



**CITY OF NORTH AUGUSTA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year Ended December 31, 2016

CITY OF NORTH AUGUSTA

SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED

DECEMBER 31, 2016



Prepared by
Department of Finance

Cammie T. Hayes
Director of Finance

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

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INTRODUCTORY SECTION

June 16, 2017

Honorable Mayor,
Members of City Council, and
Citizens of North Augusta
North Augusta, South Carolina 29841

Ladies and Gentlemen:

State law requires that all general purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of North Augusta (the "City") for the fiscal year ended December 31, 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City's financial statements have been audited by Cherry Bekaert LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurances the financial statements of the City, for the fiscal year ended December 31, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor has rendered an unmodified opinion that the City of North Augusta's financial statements, for the fiscal year ended December 31, 2016, are fairly presented in accordance with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of North Augusta's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of North Augusta, South Carolina was officially incorporated on April 11, 1906. The City is strategically centered in the Augusta-Aiken metropolitan area and conveniently located along the South

Carolina bank of the Savannah River. The City is approximately 70 miles west of the South Carolina capital, Columbia, and 150 miles east of the Georgia capital, Atlanta. The City's nearest neighbor is Augusta, Georgia, located just across the Savannah River. North Augusta offers the best of both worlds - an idyllic, small-town lifestyle amid all the benefits of big city living. The City encompasses approximately 21 square miles. The 2010 population of the City is estimated to be 21,348 with a total of approximately 160,099 in Aiken County.

The City of North Augusta has a Mayor-Council form of government. City Council is composed of seven members elected at large on a partisan basis. The Mayor is elected to a four year term. Six Council members are elected every two years to serve four year staggered terms. City Council is the legally constituted law-making and policy-making body for the City. The Mayor, with Council approval, appoints the City Administrator for an indefinite term. The City Administrator is the chief executive of the City. Department Directors are appointed by the Mayor upon recommendation of the City Administrator.

The City provides a full range of municipal services which include: Finance and Information Services (budgetary and general accounting, information technology, treasury services, human resources and payroll, cash collections, purchasing, utility billing, tax billing and business license billing); Parks, Recreation and Tourism (recreation programs, park maintenance, beautification and property maintenance, concessions, special events planning, athletics, and cultural arts); Public Safety (administrative and support services, police services, fire suppression services, investigations and special operations, school resource, safety management, and animal control); Planning and Development (comprehensive planning services, development regulations, development review, zoning administration, codes enforcement, subdivision services, and business development); Public Works (engineering services, sanitation and recycling services, equipment maintenance, stormwater management, building standards, facilities management); and Public Utilities (utilities administration, water production, utility operations, utility construction, wastewater collection and meter reading). The City also is financially accountable for a legally separate public facilities corporation which has been reported within the City's financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements.

The City is well-known for its outstanding recreational facilities. The Greenway is an award-winning, paved, multi-purpose trail created out of an abandoned railroad right of way. The trail meanders for approximately ten miles through natural terrain, neighborhoods and, more recently, along the Savannah riverfront. Once completed, North Augusta's Greenway will extend almost sixteen miles. Riverview Park, located on the south side of the City, is a 149-acre recreational wonderland with athletic fields, tennis courts, a disc-golf course, playgrounds, and trails. The park is anchored by a 90,000 square foot, state-of-the-art indoor facility known as Riverview Park Activities Center. Riverview Park Activities Center houses four gymnasiums, two racquetball courts, a suspended indoor track, fitness rooms and administrative offices for the Department of Parks, Recreation and Tourism. Planning and design of an expansion to the activities center began during 2016 with construction starting in 2017.

Public Service Enterprises: The City furnishes water, wastewater, stormwater management and garbage collection to residents of the City. The City also provides water, wastewater, garbage collection and fire protection to some customers located outside the City limits but within the City's service area. The City has also entered into agreements with the Valley Public Service Authority and the Edgefield

County Water and Sewer Authority to provide water and/or wastewater service to certain customers within their service areas.

Water Supply and Distribution: Because of the varying terrain in and around North Augusta, the distribution system is divided into three service levels to control pressure. Our current maximum pumping capacity is 12 MGD (million gallons per day). During 2016, construction of a new 30 million gallon raw water storage tank, including upgrades to the raw water pump station, was completed. Construction of a new water treatment module with two treatment trains on the present site of the existing newer plant site is expected to be completed late 2017. This project will include a new chemical building, feed systems for the treatment process, a maintenance building and improvements to the existing SCADA system.

Wastewater System: The City of North Augusta provides for the collection of wastewater to all areas within the City limits and some areas outside the City limits. Wastewater treatment for the City is provided by the Horse Creek Wastewater Treatment Facility (HCWTF) owned by Aiken County. The City is a major customer. The HCWTF is a 20 MGD regional wastewater treatment facility. The City’s present allocation of capacity is 8.672 MGD. The HCWTF maintains adequate reserve and expansion capacity. The City of North Augusta pays for the use, maintenance and depreciation of the regional facility based on the total cost of the facility’s operational and debt retirement divided among all users on the basis of total gallons contributed. The table below indicates the City has ample reserve capacity at the present time.

Horse Creek Valley 20.0 MGD Facility – Capacities by User
As of June 30, 2016

	<u>Present Allocation (MGD)</u>	<u>Present Use (MGD)</u>
City of North Augusta	8.672	4.55336
City of Aiken	7.134	4.80520
Aiken County	1.310	0.00000
Cytec Industries, Inc.	.900	0.06601
Bath	.070	0.03212
Breezy Hill	1.177	0.39077
Beech Island Water & Sewer	.060	0.00332
Clearwater	.050	0.05333
Langley	.060	0.03743
VPSA	.367	0.35394
PACTIV	.050	0.00733
Kimberly Clark	.150	0.04574
Uncommitted	<u>.000</u>	<u>0.00000</u>
Total	<u>20.000</u>	<u>10.34498</u>

Aiken County, to include the Aiken County Public Service Authority, the Valley Public Service Authority, and the Edgefield County Water and Sewer Authority, are independent entities and are not included in this report. Financial statements can be obtained from the respective entities.

The annual budget serves as the foundation for the City of North Augusta's financial planning and control. All Department Directors of the City are required to submit requests for appropriation to the City Administrator the first week of September each year. The City Administrator uses these requests as the starting point for developing a proposed budget. The City Administrator then presents this proposed, balanced budget to City Council for review the first week of October. Following review of the proposed budget, City Council holds a public hearing and as soon thereafter as possible, adopts the budget and passes a budget ordinance, a tax levy ordinance and other such ordinances as may be required to make the budget effective. The appropriated budget is adopted by total expenditures or expenses. Detail is provided for accounting and budgetary control. Formal budgetary integration is employed as a management control device. A budget is legally adopted annually for the General Fund on a basis consistent with GAAP. Budgets for Special Revenue Funds and Capital Projects Funds are adopted on a project or activity basis instead of an annual operating cycle basis. Budgets for the Enterprise Funds are adopted annually on a basis consistent with GAAP except that depreciation is not a budgeted item. The transfer of budgeted amounts between functional areas must be approved by City Council; however, the City Administrator can amend the budget at the line item or department level, within a functional area, not to exceed \$5,000. Management can also over-expend appropriations with City Administrator approval, at the line item and department level, as long as the total expenditures or expenses do not exceed appropriations of the functional area.

Local Economy

The City of North Augusta currently enjoys a fairly stable economic environment. In spite of the national recession beginning in 2008, the overall economy of the greater North Augusta area is strong and getting stronger. The City is fortunate that the economic downturn has affected the Central Savannah River Area and North Augusta to a lesser degree than most major metropolitan areas in the country. The 2010 Decennial Census showed that North Augusta had grown to a population of 21,348 from 17,574 in 2000, an increase of more than 21.5 percent and an average annual increase of approximately 2 percent. The City's Planning and Development Department estimates the City population to be 22,932 for 2016.

During the past ten years, Aiken County's unemployment rate has fluctuated from 5.4 percent in 2006, increasing to 9.9 percent during late 2007, and back to 5.9 percent for 2016. The current rate is comparable to South Carolina's 2016 unemployment rate of 4.8 percent and the 2016 national rate of 4.9 percent. The decreases in unemployment rates during the current year reflect that our local economy is now reflecting pre-recession unemployment rates comparable to 2006 of 5.4 percent.

Median household incomes within the City of North Augusta are slightly higher than for the state as a whole. According to the United States Census Bureau (USCB), the City's median family income is \$50,028, Aiken County's is \$45,759, and the state's is \$45,483. Housing prices in the City continue to remain strong. Per the USCB, the median price of a single family home in the City is \$150,600.

Over the past ten plus years, the City has experienced a period of significant economic growth and investment. Residential building activity in North Augusta continues at a moderate pace with subdivision infrastructure and single-family construction in Mossy Oak, RiverNorth, Whatley Place, The Village at Bergen Place, Bergen West, Wando Woodlands, Woodstone, Knollwood and Hammond's Ferry. The City has approved three large planned developments: Hamrick Farms, Sweetwater Junction and The Springs. Hamrick Farms, a mixed use development totaling 179 acres, is located near the I-20 Exit 1 Interchange.

Development plans include single and multi-family units along with commercial/retail space. Sweetwater Junction is over 277 acres located on the east side of US 25 near I-20. Development plans include single and multi-family units and townhomes along with commercial space to include a commercial strip and Wal-Mart that were completed in 2014. During 2016 construction began to add a Holiday Inn Express and Verizon store to Sweetwater Junction. The redevelopment of commercial properties located near Sweetwater Junction over the past few years has brought new restaurants including Zaxby's, McDonald's, Waffle House, Little Caesar's, Dunkin' Donuts and Bojangles'. The Springs is over 1,500 acres located east of US 25 and south of Ascauga Lake Road. Development plans include commercial and civic development, a golf course, and mixed residential development along with public lands, parks and buffers.

The City made considerable progress in 2016 in its efforts to redevelop vacant property on the Savannah River. A proposed public/private partnership to jointly develop approximately 30 acres within Phase B of the Hammond's Ferry Development, known as Project Jackson, calls for the City to construct a multi-purpose stadium to host a Class A minor league baseball team; a conference center with multiple meeting spaces; project area infrastructure; public park; and associated parking facilities. Cost of the public improvements is estimated at approximately \$75,000,000. During 2015, a 600 space parking deck was completed that will serve as a portion of the associated parking facilities. The funding mechanism for the public projects includes tax increment financing, local hospitality and accommodations taxes, parking revenues, corporate naming rights and stadium rental payments. Private development projects, estimated to cost over \$150,000,000, include an upper-tier hotel, senior living facility, single family homes, luxury apartments, residential flats, office buildings, fitness facility and associated parking facilities. Presently the public/private development agreement was completed during 2016 with infrastructure related construction started during late 2016. Buildings and other related construction to begin in 2017.

Long-term financial planning and major initiatives

Historically in the spring, City Council and Staff have met in planning sessions known as North Augusta Forward. The major focus of these sessions is to identify the best possible future for North Augusta and to chart a course to make that future a reality. The success of North Augusta Forward can be easily measured by the many changes that have taken place in the City over the past few years. Future projects requiring significant financial planning and resources have been identified as follows: extensions to the Greenway, regional/district/community recreational parks, aquatic/senior adult facility, conference center, transportation improvements, road and intersection improvements and sidewalk additions. These facilities, estimated to cost in excess of \$75,000,000, are excellent candidates for future phases of sales tax funding.

The Local Hospitality and Accommodations taxes levied by the City during 1998 have continued as a positive revenue stream in 2016. During the November 2010, Aiken County voters approved the third phase of a county-wide One-Cent Capital Projects Sales Tax. Current estimates reflect that the third phase sales tax will generate approximately \$16,800,000 for the City over seven years which began in 2013. These funds have been earmarked for a variety of projects that includes: street reconstruction and repaving, sidewalk construction, drainage improvements, park improvements and additions. During 2016, planning and design was completed on gym additions for Riverview Park with construction to begin early 2017.

Relevant Financial Policies

The City's financial policies allow the General Fund unassigned fund balance, in excess of the required General Fund reserve of 15 percent of the current budget, to be transferred to the Capital Projects Fund at the end of each fiscal year. These funds are used for one-time capital expenditures, reducing the need to incur additional debt for capital related purchases and facilities. The amount to be transferred from the General Fund to the Capital Projects Fund as of 12/31/2016 is \$794,708.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Augusta for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2015. This was the thirty-fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

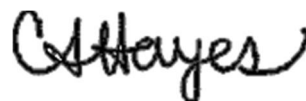
The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance and Administration Departments. We wish to thank all City employees who assisted and contributed the data necessary to prepare this report. Credit is also due to the Mayor and Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of North Augusta's finances.

Respectfully submitted,



B. Todd Glover
City Administrator

Respectfully submitted,



Cammie T. Hayes
Director of Finance



**North
Augusta**
South Carolina's Riverfront



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

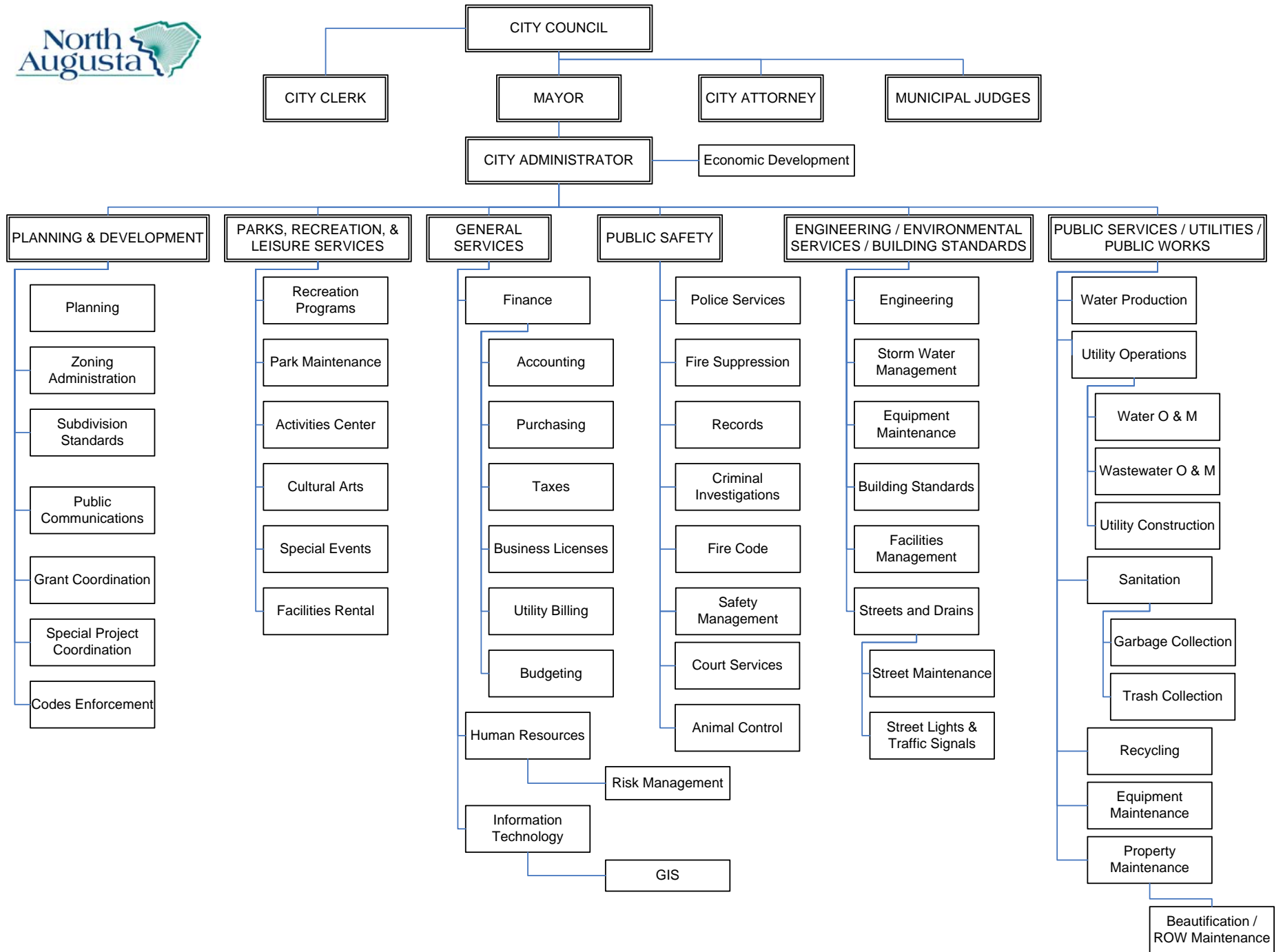
**City of North Augusta
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

CITY OF NORTH AUGUSTA ORGANIZATION CHART - 2016



CITY OF NORTH AUGUSTA, SOUTH CAROLINA

PRINCIPAL OFFICIALS

CITY COUNCIL

Lark W. Jones, Mayor
(5-97 to 5-17)

Pat C. Carpenter, Councilwoman
(05-93 to 05-17)

Kenneth J. McDowell, Councilman
(11-98 to 05-19)

James M. Adams, Jr., Councilman
(11-02 to 05-19)

Fletcher L. Dickert, Councilman
(05-13 to 05-17)

David W. McGhee, Councilman
(05-13 to 05-17)

J. Robert Brooks, Councilman
(05-15 to 05-19)

CITY ADMINISTRATOR

B. Todd Glover

CITY CLERK

Donna B. Young

DEPARTMENT DIRECTORS

Camie T. Hayes, Director of Finance
Richard L. Meyer, Director of Parks, Recreation & Tourism
Charles B. Martin, Interim Director of Planning & Development
James E. Sutton, Director of Public Services
John C. Thomas, Director of Public Safety
Thomas C. Zeaser, Director of Engineering & Public



**North
Augusta**
South Carolina's Riverfront

**FINANCIAL
SECTION**



**North
Augusta**
South Carolina's Riverfront

Report of Independent Auditor

Honorable Mayor and Members of City Council
City of North Augusta, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Augusta, South Carolina (the "City") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, and the schedule of contributions to pensions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, statistical section, and schedule of fines, assessments, and surcharges are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and schedule of fines, assessments, and surcharges are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Augusta, Georgia
June 16, 2017

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Honorable Mayor and Members of City Council
City of North Augusta, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Augusta, South Carolina (the "City") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 16, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cheryl Bekant LLP". The signature is written in a cursive, flowing style.

Augusta, Georgia
June 16, 2017



**North
Augusta**
South Carolina's Riverfront

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of North Augusta (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and financial statements.

Financial Highlights

The following information highlights the most significant changes to the City's financial position over the last year. Though not intended to be all-inclusive, this information provides a snapshot of the most important changes in the City's financial position over the last year:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$126,362,085 (net position). Of this amount, (\$6,093,706) represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. This number is negative following the implementation of Governmental Accounting Standards Board ("GASB") Statement No. 68, which required the City to recognize as a long term liability, its proportionate share of the net pension liability of the South Carolina Retirement System and the Police Officer Retirement System.
- The City's total net position increased by \$3,912,661.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$14,955,040, an increase of \$2,528,674 in comparison with the prior year. Approximately 16.55 percent of this amount, \$2,475,000, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$3,959,194 or 23.32 percent of total general fund expenditures.
- The City's total outstanding long-term debt increased by \$4,091,821. During fiscal year 2016, the North Augusta Public Facilities Corporation, a blended component unit of the City established by the City in December 2014 for the purpose of debt issuance related to construction and maintenance of buildings that are to be leased by the City, amended and restated an installment purchase transaction in the principal amount not to exceed thirteen million dollars to refinance the costs relating to the construction and equipping of a parking garage and finance the costs relating to the construction and equipping of certain roads, water, sewer and related infrastructure. The City continued to make draws on Series 2014A and 2015A South Carolina Waterworks and Sewer System Improvement Revenue Bond during the current year as well as made scheduled principal and interest payments.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements and 3) the notes to the financial statements. This report also contains other supplementary information.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and recreation and parks. The business-type activities of the City include water and wastewater utility, sanitation services, and stormwater enterprise.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate public facilities corporation for which the City is financially accountable. The corporation, although a legally separate entity, functions for all practical purposes as a fund of the City and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. The City does not have a fiduciary fund.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and

changes in fund balance for the General Fund, and Sales Tax III Fund which are considered major funds. Information is also presented separately for the Capital Projects Fund and North Augusta Public Facilities Corporation which the City elects to present as major funds. Information from the other nine governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found immediately following the government-wide financial statements.

Proprietary funds. The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater, sanitation, and stormwater operations as well as the Savannah Bluff Lock and Dam that was created for the purpose of maintaining the Augusta pool on the Savannah River.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, wastewater, sanitation and stormwater operations, all of which are considered to be major funds of the City. Savannah Bluff Lock and Dam is a nonmajor fund. The proprietary fund financial statements can be found immediately following the governmental fund financial statements.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the proprietary fund financial statements.

Other Financial Information. In addition to the basic financial statements, the accompanying notes, and the required supplementary information, this report presents certain financial data of individual fund statements and schedules.

Government-Wide Financial Analysis

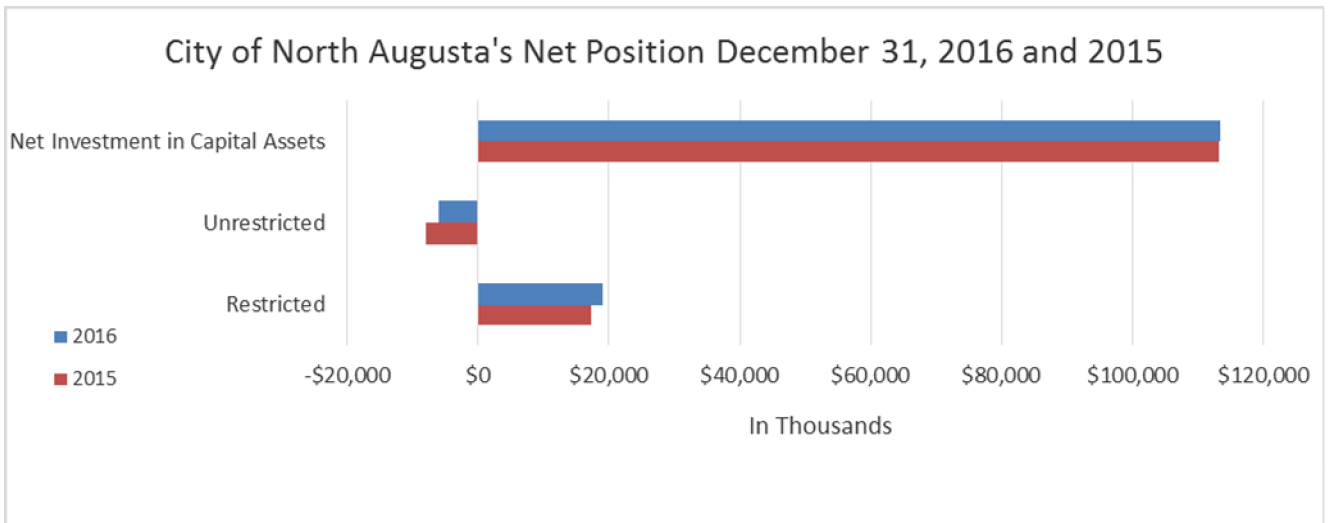
As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$126,362,085 at the close of the most recent fiscal year.

City of North Augusta's Net Position	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 16,146,651	\$ 13,828,693	\$ 21,814,564	\$ 20,612,162	\$ 37,961,215	\$ 34,440,855
Capital assets	75,326,254	74,346,658	74,288,776	70,974,610	149,615,030	145,321,268
Total Assets	91,472,905	88,175,351	96,103,340	91,586,772	187,576,245	179,762,123
Deferred outflows of resources	2,275,120	912,939	1,051,292	447,481	3,326,412	1,360,420
Long-term liabilities outstanding	15,720,883	15,340,398	21,366,745	17,655,409	37,087,628	32,995,807
Other liabilities outstanding	15,832,578	13,970,510	11,572,939	11,681,227	27,405,517	25,651,737
Total Liabilities	31,553,461	29,310,908	32,939,684	29,336,636	64,493,145	58,647,544
Deferred inflow of resources	22,765	12,020	24,662	13,555	47,427	25,575
Net position:						
Net investment in capital assets	\$ 60,261,553	\$ 59,649,524	\$ 53,203,765	\$ 53,610,839	\$ 113,465,318	\$ 113,260,363
Restricted	7,616,189	6,964,338	11,374,284	10,248,230	18,990,473	17,212,568
Unrestricted	(5,705,943)	(6,848,500)	(387,763)	(1,175,007)	(6,093,706)	(8,023,507)
Total Net Position	\$ 62,171,799	\$ 59,765,362	\$ 64,190,286	\$ 62,684,062	\$ 126,362,085	\$ 122,449,424

By far, the largest portion of the City's net position (89.79 percent) reflects its investment in capital assets (e.g., land, land improvements, rights-of-way and easements, buildings, machinery and equipment, furniture and fixtures, vehicles, infrastructure, system improvements, PSA capital, and construction in progress), less any related outstanding debt to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (15.03 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$6,093,706) may be used to meet the government's ongoing obligations to citizens and creditors but is currently negative.

At the end of the current fiscal year, the City is able to report positive balances in two categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same categories of net position were also positive in the prior year. Unrestricted net position is negative in the current year primarily because of GASB Statements 68 and 71 requiring the City to accrue net pension liabilities for governmental and business-type activities.

