

## CHARLESTON COUNTY COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

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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, 2008

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>ASSETS</b>						
<b>Current assets:</b>						
Pooled cash and cash equivalents	\$ 1,826,167	\$ 403,164	\$ 5,815,663	\$ 5,870,951	\$ 265,214	\$ 14,181,159
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	35,561	174	8,243	20,010	14,781	78,769
Due from other funds	-	-	126,981	359,831	-	486,812
Inventories	384,136	-	-	-	-	384,136
<b>Total current assets</b>	<b>2,245,864</b>	<b>403,338</b>	<b>6,075,887</b>	<b>6,250,792</b>	<b>279,995</b>	<b>15,255,876</b>
<b>Capital assets:</b>						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	25,487,531	475,506	102,992	-	398,319	26,464,348
Less accumulated depreciation	(16,258,959)	(394,103)	(35,941)	-	(287,674)	(16,976,677)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>10,779,075</b>	<b>226,583</b>	<b>67,051</b>	<b>-</b>	<b>110,645</b>	<b>11,183,354</b>
<b>Total assets</b>	<b>13,024,939</b>	<b>629,921</b>	<b>6,142,938</b>	<b>6,250,792</b>	<b>390,640</b>	<b>26,439,230</b>
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Accounts payable	566,367	92,243	2,212,112	295	148,801	3,019,818
Accrued payroll and fringe benefits	52,979	17,750	11,591	-	7,218	89,538
Compensated absences-current	-	6,681	-	-	-	6,681
Intergovernmental payable	2,049	300	519,723	-	576	522,648
OPEB liability	-	-	-	4,211,804	-	4,211,804
Unearned revenue	7,367	-	-	-	-	7,367
Accrued interest payable	12,079	-	-	-	-	12,079
Note payable - current	56,693	-	-	-	-	56,693
Lease payable - current	-	20,578	-	-	-	20,578
<b>Total current liabilities</b>	<b>697,534</b>	<b>137,552</b>	<b>2,743,426</b>	<b>4,212,099</b>	<b>156,595</b>	<b>7,947,206</b>
<b>Noncurrent liabilities:</b>						
Compensated absences	265,596	47,782	41,507	-	2,490	357,375
Lease payable	-	40,038	-	-	-	40,038
Note payable	340,499	-	-	-	-	340,499
<b>Total noncurrent liabilities</b>	<b>606,095</b>	<b>87,820</b>	<b>41,507</b>	<b>-</b>	<b>2,490</b>	<b>737,912</b>
<b>Total liabilities</b>	<b>1,303,629</b>	<b>225,372</b>	<b>2,784,933</b>	<b>4,212,099</b>	<b>159,085</b>	<b>8,685,118</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	10,381,883	165,967	67,051	-	110,645	10,725,546
Unrestricted	1,339,427	238,582	3,290,954	2,038,693	120,910	7,028,566
<b>Total net assets</b>	<b>\$ 11,721,310</b>	<b>\$ 404,549</b>	<b>\$ 3,358,005</b>	<b>\$ 2,038,693</b>	<b>\$ 231,555</b>	<b>\$ 17,754,112</b>

See notes to financial statements.



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**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, 2008**

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>Operating revenues:</b>						
Charges for services	\$ 10,216,239	\$ 1,785,075	\$ 5,049,243	\$ 17,937,201	\$ 1,712,438	\$ 36,700,196
<b>Total operating revenues</b>	<b>10,216,239</b>	<b>1,785,075</b>	<b>5,049,243</b>	<b>17,937,201</b>	<b>1,712,438</b>	<b>36,700,196</b>
<b>Operating expenses:</b>						
Personnel services	1,923,519	792,749	407,438	-	268,835	3,392,541
Contractual services	1,533	2,838	3,220,688	-	120	3,225,179
Materials and supplies	7,206,123	475,495	165,989	-	17,026	7,864,633
Utilities	100,456	22,016	-	-	1,248,658	1,371,130
Repairs and maintenance	14,426	65,468	36,909	-	12,445	129,248
Rental expenses	-	293,777	-	-	-	293,777
Vehicle fleet charges	104,557	22,867	12,920	-	5,634	145,978
Employee benefits	-	-	-	18,908,952	-	18,908,952
Other expenses	870,967	32,703	23,918	-	15,763	943,351
Depreciation	2,526,085	72,626	19,680	-	46,573	2,664,964
<b>Total operating expenses</b>	<b>12,747,666</b>	<b>1,780,539</b>	<b>3,887,542</b>	<b>18,908,952</b>	<b>1,615,054</b>	<b>38,939,753</b>
<b>Operating income (loss)</b>	<b>(2,531,427)</b>	<b>4,536</b>	<b>1,161,701</b>	<b>(971,751)</b>	<b>97,384</b>	<b>(2,239,557)</b>
<b>Nonoperating revenues (expenses):</b>						
Interest income	-	-	222,912	43,425	-	266,337
Interest expense	(24,981)	(10,256)	-	-	-	(35,237)
Gain (loss) on disposal of capital assets	126,590	(1,043)	-	-	-	125,547
<b>Total nonoperating revenues (expenses)</b>	<b>101,609</b>	<b>(11,299)</b>	<b>222,912</b>	<b>43,425</b>	<b>-</b>	<b>356,647</b>
<b>Income (loss) before transfers</b>	<b>(2,429,818)</b>	<b>(6,763)</b>	<b>1,384,613</b>	<b>(928,326)</b>	<b>97,384</b>	<b>(1,882,910)</b>
Transfers out	(418,873)	-	(1,000,000)	-	-	(1,418,873)
Transfers in	3,501,767	-	-	1,000,000	-	4,501,767
<b>Change in net assets</b>	<b>653,076</b>	<b>(6,763)</b>	<b>384,613</b>	<b>71,674</b>	<b>97,384</b>	<b>1,199,984</b>
<b>Total net assets - beginning</b>	<b>11,068,234</b>	<b>411,312</b>	<b>2,973,392</b>	<b>1,967,019</b>	<b>134,171</b>	<b>16,554,128</b>
<b>Total net assets - ending</b>	<b>\$ 11,721,310</b>	<b>\$ 404,549</b>	<b>\$ 3,358,005</b>	<b>\$ 2,038,693</b>	<b>\$ 231,555</b>	<b>\$ 17,754,112</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 For the Year Ended June 30, 2008

