

## 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, as well as providing retirement benefits. 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. To provide retirement benefits to its employees, the County contracts with the South Carolina Public Employee Benefits Authority (PEBA) which administers the various retirement systems and retirement programs managed by its retirement division.

**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, 2015

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>ASSETS</b>						
Current assets:						
Pooled cash and cash equivalents	\$ 3,204,807	\$ 327,462	\$ 5,946,994	\$ 32,172,428	\$ 386,798	\$ 42,038,489
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	97,445	252	31	117,535	233	215,496
Due from other funds	-	-	280,075	18,819,263	-	19,099,338
Inventories	328,343	-	-	-	-	328,343
<b>Total current assets</b>	<b>3,630,595</b>	<b>327,714</b>	<b>6,352,100</b>	<b>51,109,226</b>	<b>387,031</b>	<b>61,806,666</b>
Capital assets:						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	30,416,811	1,910,601	351,578	-	1,100,255	33,779,245
Less accumulated depreciation	(19,614,763)	(1,045,641)	(211,480)	-	(346,006)	(21,217,890)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>12,352,551</b>	<b>1,010,140</b>	<b>140,098</b>	<b>-</b>	<b>754,249</b>	<b>14,257,038</b>
<b>Total assets</b>	<b>15,983,146</b>	<b>1,337,854</b>	<b>6,492,198</b>	<b>51,109,226</b>	<b>1,141,280</b>	<b>76,063,704</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension contributions made subsequent to measurement date	-	-	-	12,779,064	-	12,779,064
Difference between expected and actual experience	-	-	-	5,186,119	-	5,186,119
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,965,183</b>	<b>-</b>	<b>17,965,183</b>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	382,531	115,468	3,470,476	27,374	102,180	4,098,029
Accrued payroll and fringe benefits	109,444	34,850	20,831	1,921,582	15,892	2,102,599
Compensated absences-current	21,326	-	8,509	-	207	30,042
Intergovernmental payable	3,969	-	100,806	-	55	104,830
Lease payable - current	-	260,369	-	-	-	260,369
<b>Total current liabilities</b>	<b>517,270</b>	<b>410,687</b>	<b>3,600,622</b>	<b>1,948,956</b>	<b>118,334</b>	<b>6,595,869</b>
Noncurrent liabilities:						
OPEB liability	-	-	-	29,186,803	-	29,186,803
Compensated absences	224,491	58,091	39,069	4,687	6,773	333,111
Lease payable	-	592,757	-	-	-	592,757
Net pension liability	-	-	-	186,113,466	-	186,113,466
<b>Total noncurrent liabilities</b>	<b>224,491</b>	<b>650,848</b>	<b>39,069</b>	<b>215,304,956</b>	<b>6,773</b>	<b>216,226,137</b>
<b>Total liabilities</b>	<b>741,761</b>	<b>1,061,535</b>	<b>3,639,691</b>	<b>217,253,912</b>	<b>125,107</b>	<b>222,822,006</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Net difference between projected and actual earnings on pension plan investments	-	-	-	17,356,651	-	17,356,651
<b>NET POSITION</b>						
Net investment in capital assets	12,352,551	157,014	140,098	-	754,249	13,403,912
Unrestricted	2,888,834	119,305	2,712,409	(165,536,154)	261,924	(159,553,682)
<b>Total net position</b>	<b>\$ 15,241,385</b>	<b>\$ 276,319</b>	<b>\$ 2,852,507</b>	<b>\$ (165,536,154)</b>	<b>\$ 1,016,173</b>	<b>\$ (146,149,770)</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, 2015

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>Operating revenues:</b>						
Charges for services	\$ 12,733,001	\$ 1,964,126	\$ 5,006,786	\$ 40,793,871	\$ 1,957,416	\$ 62,455,200
<b>Total operating revenues</b>	<b>12,733,001</b>	<b>1,964,126</b>	<b>5,006,786</b>	<b>40,793,871</b>	<b>1,957,416</b>	<b>62,455,200</b>
<b>Operating expenses:</b>						
Personnel services	2,140,657	738,533	417,725	104,421	294,357	3,695,693
Contractual services	5,566	14,092	4,227,491	8,650	1,368	4,257,167
Materials and supplies	8,567,857	629,846	152,230	61,318	12,603	9,423,854
Utilities	103,903	21,341	-	-	1,407,571	1,532,815
Repairs and maintenance	12,924	222,012	38,067	-	75,665	348,668
Rental expenses	-	11,674	-	-	-	11,674
Vehicle fleet charges	102,581	9,232	10,212	-	5,552	127,577
Employee benefits	-	-	-	41,553,868	-	41,553,868
Other expenses	1,267,964	24,401	26,273	-	11,223	1,329,861
Depreciation	3,448,502	299,352	40,765	-	35,948	3,824,567
<b>Total operating expenses</b>	<b>15,649,954</b>	<b>1,970,483</b>	<b>4,912,763</b>	<b>41,728,257</b>	<b>1,844,287</b>	<b>66,105,744</b>
<b>Operating income (loss)</b>	<b>(2,916,953)</b>	<b>(6,357)</b>	<b>94,023</b>	<b>(934,386)</b>	<b>113,129</b>	<b>(3,650,544)</b>
<b>Nonoperating revenues (expenses):</b>						
Interest income	-	-	13,388	-	-	13,388
Interest expense	-	(72,941)	-	-	-	(72,941)
Gain (loss) on disposal of capital assets	324,329	(3,836)	-	-	-	320,493
<b>Total nonoperating revenues (expenses)</b>	<b>324,329</b>	<b>(76,777)</b>	<b>13,388</b>	<b>-</b>	<b>-</b>	<b>260,940</b>
<b>Income (loss) before transfers</b>	<b>(2,592,624)</b>	<b>(83,134)</b>	<b>107,411</b>	<b>(934,386)</b>	<b>113,129</b>	<b>(3,389,604)</b>
Transfers in	3,293,229	38,825	-	-	-	3,332,054
Transfers out	(507,066)	-	-	-	(138,825)	(645,891)
<b>Change in net position</b>	<b>193,539</b>	<b>(44,309)</b>	<b>107,411</b>	<b>(934,386)</b>	<b>(25,696)</b>	<b>(703,441)</b>
<b>Total net position - beginning (as restated)</b>	<b>15,047,846</b>	<b>320,628</b>	<b>2,745,096</b>	<b>(164,601,768)</b>	<b>1,041,869</b>	<b>(145,446,329)</b>
<b>Total net position - ending</b>	<b>\$ 15,241,385</b>	<b>\$ 276,319</b>	<b>\$ 2,852,507</b>	<b>\$ (165,536,154)</b>	<b>\$ 1,016,173</b>	<b>\$ (146,149,770)</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, 2015