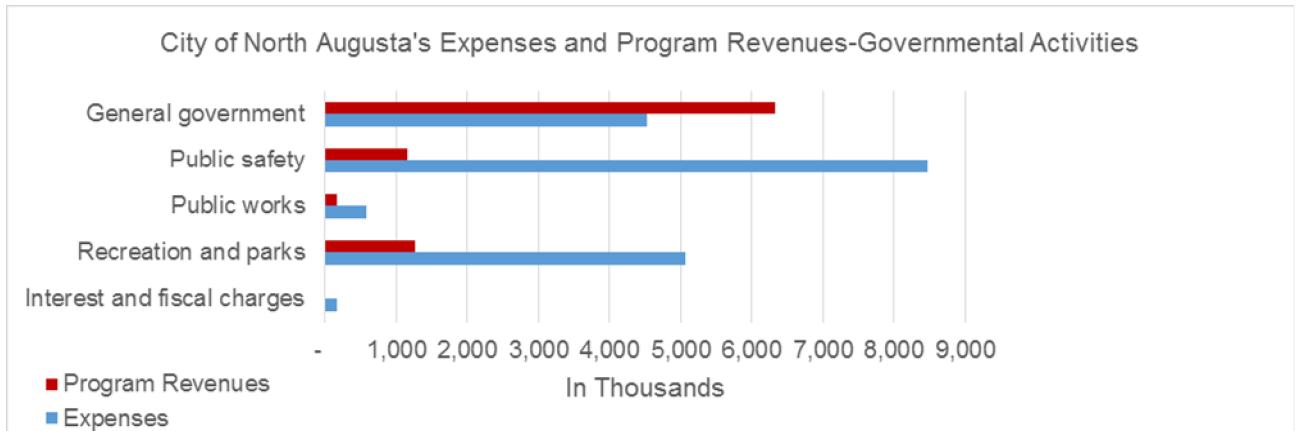


Governmental Activities

During 2016, governmental activities increased the City's net position by \$2,406,437, thereby accounting for 61.5 percent of the total growth in net position. Governmental activities revenues increased \$347,904 from 2015 to 2016. Charges for services include: business license revenues, franchise fees, construction permits and public safety fines. These revenues represent 40 percent of total revenues for governmental activities and are predominantly elastic in nature and vary with economic trends. Property taxes represent 34.68 percent of total revenues for governmental activities and increased by 288,511 from the prior year.

Also during 2016, governmental activities expenses decreased by \$244,918. General government expenses decreased by \$54,571, or 1.19 percent. Expenses in public safety for 2016 increased by \$955,959 or 12.72 percent, primarily due to the addition of new public safety officers and maintenance for buildings and equipment. Expenses in recreation and parks increased by \$338,445, or 7.17 percent in 2016, due to an increase in capital equipment purchases and an increase in costs for tournaments and festivals.

City of North Augusta's Changes in Net Position	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 8,261,176	\$ 7,974,627	\$ 14,161,988	\$ 13,579,580	\$ 22,423,164	\$ 21,554,207
Operating grants and contributions	813,941	943,574	-	2,449	813,941	946,023
Capital grants and contributions	-	-	124,408	396,837	124,408	396,837
General revenues:						
Property taxes	7,162,650	6,874,139	-	-	7,162,650	6,874,139
Other taxes	3,655,347	3,542,204	-	-	3,655,347	3,542,204
Other	761,876	972,542	665,514	700,419	1,427,390	1,672,961
Total Revenues	\$ 20,654,990	\$ 20,307,086	\$ 14,951,910	\$ 14,679,285	\$ 35,606,900	\$ 34,986,371
Expenses:						
General government	\$ 4,519,094	\$ 4,573,665	\$ -	\$ -	\$ 4,519,094	\$ 4,573,665
Public safety	8,473,548	7,517,589	-	-	8,473,548	7,517,589
Public works	580,327	2,051,542	-	-	580,327	2,051,542
Recreation and parks	5,061,480	4,723,035	-	-	5,061,480	4,723,035
Interest and fiscal charges on debt service	155,047	168,583	-	-	155,047	168,583
Water and wastewater	-	-	7,745,232	8,081,456	7,745,232	8,081,456
Sanitation	-	-	4,594,016	4,316,548	4,594,016	4,316,548
Stormwater	-	-	541,495	494,179	541,495	494,179
Savannah Bluff Lock and Dam	-	-	24,000	24,000	24,000	24,000
Total Expenses	\$ 18,789,496	\$ 19,034,414	\$ 12,904,743	\$ 12,916,183	\$ 31,694,239	\$ 31,950,597
Increase in net position before transfers	\$ 1,865,494	\$ 1,272,672	\$ 2,047,167	\$ 1,763,102	\$ 3,912,661	\$ 3,035,774
Transfers	540,943	514,893	(540,943)	(514,893)	-	-
Increase in net position	2,406,437	1,787,565	1,506,224	1,248,209	3,912,661	3,035,774
Net position-beginning of year	59,765,362	69,584,100	62,684,062	68,454,024	122,449,424	138,038,124
Prior period adjustment	-	(11,606,303)	-	(7,018,171)	-	(18,624,474)
Net position-end of year	\$ 62,171,799	\$ 59,765,362	\$ 64,190,286	\$ 62,684,062	\$ 126,362,085	\$ 122,449,424



Business-type Activities

Business-type activities increased the City's net position by \$1,506,224 accounting for 38.50 percent of the total growth in net position. Water, wastewater, sanitation, and stormwater rates remained unchanged. Water sales increased slightly for the current year and exceeded budget by approximately \$70,000. Fees for sanitation services and recycling increased \$71,866 from the prior year due to additional customers and special charges. Stormwater fees increased \$12,317 due to additional customers.

Expenses for the Water and Wastewater System decreased by \$65,016 from the prior year primarily due to decreased personnel costs in the finance function. The other functions increased due to increased

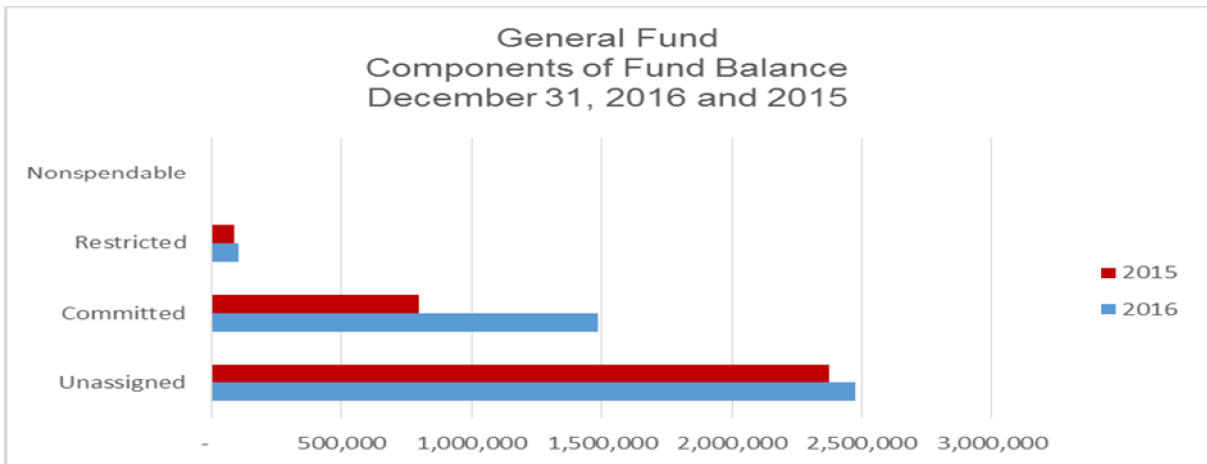
personnel costs, infrastructure upgrades, and increased utility costs. In 2016, the expenses for the Sanitation Services Fund increased by \$305,566. The material recovery facility had increased personnel costs due to the decreased availability of labor from the South Carolina Department of Corrections. The sanitation function also had increased personnel costs and equipment maintenance costs. The expenses in the Stormwater Utility Fund increased by \$47,316. A total of \$24,000 was expended from the Savannah Bluff Lock and Dam Fund. This expense for consulting services was intended to gain the necessary Congressional approvals to expedite the funding for the improvements to the lock and dam.

Financial Analysis of the Government's Funds

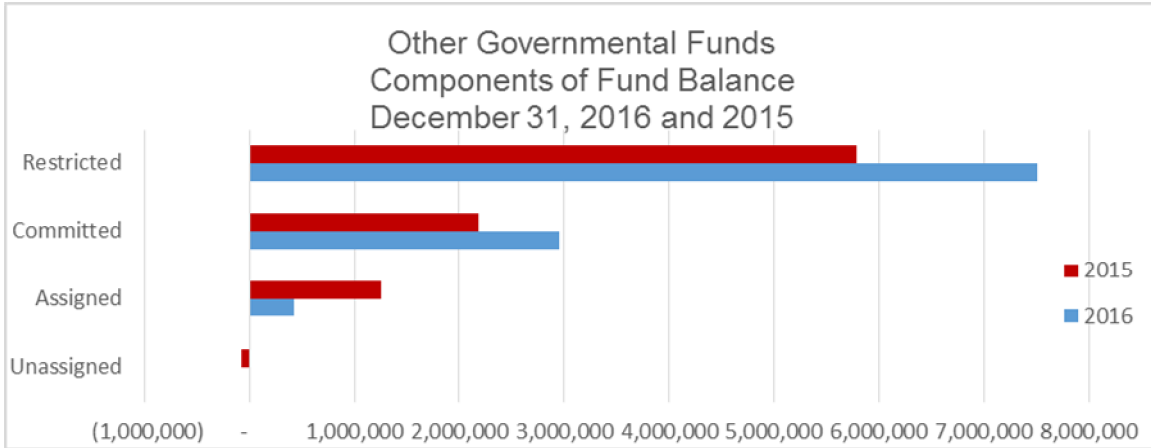
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2016, the City's governmental funds reported combined fund balances of \$14,955,040, an increase of \$2,528,674 from the prior year. Approximately 16.55 percent of this amount constitutes unassigned fund balance, which is available for spending at the City's discretion. Unassigned fund balance increased by \$169,258 for the year primarily due to the City's practice to increase the unassigned fund balance in the General Fund as the budget increases for the General Fund each year.



The General Fund is the chief operating fund of the City. At the end of the current fiscal year the unassigned fund balance of the General Fund was \$2,475,000, while total fund balance was \$4,062,838. As a measure of the General Fund's liquidity, it may be useful to compare unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 14.58 percent of total General Fund expenditures, while total fund balance represents 23.93 percent of those same expenditures.



Fund balance for the City’s other governmental funds totaled \$10,892,202 for 2016, an increase of \$1,725,688, related to sales taxes received during the year that are to be used for upcoming capital projects.

Proprietary funds. The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have been addressed in the discussion of the City’s business-type activities.

General Fund Budgetary Highlights

There were no differences between the original budget and the final amended budget for the fiscal year ending December 31, 2016.

Property tax revenues exceeded budget by more than \$124,000. Additionally, revenues for licenses and building permits exceeded budgeted revenues by more than \$250,000, reflective of increased local business revenues and an increase in construction within the City. Charges for services reflected a positive variance with budgeted revenues primarily related to additional sponsorships for the annual Jack-O-Lantern Jubilee festival and an increase in collections for City tournaments.

General government expenditures were under budget primarily due to operating costs less than expected. The over-expenditures for public safety were due to increased personnel costs and the purchase of vehicles and equipment with capital lease proceeds. Parks, Recreation, and Tourism costs for tournaments and festivals were more than expected but were offset by over budgeted revenues mentioned above.

Capital Asset and Debt Administration

Capital Assets. The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2016 amounts to \$149,615,030 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, rights-of-way and easements, buildings, machinery and equipment, furniture and fixtures, infrastructure, system improvements, PSA capital, and construction in progress. The total increase in capital assets for the current fiscal year was approximately 2.95 percent. Additional information on the City’s capital assets can be found in Note 4 of this report.

City of North Augusta's Capital Assets (net of depreciation)	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	9,154,817	8,347,503	824,058	824,058	9,978,875	9,171,561
Land improvements	6,654,320	7,270,405	-	-	6,654,320	7,270,405
Right-of-way and easements	3,226,901	2,964,970	62,760	62,760	3,289,661	3,027,730
Buildings	36,361,279	36,953,670	3,349,131	3,585,409	39,710,410	40,539,079
Machinery and equipment	512,476	465,331	681,863	792,053	1,194,339	1,257,384
Furniture and fixtures	455,418	568,087	-	-	455,418	568,087
Vehicles	3,579,557	3,504,086	1,264,241	1,772,339	4,843,798	5,276,425
Infrastructure	12,256,776	11,416,255	-	-	12,256,776	11,416,255
System improvements		-	40,250,881	40,914,278	40,250,881	40,914,278
PSA capital		-	2,081,747	2,198,752	2,081,747	2,198,752
Construction in progress	3,124,710	2,856,351	25,774,095	20,824,961	28,898,805	23,681,312
Total Capital Assets	75,326,254	74,346,658	74,288,776	70,974,610	149,615,030	145,321,268

Major capital asset events during the current fiscal year included the following:

- Purchase of various machinery and equipment for all departments
- Various projects related to streets, sidewalks, and storm drainage
- Completion of a raw water storage facility and continued construction on a water plant expansion
- Continued design, schematics, engineering services, and architectural services related to Project Jackson as well as preliminary construction related to infrastructure for the project area

The City has committed over \$5,000,000 to the continued construction of the water treatment plan during 2016.

Long-Term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$30,465,713. The City's debt represents bonds secured solely by specified revenue sources.

City of North Augusta's Outstanding Debt	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenue bonds	10,166,337	9,738,217	20,299,376	16,118,138	30,465,713	25,856,355
Capital leases	4,898,364	4,958,457	785,635	1,245,633	5,683,999	6,204,090
Total Outstanding Debt	15,064,701	14,696,674	21,085,011	17,363,771	36,149,712	32,060,445

The City's total debt outstanding, less compensated absences, increased by \$4,089,267 during the current fiscal year. This increase was attributed to continued drawdowns of two South Carolina Waterworks and Sewer System Improvement Revenue Bonds, Series 2014A and 2015A for construction of a raw water storage facility and upgrade and expansion to the water treatment plant. The increase is also attributed to an installment purchase revenue bond to refinance a parking garage and finance construction of various infrastructure as previously discussed.

The City's revenue bonds were private issues and therefore not rated. The City's debt coverage requirement remained constant at 1.79. The City's bond covenants require coverage of 1.25 to issue additional bonds. Please refer to the pledged-revenue bond coverage table at the back of this report for additional information regarding the City's revenue bond coverage.

Other long-term debt at the end of the current fiscal year included \$2,217,029 in capital leases for equipment and vehicles; \$3,466,970 in a capital lease (Municipal Center Lease, 2007) designated for the City's new Municipal Center; and long-term debt related to compensated absences amounting to \$937,916 (not presented in the table above).

Additional information regarding the City's capitalized lease obligations and long-term debt can be found in Notes 5 and 6 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the City and were considered in developing the 2017 fiscal year budget:

- The unemployment rate for Aiken County has been decreasing since 2011 and is estimated at 5.9 percent for 2016 reflecting pre-recession unemployment rates.
- The 2016 budget maintains the existing tax rate of 74.21 mills. The value of a mill has increased over 3 percent reflective of a recovering economy.
- Increases are expected in health insurance premiums, as well as pension and other employee benefit costs.

Additional information related to the local economy can be found in the transmittal letter of this report.

Request for Information

The financial report is designed to provide a general overview of the City's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of North Augusta, P.O. Box 6400, North Augusta, SC 29861-6400.

BASIC FINANCIAL STATEMENTS

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
STATEMENT OF NET POSITION

DECEMBER 31, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash	\$ 2,172,852	\$ 4,574,466	\$ 6,747,318
Investments	5,927,648	1,726,702	7,654,350
Receivables:			
Taxes, net	126,220	-	126,220
Customers, net	-	1,685,161	1,685,161
Other	973,339	-	973,339
Notes	-	50,000	50,000
Inventory	-	182,648	182,648
Restricted cash and investments	6,946,592	13,567,100	20,513,692
Capital assets, net:			
Nondepreciable capital assets	15,506,428	26,660,913	42,167,341
Depreciable capital assets, net	59,819,826	47,627,863	107,447,689
Service rights, net	-	28,487	28,487
Total Assets	91,472,905	96,103,340	187,576,245
DEFERRED OUTFLOWS OF RESOURCES			
Pension experience differences	184,378	86,584	270,962
Pension investment return	1,446,894	702,718	2,149,612
Contributions to pension plan	497,243	238,995	736,238
Change in proportionate share	146,605	22,995	169,600
Total Deferred Outflows of Resources	2,275,120	1,051,292	3,326,412
LIABILITIES			
Accounts payable	749,790	447,250	1,197,040
Accrued expenses	103,601	46,554	150,155
Municipal court liability	128,668	-	128,668
Accrued interest payable	17,091	-	17,091
Payable from restricted resources:			
Accounts payable	-	1,118,258	1,118,258
Retainage payable	-	540,746	540,746
Accrued bond interest	-	27,559	27,559
Customer deposits	-	506,256	506,256
Unearned revenue	83,771	533,759	617,530
Noncurrent liabilities:			
Due within one year	1,327,062	2,001,793	3,328,855
Due in more than one year	14,393,821	19,364,952	33,758,773
Net pension liability	14,749,657	8,352,557	23,102,214
Total Liabilities	31,553,461	32,939,684	64,493,145
DEFERRED INFLOWS OF RESOURCES			
Change in proportionate share	14,392	15,591	29,983
Pension experience differences	8,373	9,071	17,444
Total Deferred Inflows of Resources	22,765	24,662	47,427
NET POSITION			
Net investment in capital assets	60,261,553	53,203,765	113,465,318
Restricted for:			
Bond indentures	-	10,488,128	10,488,128
Operations - Savannah Bluff Lock and Dam	-	886,156	886,156
Victims assistance	103,644	-	103,644
Public safety - fire division	117,461	-	117,461
Capital projects	7,395,084	-	7,395,084
Unrestricted	(5,705,943)	(387,763)	(6,093,706)
Total Net Position	\$ 62,171,799	\$ 64,190,286	\$ 126,362,085

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 4,519,094	\$ 5,885,657	\$ 791,316	\$ -	\$ 2,157,879	\$ -	\$ 2,157,879
Public safety	8,473,548	974,174	22,625	-	(7,476,749)	-	(7,476,749)
Public works	580,327	-	-	-	(580,327)	-	(580,327)
Recreation and parks	5,061,480	1,401,345	-	-	(3,660,135)	-	(3,660,135)
Interest and fiscal charges on debt service	155,047	-	-	-	(155,047)	-	(155,047)
Total Governmental Activities	<u>18,789,496</u>	<u>8,261,176</u>	<u>813,941</u>	<u>-</u>	<u>(9,714,379)</u>	<u>-</u>	<u>(9,714,379)</u>
Business-type Activities:							
Water and wastewater	7,745,232	9,155,898	-	124,408	-	1,535,074	1,535,074
Sanitation	4,594,016	4,246,959	-	-	-	(347,057)	(347,057)
Stormwater utility	541,495	759,131	-	-	-	217,636	217,636
Savannah Bluff Lock and Dam	24,000	-	-	-	-	(24,000)	(24,000)
Total Business-type Activities	<u>12,904,743</u>	<u>14,161,988</u>	<u>-</u>	<u>124,408</u>	<u>-</u>	<u>1,381,653</u>	<u>1,381,653</u>
Total	<u>\$ 31,694,239</u>	<u>\$ 22,423,164</u>	<u>\$ 813,941</u>	<u>\$ 124,408</u>	<u>(9,714,379)</u>	<u>1,381,653</u>	<u>(8,332,726)</u>
General Revenues:							
Ad valorem property taxes					7,162,650	-	7,162,650
Local hospitality and accommodation taxes					764,056	-	764,056
Capital projects sales taxes					2,891,291	-	2,891,291
Interest on investments					192,906	120,990	313,896
Loss on disposal of capital assets					-	(12,606)	(12,606)
Miscellaneous					568,970	557,130	1,126,100
Transfers					540,943	(540,943)	-
Total General Revenues and Transfers					<u>12,120,816</u>	<u>124,571</u>	<u>12,245,387</u>
Change in net position					2,406,437	1,506,224	3,912,661
Net position, beginning of year					59,765,362	62,684,062	122,449,424
Net position, end of year					<u>\$ 62,171,799</u>	<u>\$ 64,190,286</u>	<u>\$ 126,362,085</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2016

	General Fund	Sales Tax III Fund	Capital Projects Fund	North Augusta Public Facilities Corporation	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Equity in pooled cash	\$ 113,734	\$ -	\$ -	\$ -	\$ 2,059,118	\$ 2,172,852
Investments	4,011,154	-	1,036,545	-	879,949	5,927,648
Receivables:						
Taxes, net of allowance for doubtful accounts	126,220	-	-	-	-	126,220
Grants	23,293	-	-	-	-	23,293
Other	278,557	671,489	-	-	-	950,046
Due from other funds	511,933	-	-	-	-	511,933
Restricted cash and investments	103,644	3,833,840	-	-	3,009,108	6,946,592
Total Assets	\$ 5,168,535	\$ 4,505,329	\$ 1,036,545	\$ -	\$ 5,948,175	\$ 16,658,584
LIABILITIES						
Accounts payable	\$ 747,647	\$ 571	\$ -	\$ -	\$ 1,572	\$ 749,790
Due to other funds	-	-	511,933	-	-	511,933
Accrued salaries, wages, and employee benefits	103,601	-	-	-	-	103,601
Municipal court liability	128,668	-	-	-	-	128,668
Unearned revenue - assessment fees	-	-	-	-	83,771	83,771
Total Liabilities	979,916	571	511,933	-	85,343	1,577,763
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	125,781	-	-	-	-	125,781
Total Deferred Inflows of Resources	125,781	-	-	-	-	125,781
FUND BALANCES						
Restricted for:						
Capital projects	-	4,504,758	-	-	2,890,326	7,395,084
Victim's assistance	103,644	-	-	-	-	103,644
Public Safety - fire division	-	-	-	-	117,461	117,461
Committed for:						
Capital projects	1,356,641	-	524,612	-	1,022,950	2,904,203
Parks, recreation and tourism	-	-	-	-	12,920	12,920
Special projects	-	-	-	-	1,390,321	1,390,321
Housing and development	127,553	-	-	-	-	127,553
Assigned for:						
Capital projects	-	-	-	-	428,854	428,854
Unassigned	2,475,000	-	-	-	-	2,475,000
Total Fund Balances	4,062,838	4,504,758	524,612	-	5,862,832	14,955,040
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,168,535	\$ 4,505,329	\$ 1,036,545	\$ -	\$ 5,948,175	\$ 16,658,584

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2016

Ending fund balance - governmental funds	\$ 14,955,040
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Historical costs of capital assets	111,313,634
Accumulated depreciation	(35,987,380)
Deferred outflows and inflows of resources related to pension are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions	2,275,120
Deferred inflows of resources related to pensions	(22,765)
Long-term liabilities and related accruals are not due and payable in the current period and, therefore, are not reported in the funds.	
Capital leases	(4,898,364)
Bonds payable	(10,166,337)
Accrued vacation	(656,182)
Accrued interest	(17,091)
Net pension liability	(14,749,657)
Amounts to be collected are not available to pay for the current period's expenditures and therefore are deferred in the funds	125,781
Net Position of Governmental Activities	<u><u>\$ 62,171,799</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

DECEMBER 31, 2016

	General Fund	Sales Tax III Fund	Capital Projects Fund	North Augusta Public Facilities Corporation	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Ad valorem property tax	\$ 6,646,600	\$ -	\$ -	\$ -	\$ 516,829	\$ 7,163,429
Sales taxes	-	2,891,291	-	-	-	2,891,291
Local hospitality and accommodation taxes	-	-	-	-	764,056	764,056
Licenses and permits	5,885,657	-	-	-	-	5,885,657
Fines and forfeitures	996,799	-	-	-	-	996,799
Charges for services	1,401,345	-	-	-	-	1,401,345
Intergovernmental	730,798	-	-	-	60,518	791,316
Interest earnings	120,860	18,239	12,198	-	41,609	192,906
Miscellaneous	523,795	-	47,874	-	16,460	588,129
Total Revenues	16,305,854	2,909,530	60,072	-	1,399,472	20,674,928
Expenditures:						
Current:						
General government	3,074,359	-	36,900	7,500	593,974	3,712,733
Public safety	7,921,544	-	-	-	69,161	7,990,705
Public works	1,391,543	-	-	-	2,743	1,394,286
Parks, recreation and tourism	4,009,634	-	13,300	-	-	4,022,934
Capital outlay	-	1,147,565	10,872	395,620	236,303	1,790,360
Debt service:						
Capital lease payments	561,995	-	-	-	367,912	929,907
Interest and fiscal charges	15,466	-	-	-	139,581	155,047
Total Expenditures	16,974,541	1,147,565	61,072	403,120	1,409,674	19,995,972
Excess (deficiency) of revenues over expenditures	(668,687)	1,761,965	(1,000)	(403,120)	(10,202)	678,956
Other Financing Sources (Uses):						
Inception of capital lease obligation	880,655	-	-	-	-	880,655
Issuance of bonds	-	-	-	403,120	25,000	428,120
Transfers in	591,018	-	-	403,120	403,120	1,397,258
Transfers out	-	-	-	(403,120)	(453,195)	(856,315)
Total Other Financing Sources (Uses)	1,471,673	-	-	403,120	(25,075)	1,849,718
Net change in fund balance	802,986	1,761,965	(1,000)	-	(35,277)	2,528,674
Fund balance, beginning of year	3,259,852	2,742,793	525,612	-	5,898,109	12,426,366
Fund balance, end of year	\$ 4,062,838	\$ 4,504,758	\$ 524,612	\$ -	\$ 5,862,832	\$ 14,955,040

