

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 centrally administered telecommunication systems, 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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 June 30, 2005

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits Trust	Totals
<u>ASSETS</u>					
Current assets:					
Pooled cash and cash equivalents	\$ 2,817,588	\$ 587,981	\$ 3,446,365	\$ 652,616	\$ 7,504,550
Cash with fiscal agent	-	-	125,000	-	125,000
Receivables (net of allowances for uncollectibles)	41,792	9,988	25	193,369	245,174
Due from other funds	-	-	281,655	522,273	803,928
Inventories	242,596	-	-	-	242,596
Total current assets	3,101,976	597,969	3,853,045	1,368,258	8,921,248
Capital assets:					
Buildings	1,550,503	131,801	-	-	1,682,304
Machinery and equipment	24,321,934	741,399	19,306	-	25,082,639
Less accumulated depreciation	(17,018,447)	(494,034)	(1,609)	-	(17,514,090)
Total capital assets (net of accumulated depreciation)	8,853,990	379,166	17,697	-	9,250,853
Total assets	\$ 11,955,966	\$ 977,135	\$ 3,870,742	\$ 1,368,258	\$ 18,172,101
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	\$ 474,933	\$ 137,170	\$ 3,136,575	\$ 483	\$ 3,749,161
Accrued payroll and fringe benefits	97,988	53,832	12,399	-	164,219
Compensated absences-current	237,166	93,242	30,535	-	360,943
Intergovernmental payable	1,305	430	-	70	1,805
Deferred revenue	11,923	-	-	-	11,923
Accrued interest payable	16,672	-	-	-	16,672
Note payable - current	47,366	-	-	-	47,366
Leases payable - current	-	16,599	-	-	16,599
Total current liabilities	887,353	301,273	3,179,509	553	4,368,688
Noncurrent liabilities:					
Compensated absences	-	-	-	-	-
Leases payable	-	31,689	-	-	31,689
Note payable	500,878	-	-	-	500,878
Total noncurrent liabilities	500,878	31,689	-	-	532,567
Total liabilities	1,388,231	332,962	3,179,509	553	4,901,255
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	8,305,746	330,878	17,697	-	8,654,321
Unrestricted	2,261,989	313,295	673,536	1,367,705	4,616,525
Total net assets	\$ 10,567,735	\$ 644,173	\$ 691,233	\$ 1,367,705	\$ 13,270,846

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, 2005

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits Trust	Totals
Operating revenues:					
Charges for services	\$ 7,097,212	\$ 3,035,386	\$ 4,205,984	\$ 15,532,764	\$ 29,871,346
Total operating revenues	7,097,212	3,035,386	4,205,984	15,532,764	29,871,346
Operating expenses:					
Personnel services	1,682,088	945,185	221,927	-	2,849,200
Contractual services	547,114	119,124	39,176	-	705,414
Materials and supplies	4,782,789	481,244	115,773	-	5,379,806
Utilities	83,706	1,145,477	-	420	1,229,603
Repairs and maintenance	12,003	65,013	24,290	-	101,306
Rental expenses	1,339	270,825	-	-	272,164
Vehicle fleet charges	75,643	17,503	13,845	-	106,991
Employee benefits	-	-	3,613,164	16,056,484	19,669,648
Other expenses	563,471	27,662	167,824	-	758,957
Depreciation	2,579,576	111,849	1,610	-	2,693,035
Total operating expenses	10,327,729	3,183,882	4,197,609	16,056,904	33,766,124
Operating income (loss)	(3,230,517)	(148,496)	8,375	(524,140)	(3,894,778)
Nonoperating revenues (expenses):					
Interest income	-	-	54,878	24,140	79,018
Interest expense	(34,033)	-	-	-	(34,033)
Loss on disposal of fixed assets	374,048	-	-	-	374,048
Total nonoperating revenues (expenses)	340,015	-	54,878	24,140	419,033
Income (loss) before transfers	(2,890,502)	(148,496)	63,253	(500,000)	(3,475,745)
Transfers out	(261,763)	-	-	-	(261,763)
Transfers in	2,674,366	75,000	355,000	-	3,104,366
Change in net assets	(477,899)	(73,496)	418,253	(500,000)	(633,142)
Total net assets - beginning as previously reported	11,110,634	717,669	272,980	1,867,705	13,968,988
Prior period adjustments	(65,000)	-	-	-	(65,000)
Total net assets - beginning as restated	11,045,634	717,669	272,980	1,867,705	13,903,988
Total net assets - ending	\$ 10,567,735	\$ 644,173	\$ 691,233	\$ 1,367,705	\$ 13,270,846

