

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, 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 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, 2009

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 1,983,832	\$ 385,487	\$ 5,915,755	\$ 8,550,422	\$ 279,639	\$ 17,115,135
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	44,954	-	99	5,646	2,589	53,288
Due from other funds	-	-	103,942	480,940	-	584,882
Inventories	313,558	-	-	-	-	313,558
Total current assets	2,342,344	385,487	6,144,796	9,037,008	282,228	18,191,863
Capital assets:						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	23,998,666	1,505,601	135,564	-	424,774	26,064,605
Less accumulated depreciation	(15,995,840)	(611,229)	(64,467)	-	(341,351)	(17,012,887)
Total capital assets (net of accumulated depreciation)	9,553,329	1,039,552	71,097	-	83,423	10,747,401
Total assets	11,895,673	1,425,039	6,215,893	9,037,008	365,651	28,939,264
LIABILITIES						
Current liabilities:						
Accounts payable	297,037	106,416	2,785,283	65	128,674	3,317,475
Accrued payroll and fringe benefits	56,745	23,849	13,759	-	8,701	103,054
Compensated absences-current	20,140	4,799	-	-	-	24,939
Intergovernmental payable	1,178	210	319,965	-	-	321,353
OPEB liability	-	-	-	8,286,334	-	8,286,334
Accrued interest payable	10,355	-	-	-	-	10,355
Note payable - current	60,193	-	-	-	-	60,193
Lease payable - current	-	197,137	-	-	-	197,137
Total current liabilities	445,648	332,411	3,119,007	8,286,399	137,375	12,320,840
Noncurrent liabilities:						
Compensated absences	224,451	52,958	36,369	-	3,550	317,328
Lease payable	-	683,923	-	-	-	683,923
Note payable	280,306	-	-	-	-	280,306
Total noncurrent liabilities	504,757	736,881	36,369	-	3,550	1,281,557
Total liabilities	950,405	1,069,292	3,155,376	8,286,399	140,925	13,602,397
NET ASSETS						
Invested in capital assets, net of related debt	9,212,830	158,492	71,097	-	83,423	9,525,842
Unrestricted	1,732,438	197,255	2,989,420	750,609	141,303	5,811,025
Total net assets	\$ 10,945,268	\$ 355,747	\$ 3,060,517	\$ 750,609	\$ 224,726	\$ 15,336,867

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, 2009

	<u>Fleet Management</u>	<u>Office Support Services</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Telecom- munications</u>	<u>Totals</u>
Operating revenues:						
Charges for services	\$ 9,286,416	\$ 1,540,955	\$ 3,921,557	\$ 22,988,837	\$ 1,566,819	\$ 39,304,584
Total operating revenues	<u>9,286,416</u>	<u>1,540,955</u>	<u>3,921,557</u>	<u>22,988,837</u>	<u>1,566,819</u>	<u>39,304,584</u>
Operating expenses:						
Personnel services	1,916,884	795,988	442,454	-	280,422	3,435,748
Contractual services	3,158	2,752	3,605,471	-	225	3,611,606
Materials and supplies	6,096,105	458,706	130,679	-	8,367	6,693,857
Utilities	114,250	22,516	-	-	1,205,445	1,342,211
Repairs and maintenance	18,015	29,314	38,458	-	8,869	94,656
Rental expenses	-	183,957	-	-	-	183,957
Vehicle fleet charges	80,714	15,068	11,211	-	4,366	111,359
Employee benefits	-	-	-	23,525,085	-	23,525,085
Other expenses	869,973	28,651	24,969	-	12,277	935,870
Depreciation	2,597,605	257,170	28,525	-	53,677	2,936,977
Total operating expenses	<u>11,696,704</u>	<u>1,794,122</u>	<u>4,281,767</u>	<u>23,525,085</u>	<u>1,573,648</u>	<u>42,871,326</u>
Operating income (loss)	<u>(2,410,288)</u>	<u>(253,167)</u>	<u>(360,210)</u>	<u>(536,248)</u>	<u>(6,829)</u>	<u>(3,566,742)</u>
Nonoperating revenues (expenses):						
Interest income	-	-	67,701	76,731	-	144,432
Interest expense	(21,582)	(7,181)	-	-	-	(28,763)
Gain (loss) on disposal of capital assets	(62,881)	550	-	-	-	(62,331)
Total nonoperating revenues (expenses)	<u>(84,463)</u>	<u>(6,631)</u>	<u>67,701</u>	<u>76,731</u>	<u>-</u>	<u>53,338</u>
Income (loss) before transfers	<u>(2,494,751)</u>	<u>(259,798)</u>	<u>(292,509)</u>	<u>(459,517)</u>	<u>(6,829)</u>	<u>(3,513,404)</u>
Transfers out	(802,485)	-	(4,977)	(828,567)	-	(1,636,029)
Transfers in	2,521,194	210,996	-	-	-	2,732,190
Change in net assets	<u>(776,042)</u>	<u>(48,802)</u>	<u>(297,486)</u>	<u>(1,288,084)</u>	<u>(6,829)</u>	<u>(2,417,243)</u>
Total net assets - beginning	<u>11,721,310</u>	<u>404,549</u>	<u>3,358,003</u>	<u>2,038,693</u>	<u>231,555</u>	<u>17,754,110</u>
Total net assets - ending	<u>\$ 10,945,268</u>	<u>\$ 355,747</u>	<u>\$ 3,060,517</u>	<u>\$ 750,609</u>	<u>\$ 224,726</u>	<u>\$ 15,336,867</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, 2009