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 289,124	\$ -	\$ -	\$ -	\$ 4,582	\$ 293,706
Cash receipts from interfund services provided	12,576,203	1,964,341	4,994,472	40,577,173	1,952,749	62,064,938
Cash payments to suppliers for goods and services	(10,685,732)	(855,012)	(4,783,301)	(36,518,906)	(1,791,443)	(54,634,394)
Cash payments to employees for services	(2,144,941)	(740,060)	(424,526)	1,821,030	(293,599)	(1,782,096)
Net cash provided by operating activities	<u>34,654</u>	<u>369,269</u>	<u>(213,355)</u>	<u>5,879,297</u>	<u>(127,711)</u>	<u>5,942,154</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfers in	3,293,229	38,825	-	-	-	3,332,054
Transfers (out)	(507,066)	-	-	-	(138,825)	(645,891)
Net cash provided by noncapital financing activities	<u>2,786,163</u>	<u>38,825</u>	<u>-</u>	<u>-</u>	<u>(138,825)</u>	<u>2,686,163</u>
<b>Cash flows from capital and related financing activities:</b>						
Principal paid on long-term debt	-	(251,896)	-	-	-	(251,896)
Interest paid	-	(72,941)	-	-	-	(72,941)
Proceeds from capital lease	-	82,431	-	-	-	82,431
Proceeds from sale of capital assets	431,569	-	-	-	-	431,569
Acquisition and construction of capital assets (including capitalized interest)	(2,652,610)	(185,030)	(89,413)	-	(160,431)	(3,087,484)
Net cash used in capital and related financing activities	<u>(2,221,041)</u>	<u>(427,436)</u>	<u>(89,413)</u>	<u>-</u>	<u>(160,431)</u>	<u>(2,898,321)</u>
<b>Cash flows from investing activities:</b>						
Interest received	-	-	13,388	-	-	13,388
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>13,388</u>	<u>-</u>	<u>-</u>	<u>13,388</u>
Net increase in cash and cash equivalents	599,776	(19,342)	(289,380)	5,879,297	(426,967)	5,743,384
Cash and cash equivalents at beginning of year	2,605,031	346,804	6,361,374	26,293,131	813,765	36,420,105
Cash and cash equivalents at end of year	<u>\$ 3,204,807</u>	<u>\$ 327,462</u>	<u>\$ 6,071,994</u>	<u>\$ 32,172,428</u>	<u>\$ 386,798</u>	<u>\$ 42,163,489</u>
<b>Reconciliation to balance sheet:</b>						
Pooled cash and cash equivalents	\$ 3,204,807	\$ 327,462	\$ 5,946,994	\$ 32,172,428	\$ 386,798	\$ 42,038,489
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 3,204,807</u>	<u>\$ 327,462</u>	<u>\$ 6,071,994</u>	<u>\$ 32,172,428</u>	<u>\$ 386,798</u>	<u>\$ 42,163,489</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, 2015

	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)	\$ (2,916,953)	\$ (6,357)	\$ 94,023	\$ (934,386)	\$ 113,129	\$ (3,650,544)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	3,448,502	299,352	40,765	-	35,948	3,824,567
Changes in assets, deferred outflows and inflows of resources, and liabilities:						
(Increase) decrease in receivables	132,326	215	(12,314)	(216,698)	(85)	(96,556)
(Increase) decrease in inventory	26,464	-	-	-	-	26,464
Increase (decrease) in accounts payable	(651,401)	77,586	(6,801)	3,952,558	(277,461)	3,094,481
Increase (decrease) in accrued payroll	(4,284)	(1,527)	(329,028)	1,925,451	758	1,591,370
Increase (decrease) in net pension liability	-	-	-	(9,956,342)	-	(9,956,342)
(Increase) decrease in deferred outflows of resources for pensions	-	-	-	(6,247,937)	-	(6,247,937)
Increase (decrease) in deferred inflows of resources for pensions	-	-	-	17,356,651	-	17,356,651
Total adjustments	2,951,607	375,626	(307,378)	6,813,683	(240,840)	9,592,698
Net cash provided by operating activities	<u>\$ 34,654</u>	<u>\$ 369,269</u>	<u>\$ (213,355)</u>	<u>\$ 5,879,297</u>	<u>\$ (127,711)</u>	<u>\$ 5,942,154</u>

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