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2016

Net change in fund balances - total governmental funds	\$ 2,528,674
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental fund reports capital outlays as expenditures. However, in the statements of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	4,566,845
Depreciation on general government assets	(3,541,532)
Net effect on disposal of capital assets	<u>(45,716)</u>
	979,597
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related accounts.	
Issuance of long-term debt	(428,120)
Compensated absences	(12,458)
Principal payments on capital leases	940,748
Proceeds from capital lease	<u>(880,655)</u>
	(380,485)
Because some revenues will not be collected for several months after the City's fiscal year end they are not considered "available" revenues in the governmental funds.	
	(779)
In the fund financials, contributions to pension plans are expensed when paid. In the statement of activities, pension expense is recognized for the change in the City's proportionate share of the collective net pension liability and related deferred inflows and outflows	
	<u>(720,570)</u>
Change in net position of governmental activities	<u>\$ 2,406,437</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND**

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Ad valorem property taxes	\$ 6,522,525	\$ 6,646,600	\$ 124,075
Licenses and permits	5,628,795	5,885,657	256,862
Fines and forfeitures	1,095,205	996,799	(98,406)
Charges for services	1,245,405	1,401,345	155,940
Intergovernmental	755,530	730,798	(24,732)
Interest earnings	20,000	120,860	100,860
Miscellaneous	539,438	523,795	(15,643)
Total Revenues	15,806,898	16,305,854	498,956
Expenditures:			
Current:			
General government	3,127,730	3,074,359	(53,371)
Public safety	7,364,720	7,921,544	556,824
Public works	1,412,097	1,391,543	(20,554)
Parks, recreation and tourism	3,864,643	4,009,634	144,991
Capital lease payments	628,726	561,995	(66,731)
Interest and fiscal charges	-	15,466	15,466
Total Expenditures	16,397,916	16,974,541	576,625
Deficiency of revenues over expenditures	(591,018)	(668,687)	(77,669)
Other Financing Sources:			
Proceeds from capital lease obligations	-	880,655	880,655
Transfers in	591,018	591,018	-
Total Other Financing Sources	591,018	1,471,673	880,655
Net change in fund balance	\$ -	802,986	\$ 802,986
Fund balance, beginning of year		3,259,852	
Fund balance, end of year		\$ 4,062,838	

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

DECEMBER 31, 2016

	Business-type Activities				
	Major Funds			Nonmajor Fund	
	Water and Wastewater System	Sanitation Services	Stormwater Utility	Savannah Bluff Lock and Dam	Total Enterprise Funds
ASSETS					
Current Assets:					
Equity in pooled cash	\$ 2,492,353	\$ 1,690,930	\$ 391,183	\$ -	\$ 4,574,466
Restricted cash and investments	2,784,891	-	-	886,156	3,671,047
Investments	275,447	953,984	497,271	-	1,726,702
Customer accounts receivable	1,552,305	132,856	-	-	1,685,161
Note receivable	25,000	-	-	-	25,000
Inventory	182,648	-	-	-	182,648
Total Current Assets	7,312,644	2,777,770	888,454	886,156	11,865,024
Non-current Assets:					
Restricted cash and investments	9,896,053	-	-	-	9,896,053
Note receivable	25,000	-	-	-	25,000
Capital Assets					
Non-depreciable	26,384,702	91,235	184,976	-	26,660,913
Depreciable, net	42,705,518	3,172,698	1,749,647	-	47,627,863
Service Rights, net	28,487	-	-	-	28,487
Total Non-current Assets	79,039,760	3,263,933	1,934,623	-	84,238,316
Total Assets	86,352,404	6,041,703	2,823,077	886,156	96,103,340
DEFERRED OUTFLOWS OF RESOURCES					
Pension experience differences	44,957	34,967	6,660	-	86,584
Pension investment return	364,873	283,790	54,055	-	702,718
Contributions to pension plan	124,094	96,517	18,384	-	238,995
Change in proportionate share	11,940	9,287	1,768	-	22,995
Total Deferred Outflows of Resources	545,864	424,561	80,867	-	1,051,292
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
Current Liabilities:					
Accounts payable	321,415	121,737	4,098	-	447,250
Accrued expenses	155,751	154,506	18,031	-	328,288
Current portion of capital leases payable	104,990	228,038	-	-	333,028
Unearned revenue	23,515	-	-	-	23,515
Payable from restricted assets:					
Accounts payable	1,118,258	-	-	-	1,118,258
Retainage payable	540,746	-	-	-	540,746
Accrued bond interest	27,559	-	-	-	27,559
Current portion of revenue bonds payable	1,387,031	-	-	-	1,387,031
Customer deposits	506,256	-	-	-	506,256
Total Current Liabilities	4,185,521	504,281	22,129	-	4,711,931
Non-current Liabilities:					
Capital leases payable	145,368	307,239	-	-	452,607
Revenue bonds payable	18,912,345	-	-	-	18,912,345
Net pension liability	4,336,904	3,373,148	642,505	-	8,352,557
Unearned revenue	510,244	-	-	-	510,244
Total Non-current Liabilities	23,904,861	3,680,387	642,505	-	28,227,753
Total Liabilities	28,090,382	4,184,668	664,634	-	32,939,684
DEFERRED INFLOWS OF RESOURCES					
Change in proportionate share	8,096	6,296	1,199	-	15,591
Pension experience differences	4,710	3,663	698	-	9,071
Total Deferred Inflows of Resources	12,806	9,959	1,897	-	24,662
Net Position:					
Net investment in capital assets	48,540,486	2,728,656	1,934,623	-	53,203,765
Restricted for debt service	10,488,128	-	-	-	10,488,128
Restricted for operations	-	-	-	886,156	886,156
Unrestricted	(233,534)	(457,019)	302,790	-	(387,763)
Total Net Position	\$ 58,795,080	\$ 2,271,637	\$ 2,237,413	\$ 886,156	\$ 64,190,286

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2016

	Business-type Activities				Total Enterprise Funds
	Major Funds			Nonmajor Fund	
	Water and Wastewater System	Sanitation Services	Stormwater Utility Fund	Savannah Bluff Lock and Dam	
Operating Revenues:					
Charges for services and fees	\$ 9,155,898	\$ 3,937,337	\$ 759,131	\$ -	\$ 13,852,366
Sale of recyclables	-	309,622	-	-	309,622
Other	469,040	76,983	11,107	-	557,130
Total Operating Revenues	<u>9,624,938</u>	<u>4,323,942</u>	<u>770,238</u>	<u>-</u>	<u>14,719,118</u>
Operating Expenses:					
Finance	473,680	-	-	-	473,680
Administration	782,979	-	-	-	782,979
Operations and Maintenance	4,094,835	2,413,918	456,178	24,000	6,988,931
Production and Treatment	1,347,030	-	-	-	1,347,030
Material Recovery Facility	-	1,460,502	-	-	1,460,502
Depreciation and amortization	1,046,708	718,090	85,317	-	1,850,115
Total Operating Expenses	<u>7,745,232</u>	<u>4,592,510</u>	<u>541,495</u>	<u>24,000</u>	<u>12,903,237</u>
Operating income (loss)	<u>1,879,706</u>	<u>(268,568)</u>	<u>228,743</u>	<u>(24,000)</u>	<u>1,815,881</u>
Nonoperating Revenues (Expenses)					
Interest income	94,465	14,594	5,112	6,819	120,990
Interest expense and fiscal charges	-	(1,506)	-	-	(1,506)
Loss on disposal of capital assets	(12,606)	-	-	-	(12,606)
Total Nonoperating Revenues	<u>81,859</u>	<u>13,088</u>	<u>5,112</u>	<u>6,819</u>	<u>106,878</u>
Income (loss) before contributions and transfers	1,961,565	(255,480)	233,855	(17,181)	1,922,759
Capital contributions	124,408	-	-	-	124,408
Transfers out	(383,950)	(156,993)	-	-	(540,943)
Change in net position	1,702,023	(412,473)	233,855	(17,181)	1,506,224
Net position, beginning of year	57,093,057	2,684,110	2,003,558	903,337	62,684,062
Net position, end of year	<u>\$ 58,795,080</u>	<u>\$ 2,271,637</u>	<u>\$ 2,237,413</u>	<u>\$ 886,156</u>	<u>\$ 64,190,286</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2016

	Business-type Activities				Total Enterprise Funds
	Major Funds			Nonmajor Fund	
	Water and Wastewater System	Sanitation Services	Stormwater Utility Fund	Savannah Bluff Lock and Dam	
Cash flows from operating activities:					
Cash received from customers	\$ 9,576,885	\$ 4,302,209	\$ 770,238	\$ -	\$ 14,649,332
Cash paid for or on behalf of employees	(2,633,590)	(2,112,066)	(347,188)	-	(5,092,844)
Cash paid for goods and services	(5,042,842)	(1,466,499)	(95,905)	(24,000)	(6,629,246)
Net cash from operating activities	1,900,453	723,644	327,145	(24,000)	2,927,242
Cash flows from noncapital financing activities:					
Transfers out to other funds	(383,950)	(156,993)	-	-	(540,943)
Net cash from noncapital financing activities	(383,950)	(156,993)	-	-	(540,943)
Cash flows from capital and related financing activities:					
Purchase and construction of capital assets	(4,615,379)	(5,407)	(14,902)	-	(4,635,688)
Proceeds received from issuance of revenue bonds	4,423,989	-	-	-	4,423,989
Principal paid on revenue bonds	(242,751)	-	-	-	(242,751)
Principal paid on capitalized leases	(118,763)	(341,235)	-	-	(459,998)
Interest paid	(416,791)	(1,506)	-	-	(418,297)
Net cash from capital and related financing activities	(969,695)	(348,148)	(14,902)	-	(1,332,745)
Cash flows from investing activities:					
Interest on investments	94,465	14,594	5,112	6,819	120,990
Net cash from investing activities	94,465	14,594	5,112	6,819	120,990
Net change in cash and cash equivalents	641,273	233,097	317,355	(17,181)	1,174,544
Cash and cash equivalents, beginning of year	14,807,471	2,411,817	571,099	903,337	18,693,724
Cash and cash equivalents, end of year	\$ 15,448,744	\$ 2,644,914	\$ 888,454	\$ 886,156	\$ 19,868,268
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ 1,879,706	\$ (268,568)	\$ 228,743	\$ (24,000)	\$ 1,815,881
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	1,046,708	718,090	85,317	-	1,850,115
Bad debt expense	36,880	-	-	-	36,880
Change in assets and liabilities:					
Increase in accounts receivable	(82,838)	(21,733)	-	-	(104,571)
Decrease in notes receivable	25,000	-	-	-	25,000
Decrease in inventory	12,326	-	-	-	12,326
Decrease in service rights	2,507	-	-	-	2,507
Increase (decrease) in accounts payable	(201,238)	23,964	(11,145)	-	(188,419)
Decrease in retainage payable	(729,944)	-	-	-	(729,944)
Increase in customer deposits	9,785	-	-	-	9,785
Increase in accrued salaries, wages, and employee benefits	7,660	9,859	-	-	17,519
Pension deferred inflows / outflows and liability	(106,099)	262,032	24,230	-	180,163
Total Adjustments	20,747	992,212	98,402	-	1,111,361
Net cash from operating activities	\$ 1,900,453	\$ 723,644	\$ 327,145	\$ (24,000)	\$ 2,927,242
Noncash investing, capital and financing activities:					
Contributed capital assets	\$ 124,408	\$ -	\$ -	\$ -	\$ 124,408
Loss on disposal of assets	12,606	-	-	-	12,606
Total noncash investing, capital and financing	\$ 137,014	\$ -	\$ -	\$ -	\$ 137,014
Reconciliation of cash and cash equivalents:					
Equity in pooled cash	\$ 2,492,353	\$ 1,690,930	\$ 391,183	\$ -	\$ 4,574,466
Investments	275,447	953,984	497,271	-	1,726,702
Current restricted assets	2,784,891	-	-	886,156	3,671,047
Non-current restricted assets	9,896,053	-	-	-	9,896,053
Cash and cash equivalents	\$ 15,448,744	\$ 2,644,914	\$ 888,454	\$ 886,156	\$ 19,868,268

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 1—Summary of significant accounting policies

A. Description of government-wide financial statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent, on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Financial reporting entity

The City of North Augusta, South Carolina (the “City”) (the primary government) was officially incorporated on April 11, 1906. The City has a Mayor-Council form of government. City Council is composed of seven members elected at large on a partisan basis. City Council is the legally constituted law-making and policy-making body for the City.

The reporting entity of the City, for financial purposes, includes all the funds relevant to the operations of the City of North Augusta, South Carolina. The City is also required to include in its financial statements those separately-administered organizations (component units) with which the City has significant operation or financial relationships. The criteria for including organizations as component units within the City’s reporting entity include whether the organization is legally separate and whether the City holds the corporate powers, whether the City appoints a majority of the organization’s board and is able to impose its will, and the ability of the organization to impose a financial benefit or burden on the City (“financial accountability”).

Blended component unit - The North Augusta Public Facilities Corporation (the “Corporation”) was established by the City on December 2, 2014 primarily to issue debt related to construction and maintenance of buildings that are to be leased by the City. The Corporation is a legally separate nonprofit organization. The Corporation is governed by a five member board of directors comprised of the City’s Mayor and four City citizens. The City’s Clerk and Finance Director serve as the respective Secretary and Treasurer of the Corporation. The City has determined it is financially accountable for the Corporation, and the Corporation’s outstanding debt is expected to be repaid entirely with resources of the City. Based on these factors, management has determined the Corporation is appropriately presented as a blended component unit in the City’s financial statements. The Corporation is reported as a debt service fund and does not issue separate financial statements.

C. Measurement focus, basis of accounting and financial statement presentation

Government-wide and fund financial statements – The City government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 1—Summary of significant accounting policies (continued)

The government-wide financial statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund – This is the City's general operating fund. It accounts for all financial resources, except those required to be accounted for in another fund.

Sales Tax III Fund – This fund is used to account for the receipt and disbursement of money from the Citywide capital project sales tax.

Capital Projects Fund – This fund is used to account for the acquisition and construction of major capital items other than those financed by proprietary funds and trust funds.

North Augusta Public Facilities Fund – This fund represents the activities of the North Augusta Public Facilities Corporation, a blended component unit, as previously discussed at the beginning of Note 1.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 1—Summary of significant accounting policies (continued)

For the City's proprietary funds, the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City reports the following major proprietary funds:

Water and Wastewater Fund – This fund is used to account for waterworks and wastewater system operations that are financed and operated in a manner similar to private business enterprises.

Sanitation Services Fund – This fund is used to account for sanitation and recycling operations that are financed and operated in a manner similar to private business enterprises.

The Stormwater Utility Fund – This fund is used to account for improvements to stormwater runoff infrastructure that are financed and operated in a manner similar to private business enterprises.

Interfund transactions – Interfund transactions consisting of identified services performed for other funds or costs billed to other funds are treated as expenditures in the fund receiving the services and as a reimbursement reducing expenditures in the fund performing the service. Outstanding balances resulting from transactions between funds are reported as "due to/due from other funds". Any residual balances between the governmental and the business-type activities are reported on the government-wide financial statements as "internal balances".

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

D. Budgets and budgetary accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

- Prior to October 1, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and expenses and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to January 1, the budget is legally enacted through passage of an ordinance.
- Transfer of budgeted amounts between functional areas must be approved by the City Council. However, the City Administrator can amend the budget at the line item or department level, within a functional area, not to exceed \$5,000. Management can also over-expend appropriations, with the City Administrator's approval, at the line item and department level, as long as the total expenditures or expenses do not exceed appropriations of the functional area.
- Formal budgetary integration is employed as a management control device. A budget is legally adopted annually for the General Fund on a basis consistent with generally accepted accounting principles.
- Annual budgets are not adopted for the Special Revenue Funds or the Capital Projects Fund. These funds budget on a project or activity basis instead of an annual operating cycle basis. Budgets for the enterprise funds are legally adopted annually on a basis consistent with generally accepted accounting principles except that depreciation is not a budgeted item.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 1—Summary of significant accounting policies (continued)

- Budgeted amounts are as originally adopted or as amended by the City Council or the City Administrator. There were no individual amendments to the original appropriations, which were adopted and consisted of transferring amounts within departmental accounts. No supplemental appropriations were necessary during the year.
- The City employs the use of encumbrance accounting during the year. All encumbrances lapse at the end of the year.
- Unexpended appropriations lapse at the end of the year except that a whole or part of appropriations provided in the budget for capital or betterment outlays of any department or activity remaining unexpended at the close of the fiscal year is held available for the following year.

Excess of expenditures over appropriations – For the year ended December 31, 2016, expenditures exceeded budget in the General Fund for the following functions:

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under)</u> <u>Budget</u>
Public safety	\$ 7,364,720	\$ 7,921,544	\$ 556,824
Capital lease payments - public safety	434,661	377,460	(57,201)
	<u>7,799,381</u>	<u>8,299,004</u>	<u>499,623</u>
Parks, recreation and tourism	\$ 3,864,643	\$ 4,009,634	\$ 144,991
Capital lease payments - parks, recreation and tourism	96,704	93,261	(3,443)
	<u>3,961,347</u>	<u>4,102,895</u>	<u>141,548</u>

The over-expenditures in the public safety function were due to the purchase of vehicles and equipment with capital lease proceeds and salary costs higher than expected. The over-expenditures in parks, recreation, and tourism were due to higher than expected costs for tournaments and festivals, however, these costs were offset by higher than expected revenue in the General Fund. Parks, recreation and tourism also purchased equipment with capital lease proceeds.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 1—Summary of significant accounting policies (continued)

E. Assets, liabilities, deferred outflow/inflows of resources and net position and fund balance

Cash/cash equivalents and investments – For purposes of the Statement of Cash Flows, the enterprise funds consider all highly-liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

Investments are stated at fair value. A detailed description of investments is included in Note 2.

Receivables – Receivables are shown net of allowances for uncollectible amounts. Uncollectible amounts are estimated based upon past collection experience.

Inventory –Inventory in the Water and Wastewater System Fund is valued at the lower of cost (first-in, first-out) or market and consists of supplies used in repairing and maintaining the water and wastewater systems.

Restricted assets – Certain resources set aside for the City’s debt repayment (revenue bonds) are classified as restricted assets on the Statement of Net Position because their use is limited by debt agreements.

Capital assets – All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition value on the date received. General infrastructure assets consisting of roadways, storm drainage, sidewalks, etc., constructed or acquired prior to January 1, 2003 are reported at estimated historical cost using deflated replacement cost. General infrastructure assets constructed or acquired after January 1, 2003 are reported at cost. The City’s policy is to capitalize purchases over \$5,000.

The costs of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. During the year ended December 31, 2016, revenue bonds in the enterprise funds were used to finance specific water plant improvements. Accordingly, interest expense in the amount of \$416,791 was capitalized during 2016 and is included in construction in progress.

Land and construction in progress are not depreciated. Depreciable assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	10 - 40 years
Water and wastewater system, structures and facilities	20 - 75 years
Machinery and equipment	3 - 12 years
Furniture and fixtures	5 - 12 years
Vehicles	5 - 7 years
Other assets	20 years
PSA capital share - Aiken	40 years
Roadways	25 years

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 1—Summary of significant accounting policies (continued)

Compensated absences – It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is attributable to past service and the employees will be compensated; therefore the vacation pay is accrued in the government-wide and proprietary fund financial statements. For governmental activities, compensated absences are generally liquidated by the General Fund and are only reported when they are payable to the employee upon resignation or retirement.

Long-term obligations - In the government-wide and proprietary funds' financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Bond issuance costs are expensed as they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an other financing source. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from debt proceeds received, are reported as debt service expenditures.

Deferred outflows/inflows of resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City’s deferred outflows consist of pension related items, as further discussed in Note 8.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred inflows of resources consist of unavailable revenue and pension related items. Unavailable revenue, under the modified accrual basis of accounting, is reported in the governmental funds balance sheet as a deferred inflow. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Certain pension related items, as further discussed in Note 8, are also classified as deferred inflows.

Fund balance/Net Position – Fund equity in government-wide and proprietary fund financials is classified as net position. Net position is classified as follows:

Net investment in capital assets - This classification represents capital assets, net of accumulated depreciation, decreased by the remaining balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Unrestricted - Unrestricted net assets represent net assets that do not meet the definitions of the other classifications.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 1—Summary of significant accounting policies (continued)

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - Fund balances are reported as nonspendable when amounts cannot be expended because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted - Fund balances are reported as restricted when there are restrictions imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Committed - Fund balances are reported as committed when they can be used only for a specific purpose pursuant to constraints imposed at the highest level of decision-making authority. The City Council is the highest level of decision making. The City Council can establish, modify, or rescind a fund balance commitment through adoption of a resolution.

Assigned - Fund balances are reported as assigned when amounts are constrained by the City Council's intent to be used for specific purposes but are neither restricted nor committed. The City Administrator, who is appointed by and serves at the pleasure of the City Council, has the authority to assign fund balance amounts and does not require formal action to impose, modify, or remove any fund balance assignment.

Unassigned - Fund balances are reported as unassigned as the remaining amount when the balances do not meet any of the other classifications. The City reports positive fund balance in the general fund only, if applicable. Negative unassigned balances may be reported in all governmental funds.

Flow assumptions – When both restricted and unrestricted amounts of fund balances are available for use for expenditures incurred, the City's policy is to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, the City's policy is to use fund balances in the following order; committed, assigned, unassigned.

Minimum fund balance – City Council has adopted an ordinance under which a minimum unassigned fund balance policy has been established at each fiscal year-end for certain funds, as follows:

General Fund: 15 percent of the then current general fund budget to the nearest twenty-five thousand dollars.

Stormwater Utility Fund: 20 percent of the then current stormwater utility fund budget to the nearest twenty-five thousand dollars.

Sanitation Services Fund: 20 percent of the then current sanitation services fund budget to the nearest twenty-five thousand dollars.

Street Improvements Fund: \$100,000

Water and Sewer Fund: 20 percent of the then current water and sewer fund budget to the nearest twenty-five thousand dollars.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 2—Equity in pooled cash and investments, deposits and investments

As of December 31, 2016, the City’s cash and investments consisted of the following:

	<u>Maturities</u>	<u>Fair Value</u>
State Treasurer's Investment Pool	Daily	\$ 19,460,016
Demand deposit accounts	Daily	14,775,604
Treasury reserves		<u>679,740</u>
Total cash and investments		<u>\$ 34,915,360</u>

Credit risk – The City has an investment policy that all investments made by the City will be selected and properly secured in accordance with State law. Section 6-5-10 of the State of South Carolina Code of Laws authorizes local governments to make the following types of investments:

- Obligations of the United States and agencies thereof;
- General obligations of the State of South Carolina or any of its political units;
- Savings and Loan Associations to the extent that the same are insured by an agency of the federal government; repurchase agreements when collateralized by securities as set forth in this section;
- Repurchase agreements when collateralized by securities as set forth in this section;
- Certificates of deposit where the certificates are collaterally secured by securities of the type described in 1 and 2 above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government; and,
- No load open-end or closed-end management-type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or City treasurer if the particular portfolio of the investment company or investment trust in which the investment made (i) is limited to obligations described in items 1, 2, and 5 of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

Section 6-6-20 of the State of South Carolina Code of Laws authorizes the State Treasurer’s Office to invest and reinvest the monies of the State Treasurer’s Investment Pool in the investments identified in Section 6-5-10 shown above and identified in Section 11-9-660 as follows:

- Obligations of the United States, its agencies and instrumentalities;
- Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, the African Development Bank, and the Asian Development Bank;
- Obligations of a corporation, state, or political subdivision denominated in United States dollars, if the obligations bear an investment-grade rating of at least two nationally-recognized rating services;

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 2—Equity in pooled cash and investments, deposits and investments (continued)

- Certificates of deposit, if the certificates are secured collaterally by securities of the types described in items 1 and 3 of this section and held by a third party as escrow agent or custodian and are of a market value not less than the amount of the certificates of deposit so secured, including interest; except that this collateral is not required to the extent the certificates of deposit are insured by an agency of the federal government;
- Repurchase agreements, if collateralized by securities of the types described in items 1 and 3 of this section and held by a third party as escrow agent or custodian and of a market value not less than the amount of the repurchase agreement so collateralized, including interest; and
- Guaranteed investment contracts issued by a domestic or foreign insurance company or other financial institution, whose long-term unsecured debt rating bears the two highest ratings of at least two nationally-recognized rating services.

The State Treasurer's Local Government Investment Pool ("LGIP") is an external investment pool that is not registered as an investment company with the Securities and Exchange Commission. However, the pool has a policy established to operate the pool consistent with the Securities and Exchange Commission Rule 2a-7 of the Investment Company Act of 1940. The LGIP is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any county treasurer or any governing body of a political subdivision of the State, may be deposited. Funds may be deposited by LGIP participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the LGIP may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211-1950.