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 223,996	\$ -	\$ -	\$ -	\$ 37,358	\$ 261,354
Cash receipts from interfund services provided	9,053,027	1,541,129	3,952,740	22,882,092	1,541,653	38,970,641
Cash payments to suppliers for goods and services	(7,389,205)	(726,881)	(3,437,376)	(19,450,785)	(1,260,252)	(32,264,499)
Cash payments to employees for services	(1,934,123)	(786,595)	(445,424)	-	(277,879)	(3,444,021)
Net cash provided by (used in) operating activities	(46,305)	27,653	69,940	3,431,307	40,880	3,523,475
Cash flows from noncapital financing activities:						
Transfers in	2,521,194	210,996	-	-	-	2,732,190
Transfers (out)	(802,485)	-	(4,977)	(828,567)	-	(1,636,029)
Net cash provided by (used in) noncapital financing activities	1,718,709	210,996	(4,977)	(828,567)	-	1,096,161
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	(78,275)	(249,145)	-	-	-	(327,420)
Interest paid	(1,724)	(7,181)	-	-	-	(8,905)
Proceeds from capital lease	-	1,130,205	-	-	-	1,130,205
Proceeds from sale of capital assets	427,276	-	-	-	-	427,276
Acquisition and construction of capital assets (including capitalized interest)	(1,862,016)	(1,130,205)	(32,572)	-	(26,454)	(3,051,247)
Net cash used in capital and related financing activities	(1,514,739)	(256,326)	(32,572)	-	(26,454)	(1,830,091)
Cash flows from investing activities:						
Interest received (paid)	-	-	67,701	76,731	-	144,432
Net cash provided by investing activities	-	-	67,701	76,731	-	144,432
Net increase (decrease) in cash and cash equivalents	157,665	(17,677)	100,092	2,679,471	14,426	2,933,977
Cash and cash equivalents at beginning of year	1,826,167	403,164	5,940,663	5,870,951	265,213	14,306,158
Cash and cash equivalents at end of year	<u>\$ 1,983,832</u>	<u>\$ 385,487</u>	<u>\$ 6,040,755</u>	<u>\$ 8,550,422</u>	<u>\$ 279,639</u>	<u>\$ 17,240,135</u>
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 1,983,832	\$ 385,487	\$ 5,915,755	\$ 8,550,422	\$ 279,639	\$ 17,115,135
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 1,983,832</u>	<u>\$ 385,487</u>	<u>\$ 6,040,755</u>	<u>\$ 8,550,422</u>	<u>\$ 279,639</u>	<u>\$ 17,240,135</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, 2009

	<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)	\$ (2,410,288)	\$ (253,167)	\$ (360,210)	\$ (536,248)	\$ (6,829)	\$ (3,566,742)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	2,597,605	257,170	28,525	-	53,677	2,936,977
Changes in assets and liabilities:						
(Increase) decrease in receivables	(9,393)	174	31,183	(106,745)	12,192	(72,589)
Decrease in inventory	70,578	-	-	-	-	70,578
Increase (decrease) in accounts payable	(270,201)	14,083	373,412	4,074,300	(20,703)	4,170,891
Increase (decrease) in accrued payroll	(17,239)	9,393	(2,970)	-	2,543	(8,273)
Decrease in deferred revenue	(7,367)	-	-	-	-	(7,367)
Total adjustments	2,363,983	280,820	430,150	3,967,555	47,709	7,090,217
Net cash provided by operating activities	\$ (46,305)	\$ 27,653	\$ 69,940	\$ 3,431,307	\$ 40,880	\$ 3,523,475

See notes to financial statements.