

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 - 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 and payments from retirees. The fund is administered by seven trustees; the Finance Director 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) Assistant Administrator for Finance. 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, 2012

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 2,571,693	\$ 265,950	\$ 4,933,448	\$ 18,256,476	\$ 494,642	\$ 26,522,209
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	89,687	948	516	136,389	2,763	230,303
Due from other funds	-	-	281,855	515,235	-	797,090
Inventories	375,285	-	-	-	-	375,285
Total current assets	3,036,665	266,898	5,340,819	18,908,100	497,405	28,049,887
Capital assets:						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	25,817,175	1,649,475	167,023	-	426,543	28,060,216
Less accumulated depreciation	(18,514,239)	(1,419,001)	(150,877)	-	(420,503)	(20,504,620)
Total capital assets (net of accumulated depreciation)	8,853,439	375,654	16,146	-	6,040	9,251,279
Total assets	11,890,104	642,552	5,356,965	18,908,100	503,445	37,301,166
LIABILITIES						
Current liabilities:						
Accounts payable	576,588	73,907	4,093,394	11,967	106,288	4,862,144
Accrued payroll and fringe benefits	77,874	30,019	13,287	-	11,915	133,095
Compensated absences-current	18,685	11,348	3,097	-	-	33,130
Intergovernmental payable	2,387	601	506,596	-	102	509,686
Lease payable - current	-	281,929	-	-	-	281,929
Total current liabilities	675,534	397,804	4,616,374	11,967	118,305	5,819,984
Noncurrent liabilities:						
OPEB liability	-	-	-	17,800,983	-	17,800,983
Compensated absences	244,773	53,602	37,707	-	5,187	341,269
Lease payable	-	24,657	-	-	-	24,657
Total noncurrent liabilities	244,773	78,259	37,707	17,800,983	5,187	18,166,909
Total liabilities	920,307	476,063	4,654,081	17,812,950	123,492	23,986,893
NET ASSETS						
Invested in capital assets, net of related debt	8,853,439	69,068	16,146	-	6,040	8,944,693
Unrestricted	2,116,358	97,421	686,738	1,095,150	373,913	4,369,580
Total net assets	\$ 10,969,797	\$ 166,489	\$ 702,884	\$ 1,095,150	\$ 379,953	\$ 13,314,273

See notes to financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK



COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2012

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Operating revenues:						
Charges for services	\$ 11,583,048	\$ 1,667,710	\$ 4,650,826	\$ 25,036,311	\$ 1,659,146	\$ 44,597,041
Total operating revenues	11,583,048	1,667,710	4,650,826	25,036,311	1,659,146	44,597,041
Operating expenses:						
Personnel services	1,875,991	725,958	360,239	-	272,983	3,235,171
Contractual services	4,076	9,424	4,948,049	-	900	4,962,449
Materials and supplies	7,970,095	547,784	135,164	510	3,845	8,657,398
Utilities	88,924	21,903	-	-	1,195,575	1,306,402
Repairs and maintenance	18,229	297,273	41,661	-	35,280	392,443
Rental expenses	-	21,031	-	-	-	21,031
Vehicle fleet charges	72,191	11,632	8,029	-	3,859	95,711
Employee benefits	-	-	-	25,493,684	-	25,493,684
Other expenses	1,265,341	25,655	22,254	-	14,697	1,327,947
Depreciation	2,564,815	298,349	20,410	-	11,880	2,895,454
Total operating expenses	13,859,662	1,959,009	5,535,806	25,494,194	1,539,019	48,387,690
Operating income (loss)	(2,276,614)	(291,299)	(884,980)	(457,883)	120,127	(3,790,649)
Nonoperating revenues (expenses):						
Interest income	-	-	14,218	45,058	-	59,276
Interest expense	-	(38,761)	-	-	-	(38,761)
Gain (loss) on disposal of capital assets	48,183	13,551	-	-	1,112	62,846
Total nonoperating revenues (expenses)	48,183	(25,210)	14,218	45,058	1,112	83,361
Income (loss) before transfers	(2,228,431)	(316,509)	(870,762)	(412,825)	121,239	(3,707,288)
Transfers out	(503,471)	-	-	-	-	(503,471)
Transfers in	3,471,984	248,475	105,861	750,000	4,094	4,580,414
Change in net assets	740,082	(68,034)	(764,901)	337,175	125,333	369,655
Total net assets - beginning	10,229,715	234,523	1,467,785	757,975	254,620	12,944,618
Total net assets - ending	\$ 10,969,797	\$ 166,489	\$ 702,884	\$ 1,095,150	\$ 379,953	\$ 13,314,273

