

Internal Service Funds

Internal Service Funds provide goods/services to other funds, other agencies, or other governments on a cost-reimbursement basis. The State uses the following Internal Service Funds:

Insurance Reserve Fund. This is a risk management/reinsurance fund. It underwrites insurance risks on public buildings and their contents and tort liability, medical malpractice, and automobile liability for public employees. State law limits the Fund's customers to certain governmental persons/entities within the State and certain associated parties.

Health and Disability Insurance Fund. This is a risk management fund that underwrites the group health, dental, long-term disability, and related benefits provided to State and public school employees and retirees.

State Accident Fund. This is a risk management fund that provides workers' compensation benefits predominantly to State employees. Premiums are collected from State agencies.

General Services Fund. This fund accounts for various services provided to State and local governmental units for which user fees are charged. These services include telecommunication and computer services, rental of office buildings, janitorial services, building maintenance, and procurement services.

Central Supplies and Equipment Fund. This fund sells office supplies and equipment, food, and paper products to other governmental units. It also stores food and paper products for State agencies.

Motor Pool Fund. This fund provides daily and permanent lease assignments of vehicles to State agencies. It also maintains an inventory of automotive parts to provide maintenance of these vehicles.

Pension Administration Fund. This fund administers the public employee retirement systems. Revenues of the fund primarily consist of assessments charged to the Pension Trust Funds.

Prison Industries Fund. This fund accounts for goods produced by inmate labor. These goods are sold primarily to State agencies.

Governor's School for the Arts Foundation, Inc., Fund. This fund collects and disburses funds for the support of programs, services, scholarships, operations, and capital needs of the South Carolina Governor's School for the Arts and Humanities. The Foundation is a blended component unit of that entity.

Other Internal Service Funds. These funds, aggregated for reporting purposes, account for other miscellaneous activities that meet the definition of Internal Service Funds. Such activities include provision of training programs for State employees and work activity centers of the Vocational Rehabilitation Department

Combining Balance Sheet

INTERNAL SERVICE FUNDS

June 30, 2000

(Expressed in Thousands)

	Insurance Reserve	Health and Disability Insurance	State Accident Fund	General Services	Central Supplies and Equipment	Motor Pool
ASSETS						
Current assets:						
Cash and cash equivalents.....	\$ 53,012	\$ 37,813	\$ 29,460	\$ 36,766	\$ 1,893	\$ 4,212
Invested securities lending collateral.....	36,986	436	463	12	—	—
Accounts receivable, net.....	28,274	2,780	6,671	326	—	238
Due from other funds.....	558	17,397	746	8,554	891	2,887
Due from component units.....	—	—	—	2	—	—
Interfund receivables.....	1,556	—	—	—	—	—
Inventories.....	—	—	—	1,325	1,808	14
Other current assets.....	2,311	2	—	—	—	—
Total current assets.....	122,697	58,428	37,340	46,985	4,592	7,351
Long-term assets:						
Investments.....	251,099	18,438	1,169	—	—	—
Advances to other funds.....	23,254	—	—	—	—	—
Total long-term assets.....	274,353	18,438	1,169	—	—	—
Property, plant, and equipment:						
Land and improvements.....	—	—	—	6,009	—	329
Buildings and improvements.....	—	—	—	175,370	—	1,127
Machinery, equipment, and other.....	925	1,250	10,065	67,762	—	32,038
Construction in progress.....	—	—	—	500	—	—
Less: accumulated depreciation.....	(685)	(771)	(3,112)	(98,673)	—	(18,207)
Total property, plant, and equipment, net.....	240	479	6,953	150,968	—	15,287
Total assets.....	\$ 397,290	\$ 77,345	\$ 45,462	\$ 197,953	\$ 4,592	\$ 22,638
LIABILITIES AND FUND EQUITY						
Liabilities:						
Current liabilities:						
Accounts payable and accrued liabilities.....	\$ 439	\$ 422	\$ 4,365	\$ 8,445	\$ 986	\$ 1,116
Retainages payable.....	—	—	—	363	—	—
Policy claims.....	151,149	157,439	26,396	—	—	31
Due to other funds.....	18	80	26	856	84	53
Interfund payables.....	—	—	—	1,996	1,000	—
Deferred revenues.....	40,412	573	4,137	—	—	—
Securities lending collateral.....	36,986	436	463	12	—	—
Notes payable.....	—	—	—	732	—	—
Limited obligation bonds payable.....	—	—	—	3,190	—	—
Capital lease and installment debt obligations payable.....	—	—	—	298	—	—
Compensated absences payable.....	269	378	363	2,867	—	119
Total current liabilities.....	229,273	159,328	35,750	18,759	2,070	1,319
Long-term liabilities:						
Policy claims.....	—	—	29,930	—	—	—
Advances from other funds.....	—	—	—	13,061	—	—
Notes payable.....	—	—	—	3,283	—	—
Limited obligation bonds payable.....	—	—	—	31,985	—	—
Capital lease and installment debt obligations payable.....	—	—	—	2,536	—	—
Total long-term liabilities.....	—	—	29,930	50,865	—	—
Total liabilities.....	229,273	159,328	65,680	69,624	2,070	1,319
Fund Equity:						
Contributed capital.....	—	41	—	85,512	—	212
Retained earnings (deficit).....	168,017	(82,024)	(20,218)	42,817	2,522	21,107
Total fund equity (deficit).....	168,017	(81,983)	(20,218)	128,329	2,522	21,319
Total liabilities and fund equity.....	\$ 397,290	\$ 77,345	\$ 45,462	\$ 197,953	\$ 4,592	\$ 22,638

