

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, 2010

| | Fleet Management | Office Support Services | Workers' Compensation | Employee Benefits | Telecom- munications | Totals |
|---|---------------------|-------------------------------|--------------------------|----------------------|-------------------------|----------------------|
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Pooled cash and cash equivalents | \$ 1,419,399 | \$ 356,878 | \$ 4,985,147 | \$ 11,239,887 | \$ 287,853 | \$ 18,289,164 |
| Cash with fiscal agent | - | - | 125,000 | - | - | 125,000 |
| Receivables (net of allowances for uncollectibles) | 79,560 | 373 | 7,920 | 11,350 | 1,002 | 100,205 |
| Due from other funds | - | - | 114,881 | 493,532 | - | 608,413 |
| Inventories | 291,462 | - | - | - | - | 291,462 |
| Total current assets | 1,790,421 | 357,251 | 5,232,948 | 11,744,769 | 288,855 | 19,414,244 |
| Capital assets: | | | | | | |
| Buildings | 1,550,503 | 145,180 | - | - | - | 1,695,683 |
| Machinery and equipment | 24,379,380 | 1,579,928 | 135,564 | - | 430,108 | 26,524,980 |
| Less accumulated depreciation | (16,921,516) | (881,335) | (97,516) | - | (385,461) | (18,285,828) |
| Total capital assets (net of accumulated depreciation) | 9,008,367 | 843,773 | 38,048 | - | 44,647 | 9,934,835 |
| Total assets | 10,798,788 | 1,201,024 | 5,270,996 | 11,744,769 | 333,502 | 29,349,079 |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 501,006 | 108,440 | 2,641,205 | 11,950 | 157,096 | 3,419,697 |
| Accrued payroll and fringe benefits | 64,317 | 23,728 | 13,271 | - | 9,636 | 110,952 |
| Compensated absences-current | - | 5,849 | - | - | - | 5,849 |
| Intergovernmental payable | 2,016 | - | 483,099 | - | - | 485,115 |
| Accrued interest payable | 8,524 | - | - | - | - | 8,524 |
| Note payable - current | 63,910 | - | - | - | - | 63,910 |
| Lease payable - current | - | 220,088 | - | - | - | 220,088 |
| Total current liabilities | 639,773 | 358,105 | 3,137,575 | 11,950 | 166,732 | 4,314,135 |
| Noncurrent liabilities: | | | | | | |
| OPEB liability | - | - | - | 10,938,993 | - | 10,938,993 |
| Compensated absences | 258,085 | 63,334 | 30,292 | - | 4,100 | 355,811 |
| Lease payable | - | 489,692 | - | - | - | 489,692 |
| Note payable | 216,396 | - | - | - | - | 216,396 |
| Total noncurrent liabilities | 474,481 | 553,026 | 30,292 | 10,938,993 | 4,100 | 12,000,892 |
| Total liabilities | 1,114,254 | 911,131 | 3,167,867 | 10,950,943 | 170,832 | 16,315,027 |
| NET ASSETS | | | | | | |
| Invested in capital assets, net of related debt | 8,728,061 | 133,993 | 38,048 | - | 44,647 | 8,944,749 |
| Unrestricted | 956,473 | 155,900 | 2,065,081 | 793,826 | 118,023 | 4,089,303 |
| Total net assets | \$ 9,684,534 | \$ 289,893 | \$ 2,103,129 | \$ 793,826 | \$ 162,670 | \$ 13,034,052 |

