

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 County 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, 2024

| | Fleet Management | Office Support Services | Workers' Compensation | Employee Benefits | Telecom- munications | Totals |
|---|----------------------|-------------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Pooled cash and cash equivalents | \$ 6,932,326 | \$ 250,535 | \$ 6,852,817 | \$ 62,830,046 | \$ 341,928 | \$ 77,207,652 |
| Cash with fiscal agent | - | - | 125,000 | - | - | 125,000 |
| Receivables (net of allowances for uncollectibles) | 208,074 | 136 | - | 488,714 | - | 696,924 |
| Due from other funds | - | - | 90,415 | 47,919,028 | - | 48,009,443 |
| Inventories | 462,228 | - | - | - | - | 462,228 |
| Total current assets | 7,602,628 | 250,671 | 7,068,232 | 111,237,788 | 341,928 | 126,501,247 |
| Capital assets: | | | | | | |
| Buildings | 1,550,503 | 145,180 | - | - | - | 1,695,683 |
| Machinery and equipment | 46,883,673 | 478,966 | 843,410 | - | 1,019,431 | 49,225,480 |
| Construction in Progress | 618,074 | - | - | - | - | 618,074 |
| Right to use assets | - | 1,709,374 | - | - | - | 1,709,374 |
| Intangible SBITA assets | 208,464 | - | - | - | - | 208,464 |
| Less accumulated depreciation | (30,444,701) | (2,242,849) | (565,196) | - | (856,622) | (34,109,368) |
| Total capital assets (net of accumulated depreciation) | 18,816,013 | 90,671 | 278,214 | - | 162,809 | 19,347,707 |
| Total assets | 26,418,641 | 341,342 | 7,346,446 | 111,237,788 | 504,737 | 145,848,954 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred pension charges | - | - | - | 45,079,496 | - | 45,079,496 |
| Deferred OPEB charges | - | - | - | 13,884,338 | - | 13,884,338 |
| Total deferred outflows of resources | - | - | - | 58,963,834 | - | 58,963,834 |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 406,144 | 16,209 | 2,284,583 | 24,495 | 149,698 | 2,881,129 |
| Accrued payroll and fringe benefits | 111,940 | 34,425 | 25,962 | 5,326 | 22,171 | 199,824 |
| Unearned revenue | - | - | - | 1,150,009 | - | 1,150,009 |
| Compensated absences-current | 21,143 | - | 11,237 | - | - | 32,380 |
| Accrued interest payable | 46 | - | - | - | - | 46 |
| Intergovernmental payable | 6,568 | - | - | - | - | 6,568 |
| Lease liability - current | - | 5,306 | - | - | - | 5,306 |
| Subscription liability - current | 20,902 | - | - | - | - | 20,902 |
| Total current liabilities | 566,743 | 55,940 | 2,321,782 | 1,179,830 | 171,869 | 4,296,164 |
| Noncurrent liabilities: | | | | | | |
| Net OPEB liability | - | - | - | 53,441,615 | - | 53,441,615 |
| Compensated absences | 226,510 | 78,980 | 91,401 | 5,658 | 47,575 | 450,124 |
| Lease liability | - | 14,926 | - | - | - | 14,926 |
| Subscription liability | 43,184 | - | - | - | - | 43,184 |
| Net pension liability | - | - | - | 267,709,836 | - | 267,709,836 |
| Total noncurrent liabilities | 269,694 | 93,906 | 91,401 | 321,157,109 | 47,575 | 321,659,685 |
| Total liabilities | 836,437 | 149,846 | 2,413,183 | 322,336,939 | 219,444 | 325,955,849 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred pension credits | - | - | - | 12,457,801 | - | 12,457,801 |
| Deferred OPEB credits | - | - | - | 35,946,176 | - | 35,946,176 |
| Total deferred inflows of resources | - | - | - | 48,403,977 | - | 48,403,977 |
| NET POSITION | | | | | | |
| Net investment in capital assets | 18,751,927 | 70,439 | 278,214 | - | 162,809 | 19,263,389 |
| Unrestricted | 6,830,277 | 121,057 | 4,655,049 | (200,539,294) | 122,484 | (188,810,427) |
| Total net position | \$ 25,582,204 | \$ 191,496 | \$ 4,933,263 | \$ (200,539,294) | \$ 285,293 | \$ (169,547,038) |

See independent auditor's report.

