

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, 2019

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 3,465,284	\$ 240,429	\$ 5,632,179	\$ 45,524,409	\$ 429,342	\$ 55,291,643
Cash with fiscal agent	-	-	125,000	-	-	125,000
Pooled investments	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles)	139,106	5,358	10,261	153,361	-	308,086
Due from other funds	-	-	107,204	36,133,785	-	36,240,989
Inventories	289,076	-	-	-	-	289,076
Total current assets	3,893,466	245,787	5,874,644	81,811,555	429,342	92,254,794
Capital assets:						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	38,750,243	2,224,931	589,615	-	938,124	42,502,913
Less accumulated depreciation	(27,602,104)	(846,515)	(452,592)	-	(429,255)	(29,330,466)
Total capital assets (net of accumulated depreciation)	12,698,642	1,523,596	137,023	-	508,869	14,868,130
Total assets	16,592,108	1,769,383	6,011,667	81,811,555	938,211	107,122,924
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension charges	-	-	-	45,347,784	-	45,347,784
Deferred OPEB charges	-	-	-	2,757,163	-	2,757,163
Total deferred outflows of resources	-	-	-	48,104,947	-	48,104,947
LIABILITIES						
Current liabilities:						
Accounts payable	334,612	40,713	3,280,514	80,785	201,298	3,937,922
Accrued payroll and fringe benefits	56,448	16,849	11,105	2,042	9,622	96,066
Unearned revenue	-	-	-	1,149,949	-	1,149,949
Compensated absences-current	2,495	475	-	-	-	2,970
Intergovernmental payable	2,067	-	310,567	-	4	312,638
Lease payable - current	-	267,906	-	-	-	267,906
Total current liabilities	395,622	325,943	3,602,186	1,232,776	210,924	5,767,451
Noncurrent liabilities:						
Net OPEB liability	-	-	-	67,210,560	-	67,210,560
Compensated absences	276,942	56,024	52,613	4,858	14,778	405,215
Lease payable	-	1,005,439	-	-	-	1,005,439
Net pension liability	-	-	-	266,532,104	-	266,532,104
Total noncurrent liabilities	276,942	1,061,463	52,613	333,747,522	14,778	335,153,318
Total liabilities	672,564	1,387,406	3,654,799	334,980,298	225,702	340,920,769
DEFERRED INFLOWS OF RESOURCES						
Deferred pension credits	-	-	-	2,500,089	-	2,500,089
Deferred OPEB credits	-	-	-	10,887,610	-	10,887,610
Total deferred inflows of resources	-	-	-	13,387,699	-	13,387,699
NET POSITION						
Net investment in capital assets	12,698,642	250,251	137,023	-	508,869	13,594,785
Unrestricted	3,220,902	131,726	2,219,845	(218,451,495)	203,640	(212,675,382)
Total net position	\$ 15,919,544	\$ 381,977	\$ 2,356,868	\$ (218,451,495)	\$ 712,509	\$ (199,080,597)

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, 2019

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Operating revenues:						
Charges for services	\$ 14,133,157	\$ 2,016,938	\$ 5,200,121	\$ 48,378,179	\$ 2,010,073	\$ 71,738,468
Total operating revenues	14,133,157	2,016,938	5,200,121	48,378,179	2,010,073	71,738,468
Operating expenses:						
Personnel services	2,563,175	761,297	465,448	105,897	423,432	4,319,249
Contractual services	7,244	31,952	4,308,661	47,662	1,427,176	5,822,695
Materials and supplies	8,360,984	546,752	134,591	83,658	2,955	9,128,940
Utilities	92,068	18,117	-	-	26,612	136,797
Repairs and maintenance	1,857,376	214,636	40,334	-	99,459	2,211,805
Rental expenses	-	7,019	-	-	-	7,019
Vehicle fleet charges	110,958	13,508	11,130	-	1,174	136,770
Employee benefits	-	-	-	56,610,808	-	56,610,808
Other expenses	164,727	30,941	38,401	111,999	20,890	366,958
Depreciation	4,430,071	354,622	66,602	-	91,160	4,942,455
Total operating expenses	17,586,603	1,978,844	5,065,167	56,960,024	2,092,858	83,683,496
Operating income (loss)	(3,453,446)	38,094	134,954	(8,581,845)	(82,785)	(11,945,028)
Nonoperating revenues (expenses):						
Interest income	103,989	6,176	129,479	1,012,611	9,380	1,261,635
Interest expense	-	(16,512)	-	-	-	(16,512)
Intergovernmental revenues	-	1,682	-	-	-	1,682
Gain (loss) on disposal of capital assets	61,076	(39,003)	3,238	-	-	25,311
Total nonoperating revenues (expenses)	165,065	(47,657)	132,717	1,012,611	9,380	1,272,116
Income (loss) before transfers	(3,288,381)	(9,563)	267,671	(7,569,234)	(73,405)	(10,672,912)
Transfers in	3,492,256	1,900	-	-	-	3,494,156
Transfers out	(2,084,385)	-	-	-	(1,900)	(2,086,285)
Change in net position	(1,880,510)	(7,663)	267,671	(7,569,234)	(75,305)	(9,265,041)
Total net position - beginning	17,800,054	389,640	2,089,197	(210,882,261)	787,814	(189,815,556)
Total net position - ending	\$ 15,919,544	\$ 381,977	\$ 2,356,868	\$ (218,451,495)	\$ 712,509	\$ (199,080,597)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2019

