

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, 2007

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits Trust	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 1,665,163	\$ 461,797	\$ 5,129,575	\$ 1,609,188	\$ 203,667	\$ 9,069,390
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	62,100	2,259	50	96,772	7,385	168,566
Due from other funds	-	-	120,915	316,146	-	437,061
Inventories	331,809	-	-	-	-	331,809
Total current assets	2,059,072	464,056	5,375,540	2,022,106	211,052	10,131,826
Capital assets:						
Buildings	1,550,503	131,801	-	-	-	1,682,304
Machinery and equipment	24,697,185	434,940	72,845	-	319,707	25,524,677
Less accumulated depreciation	(16,124,042)	(348,651)	(16,261)	-	(241,101)	(16,730,055)
Total capital assets (net of accumulated depreciation)	10,123,646	218,090	56,584	-	78,606	10,476,926
Total assets	12,182,718	682,146	5,432,124	2,022,106	289,658	20,608,752
LIABILITIES						
Current liabilities:						
Accounts payable	340,586	103,931	2,342,086	55,087	147,017	2,988,707
Accrued payroll and fringe benefits	41,673	17,594	9,027	-	6,069	74,363
Compensated absences-current	35,333	332	5,340	-	332	41,337
Intergovernmental payable	831	116	69,009	-	-	69,956
Unearned revenue	11,628	-	-	-	-	11,628
Accrued interest payable	13,702	-	-	-	-	13,702
Note payable - current	53,396	-	-	-	-	53,396
Leases payable - current	-	17,811	-	-	-	17,811
Total current liabilities	497,149	139,784	2,425,462	55,087	153,418	3,270,900
Noncurrent liabilities:						
Compensated absences	220,142	70,219	33,268	-	2,068	325,697
Leases payable	-	60,832	-	-	-	60,832
Note payable	397,192	-	-	-	-	397,192
Total noncurrent liabilities	617,334	131,051	33,268	-	2,068	783,721
Total liabilities	1,114,483	270,835	2,458,730	55,087	155,486	4,054,621
NET ASSETS						
Invested in capital assets, net of related debt	9,673,058	139,447	56,584	-	78,606	9,947,695
Unrestricted	1,395,177	271,864	2,916,810	1,967,019	55,566	6,606,436
Total net assets	\$ 11,068,235	\$ 411,311	\$ 2,973,394	\$ 1,967,019	\$ 134,172	\$ 16,554,131

See notes to financial statements.



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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, 2007

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits Trust	Telecom- munications	Totals
Operating revenues:						
Charges for services	\$ 9,250,600	\$ 1,682,833	\$ 4,679,246	\$ 19,249,427	\$ 1,539,371	\$ 36,401,477
Total operating revenues	9,250,600	1,682,833	4,679,246	19,249,427	1,539,371	36,401,477
Operating expenses:						
Personnel services	1,844,823	745,362	393,037	-	299,836	3,283,058
Contractual services	1,752	3,539	40,968	-	-	46,259
Materials and supplies	5,953,775	450,078	162,451	-	14,691	6,580,995
Utilities	91,812	23,462	-	-	1,204,382	1,319,656
Repairs and maintenance	12,409	26,183	37,388	-	12,603	88,583
Rental expenses	-	293,297	-	-	-	293,297
Vehicle fleet charges	100,648	11,207	10,837	-	6,562	129,254
Employee benefits	-	-	2,313,907	18,569,372	-	20,883,279
Other expenses	1,229,110	24,772	27,073	-	12,269	1,293,224
Depreciation	2,342,773	72,780	11,601	-	40,407	2,467,561
Total operating expenses	11,577,102	1,650,680	2,997,262	18,569,372	1,590,750	36,385,166
Operating income (loss)	(2,326,502)	32,153	1,681,984	680,055	(51,379)	16,311
Nonoperating revenues (expenses):						
Interest income	-	-	227,459	-	-	227,459
Interest expense	(28,181)	(13,857)	-	(26,559)	-	(68,597)
Gain (Loss) on disposal - capital assets	153,965	(3,685)	-	-	-	150,280
Total nonoperating revenues (expenses)	125,784	(17,542)	227,459	(26,559)	-	309,142
Income (loss) before transfers	(2,200,718)	14,611	1,909,443	653,496	(51,379)	325,453
Transfers out	(454,276)	(3,000)	-	-	-	(457,276)
Transfers in	3,294,750	-	-	-	3,000	3,297,750
Change in net assets	639,756	11,611	1,909,443	653,496	(48,379)	3,165,927
Total net assets - beginning as previously reported	10,319,929	399,700	1,063,951	1,313,523	182,551	13,279,654
Prior period adjustments	108,550	-	-	-	-	108,550
Total net assets - beginning as restated	10,428,479	399,700	1,063,951	1,313,523	182,551	13,388,204
Total net assets - ending	\$ 11,068,235	\$ 411,311	\$ 2,973,394	\$ 1,967,019	\$ 134,172	\$ 16,554,131