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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, 2024

| | Fleet Management | Office Support Services | Workers' Compensation | Employee Benefits | Telecom- munications | Totals |
|---|----------------------|-------------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| Operating revenues: | | | | | | |
| Charges for services | \$ 13,616,408 | \$ 1,887,883 | \$ 3,671,480 | \$ 68,992,118 | \$ 2,347,156 | \$ 90,515,045 |
| Total operating revenues | <u>13,616,408</u> | <u>1,887,883</u> | <u>3,671,480</u> | <u>68,992,118</u> | <u>2,347,156</u> | <u>90,515,045</u> |
| Operating expenses: | | | | | | |
| Personnel services | 2,688,595 | 851,932 | 661,001 | 124,172 | 523,288 | 4,848,988 |
| Contractual services | - | 40,264 | 1,616,705 | 74,862 | 1,969 | 1,733,800 |
| Materials and supplies | 7,676,227 | 373,287 | 100,115 | 4,816 | 1,569 | 8,156,014 |
| Utilities | 95,358 | 17,604 | - | - | 80,877 | 193,839 |
| Repairs and maintenance | 2,179,634 | 221,218 | 40,630 | - | 112,008 | 2,553,490 |
| Rental expenses | 1,920 | 437,941 | - | - | - | 439,861 |
| Vehicle fleet charges | 139,317 | 10,124 | 7,770 | - | 10,433 | 167,644 |
| Employee benefits | - | - | - | 53,751,669 | - | 53,751,669 |
| Other expenses | 182,947 | 47,911 | 1,889,655 | 111,801 | 1,550,547 | 3,782,861 |
| Depreciation and amortization | 3,376,624 | 45,257 | 59,595 | - | 96,376 | 3,577,852 |
| Total operating expenses | <u>16,340,622</u> | <u>2,045,538</u> | <u>4,375,471</u> | <u>54,067,320</u> | <u>2,377,067</u> | <u>79,206,018</u> |
| Operating income (loss) | <u>(2,724,214)</u> | <u>(157,655)</u> | <u>(703,991)</u> | <u>14,924,798</u> | <u>(29,911)</u> | <u>11,309,027</u> |
| Nonoperating revenues (expenses): | | | | | | |
| Interest income | 467,389 | 10,199 | 384,823 | 3,305,251 | 19,784 | 4,187,446 |
| Interest expense | (1,848) | (6,140) | - | - | - | (7,988) |
| Intergovernmental revenues | - | - | - | 1,150,020 | - | 1,150,020 |
| Gain (loss) on disposal of capital assets | 278,938 | - | - | - | - | 278,938 |
| Total nonoperating revenues (expenses) | <u>744,479</u> | <u>4,059</u> | <u>384,823</u> | <u>4,455,271</u> | <u>19,784</u> | <u>5,608,416</u> |
| Income (loss) before transfers | <u>(1,979,735)</u> | <u>(153,596)</u> | <u>(319,168)</u> | <u>19,380,069</u> | <u>(10,127)</u> | <u>16,917,443</u> |
| Transfers in | 4,962,261 | 135,000 | - | - | - | 5,097,261 |
| Transfers out | (954,557) | - | - | - | (75,000) | (1,029,557) |
| Change in net position | <u>2,027,969</u> | <u>(18,596)</u> | <u>(319,168)</u> | <u>19,380,069</u> | <u>(85,127)</u> | <u>20,985,147</u> |
| Total net position - beginning | <u>23,554,235</u> | <u>210,092</u> | <u>5,252,431</u> | <u>(219,919,363)</u> | <u>370,420</u> | <u>(190,532,185)</u> |
| Total net position - ending | <u>\$ 25,582,204</u> | <u>\$ 191,496</u> | <u>\$ 4,933,263</u> | <u>\$ (200,539,294)</u> | <u>\$ 285,293</u> | <u>\$ (169,547,038)</u> |

See independent auditor's report.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2024