At December 31, 2016, the underlying security ratings of the City's investment in the Local Government Investment Pool are not separately rated, however, additional information related to these deposits may be obtained from the Local Government Investment Pool's complete financial statements. These financial statements may be obtained by writing to the following address:

Office of the State Treasurer
Local Government Investment Pool
Post Office Box 11778
Columbia, South Carolina 29211

Interest rate risk – The City's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City does not consider itself to be at risk due to interest rates as all investments currently mature daily.

Concentration credit risk – The City's formal investment policy does not place a limit on the amount the City may invest in any one issuer. The City's investments held in the State Treasurer's Investment Pool comprise 51% of total deposits and investments. The additional concentration is not viewed to be an additional risk by the City as these accounts are fully collateralized.

Custodial credit risk – Deposits – Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At December 31, 2016, the carrying amount of the City's deposits was \$14,771,501 and the bank balance was \$15,021,265. The entire bank balance was covered by federal depository insurance or by collateral held by the City's agent in the City's name.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 2—Equity in pooled cash and investments, deposits and investments (continued)

Custodial credit risk – Investments – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2016, all of the City's investments held by the State Treasurer's Office, except those in securities lending transactions, are fully insured or collateralized; the investments held in Money Market Accounts are fully insured or collateralized. Fixed income mutual funds held by the City are rate AAAM by S&P and invest at least 99.5% of total assets in cash, U.S. Treasury bills, note and other obligations issued or guaranteed as to principal and interest by the U.S Treasury, and repurchase agreements secured by such obligation or cash.

Note 3—Fair value measurements

During the year ended December 31, 2016, the City adopted SGAS No. 72, *Fair Value Measurement and Application*, which requires fair value measurement be classified and disclosed in one of the following three Fair Value Hierarchy categories:

Level 1

Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments which would generally be included in Level 1 include listed equity securities, mutual funds, and money market funds.

Level 2

Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1; inputs include comparable market transactions, pricing of similar instruments, values reported by the administrator, and pricing expectations based on internal modeling. Fair value is determined through the use of models or other valuation methodologies. The types of investments which would generally be included in this category include publicly traded securities with restrictions on disposition, corporate obligations, and US Government and Agency Treasury Inflation Indices.

Level 3

Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investments. The types of investments which would generally be included in this category include debt and equity securities issued by private entities and partnerships. The inputs into the determination of fair value require significant judgment or estimation. Inputs include recent transactions, earnings forecasts, market multiples, and future cash flows.

The City's recurring fair value measurements as of December 31, 2016 for its \$482,179 investment in fixed income mutual funds are valued using similar significant observable assets (Level 2 inputs). The City's recurring fair value measurements as of December 31, 2016 for its \$19,460,016 investment in the Local Government Investment Pool ("LGIP") are valued at the Net Asset Value (NAV). Fair value of the LGIP's investments is determined on a recurring basis based upon quoted market prices. The fair value of the pool is allocated to its local governments with invested funds on an equal basis for each share owned, which are purchased at a cost of \$1.00.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 4—Capital assets

Capital asset activity for the year ended December 31, 2016, was as follows:

Governmental activities

	Balance 1/1/2016	Additions	Disposals	Balance 12/31/2016
Capital assets, not being depreciated:				
Land	\$ 8,347,503	\$ 853,030	\$ (45,716)	\$ 9,154,817
Construction in progress	2,856,351	391,278	(122,919)	3,124,710
Right-of-away	2,964,970	261,931	-	3,226,901
Total capital assets, not being depreciated	<u>14,168,824</u>	<u>1,506,239</u>	<u>(168,635)</u>	<u>15,506,428</u>
Capital assets, being depreciated:				
Land improvements	14,728,600	139,069	-	14,867,669
Buildings	45,768,605	461,645	-	46,230,250
Machinery and equipment	1,948,006	191,442	(56,774)	2,082,674
Furniture and fixtures	1,547,977	-	-	1,547,977
Vehicles	6,792,923	708,481	(326,583)	7,174,821
Infrastructure	22,220,928	1,682,887	-	23,903,815
Total capital assets, being depreciated	<u>93,007,039</u>	<u>3,183,524</u>	<u>(383,357)</u>	<u>95,807,206</u>
Less accumulated depreciation for:				
Land improvements	(7,458,195)	(755,154)	-	(8,213,349)
Buildings	(8,814,935)	(1,054,036)	-	(9,868,971)
Machinery and equipment	(1,482,675)	(144,297)	56,774	(1,570,198)
Furniture and fixtures	(979,890)	(112,669)	-	(1,092,559)
Vehicles	(3,288,837)	(633,010)	326,583	(3,595,264)
Infrastructure	(10,804,673)	(842,366)	-	(11,647,039)
Total accumulated depreciation	<u>(32,829,205)</u>	<u>(3,541,532)</u>	<u>383,357</u>	<u>(35,987,380)</u>
Total capital assets being depreciated, net	<u>60,177,834</u>	<u>(358,008)</u>	<u>-</u>	<u>59,819,826</u>
Governmental activities capital assets, net	<u>\$ 74,346,658</u>	<u>\$ 1,148,231</u>	<u>\$ (168,635)</u>	<u>\$ 75,326,254</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 4—Capital assets (continued)

Governmental activity depreciation expense was charged to functions as follows:

General government:	\$ 708,306
Public safety	779,137
Public works:	1,097,875
Recreation and parks:	956,214
	<u>\$ 3,541,532</u>

Business-type activities

	<u>Balance 1/1/2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/2016</u>
Capital assets, not being depreciated:				
Land	\$ 824,058	\$ -	\$ -	\$ 824,058
Construction in progress	20,824,961	4,949,134	-	25,774,095
Easements	62,760	-	-	62,760
Total capital assets, not being depreciated	<u>21,711,779</u>	<u>4,949,134</u>	<u>-</u>	<u>26,660,913</u>
Capital assets, being depreciated:				
Buildings	6,193,949	-	-	6,193,949
Machinery and equipment	2,845,435	81,321	(119,585)	2,807,171
Vehicles	4,413,202	-	(25,198)	4,388,004
System improvements	56,038,915	139,310	-	56,178,225
PSA capital	4,667,405	-	-	4,667,405
Total capital assets, being depreciated	<u>74,158,906</u>	<u>220,631</u>	<u>(144,783)</u>	<u>74,234,754</u>
Less accumulated depreciation for:				
Buildings	(2,608,540)	(236,278)	-	(2,844,818)
Machinery and equipment	(2,053,382)	(175,405)	103,479	(2,125,308)
Vehicles	(2,640,863)	(508,101)	25,201	(3,123,763)
System improvements	(15,124,637)	(802,707)	-	(15,927,344)
PSA capital	(2,468,653)	(117,005)	-	(2,585,658)
Total accumulated depreciation	<u>(24,896,075)</u>	<u>(1,839,496)</u>	<u>128,680</u>	<u>(26,606,891)</u>
Total capital assets being depreciated, net	<u>49,262,831</u>	<u>(1,618,865)</u>	<u>(16,103)</u>	<u>47,627,863</u>
Business-type activities capital assets, net	<u>\$ 70,974,610</u>	<u>\$ 3,330,269</u>	<u>\$ (16,103)</u>	<u>\$ 74,288,776</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 5—Capital lease obligations

The City has entered into several long-term lease agreements for machinery and equipment, furniture and fixtures, and vehicles. Although the leases contain clauses which provide that the leases are cancelable if funds are not appropriated for the periodic payments for any future fiscal periods, the leases meet the criteria of a capital lease as defined by the National Council on Governmental Accounting Statement No. 5, *Accounting and Financial Reporting Principles for Lease Agreements of State and Local Governments*. The following is an analysis of the capital assets leased under capital leases as of December 31, 2016:

	<u>Governmental Funds</u>	<u>Water and Wastewater</u>	<u>Sanitation</u>	<u>Total</u>
Machinery and equipment	\$ 589,994	\$ 193,584	\$ 398,996	\$ 1,182,574
Vehicles	2,315,414	403,642	1,298,146	4,017,202
Buildings	6,350,000	-	-	6,350,000
	9,255,408	597,226	1,697,142	11,549,776
Accumulated depreciation	<u>(1,997,164)</u>	<u>(229,691)</u>	<u>(832,961)</u>	<u>(3,059,816)</u>
Carry value	<u>\$ 7,258,244</u>	<u>\$ 367,535</u>	<u>\$ 864,181</u>	<u>\$ 8,489,960</u>

The following is a schedule of the future minimum lease payments under capital leases and the present value of the net minimum lease payments as of December 31, 2016:

<u>Year Ending December 31,</u>	<u>Governmental Funds</u>	<u>Business-type Funds</u>		<u>Total</u>
		<u>Water and Wastewater</u>	<u>Sanitation</u>	
2017	\$ 543,181	\$ 94,211	\$ 201,554	\$ 838,946
2018	464,228	80,517	172,258	717,003
2019	351,751	61,009	130,522	543,282
2020	119,613	20,746	44,384	184,743
Total minimum lease payments	1,478,773	256,483	548,718	2,283,974
Amount representing interest	<u>(47,379)</u>	<u>(6,125)</u>	<u>(13,441)</u>	<u>(66,945)</u>
Present value of minimum lease payments	<u>\$ 1,431,394</u>	<u>\$ 250,358</u>	<u>\$ 535,277</u>	<u>\$ 2,217,029</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 5—Capital lease obligations (continued)

Municipal center lease – During 2007, the City entered into a \$6,350,000 lease purchase agreement with a bank for financing a new municipal center. The proceeds from the lease were used for the construction of a Municipal Center complex for the City. The lease’s interest rate is 3.64% and matures December 20, 2024.

The future minimum lease payments under the capital lease as of December 31, 2016, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 381,251	\$ 126,242	\$ 507,493
2018	395,128	112,365	507,493
2019	409,511	97,982	507,493
2020	424,417	83,076	507,493
2021	439,866	67,627	507,493
2022-2024	<u>1,416,797</u>	<u>104,462</u>	<u>1,521,259</u>
	<u>\$ 3,466,970</u>	<u>\$ 591,754</u>	<u>\$ 4,058,724</u>

Note 6—Long-term debt

Changes in long-term debt

Long-term liability activity for the year ended December 31, 2016, was as follows:

	<u>Balance</u> <u>1/1/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2016</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Revenue bonds:					
North Augusta Public Facility Corporation revenue bond	\$ 9,738,217	\$ 403,120	\$ -	\$ 10,141,337	\$ -
Tax increment revenue bond	-	25,000	-	25,000	-
Total revenue bonds	<u>9,738,217</u>	<u>428,120</u>	<u>-</u>	<u>10,166,337</u>	<u>-</u>
Capital leases:					
Municipal Center lease	3,834,882	-	(367,912)	3,466,970	381,251
Capitalized leases	<u>1,123,575</u>	<u>880,655</u>	<u>(572,836)</u>	<u>1,431,394</u>	<u>473,630</u>
Total capital leases	4,958,457	880,655	(940,748)	4,898,364	854,881
Other liabilities:					
Compensated absences	<u>643,724</u>	<u>616,044</u>	<u>(603,586)</u>	<u>656,182</u>	<u>472,181</u>
Total	<u>\$ 15,340,398</u>	<u>\$ 1,924,819</u>	<u>\$(1,544,334)</u>	<u>\$ 15,720,883</u>	<u>\$ 1,327,062</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 6—Long-term debt (continued)

Revenue bond payable – Revenue bond payable (recorded as a liability for governmental activities) at December 31, 2016, is comprised of a ten million dollar taxable interim installment purchase revenue bond for the North Augusta Public Facilities Corporation dated January 21, 2015.

In January 2015, the North Augusta Public Facilities Corporation entered into an installment purchase transaction in the principal amount of not exceeding ten million dollars to construct and equip a parking garage. In January of 2016, this agreement was amended and restated as an installment purchase transaction in the principal amount, not exceeding thirteen million dollars, to refinance the costs relating to the construction and equipping of a parking garage and finance the costs relating to the construction and equipping of certain roads, water, sewer and related infrastructure. In January 2017, this agreement was amended and restated again in the principal amount not exceeding sixteen million dollars. In January 2017, the City also entered into an amended and restated agreement to lease the parking deck from the Corporation. Total draws as of December 31, 2016 are \$10,141,337. Total draws remaining as of December 31, 2016 are \$2,858,663. The bond matures in January 2018. No principal payments are due before that date. Interest payments are made quarterly based on the outstanding principal balance at the LIBOR daily floating rate plus the applicable margin. The City plans to refund the interim financing through a permanent bond transaction.

General Obligation Bonds – During 2006, the City issued \$4,710,000, in General Obligation Bonds, Series 2006. The proceeds from these bonds were used for the construction of a Municipal Center complex for the City. The bonds have rates of 3.75%-4.00% and mature April 1, 2021.

On December 4, 2013, the City defeased all of its outstanding Series 2006 general obligation bonds by depositing immediately available funds in the amount of \$3,351,320 in an irrevocable trust with an escrow agent. These funds were used to purchase U.S. Government Securities to provide for all future debt service payments on the debt. The City has determined that these investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the financial statements. As of December 31, 2016, the total amount of defeased debt outstanding but removed from the City's financial statements amounted to \$2,025,000.

Changes in long-term debt

Long-term liability activity for the year ended December 31, 2016, was as follows:

	<u>Balance</u> <u>1/1/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2016</u>	<u>Due Within</u> <u>One Year</u>
Business-type Activities:					
Revenue bonds payable:					
Revenue bonds	\$ 16,118,138	\$ 4,423,989	\$ (242,751)	\$ 20,299,376	\$ 1,387,031
Capital leases:					
Capitalized leases	1,245,633	-	(459,998)	785,635	333,028
Other liabilities:					
Compensated absences	291,638	194,753	(204,657)	281,734	281,734
Total	<u>\$ 17,655,409</u>	<u>\$ 4,618,742</u>	<u>\$ (907,406)</u>	<u>\$ 21,366,745</u>	<u>\$ 2,001,793</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 6—Long-term debt (continued)

Revenue bonds payable – Revenue bonds payable (recorded as a liability in the Water and Wastewater System Fund) at December 31, 2016, are comprised of the following individual issues:

<p>\$3,336,266 Water and Wastewater (Series 2002) serial bonds due in final installment of \$299,579 on June 1, 2017; interest at 4.46%</p>	<p>\$ 299,579</p>
<p>\$13,000,000 Water and Wastewater (Series 2014A) serial bonds, originally dated March 20, 2014 (SC Drinking Water Revolving Loan Fund Number 3-060-14-0210003-01) due in 80 quarterly installments of \$197,561 beginning May 1, 2015 through February 1, 2035; interest at 2.0%. Total draws as of December 31, 2016 are \$12,713,282. Total draws remaining are \$286,718.</p>	<p>11,771,276</p>
<p>\$13,000,000 Water and Wastewater (Series 2015A) serial bonds, originally dated February 17, 2015 (SC Drinking Water Revolving Loan Fund Number X3-065-14-0210003-02) due in 80 quarterly installments of \$197,561 beginning March 1, 2017; interest at 2.0%. Total draws as of December 31, 2016 are \$8,228,521. Total draws remaining are \$4,771,479.</p>	<p style="border-top: 1px solid black;">8,228,521</p> <p style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 20,299,376</p>

The annual requirements to amortize each of the City’s outstanding revenue bonds as of December 31, 2016, are as follows:

	2002 Revenue Bond Issue		
	Principal	Interest	Total
2017	\$ 299,579	\$ 20,074	\$ 319,653
	\$ 299,579	\$ 20,074	\$ 319,653

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 6—Long-term debt (continued)

2014A Revenue Bond Issue			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 553,217	\$ 237,029	\$ 790,246
2018	564,365	225,881	790,246
2019	575,737	214,509	790,246
2020	587,338	202,908	790,246
2021	599,173	191,073	790,246
2022-2035	<u>8,891,446</u>	<u>1,213,286</u>	<u>10,104,732</u>
	<u>\$ 11,771,276</u>	<u>\$ 2,284,686</u>	<u>\$ 14,055,962</u>

2015A Revenue Bond Issue			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 534,235	\$ 256,011	\$ 790,246
2018	545,001	245,245	790,246
2019	555,983	234,263	790,246
2020	567,186	223,060	790,246
2021	578,616	211,630	790,246
2022-2036	<u>5,447,500</u>	<u>802,703</u>	<u>6,250,203</u>
	<u>\$ 8,228,521</u>	<u>\$ 1,972,912</u>	<u>\$ 10,201,433</u>

The revenue bond ordinances require, among other things, that certain funds be maintained as follows:

<u>Funds</u>	<u>Purposes</u>
Gross Revenue Fund	To receive all receipts, income, and revenues that the City shall derive directly or indirectly from the operation of the system and to disburse them to the following funds.
Operation and Maintenance Fund	To provide for the payment of all fund expenses incurred in connection with the administration and operation of the System.
Bond and Interest Redemption Fund	To provide for the payment of the principal and interest on the bonds.
Debt Service Reserve Fund	To insure the timely payment of the principal and interest on the bonds, and to provide for the redemption of bonds prior to their stated maturity.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 6—Long-term debt (continued)

Depreciation or Replacement Fund	Intended to build up a reasonable reserve for depreciation of the System for the purpose of restoring depreciated or obsolete items of the System.
Contingent Fund	Intended to build up a reasonable reserve for improvements, betterments and extensions to the System.
Construction Fund	Intended to provide for the payment of temporary loans made in anticipation of the issuance of bonds and the cost of the construction of the improvements.

Monies shall be transferred to all the funds from the Gross Revenue Fund monthly as required to meet the stated purpose of the individual funds. The System is specifically required to deposit one-sixth of the aggregate amount of interest to become due on the next semiannual interest payment date and one-twelfth of the aggregate annual amount of principal to become due in the Bond and Interest Redemption Fund monthly.

The revenue bonds are collateralized by a pledge of revenues derived from the System. Annual principal and interest payments on the revenue bonds are expected to be less than 25 percent of annual net System charges for services. Principal and interest paid in 2016 totaled \$1,169,080. Total net charges for services for the year were \$9,155,898.

Note 7—Property taxes

Taxes on real property and merchants' inventory are levied on January 1 of each year and are based on ownership of such property and inventory as of January 1 of the preceding year. These taxes are billed and payable between January 1 and May 1 of the year in which they are levied. As of May 1, property taxes attach as an enforceable lien on property. The City bills and collects its own real and merchants' ad valorem taxes. Taxes on personal property are levied and billed in the month prior to the renewal of the annual vehicle registration through the State Highway Department and are payable prior to the registration and tag purchase. Ad valorem taxes on personal property (vehicles) are billed and collected by the City Treasurer and remitted to the City on a monthly basis. City property tax revenues are recognized in the year for which taxes have been levied and are collectible either during that year or within sixty days following year end.

Note 8—Pension plans

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the systems and serves as a co-trustee of the systems in conducting that review. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available on the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 8—Pension plans (continued)

PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the CAFR of the state. The City of North Augusta is a member of the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS).

Plan description - The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

Membership - Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits - Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of benefit terms for each system is presented below.

SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 8—Pension plans (continued)

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions - Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty year amortization period; and, this increase is not limited to one-half of one percent per year.

SCRS – Plan members were required to contribute 8.16% of their gross earnings for the period of January 1, 2016 to June 30, 2016 and 8.66% of their gross earnings for the period of July 1, 2016 to December 31, 2016. The City of North Augusta is required to contribute at an actuarially-determined rate. The rate was 10.90% of gross earnings for the period of January 1, 2016 to June 30, 2016 and 11.56% for July 1, 2016 to December 31, 2016. The City's contributions to SCRS for the fiscal year ending December 31, 2016 were approximately \$835,000, equal to the required contributions for each year.

PORS – Plan members were required to contribute 8.74% of their gross earnings for the period of January 1, 2016 to June 30, 2016 and 9.24% of their gross earnings for the period of July 1, 2016 to December 31, 2016. The City of North Augusta is required to contribute at an actuarially-determined rate. The rate was 13.74% of gross earnings for the period of January 1, 2016 to June 30, 2016 and 14.24% of gross earnings for the period of July 1, 2016 to December 31, 2016. The City's contributions to PORS for the fiscal year ending December 31, 2016 were approximately \$504,000, equal to the required contributions for each year.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 8—Pension plans (continued)

Net pension liability - The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2015. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2015 actuarial valuations, using membership data as of July 1, 2015, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2016, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by the consulting actuary, Gabriel, Roeder, Smith and Company.

At December 31, 2016, the City reported \$16,062,609 and \$7,039,605 for its proportionate share of the collective net pension liability (NPL) for SCRS and PORS, respectively. The City's proportionate share of the SCRS and PORS net pension liability was calculated on the basis of historical employer contributions to the plan. At December 31, 2016, the City's proportionate share was 0.075200% for SCRS and 0.27753% for PORS.

Deferred outflows/ (inflows) of resources - For the year ended December 31, 2016, the City recognized pension expense of \$1,440,907 and \$799,291 for SCRS and PORS, respectively. At December 31, 2016, the City reported deferred outflows and deferred inflows of resources for each of the respective plans:

	SCRS		PORS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,351,382	\$ -	\$ 798,230	\$ -
Net difference between expected and actual pension plan experience	166,508	17,444	104,454	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	44,222	29,983	125,378	-
Employer contributions subsequent to the measurement date	459,606	-	276,632	-
Total	\$ 2,021,718	\$ 47,427	\$ 1,304,694	\$ -

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 8—Pension plans (continued)

The deferred outflows of resources of \$459,606 and \$276,632 for SCRS and PORS, related to pensions resulting from the City’s contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at December 31, 2016. Average remaining service lives of all employees provided with pensions through the pension plans for the June 30, 2016 measurement period was 4.116 years for SCRS and 4.665 years for PORS.

Amortization of remaining deferred outflows/(inflows)
Measurement period ending June 30, 2016

	SCRS	PORS
2017	383,300	242,077
2018	296,265	236,782
2019	532,362	354,199
2020	302,758	195,004
Net balance deferred outflows/(inflow) of resources	\$ 1,514,685	\$ 1,028,062

Pension plan fiduciary net position - Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA’s Retirement Benefits’ website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

Actuarial assumptions and methods - Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study, performed on data through June 30, 2015, and the next experience study will be conducted no later than as of June 30, 2020.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2015, valuations for SCRS and PORS.

Summary of actuarial assumptions and methods

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Projected salary increases	3.5% to 12.5% (varies by service)	4.0% - 10.0% (varies by service)
Includes inflation at	2.75%	2.75%
Benefit adjustments	lessor of 1% or \$500 annually	lessor of 1% or \$500 annually

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 8—Pension plans (continued)

The post-retiree mortality assumption is dependent upon the member’s job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

Post-retiree mortality assumptions

Former Job Class	Males	Females
Educators and Judges	RP-2000 Males (with White Collar adjustment multiplied by 110%)	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety, Firefighters and members of the South Carolina National Guard	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

Long-term expected rate of return - The long-term expected rate of return on pension plan investments, as used in the July 1, 2015, actuarial valuations, was based upon the 30 year capital market outlook at the end of the third quarter 2015. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 8 – Pension plans (continued)

Asset class	Target allocation	Long-term expected real rate of return
Global Equity	43%	3.06%
Real Assets	8%	0.35%
Opportunistic	20%	0.78%
Diversified Credit	17%	0.73%
Conservative Fixed Income	12%	0.18%
Total expected real return	100%	5.10%
Inflation for actuarial purposes		2.75%
Total expected nominal return		7.85%

Discount rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The following table presents the sensitivity of the net pension liability to changes in the discount rate.

Sensitivity analysis - The following table represents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.5%) or 1% higher (8.50%) than the current rate:

	1% Decrease (6.5%)	Current discount rate (7.5%)	1% Increase (8.5%)
SCRS	\$ 20,037,665	\$ 16,062,609	\$ 12,753,525
PORS	9,225,839	7,039,605	5,074,623

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 9—Interfund receivables, payables, and transfers

Interfund receivable and payable balances at December 31, 2016 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	<u>\$ 511,933</u>

Outstanding balances between the funds is a result of a time lag between the dates that transfers were recorded and the payments between funds are made.

The following interfund transfers are reflected in the fund financial statements at December 31, 2016:

<u>Transfer in</u>	<u>Transfer out</u>	<u>Amount</u>
General Fund	Water and Wastewater Fund	\$ 383,950
General Fund	Sanitation	156,993
General Fund	Nonmajor governmental fund	50,075
North Augusta Public Facilities Corp.	Nonmajor governmental fund	403,120
Nonmajor governmental fund	North Augusta Public Facilities Corp.	<u>403,120</u>
		<u>\$ 1,397,258</u>

Interfund transfers include transfers of unrestricted revenues collected in certain enterprise funds to finance various programs accounted for in the General Fund, in accordance with budgetary authorizations; and, transfers of revenues from the fund that is required to collect them and the fund that is required or allowed to expend them.

Note 10—Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state to form the South Carolina Municipal Insurance and Risk Financing Fund (SCMIRF), which is a public entity risk pool currently operating as common risk management and insurance programs. The City pays a bi-annual premium to SCMIRF for its general insurance. The SCMIRF is self-sustaining through member premiums and will reinsure through commercial companies.

The City also has joined together with other municipalities in the state to form the South Carolina Municipal Insurance Trust (SCMIT), a public entity risk pool operating as a common risk management and insurance program for worker's compensation. The City pays a quarterly premium to SCMIT. The SCMIT is self-sustaining through member premiums and uses reinsurance agreements to reduce its exposure to large workers' compensation losses.

There were no significant reductions in insurance coverage during the year. Settlements have not exceeded insurance coverage for each of the past three years.

