

## 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** - 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) Deputy 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 POSITION  
 INTERNAL SERVICE FUNDS  
 June 30, 2014

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>ASSETS</b>						
<b>Current assets:</b>						
Pooled cash and cash equivalents	\$ 2,605,031	\$ 346,804	\$ 6,236,374	\$ 26,293,131	\$ 813,765	\$ 36,295,105
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	229,771	467	268	113,480	148	344,134
Due from other funds	-	-	267,524	576,940	-	844,464
Inventories	354,807	-	-	-	-	354,807
<b>Total current assets</b>	<b>3,189,609</b>	<b>347,271</b>	<b>6,629,166</b>	<b>26,983,551</b>	<b>813,913</b>	<b>37,963,510</b>
<b>Capital assets:</b>						
Construction in progress	-	-	-	-	548,193	548,193
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	30,066,938	1,888,979	262,164	-	391,631	32,609,712
Less accumulated depreciation	(18,361,758)	(905,862)	(170,714)	-	(310,058)	(19,748,392)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>13,255,683</b>	<b>1,128,297</b>	<b>91,450</b>	<b>-</b>	<b>629,766</b>	<b>15,105,196</b>
<b>Total assets</b>	<b>16,445,292</b>	<b>1,475,568</b>	<b>6,720,616</b>	<b>26,983,551</b>	<b>1,443,679</b>	<b>53,068,706</b>
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Accounts payable	1,036,521	37,351	3,568,672	57,695	377,585	5,077,824
Accrued payroll and fringe benefits	94,208	33,889	19,723	818	14,469	163,107
Compensated absences-current	13,556	-	-	-	-	13,556
Intergovernmental payable	1,380	531	331,638	65	2,111	335,725
Lease payable - current	-	239,582	-	-	-	239,582
<b>Total current liabilities</b>	<b>1,145,665</b>	<b>311,353</b>	<b>3,920,033</b>	<b>58,578</b>	<b>394,165</b>	<b>5,829,794</b>
<b>Noncurrent liabilities:</b>						
OPEB liability	-	-	-	25,203,859	-	25,203,859
Compensated absences	251,781	60,579	55,487	-	7,645	375,492
Lease payable	-	783,008	-	-	-	783,008
<b>Total noncurrent liabilities</b>	<b>251,781</b>	<b>843,587</b>	<b>55,487</b>	<b>25,203,859</b>	<b>7,645</b>	<b>26,362,359</b>
<b>Total liabilities</b>	<b>1,397,446</b>	<b>1,154,940</b>	<b>3,975,520</b>	<b>25,262,437</b>	<b>401,810</b>	<b>32,192,153</b>
<b>NET POSITION</b>						
Net investment in capital assets	13,255,683	105,707	91,450	-	629,766	14,082,606
Unrestricted	1,792,163	214,921	2,653,646	1,721,114	412,103	6,793,947
<b>Total net position</b>	<b>\$ 15,047,846</b>	<b>\$ 320,628</b>	<b>\$ 2,745,096</b>	<b>\$ 1,721,114</b>	<b>\$ 1,041,869</b>	<b>\$ 20,876,553</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 POSITION  
 INTERNAL SERVICE FUNDS  
 For the Year Ended June 30, 2014

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>Operating revenues:</b>						
Charges for services	\$ 12,818,749	\$ 1,877,620	\$ 6,029,280	\$ 26,882,162	\$ 2,015,158	\$ 49,622,969
<b>Total operating revenues</b>	<b>12,818,749</b>	<b>1,877,620</b>	<b>6,029,280</b>	<b>26,882,162</b>	<b>2,015,158</b>	<b>49,622,969</b>
<b>Operating expenses:</b>						
Personnel services	2,194,509	748,431	435,240	818	329,339	3,708,337
Contractual services	14,097	10,190	4,473,313	20,000	1,368	4,518,968
Materials and supplies	9,198,305	612,518	146,257	29,497	6,304	9,992,881
Utilities	107,302	21,567	-	-	1,475,149	1,604,018
Repairs and maintenance	8,589	192,821	37,861	-	5,108	244,379
Rental expenses	-	9,935	-	-	-	9,935
Vehicle fleet charges	93,440	10,674	7,839	-	4,002	115,955
Employee benefits	-	-	-	26,092,683	-	26,092,683
Other expenses	1,009,395	43,510	33,256	-	12,295	1,098,456
Depreciation	3,214,404	288,990	25,619	-	22,981	3,551,994
<b>Total operating expenses</b>	<b>15,840,041</b>	<b>1,938,636</b>	<b>5,159,385</b>	<b>26,142,998</b>	<b>1,856,546</b>	<b>50,937,606</b>
<b>Operating income (loss)</b>	<b>(3,021,292)</b>	<b>(61,016)</b>	<b>869,895</b>	<b>739,164</b>	<b>158,612</b>	<b>(1,314,637)</b>
<b>Nonoperating revenues (expenses):</b>						
Interest income	-	-	9,793	40,958	-	50,751
Interest expense	-	(24,528)	-	-	-	(24,528)
Gain (loss) on disposal of capital assets	409,459	(19,777)	5,667	-	-	395,349
<b>Total nonoperating revenues (expenses)</b>	<b>409,459</b>	<b>(44,305)</b>	<b>15,460</b>	<b>40,958</b>	<b>-</b>	<b>421,572</b>
<b>Income (loss) before transfers</b>	<b>(2,611,833)</b>	<b>(105,321)</b>	<b>885,355</b>	<b>780,122</b>	<b>158,612</b>	<b>(893,065)</b>
Transfers out	(409,459)	-	-	-	-	(409,459)
Transfers in	4,724,977	174,628	-	-	400,000	5,299,605
<b>Change in net position</b>	<b>1,703,685</b>	<b>69,307</b>	<b>885,355</b>	<b>780,122</b>	<b>558,612</b>	<b>3,997,081</b>
<b>Total net position - beginning</b>	<b>13,344,161</b>	<b>251,321</b>	<b>1,859,741</b>	<b>940,992</b>	<b>483,257</b>	<b>16,879,472</b>
<b>Total net position - ending</b>	<b>\$ 15,047,846</b>	<b>\$ 320,628</b>	<b>\$ 2,745,096</b>	<b>\$ 1,721,114</b>	<b>\$ 1,041,869</b>	<b>\$ 20,876,553</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, 2014

