

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, 2018

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 5,027,517	\$ 295,695	\$ 5,567,891	\$ 42,036,157	\$ 381,846	\$ 53,309,106
Cash with fiscal agent	-	-	125,000	-	-	125,000
Pooled investments	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles)	161,825	187	-	316,746	-	478,758
Due from other funds	-	-	110,207	34,049,611	-	34,159,818
Inventories	368,683	-	-	-	-	368,683
Total current assets	5,558,025	295,882	5,803,098	76,402,514	381,846	88,441,365
Capital assets:						
Construction in process	-	-	-	-	65,353	65,353
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	36,771,248	1,997,009	520,053	-	893,923	40,182,233
Less accumulated depreciation	(25,135,494)	(1,889,781)	(403,106)	-	(362,385)	(27,790,766)
Total capital assets (net of accumulated depreciation)	13,186,257	252,408	116,947	-	596,891	14,152,503
Total assets	18,744,282	548,290	5,920,045	76,402,514	978,737	102,593,868
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension charges	-	-	-	54,787,488	-	54,787,488
Deferred OPEB charges	-	-	-	2,643,696	-	2,643,696
Total deferred outflows of resources	-	-	-	57,431,184	-	57,431,184
LIABILITIES						
Current liabilities:						
Accounts payable	637,775	77,979	3,770,369	88,224	169,901	4,744,248
Accrued payroll and fringe benefits	55,163	17,017	10,236	3,357	9,541	95,314
Unearned revenue	-	1,682	-	1,146,353	-	1,148,035
Compensated absences-current	9,277	-	-	-	10,007	19,284
Intergovernmental payable	4,221	73	817	970	590	6,671
Lease payable - current	-	7,920	-	-	-	7,920
Total current liabilities	706,436	104,671	3,781,422	1,238,904	190,039	6,021,472
Noncurrent liabilities:						
Net OPEB liability	-	-	-	71,337,631	-	71,337,631
Compensated absences	237,792	53,979	49,426	7,102	884	349,183
Net pension liability	-	-	-	266,187,886	-	266,187,886
Total noncurrent liabilities	237,792	53,979	49,426	337,532,619	884	337,874,700
Total liabilities	944,228	158,650	3,830,848	338,771,523	190,923	343,896,172
DEFERRED INFLOWS OF RESOURCES						
Deferred pension credits	-	-	-	749,172	-	749,172
Deferred OPEB credits	-	-	-	5,195,264	-	5,195,264
Total deferred inflows of resources	-	-	-	5,944,436	-	5,944,436
NET POSITION						
Net investment in capital assets	13,186,257	244,488	116,947	-	596,891	14,144,583
Unrestricted	4,613,797	145,152	1,972,250	(210,882,261)	190,923	(203,960,139)
Total net position	\$ 17,800,054	\$ 389,640	\$ 2,089,197	\$ (210,882,261)	\$ 787,814	\$ (189,815,556)

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, 2018

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Operating revenues:						
Charges for services	\$ 13,287,183	\$ 1,939,854	\$ 5,121,179	\$ 44,222,963	\$ 2,076,597	\$ 66,647,776
Total operating revenues	13,287,183	1,939,854	5,121,179	44,222,963	2,076,597	66,647,776
Operating expenses:						
Personnel services	2,500,611	743,236	441,797	106,218	387,948	4,179,810
Contractual services	8,706	40,500	4,960,265	12,090	1,824	5,023,385
Materials and supplies	8,251,575	600,134	158,075	17,373	2,066	9,029,223
Utilities	105,949	18,507	-	-	1,400,212	1,524,668
Repairs and maintenance	55,175	233,852	40,607	-	97,254	426,888
Rental expenses	-	21,780	-	-	-	21,780
Vehicle fleet charges	101,688	9,876	11,354	-	2,445	125,363
Employee benefits	-	-	-	54,752,240	-	54,752,240
Other expenses	1,437,882	43,485	38,554	11	17,948	1,537,880
Depreciation	4,426,209	327,507	75,185	-	85,919	4,914,820
Total operating expenses	16,887,795	2,038,877	5,725,837	54,887,932	1,995,616	81,536,057
Operating income (loss)	(3,600,612)	(99,023)	(604,658)	(10,664,969)	80,981	(14,888,281)
Nonoperating revenues (expenses):						
Interest income	56,929	3,522	78,640	569,641	6,877	715,609
Interest expense	-	(20,802)	-	-	-	(20,802)
Intergovernmental revenues	-	4,318	-	-	-	4,318
Gain (loss) on disposal of capital assets	148,960	-	6,994	-	-	155,954
Total nonoperating revenues (expenses)	205,889	(12,962)	85,634	569,641	6,877	855,079
Income (loss) before transfers	(3,394,723)	(111,985)	(519,024)	(10,095,328)	87,858	(14,033,202)
Transfers in	4,783,750	185,000	-	-	-	4,968,750
Transfers out	(269,251)	-	-	-	(185,000)	(454,251)
Change in net position	1,119,776	73,015	(519,024)	(10,095,328)	(97,142)	(9,518,703)
Total net position - beginning (as restated)	16,680,278	316,625	2,608,221	(200,786,933)	884,956	(180,296,853)
Total net position - ending	\$ 17,800,054	\$ 389,640	\$ 2,089,197	\$ (210,882,261)	\$ 787,814	\$ (189,815,556)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2018

