

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) Deputy 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 POSITION
 INTERNAL SERVICE FUNDS
 June 30, 2013

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 1,621,189	\$ 266,732	\$ 5,334,387	\$ 22,085,005	\$ 508,495	\$ 29,815,808
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	162,346	1,256	-	117,655	354	281,611
Due from other funds	-	-	217,893	547,357	-	765,250
Inventories	352,737	-	-	-	-	352,737
Total current assets	2,136,272	267,988	5,677,280	22,750,017	508,849	31,340,406
Capital assets:						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	28,435,646	1,653,602	167,023	-	522,908	30,779,179
Less accumulated depreciation	(18,023,525)	(1,673,927)	(164,402)	-	(431,466)	(20,293,320)
Total capital assets (net of accumulated depreciation)	11,962,624	124,855	2,621	-	91,442	12,181,542
Total assets	14,098,896	392,843	5,679,901	22,750,017	600,291	43,521,948
LIABILITIES						
Current liabilities:						
Accounts payable	392,712	22,787	3,389,688	28,790	96,593	3,930,570
Accrued payroll and fringe benefits	90,306	29,656	18,273	-	13,766	152,001
Compensated absences-current	8,680	2,418	-	-	-	11,098
Intergovernmental payable	1,855	-	359,194	-	-	361,049
Lease payable - current	-	12,326	-	-	-	12,326
Total current liabilities	493,553	67,187	3,767,155	28,790	110,359	4,467,044
Noncurrent liabilities:						
OPEB liability	-	-	-	21,780,235	-	21,780,235
Compensated absences	261,182	62,004	53,005	-	6,675	382,866
Lease payable	-	12,331	-	-	-	12,331
Total noncurrent liabilities	261,182	74,335	53,005	21,780,235	6,675	22,175,432
Total liabilities	754,735	141,522	3,820,160	21,809,025	117,034	26,642,476
NET POSITION						
Net investment in capital assets	11,962,624	100,198	2,621	-	91,442	12,156,885
Unrestricted	1,381,537	151,123	1,857,120	940,992	391,815	4,722,587
Total net position	\$ 13,344,161	\$ 251,321	\$ 1,859,741	\$ 940,992	\$ 483,257	\$ 16,879,472

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 POSITION
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2013

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Operating revenues:						
Charges for services	\$ 12,110,098	\$ 1,561,477	\$ 5,522,892	\$ 25,684,423	\$ 1,789,760	\$ 46,668,650
Total operating revenues	12,110,098	1,561,477	5,522,892	25,684,423	1,789,760	46,668,650
Operating expenses:						
Personnel services	2,070,734	696,882	419,962	-	312,639	3,500,217
Contractual services	5,599	11,381	3,732,792	77,380	1,134	3,828,286
Materials and supplies	8,490,062	637,941	140,928	715	5,906	9,275,552
Utilities	101,256	19,865	-	-	1,279,285	1,400,406
Repairs and maintenance	11,466	221,492	29,972	-	25,345	288,275
Rental expenses	-	32,696	-	-	-	32,696
Vehicle fleet charges	94,061	10,379	11,943	-	8,383	124,766
Employee benefits	-	-	-	25,810,195	-	25,810,195
Other expenses	1,174,319	26,315	29,743	-	12,801	1,243,178
Depreciation	2,683,330	266,926	13,524	-	10,963	2,974,743
Total operating expenses	14,630,827	1,923,877	4,378,864	25,888,290	1,656,456	48,478,314
Operating income (loss)	(2,520,729)	(362,400)	1,144,028	(203,867)	133,304	(1,809,664)
Nonoperating revenues (expenses):						
Interest income	-	-	12,829	49,709	-	62,538
Interest expense	-	(20,942)	-	-	-	(20,942)
Gain (loss) on disposal of capital assets	313,580	892	-	-	-	314,472
Total nonoperating revenues (expenses)	313,580	(20,050)	12,829	49,709	-	356,068
Income (loss) before transfers	(2,207,149)	(382,450)	1,156,857	(154,158)	133,304	(1,453,596)
Transfers out	(816,337)	-	-	-	(30,000)	(846,337)
Transfers in	5,397,850	467,282	-	-	-	5,865,132
Change in net position	2,374,364	84,832	1,156,857	(154,158)	103,304	3,565,199
Total net position - beginning	10,969,797	166,489	702,884	1,095,150	379,953	13,314,273
Total net position - ending	\$ 13,344,161	\$ 251,321	\$ 1,859,741	\$ 940,992	\$ 483,257	\$ 16,879,472

