

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, 2020

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 4,433,787	\$ 273,439	\$ 5,536,098	\$ 48,308,036	\$ 313,528	\$ 58,864,888
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	124,022	-	327	202,763	-	327,112
Due from other funds	-	-	139,360	38,844,427	-	38,983,787
Inventories	273,286	-	-	-	-	273,286
Total current assets	4,831,095	273,439	5,800,785	87,355,226	313,528	98,574,073
Capital assets:						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	41,838,577	2,217,245	635,811	-	991,333	45,682,966
Less accumulated depreciation	(30,220,053)	(1,210,127)	(520,013)	-	(536,837)	(32,487,030)
Total capital assets (net of accumulated depreciation)	13,169,027	1,152,298	115,798	-	454,496	14,891,619
Total assets	18,000,122	1,425,737	5,916,583	87,355,226	768,024	113,465,692
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension charges	-	-	-	37,667,583	-	37,667,583
Deferred OPEB charges	-	-	-	7,532,387	-	7,532,387
Total deferred outflows of resources	-	-	-	45,199,970	-	45,199,970
LIABILITIES						
Current liabilities:						
Accounts payable	318,773	46,494	3,217,296	70,926	159,045	3,812,534
Accrued payroll and fringe benefits	87,851	25,775	15,189	3,402	13,457	145,674
Unearned revenue	-	-	-	1,149,949	-	1,149,949
Compensated absences-current	2,629	-	-	-	-	2,629
Intergovernmental payable	942	175	352,426	-	-	353,543
Lease payable - current	-	299,043	-	-	-	299,043
Total current liabilities	410,195	371,487	3,584,911	1,224,277	172,502	5,763,372
Noncurrent liabilities:						
Net OPEB liability	-	-	-	74,602,421	-	74,602,421
Compensated absences	299,170	70,860	63,988	5,995	19,077	459,090
Lease payable	-	706,396	-	-	-	706,396
Net pension liability	-	-	-	273,199,142	-	273,199,142
Total noncurrent liabilities	299,170	777,256	63,988	347,807,558	19,077	348,967,049
Total liabilities	709,365	1,148,743	3,648,899	349,031,835	191,579	354,730,421
DEFERRED INFLOWS OF RESOURCES						
Deferred pension credits	-	-	-	2,820,866	-	2,820,866
Deferred OPEB credits	-	-	-	9,350,391	-	9,350,391
Total deferred inflows of resources	-	-	-	12,171,257	-	12,171,257
NET POSITION						
Net investment in capital assets	13,169,027	146,859	115,798	-	454,496	13,886,180
Unrestricted	4,121,730	130,135	2,151,886	(228,647,896)	121,949	(222,122,196)
Total net position	\$ 17,290,757	\$ 276,994	\$ 2,267,684	\$ (228,647,896)	\$ 576,445	\$ (208,236,016)

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, 2020

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Operating revenues:						
Charges for services	\$ 14,041,895	\$ 2,041,299	\$ 5,310,146	\$ 49,734,010	\$ 2,040,334	\$ 73,167,684
Total operating revenues	14,041,895	2,041,299	5,310,146	49,734,010	2,040,334	73,167,684
Operating expenses:						
Personnel services	2,567,268	843,910	510,362	116,165	448,256	4,485,961
Contractual services	4,054	32,718	4,694,676	64,647	1,448,677	6,244,772
Materials and supplies	7,942,893	546,314	145,805	43,385	114	8,678,511
Utilities	90,780	19,428	-	-	49,153	159,361
Repairs and maintenance	2,169,846	212,879	40,236	-	93,418	2,516,379
Rental expenses	2,340	11,891	-	-	-	14,231
Vehicle fleet charges	125,927	16,152	6,776	-	2,560	151,415
Employee benefits	-	-	-	61,553,333	-	61,553,333
Other expenses	152,647	33,698	30,929	115,312	33,080	365,666
Depreciation	4,602,928	384,478	67,421	-	107,582	5,162,409
Total operating expenses	17,658,683	2,101,468	5,496,205	61,892,842	2,182,840	89,332,038
Operating income (loss)	(3,616,788)	(60,169)	(186,059)	(12,158,832)	(142,506)	(16,164,354)
Nonoperating revenues (expenses):						
Interest income	75,565	3,115	96,875	812,482	6,442	994,479
Interest expense	-	(147,994)	-	-	-	(147,994)
Intergovernmental revenues	-	-	-	1,149,949	-	1,149,949
Gain (loss) on disposal of capital assets	94,872	65	-	-	-	94,937
Total nonoperating revenues (expenses)	170,437	(144,814)	96,875	1,962,431	6,442	2,091,371
Income (loss) before transfers	(3,446,351)	(204,983)	(89,184)	(10,196,401)	(136,064)	(14,072,983)
Transfers in	5,144,295	100,000	-	-	-	5,244,295
Transfers out	(326,731)	-	-	-	-	(326,731)
Change in net position	1,371,213	(104,983)	(89,184)	(10,196,401)	(136,064)	(9,155,419)
Total net position - beginning	15,919,544	381,977	2,356,868	(218,451,495)	712,509	(199,080,597)
Total net position - ending	\$ 17,290,757	\$ 276,994	\$ 2,267,684	\$ (228,647,896)	\$ 576,445	\$ (208,236,016)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2020