The City pays monthly premiums to the Public Employee Benefit Authority for its health and dental insurance benefits.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

Note 11—Commitments

Significant commitments at December 31, 2016 are composed of the following:

	<u>Project Authorization</u>	<u>Expended through December 31, 2016</u>	<u>Commitment</u>
Water plant upgrade	\$ 14,813,081	\$ 9,622,754	\$ 5,190,327

The City has entered into an agreement for the future operations and maintenance of the Savannah Bluff Lock and Dam for the purpose of maintaining the Augusta Pool. The agreement is between: the City of North Augusta; Aiken City, South Carolina; Augusta, Georgia; and four industrial stakeholders. The agreement is contingent based on future upgrades of the Savannah Bluff Lock and Dam by the Corps of Engineers. The agreement calls for the establishment of an escrow account in the amount of \$1,000,000 to be established over a three-year period and funded by the participating entities. The City established a separate enterprise fund, The Savannah Bluff Lock and Dam Fund. The fund established by the City will receive all revenues associated with the project and all direct costs incurred by the contractor or the local sponsors will be paid by the fund. The escrow account balance of \$1,000,000 was fully funded as of December 31, 2009. The Savannah Bluff Lock and Dam will be operated within the guidelines established by the Corps of Engineers. The City will not be directly involved in the daily operations of the facility.

Note 12—Contingencies

The City is a defendant in various lawsuits. In the opinion of the City's management and the City Attorney, the ultimate effect of these matters will not have a material adverse effect on the financial condition of the City.

Note 13 – Subsequent Events

Subsequent to December 31, 2016, North Augusta Public Facilities Corporation, a blended component unit of the City, issued installment purchase revenue bonds in the principal amount of \$69,450,000. Proceeds from the bonds will be used for construction of capital assets, as well as refinancing the municipal center capital lease and the North Augusta Public Facility Corporation revenue bond included in Note 5 to the financial statements.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2016

Schedule of the City's Proportionate Share of the Net Pension Liability*

SCRS:

	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered employee payroll	City's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
6/30/2015	0.0754%	\$ 14,301,301	\$ 7,070,316	202.27%	57.00%
6/30/2016	0.0752%	16,062,609	7,282,122	220.58%	52.90%

PORS:

	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered employee payroll	City's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
6/30/2015	0.2733%	\$ 5,956,041	\$ 3,385,504	175.93%	64.60%
6/30/2016	0.2775%	\$ 7,039,605	\$ 3,538,195	198.96%	60.40%

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2016

Schedule of the City's Contributions to the South Carolina Retirement System – Last 10 Fiscal Years

SCRS:

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	City's covered- employee payroll	Contributions as a percentage of covered- employee payroll
12/31/2007	515,958	(515,958)	-	5,925,654	8.71%
12/31/2008	597,924	(597,924)	-	6,428,231	9.30%
12/31/2009	613,756	(613,756)	-	6,539,272	9.39%
12/31/2010	619,447	(619,447)	-	6,596,875	9.39%
12/31/2011	616,283	(616,283)	-	6,513,488	9.46%
12/31/2012	656,333	(656,333)	-	6,518,085	10.07%
12/31/2013	700,473	(700,473)	-	6,608,240	10.60%
12/31/2014	752,690	(752,690)	-	7,001,673	10.75%
12/31/2015	818,535	(818,535)	-	7,452,451	10.98%
12/31/2016	824,105	(824,105)	-	7,371,464	11.18%

PORS:

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	City's covered- employee payroll	Contributions as a percentage of covered- employee payroll
12/31/2007	287,138	(287,138)	-	2,683,530	10.70%
12/31/2008	308,425	(308,425)	-	2,835,719	10.88%
12/31/2009	324,295	(324,295)	-	2,872,514	11.29%
12/31/2010	339,895	(339,895)	-	3,010,428	11.29%
12/31/2011	354,152	(354,152)	-	3,040,661	11.65%
12/31/2012	374,823	(374,823)	-	3,116,056	12.03%
12/31/2013	374,823	(374,823)	-	3,136,039	11.95%
12/31/2014	432,698	(432,698)	-	3,297,144	13.12%
12/31/2015	492,613	(492,613)	-	3,627,182	13.58%
12/31/2016	489,908	(489,908)	-	3,599,658	13.61%

OTHER SUPPLEMENTARY INFORMATION

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
GENERAL FUND

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Taxes:			
Current	\$ 6,460,525	\$ 6,564,165	\$ 103,640
Delinquent	10,000	18,086	8,086
Penalties	52,000	64,349	12,349
Total Taxes	<u>6,522,525</u>	<u>6,646,600</u>	<u>124,075</u>
Licenses and Permits:			
Business licenses	5,307,795	5,514,782	206,987
Building permits	280,000	314,476	34,476
Electrical permits	16,000	21,641	5,641
Mechanical permits	14,000	21,858	7,858
Plumbing permits	11,000	12,900	1,900
Total Licenses and Permits	<u>5,628,795</u>	<u>5,885,657</u>	<u>256,862</u>
Fines and Forfeitures:			
Public safety fines	1,075,205	974,174	(101,031)
Drug related fines	20,000	22,625	2,625
Total Fines and Forfeitures	<u>1,095,205</u>	<u>996,799</u>	<u>(98,406)</u>
Charges for Services:			
Fire protection fees	58,536	63,303	4,767
Customer street light fees	70,684	78,018	7,334
Municipal Center rentals	95,350	108,843	13,493
Recreation fees			
Special programs	27,000	29,905	2,905
Volleyball	6,950	5,115	(1,835)
Soccer	60,440	60,982	542
Miscellaneous	71,000	132,046	61,046
Basketball	45,450	55,752	10,302
Softball	31,970	35,102	3,132
Football	32,670	42,381	9,711
Baseball	73,920	70,681	(3,239)
Concession stand	140,000	169,007	29,007
Community Center fees	74,955	56,314	(18,641)
Activities Center fees	187,480	175,243	(12,237)
Recreation facilities rentals	21,000	26,435	5,435
Activities Center tournaments	248,000	292,218	44,218
Total Charges for Services	<u>1,245,405</u>	<u>1,401,345</u>	<u>155,940</u>
Intergovernmental:			
State of South Carolina:			
State shared revenue	524,530	518,875	(5,655)
Accommodations tax	36,000	34,190	(1,810)
Merchants' inventory tax	54,700	54,790	90
Local option sales tax	20,000	19,237	(763)
SCDOT traffic signals	81,300	76,860	(4,440)
Law enforcement net grant	28,000	25,457	(2,543)
Department of Justice grant	11,000	1,389	(9,611)
Total Intergovernmental	<u>755,530</u>	<u>730,798</u>	<u>(24,732)</u>

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
GENERAL FUND

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
Miscellaneous:			
Other	353,840	407,026	53,186
Communication tower rental	185,598	116,769	(68,829)
Interest earnings	20,000	120,860	100,860
Total Miscellaneous	<u>559,438</u>	<u>644,655</u>	<u>85,217</u>
Total Revenues	<u>\$ 15,806,898</u>	<u>\$ 16,305,854</u>	<u>\$ 498,956</u>
Expenditures:			
General Government:			
City Council -			
Personal services:			
Salaries and wages	\$ 104,506	\$ 104,201	\$ (305)
FICA	7,995	6,746	(1,249)
Employee retirement	9,457	9,472	15
Employee insurance	30,000	32,185	2,185
Workers' compensation	5,509	2,829	(2,680)
Operating expenditures:			
General supplies/postage	4,025	4,526	501
Dues/training/travel	8,510	3,471	(5,039)
Contracts/repairs	1,200	1,691	491
Advertising	300	200	(100)
Professional Services	50	284	234
Special department supplies	800	816	16
Insurance	839	787	(52)
Contingencies	2,000	-	(2,000)
Total	<u>175,191</u>	<u>167,208</u>	<u>(7,983)</u>
City Administration -			
Personal services:			
Salaries and wages	125,338	128,648	3,310
FICA	9,588	9,189	(399)
Employee retirement	13,862	14,219	357
Employee insurance	7,500	8,046	546
Workers' compensation	6,833	3,496	(3,337)
Operating expenditures:			
General supplies/postage	1,750	1,840	90
Dues/training/travel	9,000	10,772	1,772
Contracts/repairs	4,200	4,814	614
Professional services	65,000	59,055	(5,945)
Insurance	2,133	2,950	817
Total	<u>245,204</u>	<u>243,029</u>	<u>(2,175)</u>

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
GENERAL FUND

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
General Government (continued):			
Justice and Law -			
Personal services:			
Salaries and wages	108,820	121,223	12,403
FICA	8,325	8,836	511
Employee retirement	12,036	11,611	(425)
Employee insurance	7,500	8,046	546
Workers' compensation	5,765	3,059	(2,706)
Operating expenditures:			
General supplies/postage	2,500	1,338	(1,162)
State fees/fines	577,664	530,641	(47,023)
Dues/training/travel	5,275	1,844	(3,431)
Data processing	1,500	922	(578)
Contracts and repairs	10,650	10,432	(218)
Jury services	3,000	950	(2,050)
Professional services	29,096	40,637	11,541
Judgments and settlements	2,000	3,650	1,650
Juvenile detention	150	-	(150)
Insurance	22,392	20,994	(1,398)
Total	796,673	764,183	(32,490)
Community Promotion -			
Operating expenditures:			
Contributions	78,270	78,270	-
Dues/training/travel	5,931	-	(5,931)
Special department supplies	14,650	17,693	3,043
Insurance	4,131	3,873	(258)
Total	102,982	99,836	(3,146)
Finance -			
Personal services:			
Salaries and wages	243,976	241,330	(2,646)
FICA	18,664	17,882	(782)
Employee retirement	26,984	26,219	(765)
Employee insurance	30,000	31,845	1,845
Workers' compensation	12,904	7,451	(5,453)
Operating expenditures:			
General supplies/postage	7,200	10,647	3,447
Dues/training/travel	2,225	2,125	(100)
Data processing	7,200	11,180	3,980
Contracts/repairs	22,180	21,820	(360)
Advertising	1,000	706	(294)
Professional services	19,000	19,367	367
Insurance	3,131	2,936	(195)
Total	394,464	393,508	(956)

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
GENERAL FUND

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
General Government (continued):			
Building Standards -			
Personal services:			
Salaries and wages	234,981	232,649	(2,332)
FICA	17,976	17,592	(384)
Employee retirement	25,989	25,936	(53)
Employee insurance	33,750	36,208	2,458
Workers' compensation	12,222	10,226	(1,996)
Operating expenditures:			
General supplies/postage	3,000	2,889	(111)
Dues/training/travel	2,737	1,883	(854)
Auto operating	5,350	4,945	(405)
Data processing	6,000	6,470	470
Contracts/repairs	2,900	2,663	(237)
Uniforms/clothing	1,350	1,454	104
Special department supplies	2,600	3,059	459
Insurance	1,101	1,032	(69)
Capital lease payments	4,730	4,626	(104)
Capital outlay:			
Vehicles	-	22,397	22,397
Total	354,686	374,029	19,343
Planning and Development -			
Personal services:			
Salaries and wages	147,260	159,966	12,706
FICA	11,265	12,190	925
Employee retirement	16,287	17,798	1,511
Employee insurance	15,000	16,411	1,411
Workers' compensation	8,059	4,113	(3,946)
Operating expenditures:			
General supplies/postage	3,900	993	(2,907)
Dues/training/travel	7,000	3,158	(3,842)
Auto operating	1,750	636	(1,114)
Data processing	6,875	6,931	56
Contracts/repairs	4,800	2,761	(2,039)
Advertising	1,000	530	(470)
Professional services	20,000	3,099	(16,901)
Special department supplies	3,500	1,591	(1,909)
Insurance	2,191	2,054	(137)
Capital lease payments	6,295	6,161	(134)
Capital outlay:			
Equipment	-	9,715	9,715
Total	255,182	248,107	(7,075)
City Buildings -			
Operating expenditures:			
General supplies/postage	24,200	20,550	(3,650)
Utility services	217,500	186,517	(30,983)
Contracts/repairs	74,212	62,188	(12,024)
Professional services	5,500	9,142	3,642
Special department supplies	-	858	858
Insurance	23,087	21,646	(1,441)
Total	344,499	300,901	(43,598)

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
GENERAL FUND

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
General Government (continued):			
Human Resources -			
Personal services:			
Salaries and wages	109,202	95,338	(13,864)
FICA	8,354	7,252	(1,102)
Employee retirement	12,078	10,511	(1,567)
Employee insurance	15,000	17,532	2,532
Workers' compensation	5,785	2,971	(2,814)
Unemployment insurance	25	-	(25)
Operating expenditures:			
General supplies/postage	1,740	1,712	(28)
Dues/training/travel	1,555	1,587	32
Contracts/repairs	1,850	1,492	(358)
Professional services	22,201	21,368	(833)
Special department supplies	37,062	24,353	(12,709)
Total	<u>214,852</u>	<u>184,116</u>	<u>(30,736)</u>
Information Technology -			
Personal services:			
Salaries and wages	65,824	67,915	2,091
FICA	5,036	5,074	38
Employee retirement	7,280	7,450	170
Employee insurance	11,250	12,069	819
Workers' compensation	3,487	1,791	(1,696)
Operating expenditures:			
General supplies/postage	-	97	97
Auto operating	1,725	1,637	(88)
Utility services	94,000	102,369	8,369
Data processing	13,520	13,578	58
Contracts/repairs	52,900	16,844	(36,056)
Capital lease payments	5,894	5,534	(360)
Capital outlay:			
Equipment	-	81,405	81,405
Total	<u>260,916</u>	<u>315,763</u>	<u>54,847</u>
Total General Government	<u>\$ 3,144,649</u>	<u>\$ 3,090,680</u>	<u>\$ (53,969)</u>

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
GENERAL FUND

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
Public Safety -			
Personal services:			
Salaries and wages	\$ 4,301,871	\$ 4,356,725	\$ 54,854
Overtime pay	140,300	156,491	16,191
FICA	339,825	327,808	(12,017)
Employee retirement	588,307	580,878	(7,429)
Employee insurance	690,000	738,970	48,970
Workers' compensation	228,898	137,855	(91,043)
Unemployment insurance	3,000	-	(3,000)
Operating expenditures:			
General supplies/postage	22,000	21,583	(417)
Dues/training/travel	59,435	47,744	(11,691)
Auto operating	226,712	217,414	(9,298)
Data processing	104,750	107,979	3,229
Contracts/repairs	250,000	244,390	(5,610)
Uniforms/clothing	94,950	104,161	9,211
CVA expenditures	15,000	15,089	89
LEN grant	28,000	25,275	(2,725)
NAPS drug related account	20,000	22,625	2,625
Advertising	8,400	7,823	(577)
Professional services	47,610	33,344	(14,266)
Special department supplies	119,350	121,938	2,588
Insurance	66,312	62,172	(4,140)
Capital lease payments	434,661	377,460	(57,201)
Capital outlay:			
Automotive equipment	-	591,280	591,280
Machines and equipment	10,000	-	(10,000)
Total Public Safety	<u>\$ 7,799,381</u>	<u>\$ 8,299,004</u>	<u>\$ 499,623</u>
Public Works:			
Engineering -			
Personal services:			
Salaries and wages	\$ 90,027	\$ 90,143	\$ 116
FICA	6,887	6,760	(127)
Employee retirement	9,957	9,940	(17)
Employee insurance	13,452	14,882	1,430
Workers' compensation	4,202	2,158	(2,044)
Unemployment insurance	50	-	(50)
Operating expenditures:			
General supplies/postage	500	342	(158)
Dues/training/travel	1,328	1,222	(106)
Auto operating	2,125	1,644	(481)
Data processing	2,500	2,515	15
Contracts/repairs	2,100	1,374	(726)
Uniforms/clothing	750	406	(344)
Advertising	100	1,337	1,237
Special department supplies	1,500	880	(620)
Insurance	18,243	17,104	(1,139)
Total	<u>153,721</u>	<u>150,707</u>	<u>(3,014)</u>

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
GENERAL FUND

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
Public Works (continued):			
Street Lighting and Traffic Signals -			
Operating expenditures:			
Dues/training/travel	2,450	3,276	826
Utility services	425,000	399,373	(25,627)
Contracts/repairs	15,500	16,509	1,009
Professional services	6,000	-	(6,000)
Special department supplies	18,500	5,616	(12,884)
Total	467,450	424,774	(42,676)
Streets and Drains -			
Personal services:			
Salaries and wages	431,510	373,458	(58,052)
Overtime pay	7,500	4,798	(2,702)
FICA	33,584	27,996	(5,588)
Employee retirement	48,554	41,737	(6,817)
Employee insurance	75,000	80,665	5,665
Workers' compensation	23,846	25,326	1,480
Operating expenditures:			
General supplies/postage	500	455	(45)
Dues/training/travel	1,125	663	(462)
Auto operating	35,600	31,571	(4,029)
Contracts/repairs	33,640	31,753	(1,887)
Building materials/supplies	65,000	64,536	(464)
Uniforms/clothing	5,400	5,393	(7)
Professional services	270	14	(256)
Special department supplies	18,800	18,377	(423)
Judgments/settlements	500	-	(500)
Insurance	10,097	9,467	(630)
Capital lease payments	80,442	74,953	(5,489)
Capital outlay:			
Machines and equipment	-	5,049	5,049
Vehicles	-	94,804	94,804
Total	871,368	891,015	19,647
Total Public Works	\$ 1,492,539	\$ 1,466,496	\$ (26,043)

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
GENERAL FUND

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
Parks, Recreation, and Tourism:			
Recreation -			
Personal services:			
Salaries and wages	\$ 340,055	\$ 324,359	\$ (15,696)
Overtime pay	8,000	5,013	(2,987)
FICA	26,626	24,414	(2,212)
Employee retirement	37,752	35,410	(2,342)
Employee insurance	37,500	40,231	2,731
Workers' compensation	17,852	9,090	(8,762)
Operating expenditures:			
General supplies/postage	2,400	2,182	(218)
Dues/training/travel	8,765	10,662	1,897
Auto operating	2,600	822	(1,778)
Contract/repairs	7,750	7,774	24
Uniforms/clothing	900	414	(486)
Advertising	1,500	1,298	(202)
Rent	800	-	(800)
Professional services	29,620	33,213	3,593
Special department supplies	88,700	162,216	73,516
Basketball program	41,200	51,222	10,022
Softball program	28,000	32,086	4,086
Football program	32,500	37,115	4,615
Baseball program	72,000	71,214	(786)
Soccer program	53,500	50,309	(3,191)
Volleyball program	4,700	4,246	(454)
Concession stand supplies	115,000	128,006	13,006
Insurance	16,178	15,168	(1,010)
Capital outlay:			
Furniture/fixtures	1,500	-	(1,500)
Total	975,398	1,046,464	71,066
Parks -			
Personal services:			
Salaries and wages	194,937	200,263	5,326
Overtime pay	12,000	15,311	3,311
FICA	15,831	16,056	225
Employee retirement	22,887	23,866	979
Employee insurance	37,500	40,231	2,731
Workers' compensation	10,798	5,692	(5,106)
Unemployment insurance	900	-	(900)
Operating expenditures:			
General supplies/postage	1,500	882	(618)
Dues/training/travel	1,150	946	(204)
Auto operating	11,750	10,460	(1,290)
Utility services	58,500	68,574	10,074
Contracts/repairs	99,550	99,494	(56)
Building materials/supplies	15,100	11,563	(3,537)
Uniforms/clothing	2,100	1,744	(356)
Advertising	300	300	-
Professional services	180	-	(180)
Special department supplies	18,500	15,379	(3,121)
Insurance	7,043	6,603	(440)
Capital lease payments	12,100	12,041	(59)
Capital outlay:			
Machines/equipment	-	55,590	55,590
Park improvements	5,000	5,000	-
Total	527,626	589,995	62,369

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
GENERAL FUND

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
Parks, Recreation, and Tourism (continued):			
Property Maintenance -			
Personal services:			
Salaries and wages	529,140	517,527	(11,613)
Overtime pay	13,594	9,538	(4,056)
FICA	41,519	37,882	(3,637)
Employee retirement	60,026	58,137	(1,889)
Employee insurance	105,000	112,646	7,646
Workers' compensation	26,928	18,628	(8,300)
Unemployment insurance	900	-	(900)
Operating expenditures:			
General supplies/postage	800	1,034	234
Dues/training/travel	2,400	2,631	231
Auto operating	42,935	35,601	(7,334)
Utility services	17,940	16,960	(980)
Data processing	500	228	(272)
Contracts/repairs	24,350	33,856	9,506
Building materials/supplies	3,600	4,186	586
Uniforms/clothing	7,500	9,172	1,672
Advertising	250	342	92
Professional services	128,152	105,096	(23,056)
Special department supplies	121,305	132,765	11,460
Insurance	17,954	18,779	825
Capital lease payments	84,604	81,220	(3,384)
Capital outlay:			
Machines/equipment	10,025	31,567	21,542
Total	1,239,422	1,227,795	(11,627)
Community Center -			
Personal services:			
Salaries and wages	73,295	75,154	1,859
Overtime pay	2,000	1,646	(354)
FICA	5,760	5,841	81
Employee retirement	8,328	8,469	141
Employee insurance	15,000	16,092	1,092
Workers' compensation	3,976	2,042	(1,934)
Unemployment insurance	250	-	(250)
Operating expenditures:			
General supplies/postage	2,800	1,098	(1,702)
Auto operating	800	117	(683)
Utility services	22,000	21,493	(507)
Contracts/repairs	15,200	16,068	868
Uniforms/clothing	650	641	(9)
Advertising	3,000	1,420	(1,580)
Professional services	2,000	735	(1,265)
Special department supplies	14,000	9,551	(4,449)
Insurance	3,137	2,941	(196)
Total	172,196	163,308	(8,888)

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED WITH BUDGET
GENERAL FUND

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
Parks, Recreation, and Tourism (continued):			
RVP Activities Center -			
Personal services:			
Salaries and wages	280,339	287,820	7,481
Overtime pay	12,000	10,444	(1,556)
FICA	22,364	21,689	(675)
Employee retirement	32,333	32,955	622
Employee insurance	45,000	48,914	3,914
Workers' compensation	17,694	7,853	(9,841)
Operating expenditures:			
General supplies/postage	8,500	9,970	1,470
Dues/training/travel	1,100	1,158	58
Auto operating	1,650	703	(947)
Utility services	121,000	136,990	15,990
Data processing	6,000	5,952	(48)
Contracts/repairs	65,295	67,472	2,177
Uniforms/clothing	1,400	487	(913)
Advertising	2,300	2,276	(24)
Professional services	180	206	26
Tournaments/special events	150,000	182,498	32,498
Special department supplies	29,500	32,349	2,849
Insurance	14,746	13,825	(921)
Capital outlay:			
Furniture/fixtures	3,500	-	(3,500)
Total	814,901	863,561	48,660
Tourism -			
Personal services:			
Salaries and wages	116,905	120,143	3,238
Overtime pay	5,000	4,271	(729)
FICA	9,326	9,207	(119)
Employee retirement	13,483	13,756	273
Employee insurance	22,500	24,138	1,638
Workers' compensation	6,530	3,353	(3,177)
Operating expenditures:			
General supplies/postage	10,000	5,135	(4,865)
Data processing	2,160	983	(1,177)
Uniforms/clothing	1,000	867	(133)
Advertising	8,000	5,125	(2,875)
Professional services	4,000	3,305	(695)
Special department supplies	32,900	21,489	(11,411)
Total	231,804	211,772	(20,032)
Total Parks, Recreation, and Tourism	\$ 3,961,347	\$ 4,102,895	\$ 141,548
Interest and fiscal charges	-	15,466	15,466
Total Expenditures	\$ 16,397,916	\$ 16,974,541	\$ 576,625

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2016

	Capital Projects Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS			
Equity in pooled cash	\$ 753,424	\$ 1,305,694	\$ 2,059,118
Investments	224,106	655,843	879,949
Restricted cash and investments	2,890,567	118,541	3,009,108
Total Assets	\$ 3,868,097	\$ 2,080,078	\$ 5,948,175
LIABILITIES			
Accounts payable	\$ 241	\$ 1,331	\$ 1,572
Unearned revenue - assessment fees	83,771	-	83,771
Total Liabilities	84,012	1,331	85,343
FUND BALANCES			
Fund balances:			
Restricted for:			
Capital projects	2,890,326	-	2,890,326
Public safety (Fire Division)	-	117,461	117,461
Committed for:			
Capital projects	464,904	558,046	1,022,950
Parks, recreation and tourism	-	12,920	12,920
Special projects	-	1,390,320	1,390,320
Assigned for:			
Capital projects	428,855	-	428,855
Total Fund Balances	3,784,085	2,078,747	5,862,832
Total Liabilities and Fund Balances	\$ 3,868,097	\$ 2,080,078	\$ 5,948,175