Pension Adminis- tration	Prison Industries	Governor's School for the Arts Foundation, Inc.	Other Internal Service	Elimina- tions	Totals
\$ 2,223	\$ 4,299	\$ 293	\$ 449	\$ —	\$ 170,420
36	—	—	—	—	37,933
50	2,483	2,834	1	—	43,657
—	1,310	—	15	(2,022)	30,336
—	—	—	—	—	2
—	—	—	1,289	(2,845)	—
—	3,788	—	—	—	6,935
—	—	—	—	—	2,313
<u>2,309</u>	<u>11,880</u>	<u>3,127</u>	<u>1,754</u>	<u>(4,867)</u>	<u>291,596</u>
—	—	1,095	—	—	271,801
—	—	—	5,244	(11,626)	16,872
—	—	1,095	5,244	(11,626)	288,673
—	—	—	—	—	6,338
—	1,648	—	—	—	178,145
3,648	10,189	—	72	—	125,949
—	314	—	—	—	814
(1,665)	(7,572)	—	(50)	—	(130,735)
<u>1,983</u>	<u>4,579</u>	<u>—</u>	<u>22</u>	<u>—</u>	<u>180,511</u>
<u>\$ 4,292</u>	<u>\$ 16,459</u>	<u>\$ 4,222</u>	<u>\$ 7,020</u>	<u>\$ (16,493)</u>	<u>\$ 760,780</u>
\$ 1,098	\$ 1,163	\$ 150	\$ 18	\$ —	\$ 18,202
—	9	—	—	—	372
—	—	—	—	—	335,015
613	268	—	24	(2,022)	—
—	—	—	1,257	(2,845)	1,408
—	—	—	—	—	45,122
36	—	—	—	—	37,933
—	—	—	—	—	732
—	—	—	—	—	3,190
—	—	—	—	—	298
959	603	—	10	—	5,568
<u>2,706</u>	<u>2,043</u>	<u>150</u>	<u>1,309</u>	<u>(4,867)</u>	<u>447,840</u>
—	—	—	—	—	29,930
—	—	—	4,903	(11,626)	6,338
—	—	—	—	—	3,283
—	—	—	—	—	31,985
—	—	—	—	—	2,536
—	—	—	4,903	(11,626)	74,072
<u>2,706</u>	<u>2,043</u>	<u>150</u>	<u>6,212</u>	<u>(16,493)</u>	<u>521,912</u>
—	5,290	—	133	—	91,188
1,586	9,126	4,072	675	—	147,680
<u>1,586</u>	<u>14,416</u>	<u>4,072</u>	<u>808</u>	<u>—</u>	<u>238,868</u>
<u>\$ 4,292</u>	<u>\$ 16,459</u>	<u>\$ 4,222</u>	<u>\$ 7,020</u>	<u>\$ (16,493)</u>	<u>\$ 760,780</u>