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 493,513	\$ 1,726	\$ -	\$ -	\$ 47,730	\$ 542,969
Cash receipts from interfund services provided	9,749,281	1,785,434	5,034,982	17,970,278	1,657,311	36,197,286
Cash payments to suppliers for goods and services	(8,128,101)	(926,668)	(3,139,684)	(14,751,940)	(1,297,286)	(28,243,679)
Cash payments to employees for services	(1,902,092)	(808,681)	(401,975)	-	(267,596)	(3,380,344)
Net cash provided by operating activities	<u>212,601</u>	<u>51,811</u>	<u>1,493,323</u>	<u>3,218,338</u>	<u>140,159</u>	<u>5,116,232</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfers in	3,501,767	-	-	1,000,000	-	4,501,767
Transfers (out)	(418,873)	-	(1,000,000)	-	-	(1,418,873)
Net cash provided by (used in) noncapital financing activities	<u>3,082,894</u>	<u>-</u>	<u>(1,000,000)</u>	<u>1,000,000</u>	<u>-</u>	<u>3,082,894</u>
<b>Cash flows from capital and related financing activities:</b>						
Principal paid on long-term debt	(78,376)	(18,027)	-	-	-	(96,403)
Interest paid	(1,623)	(10,256)	-	-	-	(11,879)
Proceeds from sale of capital assets	484,803	1,711	-	-	-	486,514
Acquisition and construction of capital assets (including capitalized interest)	(3,539,275)	(83,872)	(30,147)	-	(78,612)	(3,731,906)
Net cash used in capital and related financing activities	<u>(3,134,471)</u>	<u>(110,444)</u>	<u>(30,147)</u>	<u>-</u>	<u>(78,612)</u>	<u>(3,353,674)</u>
<b>Cash flows from investing activities:</b>						
Interest received (paid)	-	-	222,912	43,425	-	266,337
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>222,912</u>	<u>43,425</u>	<u>-</u>	<u>266,337</u>
Net increase (decrease) in cash and cash equivalents	161,024	(58,633)	686,088	4,261,763	61,547	5,111,789
Cash and cash equivalents at beginning of year	1,665,143	461,797	5,254,575	1,609,188	203,667	9,194,370
Cash and cash equivalents at end of year	<u>\$ 1,826,167</u>	<u>\$ 403,164</u>	<u>\$ 5,940,663</u>	<u>\$ 5,870,951</u>	<u>\$ 265,214</u>	<u>\$ 14,306,159</u>
<b>Reconciliation to balance sheet:</b>						
Pooled cash and cash equivalents	\$ 1,826,167	\$ 403,164	\$ 5,815,663	\$ 5,870,951	\$ 265,214	\$ 14,181,159
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 1,826,167</u>	<u>\$ 403,164</u>	<u>\$ 5,940,663</u>	<u>\$ 5,870,951</u>	<u>\$ 265,214</u>	<u>\$ 14,306,159</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, 2008

	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)	\$ (2,531,427)	\$ 4,536	\$ 1,161,701	\$ (971,751)	\$ 97,384	\$ (2,239,557)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	2,526,085	72,626	19,680	-	46,573	2,664,964
Changes in assets and liabilities:						
(Increase) decrease in receivables	26,105	2,085	(14,259)	33,077	(7,397)	39,611
Increase in inventory	(52,327)	-	-	-	-	(52,327)
Increase (decrease) in accounts payable	226,999	(11,504)	320,740	4,157,012	2,360	4,695,607
Increase (decrease) in accrued payroll	21,427	(15,932)	5,461	-	1,239	12,195
Decrease in deferred revenue	(4,261)	-	-	-	-	(4,261)
Total adjustments	2,744,028	47,275	331,622	4,190,089	42,775	7,355,789
Net cash provided by operating activities	<u>\$ 212,601</u>	<u>\$ 51,811</u>	<u>\$ 1,493,323</u>	<u>\$ 3,218,338</u>	<u>\$ 140,159</u>	<u>\$ 5,116,232</u>

See notes to financial statements.