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, 2010

| | Fleet Management | Office Support Services | Workers' Compensation | Employee Benefits | Telecom- munications | Totals |
|---|---------------------|-------------------------------|--------------------------|----------------------|-------------------------|----------------------|
| Operating revenues: | | | | | | |
| Charges for services | \$ 9,382,993 | \$ 1,492,201 | \$ 3,482,493 | \$ 22,377,224 | \$ 1,551,266 | \$ 38,286,177 |
| Total operating revenues | 9,382,993 | 1,492,201 | 3,482,493 | 22,377,224 | 1,551,266 | 38,286,177 |
| Operating expenses: | | | | | | |
| Personnel services | 1,818,409 | 795,309 | 449,490 | - | 279,470 | 3,342,678 |
| Contractual services | 6,045 | 2,752 | 3,580,575 | - | - | 3,589,372 |
| Materials and supplies | 6,112,908 | 452,827 | 135,329 | - | 4,412 | 6,705,476 |
| Utilities | 117,819 | 21,886 | - | - | 1,125,064 | 1,264,769 |
| Repairs and maintenance | 13,497 | 185,640 | 38,396 | - | 22,073 | 259,606 |
| Rental expenses | - | 36,757 | - | - | - | 36,757 |
| Vehicle fleet charges | 66,486 | 11,314 | 12,446 | - | 3,997 | 94,243 |
| Employee benefits | - | - | - | 22,570,935 | - | 22,570,935 |
| Other expenses | 1,099,995 | 24,465 | 27,158 | - | 14,197 | 1,165,815 |
| Depreciation | 2,435,989 | 270,106 | 33,049 | - | 44,110 | 2,783,254 |
| Total operating expenses | 11,671,148 | 1,801,056 | 4,276,443 | 22,570,935 | 1,493,323 | 41,812,905 |
| Operating income (loss) | (2,288,155) | (308,855) | (793,950) | (193,711) | 57,943 | (3,526,728) |
| Nonoperating revenues (expenses): | | | | | | |
| Interest income | - | - | 26,563 | 46,928 | - | 73,491 |
| Interest expense | (17,977) | (65,795) | - | - | - | (83,772) |
| Gain (loss) on disposal of capital assets | (30,353) | - | - | - | - | (30,353) |
| Total nonoperating revenues (expenses) | (48,330) | (65,795) | 26,563 | 46,928 | - | (40,634) |
| Income (loss) before transfers | (2,336,485) | (374,650) | (767,387) | (146,783) | 57,943 | (3,567,362) |
| Transfers out | (302,249) | - | (190,000) | - | (120,000) | (612,249) |
| Transfers in | 1,378,000 | 308,796 | - | 190,000 | - | 1,876,796 |
| Change in net assets | (1,260,734) | (65,854) | (957,387) | 43,217 | (62,057) | (2,302,815) |
| Total net assets - beginning | 10,945,268 | 355,747 | 3,060,516 | 750,609 | 224,727 | 15,336,867 |
| Total net assets - ending | \$ 9,684,534 | \$ 289,893 | \$ 2,103,129 | \$ 793,826 | \$ 162,670 | \$ 13,034,052 |