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 103,037	\$ -	\$ -	\$ -	\$ 3,178	\$ 106,215
Cash receipts from interfund services provided	14,052,839	2,010,085	5,192,863	46,460,986	2,006,895	69,723,668
Cash payments to suppliers for goods and services	(10,819,067)	(900,265)	(4,713,222)	(43,875,889)	(1,547,455)	(61,855,898)
Cash payments to employees for services	(2,529,522)	(758,945)	(461,392)	(109,456)	(419,464)	(4,278,779)
Net cash provided by (used in) operating activities	<u>807,287</u>	<u>350,875</u>	<u>18,249</u>	<u>2,475,641</u>	<u>43,154</u>	<u>3,695,206</u>
Cash flows from noncapital financing activities:						
Transfers in	3,492,256	1,900	-	-	-	3,494,156
Transfers (out)	(2,084,385)	-	-	-	(1,900)	(2,086,285)
Intergovernmental receipt	-	1,682	-	-	-	1,682
Net cash provided by (used in) noncapital financing activities	<u>1,407,871</u>	<u>3,582</u>	<u>-</u>	<u>-</u>	<u>(1,900)</u>	<u>1,409,553</u>
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	-	(399,387)	-	-	-	(399,387)
Interest paid	-	(16,512)	-	-	-	(16,512)
Proceeds from sale of capital assets	240,157	-	3,237	-	-	243,394
Acquisition and construction of capital assets (including capitalized interest)	(4,121,537)	-	(86,677)	-	(3,138)	(4,211,352)
Net cash used in capital and related financing activities	<u>(3,881,380)</u>	<u>(415,899)</u>	<u>(83,440)</u>	<u>-</u>	<u>(3,138)</u>	<u>(4,383,857)</u>
Cash flows from investing activities:						
Interest received	103,989	6,176	129,479	1,012,611	9,380	1,261,635
Net cash provided by investing activities	<u>103,989</u>	<u>6,176</u>	<u>129,479</u>	<u>1,012,611</u>	<u>9,380</u>	<u>1,261,635</u>
Net increase (decrease) in cash and cash equivalents	(1,562,233)	(55,266)	64,288	3,488,252	47,496	1,982,537
Cash and cash equivalents at beginning of year	5,027,517	295,695	5,692,891	42,036,157	381,846	53,434,106
Cash and cash equivalents at end of year	<u>\$ 3,465,284</u>	<u>\$ 240,429</u>	<u>\$ 5,757,179</u>	<u>\$ 45,524,409</u>	<u>\$ 429,342</u>	<u>\$ 55,416,643</u>
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 3,465,284	\$ 240,429	\$ 5,632,179	\$ 45,524,409	\$ 429,342	\$ 55,291,643
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 3,465,284</u>	<u>\$ 240,429</u>	<u>\$ 5,757,179</u>	<u>\$ 45,524,409</u>	<u>\$ 429,342</u>	<u>\$ 55,416,643</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2019

	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)	\$ (3,453,446)	\$ 38,094	\$ 134,954	\$ (8,581,845)	\$ (82,785)	\$ (11,945,028)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	4,430,071	354,622	66,602	-	91,160	4,942,455
Changes in assets, deferred outflows and inflows of resources, and liabilities:						
(Increase) decrease in receivables	22,719	(5,171)	(7,258)	(1,920,789)	-	(1,910,499)
Decrease in inventory	79,607	-	-	-	-	79,607
Increase (decrease) in accounts payable	(305,317)	(37,340)	(180,105)	(8,409)	30,811	(500,360)
Increase (decrease) in accrued payroll	33,653	2,352	4,056	(3,559)	3,968	40,470
Increase (decrease) in unearned revenue	-	(1,682)	-	3,596	-	1,914
Increase in net pension liability	-	-	-	344,218	-	344,218
Decrease in net OPEB liability	-	-	-	(4,127,071)	-	(4,127,071)
(Increase) in deferred outflows of resources for pensions	-	-	-	9,439,704	-	9,439,704
(Decrease) in deferred inflows of resources for pensions	-	-	-	1,750,917	-	1,750,917
(Increase) in deferred outflows of resources for OPEB	-	-	-	(113,467)	-	(113,467)
Increase in deferred inflows of resources for OPEB	-	-	-	5,692,346	-	5,692,346
Total adjustments	4,260,733	312,781	(116,705)	11,057,486	125,939	15,640,234
Net cash provided by (used in) operating activities	\$ 807,287	\$ 350,875	\$ 18,249	\$ 2,475,641	\$ 43,154	\$ 3,695,206

See notes to financial statements.