Combining Statement of Revenues, Expenses, and Changes in Fund Equity

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	Insurance Reserve	Health and Disability Insurance	State Accident Fund	General Services	Central Supplies and Equipment
Operating revenues:					
Charges for services.....	\$ 69,564	\$ 773,363	\$ 33,225	\$ 89,918	\$ 9,796
Contributions.....	—	—	—	—	—
Interest and other investment income.....	17,331	7,410	1,890	—	—
Other operating revenues.....	—	—	—	—	85
Total operating revenues.....	86,895	780,773	35,115	89,918	9,881
Operating expenses:					
General operations and administration.....	41,891	130,234	5,385	72,140	9,841
Benefits and claims.....	39,844	741,881	48,115	—	—
Depreciation	145	146	1,086	8,446	—
Other operating expenses.....	—	—	121	6,347	—
Total operating expenses.....	81,880	872,261	54,707	86,933	9,841
Operating income (loss).....	5,015	(91,488)	(19,592)	2,985	40
Nonoperating revenues (expenses):					
Interest income.....	—	—	—	190	—
Federal revenue.....	—	—	—	77	—
Interest expense.....	—	—	—	(2,919)	—
Other nonoperating revenues (expenses).....	(5)	(7)	13	(725)	—
Total nonoperating revenues (expenses).....	(5)	(7)	13	(3,377)	—
Income (loss) before operating transfers.....	5,010	(91,495)	(19,579)	(392)	40
Operating transfers in.....	—	—	—	7,770	—
Operating transfers out.....	(411)	(302)	—	(1,564)	—
Net income (loss).....	4,599	(91,797)	(19,579)	5,814	40
Retained earnings (deficit) at beginning of year (restated).....	163,418	9,773	(639)	37,003	2,482
Retained earnings (deficit) at end of year.....	168,017	(82,024)	(20,218)	42,817	2,522
Contributed capital at beginning of year (restated).....	—	41	—	64,055	—
Additions to contributed capital.....	—	—	—	21,462	—
Deductions from contributed capital.....	—	—	—	(5)	—
Fund equity (deficit) at end of year.....	\$ 168,017	\$ (81,983)	\$ (20,218)	\$ 128,329	\$ 2,522

Motor Pool	Pension Adminis- tration	Prison Industries	Governor's School for the Arts Foundation, Inc.	Other Internal Service	Elimina- tions	Totals
\$ 16,495	\$ 14,807	\$ 22,994	\$ 6	\$ 541	\$ —	\$ 1,030,709
—	—	—	635	—	—	635
—	—	—	140	—	—	26,771
—	—	—	—	—	—	85
16,495	14,807	22,994	781	541	—	1,058,200
8,038	13,602	20,984	352	551	—	303,018
—	—	—	—	—	—	829,840
5,079	568	616	—	9	—	16,095
5	150	12	—	1	—	6,636
13,122	14,320	21,612	352	561	—	1,155,589
3,373	487	1,382	429	(20)	—	(97,389)
1	181	—	—	629	—	1,001
—	—	—	—	—	—	77
(5)	—	—	—	(490)	—	(3,414)
(244)	(116)	168	—	(1)	—	(917)
(248)	65	168	—	138	—	(3,253)
3,125	552	1,550	429	118	—	(100,642)
—	—	—	—	108	(215)	7,663
(148)	—	(108)	(8,211)	(793)	215	(11,322)
2,977	552	1,442	(7,782)	(567)	—	(104,301)
18,130	1,034	7,684	11,854	1,242	—	251,981
21,107	1,586	9,126	4,072	675	—	147,680
242	—	5,280	—	133	—	69,751
—	—	10	—	—	—	21,472
(30)	—	—	—	—	—	(35)
\$ 21,319	\$ 1,586	\$ 14,416	\$ 4,072	\$ 808	\$ —	\$ 238,868

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	Insurance Reserve	Health and Disability Insurance	State Accident Fund	General Services
Cash flows from operating activities:				
Operating income (loss).....	\$ 5,015	\$ (91,488)	\$ (19,592)	\$ 2,985
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	145	146	1,086	8,446
Interest on investments and interfund loans.....	(12,378)	(6,591)	(1,890)	—
Other nonoperating revenues.....	—	—	—	113
Other nonoperating expenses.....	—	—	—	(2)
Other.....	(1)	1	(113)	62
Change in assets—decreases (increases):				
Accounts receivable, net.....	(10,019)	1,552	10,105	119
Due from other funds	5,578	(2,752)	1,497	(725)
Due from component units.....	—	—	—	(2)
Inventories.....	—	—	—	428
Other current assets.....	(40)	—	—	—
Change in liabilities—increases (decreases):				
Accounts payable and accrued liabilities.....	(92,766)	(30,362)	(30,398)	(651)
Retainages payable.....	—	—	—	20
Policy claims.....	100,131	55,959	37,335	—
Due to other funds.....	10	(12)	(62)	228
Deferred revenues	1,395	(189)	(8,625)	—
Compensated absences payable.....	24	19	23	273
Other current liabilities.....	—	—	(768)	—
Net cash provided by (used in) operating activities.....	(2,906)	(73,717)	(11,402)	11,294
Cash flows from noncapital financing activities:				
Principal payments received from other funds.....	2,626	—	—	—
Principal payments made to other funds.....	—	—	—	(1,609)
Receipt of interest from other funds.....	1,868	—	—	—
Interest payments made to other funds.....	—	—	—	(726)
Loans made to other funds.....	(1,224)	—	—	—
Operating transfers in.....	—	—	—	7,770
Operating transfers out.....	(411)	(302)	—	(1,564)
Net cash provided by (used in) noncapital financing activities.....	2,859	(302)	—	3,871

