

## 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, 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, 2017

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>ASSETS</b>						
<b>Current assets:</b>						
Pooled cash and cash equivalents	\$ 2,867,241	\$ 310,412	\$ 5,594,459	\$ 38,764,623	\$ 481,394	\$ 48,018,129
Cash with fiscal agent	-	-	125,000	-	-	125,000
Pooled investments	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles)	321,785	149	-	149,491	-	471,425
Due from other funds	-	-	105,866	26,421,980	-	26,527,846
Inventories	312,650	-	-	-	-	312,650
<b>Total current assets</b>	<b>3,501,676</b>	<b>310,561</b>	<b>5,825,325</b>	<b>65,336,094</b>	<b>481,394</b>	<b>75,455,050</b>
<b>Capital assets:</b>						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	34,809,807	1,956,145	460,718	-	847,668	38,074,338
Less accumulated depreciation	(22,168,165)	(1,595,441)	(353,507)	-	(276,466)	(24,393,579)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>14,192,145</b>	<b>505,884</b>	<b>107,211</b>	<b>-</b>	<b>571,202</b>	<b>15,376,442</b>
<b>Total assets</b>	<b>17,693,821</b>	<b>816,445</b>	<b>5,932,536</b>	<b>65,336,094</b>	<b>1,052,596</b>	<b>90,831,492</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred pension charges	-	-	-	43,304,168	-	43,304,168
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,304,168</b>	<b>-</b>	<b>43,304,168</b>
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Accounts payable	715,162	107,203	3,073,294	104,739	137,096	4,137,494
Accrued payroll and fringe benefits	55,686	15,832	9,948	2,391	9,097	92,954
Compensated absences-current	9,392	-	-	-	-	9,392
Intergovernmental payable	2,630	64	189,757	102	56	192,609
Lease payable - current	-	320,670	-	-	-	320,670
<b>Total current liabilities</b>	<b>782,870</b>	<b>443,769</b>	<b>3,272,999</b>	<b>107,232</b>	<b>146,249</b>	<b>4,753,119</b>
<b>Noncurrent liabilities:</b>						
OPEB liability	-	-	-	35,510,633	-	35,510,633
Compensated absences	230,673	48,131	51,316	5,524	21,391	357,035
Lease payable	-	7,920	-	-	-	7,920
Net pension liability	-	-	-	240,461,798	-	240,461,798
<b>Total noncurrent liabilities</b>	<b>230,673</b>	<b>56,051</b>	<b>51,316</b>	<b>275,977,955</b>	<b>21,391</b>	<b>276,337,386</b>
<b>Total liabilities</b>	<b>1,013,543</b>	<b>499,820</b>	<b>3,324,315</b>	<b>276,085,187</b>	<b>167,640</b>	<b>281,090,505</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred pension credits	-	-	-	1,073,432	-	1,073,432
<b>NET POSITION</b>						
Net investment in capital assets	14,182,145	177,294	107,211	-	571,202	15,037,852
Unrestricted	2,498,133	139,331	2,501,010	(168,518,357)	313,754	(163,066,129)
<b>Total net position</b>	<b>\$ 16,680,278</b>	<b>\$ 316,625</b>	<b>\$ 2,608,221</b>	<b>\$ (168,518,357)</b>	<b>\$ 884,956</b>	<b>\$ (148,028,277)</b>

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 POSITION  
 INTERNAL SERVICE FUNDS  
 For the Year Ended June 30, 2017

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>Operating revenues:</b>						
Charges for services	\$ 12,521,749	\$ 2,026,998	\$ 4,997,840	\$ 44,086,959	\$ 2,044,396	\$ 65,677,942
<b>Total operating revenues</b>	<b>12,521,749</b>	<b>2,026,998</b>	<b>4,997,840</b>	<b>44,086,959</b>	<b>2,044,396</b>	<b>65,677,942</b>
<b>Operating expenses:</b>						
Personnel services	2,306,025	718,967	437,951	104,498	369,571	3,937,012
Contractual services	6,718	16,637	4,598,271	79,390	1,368	4,702,384
Materials and supplies	7,826,140	754,881	148,735	12,659	34,746	8,777,161
Utilities	101,976	19,077	-	-	1,357,024	1,478,077
Repairs and maintenance	42,169	253,747	40,630	-	91,743	428,289
Rental expenses	-	20,096	-	-	-	20,096
Vehicle fleet charges	118,705	11,274	9,405	-	1,497	140,881
Employee benefits	-	-	-	48,798,014	-	48,798,014
Other expenses	1,641,461	43,296	35,207	-	19,831	1,739,795
Depreciation	4,542,866	305,699	69,459	-	87,863	5,005,887
<b>Total operating expenses</b>	<b>16,586,060</b>	<b>2,143,674</b>	<b>5,339,658</b>	<b>48,994,561</b>	<b>1,963,643</b>	<b>75,027,596</b>
<b>Operating income (loss)</b>	<b>(4,064,311)</b>	<b>(116,676)</b>	<b>(341,818)</b>	<b>(4,907,602)</b>	<b>80,753</b>	<b>(9,349,654)</b>
<b>Nonoperating revenues (expenses):</b>						
Interest income	22,845	1,879	49,898	325,481	4,970	405,073
Interest expense	-	(41,373)	-	-	-	(41,373)
Gain (loss) on disposal of capital assets	297,521	2,487	-	-	(29,240)	270,768
<b>Total nonoperating revenues (expenses)</b>	<b>320,366</b>	<b>(37,007)</b>	<b>49,898</b>	<b>325,481</b>	<b>(24,270)</b>	<b>634,468</b>
<b>Income (loss) before transfers</b>	<b>(3,743,945)</b>	<b>(153,683)</b>	<b>(291,920)</b>	<b>(4,582,121)</b>	<b>56,483</b>	<b>(8,715,186)</b>
Transfers in	3,025,183	175,000	-	-	-	3,200,183
Transfers out	(512,739)	-	-	-	(175,000)	(687,739)
<b>Change in net position</b>	<b>(1,231,501)</b>	<b>21,317</b>	<b>(291,920)</b>	<b>(4,582,121)</b>	<b>(118,517)</b>	<b>(6,202,742)</b>
<b>Total net position - beginning</b>	<b>17,911,779</b>	<b>295,308</b>	<b>2,900,141</b>	<b>(163,936,236)</b>	<b>1,003,473</b>	<b>(141,825,535)</b>
<b>Total net position - ending</b>	<b>\$ 16,680,278</b>	<b>\$ 316,625</b>	<b>\$ 2,608,221</b>	<b>\$ (168,518,357)</b>	<b>\$ 884,956</b>	<b>\$ (148,028,277)</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, 2017