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2007

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits Trust	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 8,975,803	\$ 28,031	\$ -	\$ -	\$ 57,958	\$ 9,061,792
Cash receipts from interfund services provided	256,486	1,658,692	4,673,263	19,231,509	1,484,921	27,304,871
Cash payments to suppliers for goods and services	(7,576,517)	(855,477)	(3,250,016)	(18,514,785)	(1,199,447)	(31,396,242)
Cash payments to employees for services	(1,845,243)	(769,725)	(383,022)	-	(297,030)	(3,295,020)
Net cash provided by (used in) operating activities	(189,471)	61,521	1,040,225	716,724	46,402	1,675,401
Cash flows from noncapital financing activities:						
Transfers in (out)	2,840,474	(3,000)	-	-	3,000	2,840,474
Net cash provided by noncapital financing activities	2,840,474	(3,000)	-	-	3,000	2,840,474
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	(78,472)	(16,804)	-	-	-	(95,276)
Proceeds from capital lease	-	-	-	-	-	-
Interest paid	(1,530)	(13,857)	-	-	-	(15,387)
Proceeds from sale of capital assets	497,892	3,000	-	-	-	500,892
Acquisition and construction of capital assets (including capitalized interest)	(3,212,623)	(39,610)	(10,838)	-	(7,942)	(3,271,013)
Net cash used in capital and related financing activities	(2,794,733)	(67,271)	(10,838)	-	(7,942)	(2,880,784)
Cash flows from investing activities:						
Interest received (paid)	-	-	227,459	(26,559)	-	200,900
Net cash provided by investing activities	-	-	227,459	(26,559)	-	200,900
Net increase (decrease) in cash and cash equivalents	(143,730)	(8,750)	1,256,846	690,165	41,460	1,835,991
Cash and cash equivalents at beginning of year	1,808,893	470,547	3,997,729	919,023	162,207	7,358,399
Cash and cash equivalents at end of year	<u>\$ 1,665,163</u>	<u>\$ 461,797</u>	<u>\$ 5,254,575</u>	<u>\$ 1,609,188</u>	<u>\$ 203,667</u>	<u>\$ 9,194,390</u>
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 1,665,163	\$ 461,797	\$ 5,129,575	\$ 1,609,188	\$ 203,667	\$ 9,069,390
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 1,665,163</u>	<u>\$ 461,797</u>	<u>\$ 5,254,575</u>	<u>\$ 1,609,188</u>	<u>\$ 203,667</u>	<u>\$ 9,194,390</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2007

	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)	\$ (2,326,502)	\$ 32,153	\$ 1,681,984	\$ 680,055	\$ (51,379)	\$ 16,311
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	2,342,773	72,780	11,601	-	40,407	2,467,561
Changes in assets and liabilities:						
(Increase) decrease in receivables	(18,311)	3,891	(5,980)	(17,918)	6,508	(31,810)
(Increase) decrease in inventory	(8,212)	-	-	-	-	(8,212)
Increase (decrease) in accounts payable	(144,741)	(22,939)	(657,395)	54,587	50,460	(720,028)
Increase (decrease) in accrued payroll	(420)	(24,364)	10,015	-	406	(14,363)
Decrease in deferred revenue	(34,058)	-	-	-	-	(34,058)
Total adjustments	2,137,031	29,368	(641,759)	36,669	97,781	1,659,090
Net cash provided by (used in) operating activities	\$ (189,471)	\$ 61,521	\$ 1,040,225	\$ 716,724	\$ 46,402	\$ 1,675,401

See notes to financial statements.