| | Fleet Management | Office Support Services | Workers' Compensation | Employee Benefits | Telecom- munications | Totals |
|---|---------------------|-------------------------------|--------------------------|----------------------|-------------------------|----------------------|
| Cash flows from operating activities: | | | | | | |
| Cash received from customers | \$ 23,945 | \$ - | \$ - | \$ - | \$ - | \$ 23,945 |
| Cash receipts from interfund services provided | 13,400,437 | 1,887,882 | 3,714,885 | 67,149,878 | 2,347,156 | 88,500,238 |
| Cash payments to suppliers for goods and services | (10,579,887) | (1,159,155) | (3,944,709) | (67,806,836) | (1,701,330) | (85,191,917) |
| Cash payments to employees for services | (2,680,491) | (813,868) | (613,461) | (123,977) | (517,272) | (4,749,069) |
| Net cash provided by (used in) operating activities | <u>164,004</u> | <u>(85,141)</u> | <u>(843,285)</u> | <u>(780,935)</u> | <u>128,554</u> | <u>(1,416,803)</u> |
| Cash flows from noncapital financing activities: | | | | | | |
| Transfers in | 4,962,261 | 135,000 | - | - | - | 5,097,261 |
| Transfers (out) | (954,557) | - | - | - | (75,000) | (1,029,557) |
| Intergovernmental receipt | - | - | - | 1,150,020 | - | 1,150,020 |
| Net cash provided by noncapital financing activities | <u>4,007,704</u> | <u>135,000</u> | <u>-</u> | <u>1,150,020</u> | <u>(75,000)</u> | <u>5,217,724</u> |
| Cash flows from capital and related financing activities: | | | | | | |
| Principal paid on long-term debt | (20,454) | (4,250) | - | - | - | (24,704) |
| Interest paid | (1,848) | (6,140) | - | - | - | (7,988) |
| Proceeds from sale of capital assets | 278,938 | - | - | - | - | 278,938 |
| Acquisition and construction of capital assets (including capitalized interest) | (7,667,670) | - | (38,429) | - | (44,977) | (7,751,076) |
| Net cash used in capital and related financing activities | <u>(7,411,034)</u> | <u>(10,390)</u> | <u>(38,429)</u> | <u>-</u> | <u>(44,977)</u> | <u>(7,504,830)</u> |
| Cash flows from investing activities: | | | | | | |
| Interest received | 467,389 | 10,199 | 384,823 | 3,305,251 | 19,784 | 4,187,446 |
| Net cash provided by investing activities | <u>467,389</u> | <u>10,199</u> | <u>384,823</u> | <u>3,305,251</u> | <u>19,784</u> | <u>4,187,446</u> |
| Net (decrease) increase in cash and cash equivalents | (2,771,937) | 49,668 | (496,891) | 3,674,336 | 28,361 | 483,537 |
| Cash and cash equivalents at beginning of year | 9,704,263 | 200,867 | 7,474,708 | 59,155,710 | 313,567 | 76,849,115 |
| Cash and cash equivalents at end of year | <u>\$ 6,932,326</u> | <u>\$ 250,535</u> | <u>\$ 6,977,817</u> | <u>\$ 62,830,046</u> | <u>\$ 341,928</u> | <u>\$ 77,332,652</u> |
| Reconciliation to balance sheet: | | | | | | |
| Pooled cash and cash equivalents | \$ 6,932,326 | \$ 250,535 | \$ 6,852,817 | \$ 62,830,046 | \$ 341,928 | \$ 77,207,652 |
| Cash with fiscal agent | - | - | 125,000 | - | - | 125,000 |
| Cash and cash equivalents at end of year | <u>\$ 6,932,326</u> | <u>\$ 250,535</u> | <u>\$ 6,977,817</u> | <u>\$ 62,830,046</u> | <u>\$ 341,928</u> | <u>\$ 77,332,652</u> |

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2024

| | 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) | \$ (2,724,214) | \$ (157,655) | \$ (703,991) | \$ 14,924,798 | \$ (29,911) | \$ 11,309,027 |
| Adjustments to reconcile operating income (loss) | | | | | | |
| to net cash provided by operating activities: | | | | | | |
| Depreciation and amortization | 3,376,624 | 45,257 | 59,595 | - | 96,376 | 3,577,852 |
| Changes in assets, deferred outflows and inflows of resources, and liabilities: | | | | | | |
| (Increase) decrease in receivables | (192,026) | - | 43,404 | (1,842,229) | - | (1,990,851) |
| (Increase) decrease in inventory | (28,210) | - | - | - | - | (28,210) |
| Increase (decrease) in accounts payable | (276,274) | (10,807) | (289,833) | 924 | 56,073 | (519,917) |
| Increase (decrease) in accrued payroll | 8,104 | 38,064 | 47,540 | 195 | 6,016 | 99,919 |
| Increase (decrease) in net pension liability | - | - | - | (7,732,618) | - | (7,732,618) |
| Increase (decrease) in net OPEB liability | - | - | - | 584,307 | - | 584,307 |
| (Increase) decrease in deferred outflows of resources for pensions | - | - | - | (3,540,452) | - | (3,540,452) |
| Increase (decrease) in deferred inflows of resources for pensions | - | - | - | 1,023,032 | - | 1,023,032 |
| (Increase) decrease in deferred outflows of resources for OPEB | - | - | - | 1,832,340 | - | 1,832,340 |
| Increase (Decrease) in deferred inflows of resources for OPEB | - | - | - | (6,031,232) | - | (6,031,232) |
| Total adjustments | 2,888,218 | 72,514 | (139,294) | (15,705,733) | 158,465 | (12,725,830) |
| Net cash provided by (used in) operating activities | \$ 164,004 | \$ (85,141) | \$ (843,285) | \$ (780,935) | \$ 128,554 | \$ (1,416,803) |
| Noncash investing, capital, and financing activities: | | | | | | |
| Right to use assets leased | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intangible SBITA Assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

See independent auditor's report.

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