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2005

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits Trust	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 6,899,059	\$ 2,967,137	\$ 4,088,710	\$ 15,627,920	\$ 29,582,826
Cash receipts from interfund services provided	197,924	72,818	-	-	270,742
Cash payments to suppliers for goods and services	(5,865,901)	(2,113,681)	(3,876,903)	(16,056,386)	(27,912,871)
Cash payments to employees for services	(1,650,159)	(930,566)	(216,618)	-	(2,797,343)
Net cash provided by (used in) operating activities	(419,077)	(4,292)	(4,811)	(428,466)	(856,646)
Cash flows from noncapital financing activities:					
Transfers in (out)	2,412,603	75,000	355,000	-	2,842,603
Net cash provided by noncapital financing activities	2,412,603	75,000	355,000	-	2,842,603
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	(78,645)	(15,090)	-	-	(93,735)
Interest paid	(1,356)	-	-	-	(1,356)
Proceeds from sale of capital assets	600,556	-	-	-	600,556
Acquisition and construction of capital assets (including capitalized interest)	(2,409,634)	(73,179)	(19,306)	-	(2,502,119)
Net cash used in capital and related financing activities	(1,889,079)	(88,269)	(19,306)	-	(1,996,654)
Cash flows from investing activities:					
Interest received	-	-	54,878	24,140	79,018
Net cash provided by investing activities	-	-	54,878	24,140	79,018
Net increase (decrease) in cash and cash equivalents	104,447	(17,561)	385,761	(404,326)	68,321
Cash and cash equivalents at beginning of year	2,713,141	605,542	3,185,604	1,056,942	7,561,229
Cash and cash equivalents at end of year	<u>\$ 2,817,588</u>	<u>\$ 587,981</u>	<u>\$ 3,571,365</u>	<u>\$ 652,616</u>	<u>\$ 7,629,550</u>
Reconciliation to balance sheet:					
Pooled cash and cash equivalents	\$ 2,817,588	\$ 587,981	\$ 3,446,365	\$ 652,616	\$ 7,504,550
Cash with fiscal agent	-	-	125,000	-	125,000
Cash and cash equivalents at end of year	<u>\$ 2,817,588</u>	<u>\$ 587,981</u>	<u>\$ 3,571,365</u>	<u>\$ 652,616</u>	<u>\$ 7,629,550</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, 2005

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits Trust	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (3,230,517)	\$ (148,496)	\$ 8,375	\$ (524,140)	\$ (3,894,778)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	2,579,576	111,849	1,610	-	2,693,035
Changes in assets and liabilities:					
(Increase) decrease in receivables	(229)	4,568	237,726	95,156	337,221
(Increase) decrease in inventory	(40,819)	-	-	-	(40,819)
Increase (decrease) in accounts payable	240,485	13,167	(257,832)	518	(3,662)
Increase (decrease) in accrued payroll	31,929	14,620	5,310	-	51,859
Decrease in deferred revenue	498	-	-	-	498
Total adjustments	2,811,440	144,204	(13,186)	95,674	3,038,132
Net cash provided by (used in) operating activities	\$ (419,077)	\$ (4,292)	\$ (4,811)	\$ (428,466)	\$ (856,646)

See notes to financial statements.