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 95,608	\$ -	\$ -	\$ -	\$ 1,718	\$ 97,326
Cash receipts from interfund services provided	12,326,324	2,026,849	5,033,811	41,639,154	2,042,678	63,068,816
Cash payments to suppliers for goods and services	(9,317,620)	(1,076,170)	(4,771,183)	(36,948,116)	(1,484,011)	(53,597,100)
Cash payments to employees for services	(2,361,049)	(746,871)	(451,755)	(1,938,208)	(378,412)	(5,876,295)
Net cash provided by (used in) operating activities	<u>743,263</u>	<u>203,808</u>	<u>(189,127)</u>	<u>2,752,830</u>	<u>181,973</u>	<u>3,692,747</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfers in	3,025,183	175,000	-	-	-	3,200,183
Transfers (out)	(512,739)	-	-	-	(175,000)	(687,739)
Net cash provided by (used in) noncapital financing activities	<u>2,512,444</u>	<u>175,000</u>	<u>-</u>	<u>-</u>	<u>(175,000)</u>	<u>2,512,444</u>
<b>Cash flows from capital and related financing activities:</b>						
Principal paid on long-term debt	-	(270,295)	-	-	-	(270,295)
Interest paid	-	(41,373)	-	-	-	(41,373)
Proceeds from sale of capital assets	497,302	4,487	-	-	-	501,789
Acquisition and construction of capital assets (including capitalized interest)	(2,632,973)	(56,313)	(62,225)	-	(6,476)	(2,757,987)
Net cash used in capital and related financing activities	<u>(2,135,671)</u>	<u>(363,494)</u>	<u>(62,225)</u>	<u>-</u>	<u>(6,476)</u>	<u>(2,567,866)</u>
<b>Cash flows from investing activities:</b>						
Interest received	22,845	1,879	49,898	325,481	4,970	405,073
Net cash provided by investing activities	<u>22,845</u>	<u>1,879</u>	<u>49,898</u>	<u>325,481</u>	<u>4,970</u>	<u>405,073</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,142,881</b>	<b>17,193</b>	<b>(201,454)</b>	<b>3,078,311</b>	<b>5,467</b>	<b>4,042,398</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,724,360</b>	<b>293,219</b>	<b>5,920,913</b>	<b>35,686,312</b>	<b>475,927</b>	<b>44,100,731</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>\$ 2,867,241</u></b>	<b><u>\$ 310,412</u></b>	<b><u>\$ 5,719,459</u></b>	<b><u>\$ 38,764,623</u></b>	<b><u>\$ 481,394</u></b>	<b><u>\$ 48,143,129</u></b>
<b>Reconciliation to balance sheet:</b>						
Pooled cash and cash equivalents	\$ 2,867,241	\$ 310,412	\$ 5,594,459	\$ 38,764,623	\$ 481,394	\$ 48,018,129
Pooled investments	-	-	-	-	-	-
Cash with fiscal agent	-	-	125,000	-	-	125,000
<b>Cash and cash equivalents at end of year</b>	<b><u>\$ 2,867,241</u></b>	<b><u>\$ 310,412</u></b>	<b><u>\$ 5,719,459</u></b>	<b><u>\$ 38,764,623</u></b>	<b><u>\$ 481,394</u></b>	<b><u>\$ 48,143,129</u></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, 2017

	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)	\$ (4,064,311)	\$ (116,676)	\$ (341,818)	\$ (4,907,602)	\$ 80,753	\$ (9,349,654)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	4,542,866	305,699	69,459	-	87,863	5,005,887
Changes in assets, deferred outflows and inflows of resources, and liabilities:						
(Increase) decrease in receivables	(99,817)	(149)	35,971	(2,447,805)	-	(2,511,800)
Decrease in inventory	9,836	-	-	-	-	9,836
Increase (decrease) in accounts payable	409,713	42,838	61,065	3,360,984	22,198	3,896,798
Increase (decrease) in accrued payroll	(55,024)	(27,904)	(13,804)	(1,833,710)	(8,841)	(1,939,283)
Increase in net pension liability	-	-	-	28,528,777	-	28,528,777
(Increase) in deferred outflows of resources for pensions	-	-	-	(7,587,591)	-	(7,587,591)
(Decrease) in deferred inflows of resources for pensions	-	-	-	(12,360,223)	-	(12,360,223)
Total adjustments	4,807,574	320,484	152,691	7,660,432	101,220	13,042,401
Net cash provided by (used in) operating activities	\$ 743,263	\$ 203,808	\$ (189,127)	\$ 2,752,830	\$ 181,973	\$ 3,692,747

See notes to financial statements.