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

DECEMBER 31, 2016

	Sales Tax Fund	Sales Tax II Fund	Street Improvements Fund	Tax Increment Fund	Transportation Improvement Fund	Project Jackson Construction Fund	Total
ASSETS							
Equity in pooled cash	\$ -	\$ -	\$ 567,306	\$ 87,569	\$ 89,569	\$ 8,980	\$ 753,424
Investments	-	-	54,672	50,692	118,742	-	224,106
Restricted cash and investments	403,850	1,730,354	100,000	-	656,363	-	2,890,567
Total Assets	\$ 403,850	\$ 1,730,354	\$ 721,978	\$ 138,261	\$ 864,674	\$ 8,980	\$ 3,868,097
LIABILITIES							
Accounts payable	\$ -	\$ 241	\$ -	\$ -	\$ -	\$ -	\$ 241
Unearned revenue - assessment fees	-	-	-	-	83,771	-	83,771
Total Liabilities	-	241	-	-	83,771	-	84,012
FUND BALANCES							
Fund balances:							
Restricted for:							
Capital projects	403,850	1,730,113	100,000	-	656,363	-	2,890,326
Committed for:							
Capital projects	-	-	272,404	138,261	54,239	-	464,904
Assigned for:							
Capital projects	-	-	349,574	-	70,301	8,980	428,855
Total Fund Balances	403,850	1,730,113	721,978	138,261	780,903	8,980	3,784,085
Total Liabilities and Fund Balances	\$ 403,850	\$ 1,730,354	\$ 721,978	\$ 138,261	\$ 864,674	\$ 8,980	\$ 3,868,097

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

DECEMBER 31, 2016

	Recreation Fund	Fireman's Fund	Riverfront/ Central Core Redevelopment Fund	Totals
ASSETS				
Equity in pooled cash	\$ 13,171	\$ -	\$ 1,292,523	\$ 1,305,694
Investments	-	-	655,843	655,843
Restricted cash and investments	-	118,541	-	118,541
Total Assets	\$ 13,171	\$ 118,541	\$ 1,948,366	\$ 2,080,078
LIABILITIES				
Accounts payable	\$ 251	\$ 1,080	\$ -	\$ 1,331
Total Liabilities	251	1,080	-	1,331
FUND BALANCES				
Fund balances:				
Restricted for:				
Public safety (Fire Division)	-	117,461	-	117,461
Committed for:				
Capital projects	-	-	558,046	558,046
Parks, recreation and tourism	12,920	-	-	12,920
Special projects	-	-	1,390,320	1,390,320
Total Fund Balances	12,920	117,461	1,948,366	2,078,747
Total Liabilities and Fund Balances	\$ 13,171	\$ 118,541	\$ 1,948,366	\$ 2,080,078

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2016

	Capital Projects Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
Revenues:			
Ad valorem property taxes	\$ 516,829	\$ -	\$ 516,829
Local hospitality and accommodations taxes	-	764,056	764,056
Intergovernmental	-	60,518	60,518
Interest earnings	28,737	12,872	41,609
Miscellaneous	-	16,460	16,460
Total Revenues	<u>545,566</u>	<u>853,906</u>	<u>1,399,472</u>
Expenditures:			
Current:			
General government	593,974	-	593,974
Public safety	10,597	58,564	69,161
Public works	2,743	-	2,743
Capital outlay	236,303	-	236,303
Debt Service:			
Capital lease payments	-	367,912	367,912
Interest and fiscal charges	-	139,581	139,581
Total Expenditures	<u>843,617</u>	<u>566,057</u>	<u>1,409,674</u>
Other Financing Sources (Uses):			
Proceeds from bond issuance	25,000	-	25,000
Transfers in	753,120	-	753,120
Transfers out	(753,120)	(50,075)	(803,195)
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>(50,075)</u>	<u>(25,075)</u>
Net change in fund balance	(273,051)	237,774	(35,277)
Fund balance, beginning of year	4,057,136	1,840,973	5,898,109
Fund balance, end of year	<u>\$ 3,784,085</u>	<u>\$ 2,078,747</u>	<u>\$ 5,862,832</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS

YEAR ENDED DECEMBER 31, 2016

	Sales Tax Fund	Sales Tax II Fund	Street Improvements Fund	Tax Increment Fund	Transportation Improvement Fund	Project Jackson Construction Fund	Totals
Revenues:							
Ad valorem property taxes	\$ -	\$ -	\$ -	\$ 516,829	\$ -	\$ -	\$ 516,829
Interest earnings	2,767	12,414	4,092	2,879	6,439	146	28,737
Total Revenues	2,767	12,414	4,092	519,708	6,439	146	545,566
Expenditures:							
Current:							
General government	-	-	-	448,785	-	145,189	593,974
Public safety	-	10,597	-	-	-	-	10,597
Public works	-	-	2,743	-	-	-	2,743
Capital outlay	-	46,685	9,615	53,284	-	126,719	236,303
Total Expenditures	-	57,282	12,358	502,069	-	271,908	843,617
Other Financing Sources (Uses):							
Proceeds from bond issuance	-	-	-	25,000	-	-	25,000
Transfers in	-	-	-	-	-	753,120	753,120
Transfers out	-	-	-	(350,000)	-	(403,120)	(753,120)
Total Other Financing Sources (Uses)	-	-	-	(325,000)	-	350,000	25,000
Net change in fund balance	2,767	(44,868)	(8,266)	(307,361)	6,439	78,238	(273,051)
Fund balance, beginning of year	401,083	1,774,981	730,244	445,622	774,464	(69,258)	4,057,136
Fund balance, end of year	\$ 403,850	\$ 1,730,113	\$ 721,978	\$ 138,261	\$ 780,903	\$ 8,980	\$ 3,784,085

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED DECEMBER 31, 2016

	Recreation Fund	Fireman's Fund	Riverfront/ Central Core Redevelopment Fund	Totals
Revenues:				
Local hospitality and accommodations taxes	\$ -	\$ -	\$ 764,056	\$ 764,056
Intergovernmental	-	60,518	-	60,518
Interest earnings	64	570	12,238	12,872
Miscellaneous	16,460	-	-	16,460
Total Revenues	<u>16,524</u>	<u>61,088</u>	<u>776,294</u>	<u>853,906</u>
Expenditures:				
Current:				
Public safety	-	58,564	-	58,564
Debt Service:				
Capital lease payments	-	-	367,912	367,912
Interest and fiscal charges	-	-	139,581	139,581
Total Expenditures	<u>-</u>	<u>58,564</u>	<u>507,493</u>	<u>566,057</u>
Other Financing Uses:				
Transfers out	(10,000)	-	(40,075)	(50,075)
Total Other Financing Uses	<u>(10,000)</u>	<u>-</u>	<u>(40,075)</u>	<u>(50,075)</u>
Net change in fund balance	6,524	2,524	228,726	237,774
Fund balance, beginning of year	6,396	114,937	1,719,640	1,840,973
Fund balance, end of year	<u>\$ 12,920</u>	<u>\$ 117,461</u>	<u>\$ 1,948,366</u>	<u>\$ 2,078,747</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - WATER AND WASTEWATER SYSTEM

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
Operating Revenues:			
Water sales	\$ 3,262,032	\$ 3,331,913	\$ 69,881
Sewer sales	5,243,389	5,446,402	203,013
Water tap fees	65,000	166,321	101,321
Sewer tap fees	95,000	198,269	103,269
Fire protection fees	11,797	12,993	1,196
Other	455,104	469,040	13,936
Total Operating Revenues	<u>9,132,322</u>	<u>9,624,938</u>	<u>492,616</u>
Operating Expenses:			
Utilities Finance	457,637	473,680	16,043
Utilities Administration	917,770	782,979	(134,791)
Water Operations and Maintenance	850,385	716,274	(134,111)
Water Production and Treatment	1,422,938	1,347,030	(75,908)
Wastewater Operations and Maintenance	3,429,831	3,378,561	(51,270)
Depreciation and amortization	-	1,046,708	1,046,708
Total Operating Expenses	<u>7,078,561</u>	<u>7,745,232</u>	<u>666,671</u>
Nonoperating Revenues (Expenses):			
Interest income	21,000	94,465	73,465
Gain on sale of capital assets	-	(12,606)	(12,606)
Total Nonoperating Revenues	<u>21,000</u>	<u>81,859</u>	<u>60,859</u>
Income before contributions and operating transfers	2,074,761	1,961,565	(113,196)
Capital contributions	-	124,408	124,408
Transfers out	-	(383,950)	(383,950)
Change in net position	<u>\$ 2,074,761</u>	<u>\$ 1,702,023</u>	<u>\$ (372,738)</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - WATER AND WASTEWATER SYSTEM

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
	Budget	Actual	Budget
Utilities Finance:			
Personal services:			
Salaries and wages	\$ 170,792	\$ 176,003	\$ 5,211
FICA	13,066	13,061	(5)
Employee retirement	18,890	9,849	(9,041)
Employee insurance	30,000	32,185	2,185
Workers' compensation	6,360	3,240	(3,120)
Operating expenses:			
General supplies/postage	76,500	77,234	734
Dues/training/travel	3,750	1,414	(2,336)
Data processing	57,500	72,037	14,537
Contracts and repairs	26,300	26,538	238
Professional services	21,825	20,876	(949)
Special department supplies	-	-	-
Insurance	4,654	4,363	(291)
Bad debts	28,000	36,880	8,880
Total Utilities Finance	457,637	473,680	16,043
Utilities Administration:			
Personal services:			
Salaries and wages	484,447	502,127	17,680
Overtime pay	4,166	11,629	7,463
FICA	37,379	37,067	(312)
Employee retirement	56,178	32,158	(24,020)
Employee insurance	72,090	78,203	6,113
Workers' compensation	25,274	13,281	(11,993)
Unemployment insurance	650	-	(650)
Operating expenses:			
General supplies/postage	4,200	4,340	140
Dues/training/travel	5,081	6,744	1,663
Auto operating	12,200	11,156	(1,044)
Utility services	21,699	3,111	(18,588)
Contracts and repairs	55,940	32,792	(23,148)
Building material	800	931	131
Uniforms and clothing	3,320	2,929	(391)
Advertising	150	-	(150)
Professional services	39,755	5,934	(33,821)
Data processing	29,100	27,297	(1,803)
Special department supplies	41,378	6,484	(34,894)
Lease purchase	22,034	4,987	(17,047)
Insurance	1,929	1,809	(120)
Total Utilities Administration	917,770	782,979	(134,791)

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - WATER AND WASTEWATER SYSTEM

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
	Water Operations and Maintenance:		
Personal services:			
Salaries and wages	318,363	340,827	22,464
Overtime pay	16,748	15,021	(1,727)
FICA	25,636	25,791	155
Employee retirement	37,063	20,128	(16,935)
Employee insurance	60,000	64,369	4,369
Workers' compensation	17,955	9,366	(8,589)
Unemployment insurance	700	-	(700)
Operating expenses:			
Dues/training	2,000	1,496	(504)
Auto operating	27,875	26,945	(930)
Contracts and repairs	43,725	17,864	(25,861)
Building material	9,450	15,048	5,598
Uniforms and clothing	5,090	5,575	485
Advertising	200	-	(200)
Professional services	180	225	45
Special department supplies	101,476	101,061	(415)
Judgments/settlements	500	450	(50)
Insurance	3,747	3,798	51
Line upgrades	123,150	68,310	(54,840)
Small equipment	56,527	-	(56,527)
Total Water Operations and Maintenance	850,385	716,274	(134,111)
Water Production and Treatment:			
Personal services:			
Salaries and wages	435,289	415,334	(19,955)
Overtime pay	32,000	31,064	(936)
FICA	35,748	32,469	(3,279)
Employee retirement	51,682	22,908	(28,774)
Employee insurance	60,000	64,369	4,369
Workers' compensation	25,186	13,054	(12,132)
Operating expenses:			
General supplies	4,700	5,155	455
Dues/training	8,400	4,319	(4,081)
Advertising	300	475	175
Auto operating	6,800	2,529	(4,271)
Utility services	375,000	454,323	79,323
Contracts and repairs	146,500	89,775	(56,725)
Building material	3,400	2,498	(902)

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - WATER AND WASTEWATER SYSTEM

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
	Budget	Actual	Budget
Water Production and Treatment (continued):			
Operating expenses (continued):			
Uniforms and clothing	3,800	3,309	(491)
Professional services	53,380	52,097	(1,283)
ACPSA treatment charges	4,500	3,477	(1,023)
Special department supplies	160,000	133,957	(26,043)
Insurance	12,073	15,918	3,845
Leases	4,180	-	(4,180)
Total Water Production and Treatment	<u>1,422,938</u>	<u>1,347,030</u>	<u>(75,908)</u>
Wastewater Operations and Maintenance:			
Personal services:			
Salaries and wages	411,340	410,402	(938)
Overtime pay	15,820	15,880	60
FICA	32,678	29,808	(2,870)
Employee retirement	47,244	22,218	(25,026)
Employee insurance	75,000	80,461	5,461
Workers' compensation	22,947	13,081	(9,866)
Unemployment insurance	1,000	(202)	(1,202)
Operating expenses:			
Dues/training	1,100	785	(315)
Auto operating	24,020	27,171	3,151
Utility services	71,690	63,915	(7,775)
Contracts and repairs	213,400	197,895	(15,505)
Building material	13,070	13,556	486
Uniforms and clothing	5,770	5,746	(24)
Advertising	150	-	(150)
Professional services	180	425	245
ACPSA treatment charges	2,310,192	2,431,639	121,447
Special department supplies	18,385	25,756	7,371
Judgments/settlements	500	1,600	1,100
Insurance	40,173	38,425	(1,748)
Leases	50,922	-	(50,922)
Small equipment	74,250	-	(74,250)
Total Wastewater Operations and Maintenance	<u>3,429,831</u>	<u>3,378,561</u>	<u>(51,270)</u>
Depreciation and amortization	-	1,046,708	1,046,708
Total Operating Expenses	<u>\$ 7,078,561</u>	<u>\$ 7,745,232</u>	<u>\$ 666,671</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - SANITATION SERVICES

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
Operating Revenues:			
Sanitation service fees	\$ 2,643,324	\$ 2,687,924	\$ 44,600
Recycling fees	1,127,526	1,249,413	121,887
Sale of recyclables	289,464	309,622	20,158
Other	44,418	76,983	32,565
Total Operating Revenues	4,104,732	4,323,942	219,210
Operating Expenses:			
Sanitation operations	2,517,389	2,413,918	(103,471)
Material recovery facility	1,437,350	1,460,502	23,152
Depreciation	-	718,090	718,090
Total Operating Expenses	3,954,739	4,592,510	637,771
Nonoperating Revenues (Expenses):			
Interest revenue	7,000	14,594	7,594
Interest expense	-	(1,506)	(1,506)
Total Nonoperating Revenues	7,000	13,088	6,088
Income before contributions and transfers	156,993	(255,480)	(412,473)
Transfers out	(156,993)	(156,993)	-
Change in net position	\$ -	\$ (412,473)	\$ (412,473)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - SANITATION SERVICES

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
Sanitation Operations:			
Personal services:			
Salaries and wages	\$ 1,068,434	\$ 1,097,947	\$ 29,513
Overtime pay	12,310	16,061	3,751
FICA	82,677	81,497	(1,180)
Employee retirement	120,886	318,007	197,121
Employee insurance	195,804	210,795	14,991
Workers' compensation	56,278	28,809	(27,469)
Unemployment insurance	2,000	4,350	2,350
Operating expenses:			
General supplies	1,200	2,183	983
Dues/training	3,782	3,012	(770)
Auto operating	356,455	269,686	(86,769)
Utility services	21,699	30,604	8,905
Data processing	7,550	21,432	13,882
Contracts and repairs	17,727	20,444	2,717
Uniforms and clothing	11,612	9,225	(2,387)
Advertising	250	59	(191)
Professional services	12,064	10,105	(1,959)
Special department supplies	239,744	242,731	2,987
Judgments/settlements	500	11,000	10,500
Leases	277,773	6,253	(271,520)
Insurance	28,644	29,718	1,074
Total Sanitation Operations	<u>2,517,389</u>	<u>2,413,918</u>	<u>(103,471)</u>

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - SANITATION SERVICES

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
Material Recovery Facility:			
Personal services:			
Salaries and wages	377,624	381,002	3,378
Overtime pay	19,684	17,147	(2,537)
FICA	30,394	29,027	(1,367)
Employee retirement	43,942	112,495	68,553
Employee insurance	63,750	68,392	4,642
Workers' compensation	20,831	11,894	(8,937)
Unemployment insurance	1,000	-	(1,000)
Operating expenses:			
General supplies	1,750	1,176	(574)
Dues/training	1,205	75	(1,130)
Auto operating	63,286	65,918	2,632
Utility services	18,922	18,451	(471)
Contracts and repairs	155,760	150,291	(5,469)
Building material	2,000	1,839	(161)
Recycling expenses	86,100	48,918	(37,182)
Uniforms and clothing	7,340	6,051	(1,289)
Advertising	900	-	(900)
Professional services	79,845	130,509	50,664
Special department supplies	349,982	397,855	47,873
Leases	92,277	-	(92,277)
Small equipment	-	-	-
Insurance	20,758	19,462	(1,296)
Total Material Recovery Facility	<u>1,437,350</u>	<u>1,460,502</u>	<u>23,152</u>
Depreciation	<u>-</u>	<u>718,090</u>	<u>718,090</u>
Total Operating Expenses	<u>\$ 3,954,739</u>	<u>\$ 4,592,510</u>	<u>\$ 637,771</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - STORMWATER UTILITY FUND

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
Operating Revenues:			
Stormwater utility fees	\$ 747,000	\$ 759,131	\$ 12,131
Other	9,374	11,107	1,733
Total Operating Revenues	<u>756,374</u>	<u>770,238</u>	<u>13,864</u>
Operating Expenses:			
Stormwater operations	760,374	456,178	(304,196)
Depreciation	-	85,317	85,317
Total Operating Expenses	<u>760,374</u>	<u>541,495</u>	<u>(218,879)</u>
Nonoperating Revenues (Expenses):			
Interest revenue	4,000	5,112	1,112
Total Nonoperating Revenues	<u>4,000</u>	<u>5,112</u>	<u>1,112</u>
Change in net position	<u>\$ -</u>	<u>\$ 233,855</u>	<u>\$ 233,855</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - STORMWATER UTILITY FUND

YEAR ENDED DECEMBER 31, 2016

	2016		
	Original and Final Budget	Actual	Over (Under) Budget
Stormwater Operations:			
Personal services:			
Salaries and wages	\$ 285,015	256,761	\$ (28,254)
FICA	21,804	19,037	(2,767)
Employee retirement	31,523	53,590	22,067
Employee insurance	35,538	38,601	3,063
Workers' compensation	14,659	7,527	(7,132)
Unemployment insurance	200	-	(200)
Operating expenses:			
General supplies	1,400	696	(704)
Dues/training	4,425	3,269	(1,156)
Auto operating	7,900	3,874	(4,026)
Data processing	36,600	36,145	(455)
Contracts and repairs	6,340	4,354	(1,986)
Uniforms and clothing	2,000	907	(1,093)
Advertising	2,700	2,733	33
Professional services	20,464	16,717	(3,747)
Special department supplies	8,267	5,494	(2,773)
Insurance	6,904	6,473	(431)
Drainage projects	274,635	-	(274,635)
Total Stormwater Operations	760,374	456,178	(304,196)
Depreciation	-	85,317	85,317
Total Operating Expenses	\$ 760,374	\$ 541,495	\$ (218,879)

SCHEDULE REQUIRED BY STATE LAW

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
GENERAL FUND

YEAR ENDED DECEMBER 31, 2016

Court Fines:	
Court fines collected	\$ 381,587
Court fines retained by City	381,587
Court fines remitted to State Treasurer	<u>\$ -</u>
Court Assessments:	
Court assessments collected	\$ 377,664
Court assessments retained by City	41,865
Court assessments remitted to State Treasurer	<u>\$ 335,799</u>
Court Surcharges:	
Court surcharges collected	\$ 215,422
Court surcharges retained by City	20,580
Court surcharges remitted to State Treasurer	<u>\$ 194,842</u>
Victim Services:	
Court assessments allocated to Victim Services	\$ 41,865
Court surcharges allocated to Victim Services	9,254
Funds allocated to Victim Services	51,119
Victim Services Expenditures	36,221
Funds Allocated to Victim Services in Excess of Victim Services Expenditures	14,898
Funds available for carryforward - beginning of year	88,746
Funds available for carryforward - end of year	<u>\$ 103,644</u>



**North
Augusta**
South Carolina's Riverfront

**STATISTICAL
SECTION**



**North
Augusta**
South Carolina's Riverfront

City of North Augusta, South Carolina
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Year Ending December 31				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities					
Net investment in capital assets	\$ 32,909,692	\$ 37,222,478	\$ 43,873,602	\$ 44,780,462	\$ 48,387,572
Restricted	6,386,196	47,801	9,771	5,461	9,158,402
Unrestricted	<u>8,315,826</u>	<u>14,824,747</u>	<u>12,594,803</u>	<u>15,028,645</u>	<u>6,382,049</u>
Total governmental activities net position	<u>\$ 47,611,714</u>	<u>\$ 52,095,026</u>	<u>\$ 56,478,176</u>	<u>\$ 59,814,568</u>	<u>\$ 63,928,023</u>
Business-type activities					
Net investment in capital assets	\$ 33,496,267	\$ 39,260,545	\$ 40,738,413	\$ 41,186,486	\$ 44,889,398
Restricted	9,709,599	8,669,853	9,329,287	10,537,438	9,422,871
Unrestricted	<u>9,426,228</u>	<u>9,366,037</u>	<u>9,289,594</u>	<u>9,417,349</u>	<u>8,342,254</u>
Total business-type activities net position	<u>\$ 52,632,094</u>	<u>\$ 57,296,435</u>	<u>\$ 59,357,294</u>	<u>\$ 61,141,273</u>	<u>\$ 62,654,523</u>
Primary Government					
Net investment in capital assets	\$ 66,405,959	\$ 76,483,023	\$ 84,612,015	\$ 85,966,948	\$ 93,276,970
Restricted	16,095,795	8,717,654	9,339,058	10,542,899	18,581,273
Unrestricted	<u>17,742,054</u>	<u>24,190,784</u>	<u>21,884,397</u>	<u>24,445,994</u>	<u>14,724,303</u>
Total primary government net position	<u>\$ 100,243,808</u>	<u>\$ 109,391,461</u>	<u>\$ 115,835,470</u>	<u>\$ 120,955,841</u>	<u>\$ 126,582,546</u>

	Year Ending December 31				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities					
Net investment in capital assets	\$ 51,180,628	\$ 53,791,597	\$ 57,779,457	\$ 59,649,524	\$ 60,261,553
Restricted	7,210,998	7,810,702	7,536,710	6,964,338	7,616,189
Unrestricted	<u>7,342,802</u>	<u>5,466,773</u>	<u>4,267,933</u>	<u>(6,848,500)</u>	<u>(5,705,943)</u>
Total governmental activities net position	<u>\$ 65,734,428</u>	<u>\$ 67,069,072</u>	<u>\$ 69,584,100</u>	<u>\$ 59,765,362</u>	<u>\$ 62,171,799</u>
Business-type activities					
Net investment in capital assets	\$ 46,022,914	\$ 47,734,609	\$ 51,802,542	\$ 53,610,839	\$ 53,203,765
Restricted	10,116,845	10,104,431	9,883,717	10,248,230	11,374,284
Unrestricted	<u>8,233,390</u>	<u>7,777,449</u>	<u>6,767,765</u>	<u>(1,175,007)</u>	<u>(387,763)</u>
Total business-type activities net position	<u>\$ 64,373,149</u>	<u>\$ 65,616,489</u>	<u>\$ 68,454,024</u>	<u>\$ 62,684,062</u>	<u>\$ 64,190,286</u>
Primary Government					
Net investment in capital assets	\$ 97,203,542	\$ 101,526,206	\$ 109,581,999	\$ 113,260,363	\$ 113,465,318
Restricted	17,327,843	17,915,133	17,420,427	17,212,568	18,990,473
Unrestricted	<u>15,576,192</u>	<u>13,244,222</u>	<u>11,035,698</u>	<u>(8,023,507)</u>	<u>(6,093,706)</u>
Total primary government net position	<u>\$ 130,107,577</u>	<u>\$ 132,685,561</u>	<u>\$ 138,038,124</u>	<u>\$ 122,449,424</u>	<u>\$ 126,362,085</u>

Note: A prior period adjustment for ad valorem property tax revenues and related allowance of \$28,681 required a restatement of beginning net position for Fiscal Year 2014

Note: GASB 68, Accounting and Financial Reporting for Pensions and GASB 71 Pension Transition for Contributions Made Subsequent to the Measurement Date, were adopted by the City for Fiscal Year 2015. A restatement of beginning net position of \$18,624,474 was required to reflect implementation.

