing activities | (3,732,446) | (100,110) 84,099 | (42,701) | | (129,879) | (4,005,136) |
| Cash flows from investing activities: | (3,380,947) | 64,099 | (42,701) | | (129,079) | (3,475,428) |
| Interest received Net cash provided by investing | | | 143,686 | | | 143,686 |
| activities | - | <u> </u> | 143,686 | - | | 143,686 |
| Net increase (decrease) in cash and cash equivalents | (1,008,696) | (117,434) | 426,361 | 266,407 | 162,207 | (271,155) |
| Cash and cash equivalents at beginning of year | 2,817,589 | 587,981 | 3,571,365 | 652,616 | | 7,629,551 |
| Cash and cash equivalents at end of year | \$ 1,808,893 | \$ 470,547 | \$ 3,997,726 | \$ 919,023 | \$ 162,207 | \$ 7,358,396 |
| Reconciliation to balance sheet: Pooled cash and cash equivalents Cash with fiscal agent | \$ 1,808,893 | \$ 470,547 | \$ 3,872,726 125,000 | \$ 919,023 | \$ | \$ 7,233,396 125,000 |
| Cash and cash equivalents at end of year | \$ 1,808,893 | \$ 470,547 | \$ 3,997,726 | \$ 919,023 | \$ 162,207 | \$ 7,358,396 |

COUNTY OF CHARLESTON, SOUTH CAROLINA COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended June 30, 2006

| | Fleet Management | | Office Support Services | | Workers' Compensation | | Employee Benefits Trust | | Telecom- munications | | Totals | |
|--|---------------------|-------------|-------------------------------|----------|--------------------------|----------|-------------------------------|----------|-------------------------|----------|--------|-------------|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | | | | | | | | | |
| Operating income (loss) | \$ | (2,758,095) | \$ | (96,293) | \$ | 229,032 | \$ | (54,182) | \$ | 58,257 | \$ | (2,621,281) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | | | | | | | | |
| Depreciation | | 2,336,392 | | 60,396 | | 3,051 | | - | | 21,808 | | 2,421,647 |
| Changes in assets and liabilities: | | | | | | | | | | | | |
| (Increase) decrease in receivables | | (1,994) | | 3,838 | | 166,695 | | 320,642 | | (13,893) | | 475,288 |
| (Increase) decrease in inventory | | (81,001) | | - | | - | | - | | - | | (81,001) |
| Increase (decrease) in accounts payable | | 9,921 | | (10,614) | | (68,088) | | (53) | | 95,957 | | 27,123 |
| Increase (decrease) in accrued payroll | | (37,586) | | (34,566) | | (5,314) | | - | | 5,663 | | (71,803) |
| Decrease in deferred revenue | | 33,763 | | - | | - | | - | | - | | 33,763 |
| Total adjustments | | 2,259,495 | | 19,054 | | 96,344 | | 320,589 | | 109,535 | | 2,805,017 |
| Net cash provided by (used in) | | | | | | | | | | | | |
| operating activities | \$ | (498,600) | \$ | (77,239) | \$ | 325,376 | \$ | 266,407 | \$ | 167,792 | \$ | 183,736 |