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2010

| | Fleet Management | Office Support Services | Workers' Compensation | Employee Benefits | Telecom- munications | Totals |
|---|---------------------|-------------------------------|--------------------------|----------------------|-------------------------|----------------------|
| Cash flows from operating activities: | | | | | | |
| Cash received from customers | \$ 178,270 | \$ - | \$ - | \$ - | \$ 19,142 | \$ 197,412 |
| Cash receipts from interfund services provided | 9,170,117 | 1,491,828 | 3,463,733 | 22,358,928 | 1,533,711 | 38,018,317 |
| Cash payments to suppliers for goods and services | (7,189,847) | (733,827) | (3,774,848) | (19,906,391) | (1,141,321) | (32,746,234) |
| Cash payments to employees for services | (1,797,343) | (784,004) | (456,055) | - | (277,985) | (3,315,387) |
| Net cash provided by (used in) operating activities | <u>361,197</u> | <u>(26,003)</u> | <u>(767,170)</u> | <u>2,452,537</u> | <u>133,547</u> | <u>2,154,108</u> |
| Cash flows from noncapital financing activities: | | | | | | |
| Transfers in | 1,378,000 | 308,796 | - | 190,000 | - | 1,876,796 |
| Transfers (out) | (302,249) | - | (190,000) | - | (120,000) | (612,249) |
| Net cash provided by (used in) noncapital financing activities | <u>1,075,751</u> | <u>308,796</u> | <u>(190,000)</u> | <u>190,000</u> | <u>(120,000)</u> | <u>1,264,547</u> |
| Cash flows from capital and related financing activities: | | | | | | |
| Principal paid on long-term debt | (60,193) | (200,048) | - | - | - | (260,241) |
| Interest paid | (19,808) | (65,795) | - | - | - | (85,603) |
| Proceeds from capital lease | - | 28,768 | - | - | - | 28,768 |
| Proceeds from sale of capital assets | 158,670 | - | - | - | - | 158,670 |
| Acquisition and construction of capital assets (including capitalized interest) | (2,080,048) | (74,327) | - | - | (5,334) | (2,159,709) |
| Net cash used in capital and related financing activities | <u>(2,001,379)</u> | <u>(311,402)</u> | <u>-</u> | <u>-</u> | <u>(5,334)</u> | <u>(2,318,115)</u> |
| Cash flows from investing activities: | | | | | | |
| Interest received (paid) | - | - | 26,563 | 46,928 | - | 73,491 |
| Net cash provided by investing activities | <u>-</u> | <u>-</u> | <u>26,563</u> | <u>46,928</u> | <u>-</u> | <u>73,491</u> |
| Net increase (decrease) in cash and cash equivalents | <u>(564,431)</u> | <u>(28,609)</u> | <u>(930,607)</u> | <u>2,689,465</u> | <u>8,213</u> | <u>1,174,031</u> |
| Cash and cash equivalents at beginning of year | <u>1,983,830</u> | <u>385,487</u> | <u>6,040,754</u> | <u>8,550,422</u> | <u>279,640</u> | <u>17,240,133</u> |
| Cash and cash equivalents at end of year | <u>\$ 1,419,399</u> | <u>\$ 356,878</u> | <u>\$ 5,110,147</u> | <u>\$ 11,239,887</u> | <u>\$ 287,853</u> | <u>\$ 18,414,164</u> |
| Reconciliation to balance sheet: | | | | | | |
| Pooled cash and cash equivalents | \$ 1,419,399 | \$ 356,878 | \$ 4,985,147 | \$ 11,239,887 | \$ 287,853 | \$ 18,289,164 |
| Cash with fiscal agent | - | - | 125,000 | - | - | 125,000 |
| Cash and cash equivalents at end of year | <u>\$ 1,419,399</u> | <u>\$ 356,878</u> | <u>\$ 5,110,147</u> | <u>\$ 11,239,887</u> | <u>\$ 287,853</u> | <u>\$ 18,414,164</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, 2010

| | 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) | \$ (2,288,155) | \$ (308,855) | \$ (793,950) | \$ (193,711) | \$ 57,943 | \$ (3,526,728) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | | | |
| Depreciation | 2,435,989 | 270,106 | 33,049 | - | 44,110 | 2,783,254 |
| Changes in assets and liabilities: | | | | | | |
| (Increase) decrease in receivables | (34,606) | (373) | (18,760) | (18,296) | 1,587 | (70,448) |
| Decrease in inventory | 22,096 | - | - | - | - | 22,096 |
| Increase (decrease) in accounts payable | 204,807 | 1,814 | 19,056 | 2,664,544 | 28,422 | 2,918,643 |
| Increase (decrease) in accrued payroll | 21,066 | 11,305 | (6,565) | - | 1,485 | 27,291 |
| Total adjustments | 2,649,352 | 282,852 | 26,780 | 2,646,248 | 75,604 | 5,680,836 |
| Net cash provided by operating activities | \$ 361,197 | \$ (26,003) | \$ (767,170) | \$ 2,452,537 | \$ 133,547 | \$ 2,154,108 |

See notes to financial statements.