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 123,952	\$ -	\$ -	\$ -	\$ 1,638	\$ 125,590
Cash receipts from interfund services provided	13,323,191	1,941,498	5,116,838	40,916,637	2,074,959	63,373,123
Cash payments to suppliers for goods and services	(10,092,804)	(997,350)	(4,700,720)	(38,110,968)	(1,488,410)	(55,390,252)
Cash payments to employees for services	(2,494,130)	(736,203)	(443,399)	(103,776)	(398,004)	(4,175,512)
Net cash provided by (used in) operating activities	<u>860,209</u>	<u>207,945</u>	<u>(27,281)</u>	<u>2,701,893</u>	<u>190,183</u>	<u>3,932,949</u>
Cash flows from noncapital financing activities:						
Transfers in	4,783,750	185,000	-	-	-	4,968,750
Transfers (out)	(269,251)	-	-	-	(185,000)	(454,251)
Intergovernmental receipt	-	4,318	-	-	-	4,318
Net cash provided by (used in) noncapital financing activities	<u>4,514,499</u>	<u>189,318</u>	<u>-</u>	<u>-</u>	<u>(185,000)</u>	<u>4,518,817</u>
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	-	(320,670)	-	-	-	(320,670)
Interest paid	-	(20,802)	-	-	-	(20,802)
Proceeds from sale of capital assets	211,323	-	6,994	-	-	218,317
Acquisition and construction of capital assets (including capitalized interest)	(3,482,684)	(74,030)	(84,921)	-	(111,608)	(3,753,243)
Net cash used in capital and related financing activities	<u>(3,271,361)</u>	<u>(415,502)</u>	<u>(77,927)</u>	<u>-</u>	<u>(111,608)</u>	<u>(3,876,398)</u>
Cash flows from investing activities:						
Interest received	56,929	3,522	78,640	569,641	6,877	715,609
Net cash provided by investing activities	<u>56,929</u>	<u>3,522</u>	<u>78,640</u>	<u>569,641</u>	<u>6,877</u>	<u>715,609</u>
Net increase (decrease) in cash and cash equivalents	2,160,276	(14,717)	(26,568)	3,271,534	(99,548)	5,290,977
Cash and cash equivalents at beginning of year	2,867,241	310,412	5,719,459	38,764,623	481,394	48,143,129
Cash and cash equivalents at end of year	<u>\$ 5,027,517</u>	<u>\$ 295,695</u>	<u>\$ 5,692,891</u>	<u>\$ 42,036,157</u>	<u>\$ 381,846</u>	<u>\$ 53,434,106</u>
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 5,027,517	\$ 295,695	\$ 5,567,891	\$ 42,036,157	\$ 381,846	\$ 53,309,106
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 5,027,517</u>	<u>\$ 295,695</u>	<u>\$ 5,692,891</u>	<u>\$ 42,036,157</u>	<u>\$ 381,846</u>	<u>\$ 53,434,106</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, 2018

	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)	\$ (3,600,612)	(99,023)	(604,658)	(10,664,969)	80,981	\$ (14,888,281)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	4,426,209	327,507	75,185	-	85,919	4,914,820
Changes in assets, deferred outflows and inflows of resources, and liabilities:						
(Increase) decrease in receivables	159,960	(38)	(4,341)	(4,452,679)	-	(4,297,098)
(Increase) decrease in inventory	(56,033)	-	-	-	-	(56,033)
Increase (decrease) in accounts payable	(75,796)	(29,216)	508,135	(15,545)	33,339	420,917
Increase (decrease) in accrued payroll	6,481	7,033	(1,602)	2,442	(10,056)	4,298
Increase (decrease) in unearned revenue	-	1,682	-	1,146,353	-	1,148,035
Increase in net pension liability	-	-	-	25,726,088	-	25,726,088
Increase in net OPEB liability	-	-	-	(2,082,511)	-	(2,082,511)
(Increase) in deferred outflows of resources for pensions	-	-	-	(11,483,320)	-	(11,483,320)
(Decrease) in deferred inflows of resources for pensions	-	-	-	(324,260)	-	(324,260)
(Increase) in deferred outflows of resources for OPEB	-	-	-	(344,970)	-	(344,970)
Increase in deferred inflows of resources for OPEB	-	-	-	5,195,264	-	5,195,264
Total adjustments	4,460,821	306,968	577,377	13,366,862	109,202	18,821,230
Net cash provided by (used in) operating activities	\$ 860,209	\$ 207,945	\$ (27,281)	\$ 2,701,893	\$ 190,183	\$ 3,932,949

See notes to financial statements.