City of North Augusta, South Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Year Ending December 31				
	2007	2008	2009	2010	2011
Expenses					
Governmental activities:					
General government	\$ 3,283,604	\$ 2,890,989	\$ 3,646,500	\$ 3,798,574	\$ 3,416,002
Public safety	4,955,943	5,265,573	5,414,709	5,898,849	6,546,364
Public works	1,487,012	2,692,210	1,883,507	1,796,722	2,796,708
Recreation and parks	3,327,793	3,763,461	3,623,796	3,994,496	3,792,045
Debt service - interest and fees	24,001	433,418	476,037	380,060	358,055
Loss on debt defeasance	-	-	-	-	-
Total governmental activities expenses	<u>\$ 13,078,353</u>	<u>\$ 15,045,651</u>	<u>\$ 15,044,549</u>	<u>\$ 15,868,701</u>	<u>\$ 16,909,174</u>
Business-type activities:					
Water and wastewater	\$ 6,364,814	\$ 6,694,797	\$ 6,782,763	\$ 6,994,927	\$ 7,220,770
Sanitation	3,066,729	3,239,034	3,012,364	3,054,296	3,168,553
Stormwater utility	281,471	373,803	529,291	519,481	542,919
Savannah Bluff Lock and Dam	-	-	6,062	23,275	22,000
Total business-type activities expenses	<u>\$ 9,713,014</u>	<u>\$ 10,307,634</u>	<u>\$ 10,330,480</u>	<u>\$ 10,591,979</u>	<u>\$ 10,954,242</u>
Total primary government expenses	<u>\$ 22,791,367</u>	<u>\$ 25,353,285</u>	<u>\$ 25,375,029</u>	<u>\$ 26,460,680</u>	<u>\$ 27,863,416</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 4,552,001	\$ 4,481,413	\$ 4,344,903	\$ 4,386,190	\$ 4,605,180
Public safety	995,420	897,428	945,905	1,082,900	1,177,117
Recreation and parks	935,166	931,614	921,644	1,110,505	1,060,317
Operating grants and contributions	754,944	856,777	789,968	893,625	1,375,032
Capital grants and contributions	3,477,186	1,768,611	1,813,172	489,270	1,569,830
Total governmental activities program revenues	<u>\$ 10,714,717</u>	<u>\$ 8,935,843</u>	<u>\$ 8,815,592</u>	<u>\$ 7,962,490</u>	<u>\$ 9,787,476</u>
Business-type activities:					
Charges for services:					
Water and wastewater	\$ 7,606,718	\$ 7,537,277	\$ 7,714,553	\$ 8,148,497	\$ 8,450,349
Sanitation	3,306,010	3,308,538	3,182,076	3,384,930	3,400,975
Stormwater utility	536,597	547,766	554,394	563,305	572,288
Capital grants and contributions	1,600,851	3,091,789	955,928	511,472	245,500
Total business-type activities program revenues	<u>\$ 13,050,176</u>	<u>\$ 14,485,370</u>	<u>\$ 12,406,951</u>	<u>\$ 12,608,204</u>	<u>\$ 12,669,112</u>
Total primary government program revenues	<u>\$ 23,764,893</u>	<u>\$ 23,421,213</u>	<u>\$ 21,222,543</u>	<u>\$ 20,570,694</u>	<u>\$ 22,456,588</u>
Net (expense) / revenue					
Governmental activities	\$ (2,363,636)	\$ (6,109,808)	\$ (6,228,957)	\$ (7,906,211)	\$ (7,121,698)
Business-type activities	3,337,162	4,177,736	2,076,471	2,016,225	1,714,870
Total primary government net expense	<u>\$ 973,526</u>	<u>\$ (1,932,072)</u>	<u>\$ (4,152,486)</u>	<u>\$ (5,889,986)</u>	<u>\$ (5,406,828)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Ad valorem property taxes	\$ 5,054,065	\$ 5,498,319	\$ 5,994,545	\$ 6,142,064	\$ 6,294,172
Capital projects sales taxes	4,679,330	3,415,808	3,331,626	3,354,214	3,474,959
Local hospitality and accommodations taxes	537,879	550,501	548,490	555,230	559,853
Interest on investments	964,169	533,146	92,616	54,755	33,350
Miscellaneous	326,658	198,679	106,871	577,187	336,245
Transfers	330,850	396,667	537,959	559,153	536,574
Total governmental activities	<u>\$ 11,892,951</u>	<u>\$ 10,593,120</u>	<u>\$ 10,612,107</u>	<u>\$ 11,242,603</u>	<u>\$ 11,235,153</u>
Business-type activities:					
Interest on investments	\$ 862,217	\$ 400,115	\$ 95,157	\$ 63,562	\$ 42,216
Miscellaneous	248,272	483,157	427,190	263,345	292,738
Transfers	(330,850)	(396,667)	(537,959)	(559,153)	(536,574)
Total business-type activities	<u>\$ 779,639</u>	<u>\$ 486,605</u>	<u>\$ (15,612)</u>	<u>\$ (232,246)</u>	<u>\$ (201,620)</u>
Total primary government	<u>\$ 12,672,590</u>	<u>\$ 11,079,725</u>	<u>\$ 10,596,495</u>	<u>\$ 11,010,357</u>	<u>\$ 11,033,533</u>
Change in Net Position					
Governmental activities	\$ 9,529,315	\$ 4,483,312	\$ 4,383,150	\$ 3,336,392	\$ 4,113,455
Business-type activities	4,116,801	4,664,341	2,060,859	1,783,979	1,513,250
Total primary government	<u>\$ 13,646,116</u>	<u>\$ 9,147,653</u>	<u>\$ 6,444,009</u>	<u>\$ 5,120,371</u>	<u>\$ 5,626,705</u>

(continued)

City of North Augusta, South Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Year Ending December 31				
	2012	2013	2014	2015	2016
Expenses					
Governmental activities:					
General government	\$ 3,574,637	\$ 3,893,288	\$ 4,181,576	\$ 4,573,665	\$ 4,519,094
Public safety	6,975,047	6,615,699	7,232,466	7,517,589	8,473,548
Public works	2,980,032	2,609,477	2,348,897	2,051,542	580,327
Recreation and parks	4,053,013	4,212,673	4,501,259	4,723,035	5,061,480
Debt service - interest and fees	340,610	313,866	163,147	168,583	155,047
Loss on debt defeasance	-	277,682	-	-	-
Total governmental activities expenses	<u>\$ 17,923,339</u>	<u>\$ 17,922,685</u>	<u>\$ 18,427,345</u>	<u>\$ 19,034,414</u>	<u>\$ 18,789,496</u>
Business-type activities:					
Water and sewer	\$ 6,958,202	\$ 7,491,321	\$ 7,420,051	\$ 8,081,456	\$ 7,745,232
Sanitation	3,160,647	3,376,614	3,958,515	4,316,548	4,594,016
Stormwater utility	568,984	826,121	507,555	494,179	541,495
Savannah Bluff Lock and Dam utility	24,000	24,000	24,000	24,000	24,000
Total business-type activities expenses	<u>\$ 10,711,833</u>	<u>\$ 11,718,056</u>	<u>\$ 11,910,121</u>	<u>\$ 12,916,183</u>	<u>\$ 12,904,743</u>
Total primary government expenses	<u>\$ 28,635,172</u>	<u>\$ 29,640,741</u>	<u>\$ 30,337,466</u>	<u>\$ 31,950,597</u>	<u>\$ 31,694,239</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 4,711,699	\$ 4,892,172	\$ 5,272,149	\$ 5,621,613	\$ 5,885,657
Public safety	1,092,699	1,055,155	1,109,022	1,067,969	974,174
Recreation and parks	1,019,548	1,058,841	1,090,469	1,285,045	1,401,345
Operating grants and contributions	848,298	872,295	1,496,428	943,574	813,941
Capital grants and contributions	1,619,796	1,357,083	468,934	-	-
Total governmental activities program revenues	<u>\$ 9,292,040</u>	<u>\$ 9,235,546</u>	<u>\$ 9,437,002</u>	<u>\$ 8,918,201</u>	<u>\$ 9,075,117</u>
Business-type activities:					
Charges for services:					
Water and sewer	\$ 8,388,987	\$ 8,564,524	\$ 8,800,125	\$ 8,664,457	\$ 9,155,898
Sanitation	3,388,623	3,647,518	4,163,934	4,168,309	4,246,959
Stormwater utility	573,660	575,233	584,566	746,814	759,131
Operating grants and contributions	-	-	264,747	2,449	-
Capital grants and contributions	206,463	220,936	618,036	396,837	124,408
Total business-type activities program revenues	<u>\$ 12,557,733</u>	<u>\$ 13,008,211</u>	<u>\$ 14,431,408</u>	<u>\$ 13,978,866</u>	<u>\$ 14,286,396</u>
Total primary government program revenues	<u>\$ 21,849,773</u>	<u>\$ 22,243,757</u>	<u>\$ 23,868,410</u>	<u>\$ 22,897,067</u>	<u>\$ 23,361,513</u>
Net (expense) / revenue					
Governmental activities	\$ (8,631,299)	\$ (8,687,139)	\$ (8,990,343)	\$ (10,116,213)	\$ (9,714,379)
Business-type activities	1,845,900	1,290,155	2,521,287	1,062,683	1,381,653
Total primary government net expense	<u>\$ (6,785,399)</u>	<u>\$ (7,396,984)</u>	<u>\$ (6,469,056)</u>	<u>\$ (9,053,530)</u>	<u>\$ (8,332,726)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Ad valorem property taxes	\$ 6,780,783	\$ 6,858,860	\$ 6,993,684	\$ 6,874,139	\$ 7,162,650
Capital projects sales taxes	1,861,677	1,180,511	2,733,613	2,828,301	2,891,291
Local hospitality and accommodations taxes	584,227	622,971	661,531	713,903	764,056
Interest on investments	77,894	70,768	69,440	89,791	192,906
Gain(loss) on disposal of capital assets	-	-	-	(3,311)	-
Miscellaneous	590,882	631,662	696,936	886,062	568,970
Transfers	542,241	657,011	378,848	514,893	540,943
Total governmental activities	<u>\$ 10,437,704</u>	<u>\$ 10,021,783</u>	<u>\$ 11,534,052</u>	<u>\$ 11,903,778</u>	<u>\$ 12,120,816</u>
Business-type activities:					
Interest on investments	\$ 56,203	\$ 48,450	\$ 50,735	\$ 69,410	\$ 120,990
Gain(loss) on disposal of capital assets	-	-	-	46,107	(12,606)
Miscellaneous	358,764	561,746	644,361	584,902	557,130
Transfers	(542,241)	(657,011)	(378,848)	(514,893)	(540,943)
Total business-type activities	<u>\$ (127,274)</u>	<u>\$ (46,815)</u>	<u>\$ 316,248</u>	<u>\$ 185,526</u>	<u>\$ 124,571</u>
Total primary government	<u>\$ 10,310,430</u>	<u>\$ 9,974,968</u>	<u>\$ 11,850,300</u>	<u>\$ 12,089,304</u>	<u>\$ 12,245,387</u>
Change in Net Position					
Governmental activities	\$ 1,806,405	\$ 1,334,644	\$ 2,543,709	\$ 1,787,565	\$ 2,406,437
Business-type activities	1,718,626	1,243,340	2,837,535	1,248,209	1,506,224
Total primary government	<u>\$ 3,525,031</u>	<u>\$ 2,577,984</u>	<u>\$ 5,381,244</u>	<u>\$ 3,035,774</u>	<u>\$ 3,912,661</u>

**City of North Augusta, South Carolina
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Year Ending December 31				
	2007	2008	2009	2010	2011
General Fund					
Reserved	\$ 61,429	\$ 49,883	\$ 10,947	\$ 6,780	\$ -
Unreserved	1,018,244	257,821	595,511	522,008	-
Nonspendable *	-	-	-	-	1,723
Restricted *	-	-	-	-	2,600
Committed *	-	-	-	-	695,829
Unassigned *	-	-	-	-	-
Total General Fund	\$ 1,079,673	\$ 307,704	\$ 606,458	\$ 528,788	\$ 700,152
All Other Governmental Funds					
Reserved	\$ 6,333,187	\$ 7,187	\$ 7,187	\$ -	\$ -
Unreserved	14,049,569	14,964,062	12,509,474	15,060,268	-
Restricted *	-	-	-	-	8,599,562
Committed *	-	-	-	-	2,053,852
Assigned *	-	-	-	-	4,728,272
Unassigned *	-	-	-	-	-
Total all other governmental funds	\$ 20,382,756	\$ 14,971,249	\$ 12,516,661	\$ 15,060,268	\$ 15,381,686

	Year Ending December 31				
	2012	2013	2014	2015	2016
General Fund					
Nonspendable *	\$ 1,220	\$ 1,630	\$ 1,774	\$ -	\$ -
Restricted *	3,140	32,841	60,140	88,746	103,644
Committed *	1,143,666	966,050	1,073,650	796,106	1,484,194
Unassigned *	-	-	-	2,375,000	2,475,000
Total General Fund	\$ 1,148,026	\$ 1,000,521	\$ 1,135,564	\$ 3,259,852	\$ 4,062,838
All Other Governmental Funds					
Restricted *	6,725,864	7,065,591	6,746,666	5,790,157	7,512,545
Committed *	1,197,249	1,534,983	2,114,554	2,184,346	2,950,803
Assigned *	6,031,460	4,234,929	2,489,051	1,261,269	428,854
Unassigned *	-	-	(188,988)	(69,258)	-
Total all other governmental funds	\$ 13,954,573	\$ 12,835,503	\$ 11,161,283	\$ 9,166,514	\$ 10,892,202

*GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, was adopted by the City for Fiscal Year 2011.

City of North Augusta, South Carolina
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Year Ending December 31				
	2007	2008	2009	2010	2011
Revenues					
Ad valorem taxes	\$ 5,054,065	\$ 5,498,319	\$ 5,994,545	\$ 6,142,064	\$ 6,294,172
Sales taxes	4,679,330	3,415,808	3,331,626	3,354,214	3,474,959
Local hospitality and accommodations taxes	537,879	550,501	548,490	555,230	559,853
Licenses and permits	4,552,001	4,481,413	4,344,903	4,386,190	4,605,181
Fines and forfeitures	926,477	830,404	880,343	1,017,029	1,113,435
Charges for services	1,004,109	998,638	1,083,661	1,176,376	1,123,999
Intergovernmental	965,087	2,263,544	2,181,554	1,105,430	2,050,355
Miscellaneous/interest earnings	1,574,185	907,236	453,852	513,604	369,594
Contributions	-	57,000	-	-	62,497
Grant revenue	-	304,844	421,586	-	17,563
Total Revenues	\$ 19,293,133	\$ 19,307,707	\$ 19,240,560	\$ 18,250,137	\$ 19,671,608
Expenditures					
General government	\$ 2,681,386	\$ 2,881,302	\$ 2,921,774	\$ 3,296,614	\$ 2,964,818
Public safety	4,657,544	4,992,356	5,091,162	5,547,594	6,092,949
Public works	902,549	1,116,121	1,078,396	1,182,030	1,117,385
Parks, recreation and tourism	2,589,110	2,922,300	2,818,409	2,947,681	2,966,513
Capital outlay	8,294,272	12,209,020	8,928,503	2,596,756	5,903,648
Debt service:					
Capital lease payments	371,555	906,150	945,126	883,675	974,915
Interest and fiscal charges	142,499	433,418	412,307	386,664	361,398
Intergovernmental	-	800,000	-	-	0
Total Expenditures	\$ 19,638,915	\$ 26,260,667	\$ 22,195,677	\$ 16,841,014	\$ 20,381,626
Excess (deficiency) of revenues over (under) expenditures	\$ (345,782)	\$ (6,952,960)	\$ (2,955,117)	\$ 1,409,123	\$ (710,018)
Other financing sources (uses)					
Proceeds on sale of capital assets	\$ 634,442	\$ -	\$ -	\$ 293,749	\$ -
Inception of capital lease obligation	6,689,632	408,499	285,909	217,368	666,226
Lease issuance cost	(24,000)	-	-	-	0
Issuance of bonds	-	-	-	-	0
Transfers in	1,625,366	1,439,423	771,195	1,141,208	913,575
Transfers out	(1,294,516)	(1,078,440)	(257,821)	(595,511)	(377,001)
Total other financing sources (uses)	\$ 7,630,924	\$ 769,482	\$ 799,283	\$ 1,056,814	\$ 1,202,800
Net change in fund balance	\$ 7,285,142	\$ (6,183,478)	\$ (2,155,834)	\$ 2,465,937	\$ 492,782
Debt service as a percentage of noncapital expenditures	4.16%	9.53%	9.77%	8.90%	8.72%

	Year Ending December 31				
	2012	2013	2014	2015	2016
Revenues					
Ad valorem taxes	\$ 6,780,783	\$ 6,858,860	\$ 6,993,526	\$ 6,871,821	\$ 7,163,429
Sales taxes	1,861,677	1,180,511	2,733,613	2,828,301	2,891,291
Local hospitality and accommodations taxes	584,227	622,971	661,531	713,903	764,056
Licenses and permits	4,711,699	4,892,172	5,272,149	5,621,613	5,885,657
Fines and forfeitures	1,029,126	991,039	1,044,648	1,138,891	996,799
Charges for services	1,083,121	1,122,957	1,154,843	1,285,045	1,401,345
Intergovernmental	1,198,831	1,141,759	1,187,485	872,652	791,316
Miscellaneous/interest earnings	675,603	697,191	747,304	977,123	781,035
Contributions	310,352	1,000	368,500	-	-
Grant revenue	4,352	-	-	-	-
Total Revenues	\$ 18,239,771	\$ 17,508,460	\$ 20,163,599	\$ 20,309,349	\$ 20,674,928
Expenditures					
General government	\$ 2,984,191	\$ 3,302,811	\$ 3,704,832	\$ 4,028,393	\$ 3,712,733
Public safety	6,502,974	6,058,506	6,630,196	7,833,279	7,990,705
Public works	1,176,290	1,157,668	1,344,015	1,487,619	1,394,286
Parks, recreation and tourism	3,154,330	3,141,942	3,391,470	3,647,665	4,022,934
Capital outlay	5,089,261	1,353,010	6,269,988	13,260,678	1,790,360
Debt service:					
Capital lease payments	1,024,075	4,117,682	747,764	897,952	929,907
Interest and fiscal charges	345,547	599,101	179,035	164,947	155,047
Total Expenditures	\$ 20,276,668	\$ 19,730,720	\$ 22,267,300	\$ 31,320,533	\$ 19,995,972
Excess (deficiency) of revenues over (under) expenditures	\$ (2,036,897)	\$ (2,222,260)	\$ (2,103,701)	\$ (11,011,184)	\$ 678,956
Other financing sources (uses)					
Proceeds on sale of capital assets	\$ -	\$ -	\$ 26,191	\$ -	\$ -
Issuance of bonds	-	-	-	9,738,217	428,120
Inception of capital lease obligation	515,417	309,494	312,249	887,594	880,655
Transfers in	1,135,143	1,691,350	3,253,841	23,350,453	1,397,258
Transfers out	(592,902)	(1,045,159)	(2,874,993)	(22,835,560)	(856,315)
Total other financing sources (uses)	\$ 1,057,658	\$ 955,685	\$ 717,288	\$ 11,140,704	\$ 1,849,718
Net change in fund balance	\$ (979,239)	\$ (1,266,575)	\$ (1,386,413)	\$ 129,520	\$ 2,528,674
Debt service as a percentage of noncapital expenditures	8.42%	24.83%	5.77%	6.42%	7.03%

City of North Augusta, South Carolina
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Year Ended December 31	(a) Tax Year	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		Tax Rate
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2007	2006	\$ 42,445,538	\$ 864,136,019	\$ 18,253,204	\$ 139,430,967	\$ 60,698,742	\$ 1,003,566,986	81.08
2008	(b) 2007	50,581,231	1,029,704,480	17,825,479	136,161,590	68,406,710	1,165,866,070	77.20
2009	2008	55,751,062	1,134,948,515	17,554,767	134,093,840	73,305,829	1,269,042,355	77.20
2010	2009	56,974,481	1,159,853,825	17,939,988	137,036,395	74,914,469	1,296,890,220	77.20
2011	2010	58,409,698	1,188,082,347	18,327,983	140,371,587	76,737,681	1,328,453,934	77.20
2012	(b) 2011	67,451,510	1,371,997,494	18,490,991	141,620,052	85,942,501	1,513,617,546	74.21
2013	2012	68,404,348	1,395,850,974	19,032,345	144,082,251	87,436,693	1,539,933,225	74.21
2014	2013	69,161,813	1,411,307,715	19,735,545	149,405,748	88,897,358	1,560,713,463	74.21
2015	2014	70,710,810	1,442,916,363	20,984,447	158,860,422	91,695,257	1,601,776,785	74.21
2016	2015	73,065,987	1,490,975,824	21,623,421	163,697,707	94,689,408	1,654,673,531	74.21

Source: City of North Augusta tax records

(a) The City of North Augusta uses different tax years for real and personal property taxes because on April 30, 1980, the S.C. General Assembly passed a law that provided for the billing and collection of personal property taxes on motor vehicles on a staggered basis according to expiration of the license tag.

(b) Reassessment year, see Table VI

**City of North Augusta, South Carolina
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Fiscal Year Ended December 31	Overlapping Property Tax Rates										
	City of North Augusta				County of Aiken			Aiken County School District			Total Direct & Overlapping Rates
	(a) Tax Year	Operating Millage	Debt Service Millage (b)	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	
2007	2006	72.13	8.95	81.08	67.10	3.40	70.50	126.90	27.80	154.70	
2008	2007	68.69	8.51	77.20	65.00	9.70	74.70	125.80	29.10	154.90	306.80
2009	2008	68.69	8.51	77.20	65.80	8.90	74.70	131.00	29.20	160.20	312.10
2010	2009	68.69	8.51	77.20	67.60	7.10	74.70	137.50	23.50	161.00	312.90
2011	2010	68.69	8.51	77.20	67.90	6.80	74.70	137.50	23.50	161.00	312.90
2012	2011	66.40	7.81	74.21	65.60	4.30	69.90	131.60	31.50	163.10	307.21
2013	2012	66.40	7.81	74.21	66.00	3.90	69.90	135.80	31.50	167.30	311.41
2014	2013	74.21	-	74.21	66.00	3.90	69.90	141.60	29.00	170.60	314.71
2015	2014	74.21	-	74.21	66.00	3.90	69.90	141.60	29.00	170.60	314.71
2016	2015	74.21	-	74.21	66.00	3.90	69.90	141.60	29.00	170.60	314.71

Source: Aiken County Auditor

(a) Because of the change mandated by State law noted in the footnote of Table V, the City of North Augusta uses different tax years for real and personal property taxes.

(b) The City had no GOB debt prior to 2006. During 2013, the City defeased all of its outstanding GOB debt

City Tax Data:

Mill: Represents .1% per \$1,000 of assessed valuation
Tax Rate Limits: None
Taxes Due: Personal: In the month preceding tag renewal by the S.C. State Highway Department
Real and Merchants: April 30th
Personal: N/A--Taxes on personal property paid in advance
Taxes Delinquent: Real and Merchants: May 1st
Discount Allowed: None
Penalties: Real and Merchants: 15%
Reassessment Years: Tax Years 2007, 2011

Uncollected taxes are turned over to the City Delinquent Tax Collector on June 1st, with authority to enforce collection by tax sale.

**City of North Augusta, South Carolina
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	Type of Business	2016			2007		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
S. C. Electric & Gas Co.	Utility	\$ 3,038,610	1	3.21%	\$ 1,881,770	2	3.10%
Wal-Mart, Inc.	Retail Shopping	1,810,770	2	1.91%	867,910	5	1.43%
Halocarbon Chemicals, Inc.	Manufacturing	1,137,450	3	1.20%	907,090	4	1.49%
SRP Federal Credit Union	Banking/Credit Union	1,135,870	4	1.20%			
SUSO 3 Augusta, LP	Real Estate	1,087,920	5	1.15%			
Allnex Industries, Inc.	Manufacturing	993,300	6	1.05%	2,425,850	1	4.00%
CVS SC Distribution, Inc.	Warehousing/Distribution	709,980	7	0.75%	358,110	8	0.59%
The Kroger Company	Grocery Store	640,180	8	0.68%			
Bell South Telecommunications	Communication	581,680	9	0.61%	1,068,760	3	1.76%
Lowes Home Centers, Inc.	Retail Building Supplies	508,550	10	0.54%			
North Augusta Associates, Ltd	Real Estate				604,020	6	1.00%
Trailer Train-Hamburg Industries	Manufacturing				298,820	10	0.49%
Ramco-Gershenson Property	Real Estate				420,000	7	0.69%
North Augusta Business Technology	Real Estate				348,650	9	0.57%
TOTAL Taxable Assessed							
Value-10 Largest Taxpayers		<u>\$ 11,644,310</u>		<u>12.30%</u>	<u>\$ 9,180,980</u>		<u>15.14%</u>

Source: City of North Augusta tax records

This table lists the ten largest taxpayers, type of business, assessed valuation, and tax levy for the fiscal year 2016 (tax year 2015) as indicated by the City of North Augusta tax digest. This includes furniture, fixtures, and equipment assessed at 10.5% and commercial real estate at 6%.

**City of North Augusta, South Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years**

Year Ended December 31	(b) Tax Year	(a) Taxes Levied for the Fiscal Year	Collected within the Current Year of Tax Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	2006	\$ 4,921,454	\$ 4,885,009	99.26%	\$ 34,125	\$ 4,919,134	99.95%
2008	(c) 2007	5,280,998	5,245,248	99.32%	20,265	5,265,513	99.71%
2009	2008	5,659,210	5,630,867	99.50%	20,523	5,651,390	99.86%
2010	2009	5,783,397	5,741,980	99.28%	32,057	5,774,037	99.84%
2011	2010	5,924,149	5,883,727	99.32%	22,438	5,906,165	99.70%
2012	(c) 2011	6,377,793	6,344,561	99.48%	9,017	6,353,578	99.62%
2013	2012	6,488,677	6,446,489	99.35%	17,752	6,464,241	99.62%
2014	2013	6,597,073	6,565,216	99.52%	7,961	6,573,177	99.64%
2015	2014	6,804,705	6,762,260	99.38%	13,273	6,775,533	99.57%
2016	2015	7,026,901	6,992,988	99.52%		6,992,988	99.52%

Source: City of North Augusta tax records

(a) Includes real, merchants inventory, merchants furniture and fixtures, and personal property taxes levied and collected.