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2013

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 390,186	\$ -	\$ -	\$ -	\$ 5,587	\$ 395,773
Cash receipts from interfund services provided	11,647,253	1,561,169	5,587,370	25,671,035	1,786,582	46,253,409
Cash payments to suppliers for goods and services	(10,038,623)	(1,011,791)	(4,796,486)	(21,892,215)	(1,342,651)	(39,081,766)
Cash payments to employees for services	(2,051,898)	(697,772)	(402,774)	-	(309,300)	(3,461,744)
Net cash provided by (used in) operating activities	(53,082)	(148,394)	388,110	3,778,820	140,218	4,105,672
Cash flows from noncapital financing activities:						
Transfers in	5,397,850	467,282	-	-	-	5,865,132
Transfers (out)	(816,337)	-	-	-	(30,000)	(846,337)
Net cash provided by (used in) noncapital financing activities	4,581,513	467,282	-	-	(30,000)	5,018,795
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	-	(281,929)	-	-	-	(281,929)
Interest paid	-	(20,942)	-	-	-	(20,942)
Proceeds from capital lease	-	-	-	-	-	-
Proceeds from sale of capital assets	629,707	2,892	-	-	-	632,599
Acquisition and construction of capital assets (including capitalized interest)	(6,108,642)	(18,127)	-	-	(96,365)	(6,223,134)
Net cash used in capital and related financing activities	(5,478,935)	(318,106)	-	-	(96,365)	(5,893,406)
Cash flows from investing activities:						
Interest received	-	-	12,829	49,709	-	62,538
Net cash provided by investing activities	-	-	12,829	49,709	-	62,538
Net increase (decrease) in cash and cash equivalents	(950,504)	782	400,939	3,828,529	13,853	3,293,599
Cash and cash equivalents at beginning of year	2,571,693	265,950	5,058,448	18,256,476	494,642	26,647,209
Cash and cash equivalents at end of year	<u>\$ 1,621,189</u>	<u>\$ 266,732</u>	<u>\$ 5,459,387</u>	<u>\$ 22,085,005</u>	<u>\$ 508,495</u>	<u>\$ 29,940,808</u>
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 1,621,189	\$ 266,732	\$ 5,334,387	\$ 22,085,005	\$ 508,495	\$ 29,815,808
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 1,621,189</u>	<u>\$ 266,732</u>	<u>\$ 5,459,387</u>	<u>\$ 22,085,005</u>	<u>\$ 508,495</u>	<u>\$ 29,940,808</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, 2013

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ (2,520,729)	\$ (362,400)	\$ 1,144,028	\$ (203,867)	\$ 133,304	\$ (1,809,664)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	2,683,330	266,926	13,524	-	10,963	2,974,743
Changes in assets and liabilities:						
(Increase) decrease in receivables	(72,659)	(308)	64,479	(13,388)	2,409	(19,467)
(Increase) decrease in inventory	22,548	-	-	-	-	22,548
Increase (decrease) in accounts payable	(184,408)	(51,721)	(851,108)	3,996,075	(9,797)	2,899,041
Increase (decrease) in accrued payroll	18,836	(891)	17,187	-	3,339	38,471
Total adjustments	2,467,647	214,006	(755,918)	3,982,687	6,914	5,915,336
Net cash provided by operating activities	<u>\$ (53,082)</u>	<u>\$ (148,394)</u>	<u>\$ 388,110</u>	<u>\$ 3,778,820</u>	<u>\$ 140,218</u>	<u>\$ 4,105,672</u>

See notes to financial statements.