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 555,824	\$ -	\$ -	\$ -	\$ 2,549	\$ 558,373
Cash receipts from interfund services provided	12,195,500	1,878,409	5,979,380	26,856,754	2,012,815	48,922,858
Cash payments to suppliers for goods and services	(9,789,864)	(886,120)	(4,547,098)	(22,689,586)	(1,221,123)	(39,133,791)
Cash payments to employees for services	(2,195,132)	(748,041)	(431,308)	-	(327,666)	(3,702,147)
Net cash provided by operating activities	<u>766,328</u>	<u>244,248</u>	<u>1,000,974</u>	<u>4,167,168</u>	<u>466,575</u>	<u>6,645,293</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfers in	4,724,977	174,628	-	-	400,000	5,299,605
Transfers (out)	(409,459)	-	-	-	-	(409,459)
Net cash provided by noncapital financing activities	<u>4,315,518</u>	<u>174,628</u>	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>4,890,146</u>
<b>Cash flows from capital and related financing activities:</b>						
Principal paid on long-term debt	-	(288,190)	-	-	-	(288,190)
Interest paid	-	(24,528)	-	-	-	(24,528)
Proceeds from capital lease	-	1,286,123	-	-	-	1,286,123
Proceeds from sale of capital assets	557,752	-	5,667	-	-	563,419
Acquisition and construction of capital assets (including capitalized interest)	(4,655,756)	(1,312,209)	(114,447)	-	(561,305)	(6,643,717)
Net cash used in capital and related financing activities	<u>(4,098,004)</u>	<u>(338,804)</u>	<u>(108,780)</u>	<u>-</u>	<u>(561,305)</u>	<u>(5,106,893)</u>
<b>Cash flows from investing activities:</b>						
Interest received	-	-	9,793	40,958	-	50,751
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>9,793</u>	<u>40,958</u>	<u>-</u>	<u>50,751</u>
Net increase in cash and cash equivalents	983,842	80,072	901,987	4,208,126	305,270	6,479,297
Cash and cash equivalents at beginning of year	1,621,189	266,732	5,459,387	22,085,005	508,495	29,940,808
Cash and cash equivalents at end of year	<u>\$ 2,605,031</u>	<u>\$ 346,804</u>	<u>\$ 6,361,374</u>	<u>\$ 26,293,131</u>	<u>\$ 813,765</u>	<u>\$ 36,420,105</u>
<b>Reconciliation to balance sheet:</b>						
Pooled cash and cash equivalents	\$ 2,605,031	\$ 346,804	\$ 6,236,374	\$ 26,293,131	\$ 813,765	\$ 36,295,105
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 2,605,031</u>	<u>\$ 346,804</u>	<u>\$ 6,361,374</u>	<u>\$ 26,293,131</u>	<u>\$ 813,765</u>	<u>\$ 36,420,105</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, 2014

	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)	\$ (3,021,292)	\$ (61,016)	\$ 869,895	\$ 739,164	\$ 158,612	\$ (1,314,637)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	3,214,404	288,990	25,619	-	22,981	3,551,994
Changes in assets and liabilities:						
(Increase) decrease in receivables	(67,425)	789	(49,900)	(25,408)	206	(141,738)
(Increase) decrease in inventory	(2,070)	-	-	-	-	(2,070)
Increase (decrease) in accounts payable	643,334	15,095	151,428	3,452,529	283,103	4,545,489
Increase (decrease) in accrued payroll	(623)	390	3,932	883	1,673	6,255
Total adjustments	3,787,620	305,264	131,079	3,428,004	307,963	7,959,930
Net cash provided by operating activities	<u>\$ 766,328</u>	<u>\$ 244,248</u>	<u>\$ 1,000,974</u>	<u>\$ 4,167,168</u>	<u>\$ 466,575</u>	<u>\$ 6,645,293</u>

See notes to financial statements.