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2012

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 271,919	\$ -	\$ -	\$ -	\$ 21,659	\$ 293,578
Cash receipts from interfund services provided	11,362,171	1,666,762	4,490,341	25,016,287	1,635,940	44,171,501
Cash payments to suppliers for goods and services	(9,114,666)	(925,198)	(4,299,965)	(21,530,277)	(1,254,138)	(37,124,244)
Cash payments to employees for services	(1,889,053)	(737,922)	(363,619)	-	(271,936)	(3,262,530)
Net cash provided by (used in) operating activities	<u>630,371</u>	<u>3,642</u>	<u>(173,243)</u>	<u>3,486,010</u>	<u>131,525</u>	<u>4,078,305</u>
Cash flows from noncapital financing activities:						
Transfers in	3,471,984	248,475	105,861	750,000	4,094	4,580,414
Transfers (out)	(503,471)	-	-	-	-	(503,471)
Net cash provided by noncapital financing activities	<u>2,968,513</u>	<u>248,475</u>	<u>105,861</u>	<u>750,000</u>	<u>4,094</u>	<u>4,076,943</u>
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	(216,396)	(265,310)	-	-	-	(481,706)
Interest paid	(6,581)	(38,761)	-	-	-	(45,342)
Proceeds from capital lease	-	45,070	-	-	-	45,070
Proceeds from sale of capital assets	221,910	13,550	-	-	2,111	237,571
Acquisition and construction of capital assets (including capitalized interest)	(3,351,391)	(56,973)	-	-	-	(3,408,364)
Net cash used in capital and related financing activities	<u>(3,352,458)</u>	<u>(302,424)</u>	<u>-</u>	<u>-</u>	<u>2,111</u>	<u>(3,652,771)</u>
Cash flows from investing activities:						
Interest received	-	-	14,218	45,058	-	59,276
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>14,218</u>	<u>45,058</u>	<u>-</u>	<u>59,276</u>
Net increase (decrease) in cash and cash equivalents	246,426	(50,307)	(53,164)	4,281,068	137,730	4,561,753
Cash and cash equivalents at beginning of year	2,325,267	316,257	5,111,612	13,975,408	356,912	22,085,456
Cash and cash equivalents at end of year	<u>\$ 2,571,693</u>	<u>\$ 265,950</u>	<u>\$ 5,058,448</u>	<u>\$ 18,256,476</u>	<u>\$ 494,642</u>	<u>\$ 26,647,209</u>
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 2,571,693	\$ 265,950	\$ 4,933,448	\$ 18,256,476	\$ 494,642	\$ 26,522,209
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 2,571,693</u>	<u>\$ 265,950</u>	<u>\$ 5,058,448</u>	<u>\$ 18,256,476</u>	<u>\$ 494,642</u>	<u>\$ 26,647,209</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, 2012

	<u>Fleet Management</u>	<u>Office Support Services</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Telecom- munications</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ (2,276,614)	\$ (291,299)	\$ (884,980)	\$ (457,883)	\$ 120,127	\$ (3,790,649)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	2,564,815	298,349	20,410	-	11,880	2,895,454
Changes in assets and liabilities:						
(Increase) decrease in receivables	51,042	(948)	(160,485)	(20,024)	(1,547)	(131,962)
Increase in inventory	(22,969)	-	-	-	-	(22,969)
Increase (decrease) in accounts payable	327,159	9,504	855,192	3,963,917	18	5,155,790
Increase (decrease) in accrued payroll	(13,062)	(11,964)	(3,380)	-	1,047	(27,359)
Total adjustments	2,906,985	294,941	711,737	3,943,893	11,398	7,868,954
Net cash provided by operating activities	\$ 630,371	\$ 3,642	\$ (173,243)	\$ 3,486,010	\$ 131,525	\$ 4,078,305

See notes to financial statements.