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 99,978	\$ -	\$ -	\$ -	\$ -	\$ 99,978
Cash receipts from interfund services provided	13,957,001	2,046,658	5,287,924	46,973,966	2,040,334	70,305,883
Cash payments to suppliers for goods and services	(10,489,661)	(867,125)	(4,939,781)	(46,039,102)	(1,669,259)	(64,004,928)
Cash payments to employees for services	(2,513,503)	(820,623)	(494,903)	(113,668)	(440,122)	(4,382,819)
Net cash provided by (used in) operating activities	<u>1,053,815</u>	<u>358,910</u>	<u>(146,760)</u>	<u>821,196</u>	<u>(69,047)</u>	<u>2,018,114</u>
Cash flows from noncapital financing activities:						
Transfers in	5,144,295	100,000	-	-	-	5,244,295
Transfers (out)	(326,731)	-	-	-	-	(326,731)
Intergovernmental receipt	-	-	-	1,149,949	-	1,149,949
Net cash provided by noncapital financing activities	<u>4,817,564</u>	<u>100,000</u>	<u>-</u>	<u>1,149,949</u>	<u>-</u>	<u>6,067,513</u>
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	-	(267,906)	-	-	-	(267,906)
Interest paid	-	(147,994)	-	-	-	(147,994)
Proceeds from sale of capital assets	184,660	65	-	-	-	184,725
Acquisition and construction of capital assets (including capitalized interest)	(5,163,101)	(13,180)	(46,196)	-	(53,209)	(5,275,686)
Net cash used in capital and related financing activities	<u>(4,978,441)</u>	<u>(429,015)</u>	<u>(46,196)</u>	<u>-</u>	<u>(53,209)</u>	<u>(5,506,861)</u>
Cash flows from investing activities:						
Interest received	75,565	3,115	96,875	812,482	6,442	994,479
Net cash provided by investing activities	<u>75,565</u>	<u>3,115</u>	<u>96,875</u>	<u>812,482</u>	<u>6,442</u>	<u>994,479</u>
Net increase (decrease) in cash and cash equivalents	968,503	33,010	(96,081)	2,783,627	(115,814)	3,573,245
Cash and cash equivalents at beginning of year	3,465,284	240,429	5,757,179	45,524,409	429,342	55,416,643
Cash and cash equivalents at end of year	<u>\$ 4,433,787</u>	<u>\$ 273,439</u>	<u>\$ 5,661,098</u>	<u>\$ 48,308,036</u>	<u>\$ 313,528</u>	<u>\$ 58,989,888</u>
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 4,433,787	\$ 273,439	\$ 5,536,098	\$ 48,308,036	\$ 313,528	\$ 58,864,888
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 4,433,787</u>	<u>\$ 273,439</u>	<u>\$ 5,661,098</u>	<u>\$ 48,308,036</u>	<u>\$ 313,528</u>	<u>\$ 58,989,888</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2020

	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 (loss)	\$ (3,616,788)	\$ (60,169)	\$ (186,059)	\$ (12,158,832)	\$ (142,506)	\$ (16,164,354)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	4,602,928	384,478	67,421	-	107,582	5,162,409
Changes in assets, deferred outflows and inflows of resources, and liabilities:						
(Increase) decrease in receivables	15,084	5,358	(22,222)	(2,760,044)	-	(2,761,824)
Decrease in inventory	15,790	-	-	-	-	15,790
Increase (decrease) in accounts payable	(16,964)	5,956	(21,359)	(9,859)	(42,257)	(84,483)
Increase in accrued payroll	53,765	23,287	15,459	2,497	8,134	103,142
Increase in net pension liability	-	-	-	6,667,038	-	6,667,038
Increase in net OPEB liability	-	-	-	7,391,861	-	7,391,861
Decrease in deferred outflows of resources for pensions	-	-	-	7,680,201	-	7,680,201
Increase in deferred inflows of resources for pensions	-	-	-	320,777	-	320,777
(Increase) in deferred outflows of resources for OPEB	-	-	-	(4,775,224)	-	(4,775,224)
(Decrease) in deferred inflows of resources for OPEB	-	-	-	(1,537,219)	-	(1,537,219)
Total adjustments	4,670,603	419,079	39,299	12,980,028	73,459	18,182,468
Net cash provided by (used in) operating activities	\$ 1,053,815	\$ 358,910	\$ (146,760)	\$ 821,196	\$ (69,047)	\$ 2,018,114

See notes to financial statements.