Central Supplies and Equipment	Motor Pool	Pension Adminis- tration	Prison Industries	Governor's School for the Arts Foundation, Inc.	Other Internal Service	Elimina- tions	Totals
\$ 40	\$ 3,373	\$ 487	\$ 1,382	\$ 429	\$ (20)	\$ —	\$ (97,389)
—	5,079	568	616	—	9	—	16,095
—	—	—	—	—	—	—	(20,859)
—	109	17	225	—	—	—	464
—	—	—	—	—	—	—	(2)
1	4	—	(2)	6	(8)	—	(50)
12	(64)	(2)	(1,057)	1,740	(2)	—	2,384
(5)	(1,075)	—	(125)	—	26	459	2,878
—	—	—	—	—	—	—	(2)
3	(3)	—	(721)	—	—	—	(293)
—	—	—	—	—	7	—	(33)
518	199	150	353	(547)	659	—	(152,845)
—	—	—	8	—	—	—	28
—	30	—	—	—	—	—	193,455
34	—	231	17	(200)	(652)	(459)	(865)
—	—	—	—	—	—	—	(7,419)
—	2	114	97	—	(13)	—	539
—	—	—	—	—	—	—	(768)
603	7,654	1,565	793	1,428	6	—	(64,682)
—	—	—	—	—	1,457	—	4,083
—	—	—	—	—	(1,439)	—	(3,048)
—	—	—	—	—	629	—	2,497
—	—	—	—	—	(490)	—	(1,216)
—	—	—	—	—	—	—	(1,224)
—	—	—	—	—	108	(215)	7,663
—	(148)	—	(108)	(8,211)	(793)	215	(11,322)
—	(148)	—	(108)	(8,211)	(528)	—	(2,567)

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Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	Insurance Reserve	Health and Disability Insurance	State Accident Fund	General Services
Cash flows from capital and related financing activities:				
Acquisition of property, plant, and equipment.....	\$ (24)	\$ (85)	\$ (13)	\$ (10,894)
Proceeds from the sale of notes payable.....	—	—	—	3,344
Principal payments on notes payable.....	—	—	—	—
Principal payments on limited obligation bonds.....	—	—	—	(3,050)
Interest payments.....	—	—	—	(2,192)
Principal payments on capital leases and installment debt obligations payable.....	—	—	—	(277)
Net cash used in capital and related financing activities.....	(24)	(85)	(13)	(13,069)
Cash flows from investing activities:				
Proceeds from sale of investments.....	103,528	3,527	—	—
Purchase of investments.....	(147,297)	(1,110)	—	—
Interest on investments.....	13,479	7,639	1,776	190
Net cash provided by (used in) investing activities.....	(30,290)	10,056	1,776	190
Net increase (decrease) in cash and cash equivalents.....	(30,361)	(64,048)	(9,639)	2,286
Cash and cash equivalents at beginning of year (restated).....	83,373	101,861	39,099	34,480
Cash and cash equivalents at end of year.....	\$ 53,012	\$ 37,813	\$ 29,460	\$ 36,766
Noncash capital, investing, and financing activities:				
Disposal of fixed assets.....	\$ —	\$ (83)	\$ —	\$ —
Long-term interfund loan payments forgiven.....	—	—	—	555
Total noncash capital and financing activities.....	\$ —	\$ (83)	\$ —	\$ 555

Central Supplies and Equipment	Motor Pool	Pension Adminis- tration	Prison Industries	Governor's School for the Arts Foundation, Inc.	Other Internal Service	Elimina- tions	Totals
\$ —	\$ (8,077)	\$ (672)	\$ (851)	\$ —	\$ —	\$ —	\$ (20,616)
—	—	—	—	—	—	—	3,344
—	(843)	—	—	—	—	—	(843)
—	—	—	—	—	—	—	(3,050)
—	(5)	—	—	—	—	—	(2,197)
—	—	—	—	—	—	—	(277)
—	(8,925)	(672)	(851)	—	—	—	(23,639)
—	—	—	—	6,762	—	—	113,817
—	—	—	—	—	—	—	(148,407)
—	1	181	—	—	—	—	23,266
—	1	181	—	6,762	—	—	(11,324)
603	(1,418)	1,074	(166)	(21)	(522)	—	(102,212)
1,290	5,630	1,149	4,465	314	971	—	272,632
<u>\$ 1,893</u>	<u>\$ 4,212</u>	<u>\$ 2,223</u>	<u>\$ 4,299</u>	<u>\$ 293</u>	<u>\$ 449</u>	<u>\$ —</u>	<u>\$ 170,420</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (83)
—	—	—	—	—	—	—	555
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 472</u>