(b) Because of the change by State law noted in the footnote of Table V, the City of North Augusta uses different tax years for real and personal property taxes.

(c) Reassessment year, see Table VI

**City of North Augusta, South Carolina
Business Licenses / Franchise Fees
Last Ten Fiscal Years**

Year Ended December 31	Total Revenues	Gross Sales	Total Number of Licenses Issued
2007	\$ 4,312,185	\$ 889,057,357	1,736
2008	4,317,231	970,346,276	1,822
2009	4,233,899	869,487,157	1,746
2010	4,244,590	808,670,711	1,803
2011	4,464,424	846,714,451	1,756
2012	4,582,285	873,882,462	1,750
2013	4,738,535	963,027,255	1,760
2014	5,032,737	1,047,778,440	1,861
2015	5,302,353	1,098,056,589	1,849
2016	5,514,782	1,143,626,048	1,877

Source: City of North Augusta business license records

**City of North Augusta, South Carolina
Number of Utility Customers
Last Ten Fiscal Years**

<u>Year Ended December 31</u>	<u>Residential Inside Water</u>	<u>Non-Residential Inside Water</u>	<u>Total Inside Water Accounts</u>	<u>Residential Outside Water</u>	<u>Non-Residential Outside Water</u>	<u>Total Outside Water Accounts</u>	<u>Total Water Accounts</u>
2007	7,541	660	8,201	3,075	139	3,214	11,415
2008	7,569	669	8,238	3,039	146	3,185	11,423
2009	7,670	582	8,252	3,023	151	3,174	11,426
2010	7,821	581	8,402	3,024	145	3,169	11,571
2011	7,881	577	8,458	2,982	148	3,130	11,588
2012	7,897	582	8,479	2,974	150	3,124	11,603
2013	7,906	590	8,496	2,973	147	3,120	11,616
2014	7,971	608	8,579	2,965	148	3,113	11,692
2015	8,074	636	8,710	2,941	153	3,094	11,804
2016	8,152	658	8,810	2,931	158	3,089	11,899

<u>Year Ended December 31</u>	<u>Residential Inside Sewer</u>	<u>Non-Residential Inside Sewer</u>	<u>Total Inside Sewer Accounts</u>	<u>Residential Outside Sewer</u>	<u>Non-Residential Outside Sewer</u>	<u>Total Outside Sewer Accounts</u>	<u>Total Sewer Accounts</u>
2007	8,668	616	9,284	930	29	959	10,243
2008	8,804	622	9,426	918	29	947	10,373
2009	9,003	541	9,544	919	28	947	10,491
2010	9,215	541	9,756	914	26	940	10,696
2011	9,324	536	9,860	902	27	929	10,789
2012	9,355	529	9,884	964	27	991	10,875
2013	9,414	535	9,949	975	29	1,004	10,953
2014	9,521	549	10,070	963	31	994	11,064
2015	9,725	562	10,287	967	31	998	11,285
2016	9,900	576	10,476	967	31	998	11,474

Source: City of North Augusta utility billing records

**City of North Augusta, South Carolina
Ten Largest Water and Wastewater Customers
Current Year and Nine Years Ago**

Water Customers

<u>Customer Name</u>	<u>Type of Business</u>	<u>2016 Annual Consumption</u>		<u>2007 Annual Consumption</u>	
		<u>Rank</u>	<u>Water Usage</u>	<u>Rank</u>	<u>Water Usage</u>
City of North Augusta	Municipal Government	1	69,296,300	2	69,407,254
Halocarbon Chemicals, Inc.	Manufacturing	2	58,340,300	3	43,804,100
Allnex Industries, Inc.	Manufacturing	3	43,472,300	4	28,171,900 (a)
Aiken County Schools	School District	4	30,056,400		
JARS at Breckenridge/Plaza Terrace	Apartments	5	10,373,300	6	7,734,600 (b)
Gentry's Mobile Home Park	Mobile Home Park	6	6,981,700	7	7,157,400
Pinecrest Apartments	Apartments	7	5,835,900		
The Housing Authority	Apartments	8	5,801,900	10	5,770,300
Plaza Place Apartments, LLC	Apartments	9	4,993,200	9	6,647,000
Mitchell Manor Mobile Home Park	Apartments	10	4,215,100		
Breezy Hill Water & Sewer Authority	Water District Provider			1	271,109,700
UniHealth Post Acute Care	Nursing Home Facility			5	9,842,000 (c)
The Groves Apartments, LLC	Apartments			8	6,987,600

Wastewater Customers

<u>Customer Name</u>	<u>Type of Business</u>	<u>2016 Annual Consumption</u>		<u>2007 Annual Consumption</u>	
		<u>Rank</u>	<u>Water Usage</u>	<u>Rank</u>	<u>Water Usage</u>
Edgefield County Water & Sewer Authority	Sewer District Provider	1	701,462,000	1	502,245,739
City of North Augusta	Municipal Government	2	67,379,100	4	12,641,200
Halocarbon Chemicals, Inc.	Manufacturing	3	58,340,300	2	40,428,000
Allnex Industries, Inc.	Manufacturing	4	43,088,850	3	14,945,512 (a)
JARS at Breckenridge/Plaza Terrace	Apartments	5	7,969,000	9	5,575,239 (b)
Willow Wick Apartments	Apartments	6	7,513,200	7	6,371,197
National Healthcare	Nursing Home Facility	7	6,893,200		
Gentry's Mobile Home Park	Mobile Home Park	8	6,635,700		
The Housing Authority	Apartments	9	5,625,900	10	5,307,500
Plaza Place Apartments, LLC	Apartments	10	4,802,800	6	6,414,987
UniHealth Post Acute Care	Nursing Home Facility			5	7,765,000 (c)
The Groves Apartments, LLC	Apartments			8	5,917,785

Note: Consumption is measured in gallons

Source: City of North Augusta utility billing records

(a) Allnex formerly Cytec formerly Surface Specialties

(b) Breckenridge Apartments and Plaza Terrace Apartments merged under JARS at Breckenridge/Plaza Terrace

(c) UniHealth Post Acute Care formerly Anna-Maria Medical Care

City of North Augusta, South Carolina
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Year Ended December 31	<u>Governmental Activities</u>				<u>Business-Type Activities</u>			Total Primary Government	Population (Estimate)	Per Capita
	General Obligation Bonds	Revenue Bonds	Municipal Center Lease	Capital Leases	Revenue Bonds	Capital Leases	PSA Capacity Payable			
2007	\$ 4,716,068	\$ -	\$ 6,350,000	\$ 793,040	\$ 5,589,673	\$ 600,371	\$ -	\$ 18,049,152	19,322	\$ 934.12
2008	4,491,068	-	6,073,647	796,742	5,174,433	506,460	-	17,042,350	19,866	857.87
2009	4,239,853	-	5,787,235	673,937	4,738,669	693,750	-	16,133,444	20,025	805.67
2010	3,964,448	-	5,490,399	579,468	4,278,251	783,249	-	15,095,815	21,348 (a)	707.13
2011	3,684,043	-	5,182,756	858,422	1,609,835	1,178,361	-	12,513,417	21,419	584.22
2012	3,393,638	-	4,863,913	958,605	1,371,083	1,298,976	1,106,033	12,992,248	21,703	598.64
2013	-	-	4,553,466	870,864	1,121,081	1,042,038	-	7,587,449	21,885	346.70
2014	-	-	4,189,823	778,992	6,301,457	1,025,696	-	12,295,968	22,048	557.69
2015	-	9,738,317	3,834,882	1,123,575	16,118,138	1,245,633	-	32,060,545	-	#DIV/0! (b)
2016	-	10,166,337	3,466,970	1,431,394	20,299,376	785,635	-	36,149,712	22,932	1,576.39

(a) Actual Census population from United States Census Bureau

(b) 2015 installment purchase revenue bond to construct and equip a parking garage, 2014A and 2015A SC Drinking Water Revolving Loan Fund serial bonds to construct a raw water storage facility and new water treatment plant.

Source: Population estimates provided by the City of North Augusta Planning and Development Department

NOTE: The ratio of outstanding debt by type is expressed in per capita dollar amounts. Personal income figures are not available at the City level.

City of North Augusta, South Carolina
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Year Ended December 31	General Obligation Bonds (GOB)	Estimated Actual Taxable Value (1) of Property	% of Estimated Actual Taxable Value of Property	Population (2)	Per Capita
2007	\$ 4,716,068	\$ 1,003,566,986	0.47%	19,322	244.08
2008	4,491,068	1,165,866,070	0.39%	19,866	226.07
2009	4,239,853	1,269,042,355	0.33%	20,025	211.73
2010	3,964,448	1,296,890,220	0.31%	21,348	185.71
2011	3,684,043	1,328,453,934	0.28%	21,419	172.00
2012	3,393,638	1,513,617,546	0.22%	21,703	156.37
2013	-	1,539,933,225	0.00%	21,885	0.00
2014	-	1,560,713,463	0.00%	22,048	0.00
2015	-	1,601,776,785	0.00%	22,568	0.00
2016	-	1,654,673,531	0.00%	22,932	0.00

Note: The City had no General Obligation Bond (GOB) debt prior to 2006. During 2006 the City issued its first GOB debt. The 2006 General Obligation Bonds were defeased in December of 2013 removing the City's financial obligation.

(1) City of North Augusta tax records

(2) The population for year 2010 is provided by the US Census Bureau. Population estimates for all other years are provided by the City of North Augusta Planning and Development Department.

City of North Augusta, South Carolina
Direct and Overlapping Governmental Activities Debt
As of December 31, 2016

<u>Jurisdiction</u>	<u>Debt Outstanding @ December 31, 2016</u>	<u>Percent Applicable to City of North Augusta</u>	<u>Amount Applicable to City of North Augusta</u>
Direct Debt			
City of North Augusta *	\$ 15,064,701	100.00%	\$ 15,064,701
Overlapping Debt			
County of Aiken	\$ 48,140,000	13.95%	\$ 6,715,530
Aiken County School District	<u>127,430,000</u>	<u>13.95%</u>	<u>17,776,485</u>
Sub-total - Overlapping Debt	<u>\$ 175,570,000</u>	<u>13.95%</u>	<u>\$ 24,492,015</u>
Total	<u><u>\$ 190,634,701</u></u>		<u><u>\$ 39,556,716</u></u>

* Includes Revenue Bonds, Municipal Center Lease and Capital Leases

Note: The percentage of the overlapping debt applicable to the City of North Augusta is estimated using taxable assessed property values. Applicable percentages were estimated by determining the percentage of the City's total taxable assessed value to Aiken County's total taxable assessed value.

Source: Aiken County and Aiken County School District

**City of North Augusta, South Carolina
Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 4,855,899	\$ 5,472,536	\$ 5,864,466	\$ 5,993,158	\$ 6,139,015
Total net debt applicable to limit	<u>4,716,068</u> *	<u>4,491,068</u> *	<u>4,239,853</u> *	<u>3,964,448</u>	<u>3,684,043</u> *
Legal debt margin	<u>\$ 139,831</u>	<u>\$ 981,468</u>	<u>\$ 1,624,613</u>	<u>\$ 2,028,710</u>	<u>\$ 2,454,972</u>
Total net debt applicable to the limit as a percentage of debt limit	97.12%	82.07%	72.30%	66.15%	60.01%

	Fiscal Year				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt Limit	\$ 6,875,400	\$ 6,994,935	\$ 7,111,789	\$ 7,335,620	\$ 7,575,153
Total net debt applicable to limit	<u>3,393,638</u> *	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 3,481,762</u>	<u>\$ 6,994,935</u>	<u>\$ 7,111,789</u>	<u>\$ 7,335,620</u>	<u>\$ 7,575,153</u>
Total net debt applicable to the limit as a percentage of debt limit	49.36%	0.00%	0.00%	0.00%	0.00%

* General Obligation Bonds issued in 2006

Note: The 2006 General Obligation Bonds were defeased in December of 2013 removing the City's financial obligation.

**City of North Augusta, South Carolina
Pledged-Revenue Bond Coverage
Last Ten Fiscal Years**

Year Ended December 31	Total Operating Revenue	Total Operating Expenses	Net Revenue Available for Debt Service	Average Annual Remaining Debt Service			Coverage Ratio
				Revenue Bond Principal	Revenue Bond Interest	Total Debt Service	
2007	\$ 7,796,719	\$ 5,213,116	\$ 2,583,603	\$ 508,152	\$ 139,451	\$ 647,603	3.99
2008	7,940,478	5,403,826	2,536,652	517,443	127,524	644,967	3.93
2009	7,983,471	5,623,673	2,359,798	526,519	115,282	641,801	3.68
2010	8,401,138	5,801,623	2,599,515	534,781	102,697	637,478	4.08
2011	8,736,969	5,742,471	2,994,498	268,305	38,028	306,333	9.78
2012	8,695,259	5,977,123	2,718,136	274,217	32,117	306,334	8.87
2013	9,018,317	6,434,884	2,583,433	280,270	26,064	306,334	8.43
2014	9,236,276	6,371,096	2,865,180	966,747	73,229	1,039,976	2.76
2015	9,120,970	6,800,179	2,320,791	1,100,524	197,891	1,298,415	1.79
2016	9,624,938	6,698,524	2,926,414	1,386,619	250,838	1,637,457	1.79

NOTE: Revenue bond coverage requirements are defined in the City's Revenue Bond Ordinance by the City's Bond Counsel, Pope Flynn LLC, Attorneys and Counselors at Law, located in Columbia, South Carolina. Coverage is calculated by dividing the annual net revenue available for debt service by the average annual requirements for principal and interest on all debt outstanding and payable from revenues of the system. Annual net revenue available for debt service is defined as the total operating revenues (non-operating revenue or interest revenue is not included) less total operating expenses (depreciation or amortization is not included).

County of Aiken, South Carolina (Note 1)
Economic Statistics
Last Ten Calendar Years (Note 2)

<u>Year</u>	<u>Population</u>	<u>Personal Income</u> (thousands of dollars)	<u>Per Capita Personal</u> <u>Income</u>	<u>Unemployment Rate</u>
2006	150,220	4,493,405	29,912	5.4%
2007	152,333	4,760,916	31,253	9.9%
2008	154,601	5,079,467	32,855	7.9%
2009	156,017	5,329,058	34,157	8.6%
2010	160,099	5,504,829	34,325	8.3%
2011	160,682	5,646,463	35,141	8.5%
2012	162,812	5,696,104	34,986	7.7%
2013	164,176	5,944,862	36,210	6.7%
2014	164,753	6,139,496	37,265	6.0%
2015	165,829	6,200,209	37,389	5.9%

Source: South Carolina Employment Security Commission

Note 1 - All figures are for the County of Aiken, City of North Augusta statistics are not available

Note 2 - Personal Income and Per Capita Personal Income figures are not available for 2015.

The United States Census Bureau has recorded the population of the City of North Augusta and County of Aiken in the decennial years 1940 through 2010 as follows. Population estimates for years 2011-2015 are provided by the City's Planning and Development Department.

<u>Year</u>	<u>City of North Augusta</u>	<u>County of Aiken</u>
1940	2,629	49,916
1950	3,659	53,137
1960	10,348	81,038
1970	12,883	91,023
1980	13,593	105,625
1990	15,684	120,940
2000	17,574	142,780
2010	21,348	160,099
2011	21,419	160,682
2012	21,703	162,812
2013	21,885	164,176
2014	22,048	164,753
2015	22,568	165,829

**City of North Augusta, South Carolina
Principal Employers
Current Year and Nine Years Ago**

Employer	Location	Service or Product	2016			2007		
			Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Savannah River Site - see detail below (1)	Out	Materials for Nuclear Defense	12,528	1	17.64%	9,887	1	14.01%
Aiken County Public Schools	In / Out	School District	3,300	2	4.65%	3,471	2	4.92%
Bridgestone Americas Tire Operations LLC	Out	Passenger and Light Truck Tires	1,830	3	2.58%	942	5	1.33%
Kimberly-Clark Corp.	Out	Consumer Paper Products	1,250	4	1.76%	1,294	3	1.83%
Aiken Regional Medical Center	Out	Hospital	1,200	5	1.69%	1,000	4	1.42%
Aiken County Government	Out	County Government	890	6	1.25%	860	6	1.22%
Centerra (a)	Out	Engineering Consulting Firm	685	7	0.96%	650	8	0.92%
Advanced Glassfiber Yarn	Out	Fiberglass Insulation and Circuit Boards	770	8	1.08%	720	7	1.02%
Shaw Industries	Out	Fibers Manufacturing	600	9	0.84%	586	9	0.83%
Wal-Mart-North Augusta	In	Retail	587	10	0.83%			
Medac	In	Healthcare Providers	500	11	0.70%			
City of Aiken	Out	Municipal Government	471	12	0.66%	403	13	0.57%
UPS Customhouse Brokerage	Out	International Customhouse Brokerage	450	13	0.63%	579	10	0.82%
Hubbell Power Systems	Out	High Voltage Insulators and Arrestors	370	14	0.52%	418	12	0.59%
Bridgestone Americas Off Road Radial Tires	Out	Large and Ultra Large Tires	359	15	0.51%			
ASCO Valve, Inc.	Out	Solenoid Valve Technology	330	16	0.46%	370	14	0.52%
Tognum America, Inc. MTU Aiken Plant	Out	Diesel Engines and Components	259	17	0.36%			
TTX/Hamburg Industries, Inc.	In	Re-built Railway Cars	252	18	0.35%	333	15	0.47%
City of North Augusta	In	Municipal Government	245	19	0.34%	204	19	0.29%
CTP Transportation Products (b)	Out	Rims and Tires for Riding Mowers	230	20	0.32%	315	17	0.45%
Glaxo Smith Kline	Out	Proprietary Drugs	215		0.30%	300	18	0.43%
Newman Technology SC, Inc	Out	Automotive/ATV Exhaust and Suspension	114		0.16%	425	11	0.60%
BAE Systems	Out	Machine Parts - Track Vehicles	90		0.13%	326	16	0.46%
R.E. Phelon, Inc.	Out	Aluminum Die Casting	*	*		150	20	0.21%

Source: Economic Development Partnership, Various Employers, and South Carolina Employment Commission

Location: **In** city limits, **Out** of city limits

* not in business at this time
** information not available

(1) SRNS/SRR, including subcontractors and temporary construction workers	7,503
MOX Service	1,961
Parsons	453
Department of Energy	444
US Forestry Service	65
Savannah River Ecology Lab	78
Other Subcontractors	<u>1856</u>
	<u>12,360</u>

Savannah River Nuclear Solutions/Savannah River Remediation Company employees live in 7 counties in South Carolina and 2 in Georgia with less than 6% scattered in other areas.

County	# of workers	
	workers	%
Aiken County, South Carolina	4,052	54.0%
Columbia County, Georgia	1,200	16.0%
Richmond County, Georgia	825	11.0%
Barnwell County, South Carolina	450	6.0%
Edgefield County, South Carolina	225	3.0%
Orangeburg County, South Carolina	75	1.0%
Bamberg County, South Carolina	75	1.0%
Lexington County, South Carolina	113	1.5%
Allendale County, South Carolina	38	0.5%
Other	450	6.0%
	<u>7,503</u>	100.00%

City of North Augusta, South Carolina
Full-time Budget Equivalent Employees by Fund / Function / Department
Last Ten Fiscal Years

Fund / Function / Department	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>General Fund</u>										
General Government										
City Council	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
City Administration	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	1.0
Information Technology	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5 (a)
Justice and Law	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance	5.0	5.0	5.0	5.0	4.5	4.5	4.5	5.5	5.5	4.0
Human Resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0 (b)
Building Standards	4.0	4.0	5.0	4.0	3.0	3.5	3.5	3.5	4.5	4.5
Planning and Development	6.0	6.0	5.0	4.0	3.0	2.0	2.0	2.0	2.0	2.0
Public Safety	68.0	69.0	72.0	72.0	76.5	76.5	77.0	79.0	84.0	88.0
Public Works										
Engineering	3.0	3.0	2.5	2.5	1.5	1.5	1.5	1.5	1.5	2.5
Streets & Drains	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.5	10.0	10.0
Parks, Recreation & Tourism										
Recreation	6.0	6.0	6.0	5.0	5.0	5.0	5.0	4.0	5.0	5.0
Parks	3.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0
Property Maintenance	12.0	13.0	13.0	13.0	13.0	13.0	12.0	12.0	13.0	14.0
Community Center	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Tourism	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0
RVP Activities	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Sub-total	129.0	132.0	134.5	130.5	131.5	132.0	132.5	135.0	143.5	152.5
<u>Stormwater Fund</u>										
Stormwater	3.0	5.0	6.0	6.0	6.0	5.5	5.5	5.0	4.5	5.5
Sub-total	3.0	5.0	6.0	6.0	6.0	5.5	5.5	5.0	4.5	5.5
<u>Sanitation Fund</u>										
Public Works										
Information Technology	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5 (c)
Sanitation	24.5	26.5	26.5	26.0	26.0	25.5	26.0	26.0	26.0	25.5
Material Recovery Center	7.5	7.5	7.5	7.5	7.5	7.5	7.5	8.5	8.5	8.5
Sub-total	32.0	34.0	34.0	33.5	33.5	33.0	33.5	34.5	34.5	34.5
<u>Water & Wastewater Fund</u>										
Public Utilities										
Information Technology	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0 (a)
Utilities Finance	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	4.0
Utilities Administration	8.0	8.0	7.5	8.0	7.5	7.5	7.5	7.5	7.5	7.5
Water Operations	9.0	9.0	9.0	9.0	8.0	8.0	8.0	8.0	8.0	8.0
Water Production	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Wastewater Operations	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Sub-total	39.0	39.0	38.5	39.0	37.5	38.5	38.5	38.5	38.5	39.5
TOTAL	203.0	210.0	213.0	209.0	208.5	209.0	210.0	213.0	221.0	232.0

(a) previously included under Finance

(b) previously included under Administration

(c) previously included under Sanitation

City of North Augusta, South Carolina
Operating Indicators by Function / Program
Last Ten Fiscal Years

Function / Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Size of City (square miles)	20.050	20.670	20.676	20.723	20.769	20.778	20.989	21.019	21.150	21.172
Annexations approved by City Council	10	5	3	4	4	7	5	5	-	2
Building permits issued	845	799	684	815	627	604	622	660	648	668
Plumbing permits issued	654	496	283	349	341	291	340	310	373	381
Mechanical permits issued	471	432	333	467	323	345	391	433	417	520
Electrical permits issued	733	622	335	443	411	349	422	431	434	482
Business licenses issued	1,736	1,822	1,746	1,803	1,756	1,750	1,760	1,861	1,849	1,877
Police										
Total calls for service	51,071	47,189	46,956	50,349	50,356	42,632	41,058	38,973	40,567	37,929
Criminal arrests	1,861	1,833	2,405	2,024	1,800	1,841	1,377	1,360	1,766	1,572
Incident reports (police action required)	3,205	3,238	3,051	3,277	3,228	3,557	3,377	3,399	3,627	3,888
Accident reports (collisions)	1,127	1,069	1,105	1,068	1,041	1,007	960	1,012	1,190	1,187
Traffic offenses (resulting in fine)	6,884	5,858	5,224	6,590	8,652	8,698	8,780	8,785	8,809	7,933
Drug offenses	249	202	145	260	231	136	203	157	177	210
Burglaries reported	224	298	385	408	333	218	117	108	97	132
Fire										
Actual fire calls - Inside City	146	133	276	192	150	105	130	145	114	105
Actual fire calls - Outside City	33	34	25	13	23	21	17	12	7	31
Solid Waste										
Garbage Refuse Collected (tons) - Residential	9,246	9,544	10,606	10,618	10,402	9,011	9,079	9,143	10,227	9,334
Garbage Refuse Collected (tons) - Commercial	6,876	6,740	6,494	6,049	6,625	6,874	4,992	5,037	4,723	5,502
Recyclables Collected (tons)	1,583	2,119	2,804	3,055	5,617	4,839	5,326	5,313	6,656	5,047
Property Maintenance										
Tree trimming hours	130	227	185	198	260	287	254	275	1,378	3,516
Mowing hours	11,998	13,198	12,200	12,800	13,250	12,970	12,960	12,976	10,944	12,892
Planting hours	4,330	5,412	5,400	5,500	5,600	5,760	5,565	4,628	1,726	1,388
Streets and Drains										
Pothole patching / asphalt tons	324	280	236	191	254	388	476	409	341	464
Curb, gutter & sidewalk repair / CY	181	192	152	199	324	290	285	378	472	292
Storm drain inlets cleaned	378	275	221	224	307	330	325	282	419	619
Street sweeping / miles	2,400	2,827	2,139	2,168	2,670	2,393	2,727	977	1,339	838
Parks and Recreation										
Baseball / Number of Players	781	782	747	786	784	788	735	789	779	687
Youth Softball / Number of Players	302	289	292	261	270	262	248	259	238	234
Spring Soccer / Number of Players	404	436	566	513	527	540	528	511	484	532
Fall Soccer / Number of Players	437	494	522	504	511	534	474	473	552	552
Youth Basketball / Number of Players	707	576	554	581	595	600	549	680	640	615
Youth Football / Number of Players	429	328	358	346	313	309	310	281	280	239
Youth Cheerleading / Number of Participants	188	128	128	153	165	115	118	96	113	117
Youth Volleyball / Number of Participants	80	76	86	89	91	61	105	83	94	73
Water										
New water services	133	57	52	103	101	43	33	77	77	184
Water lines installed / L.F.	6,089	7,626	13,221	3,766	4,662	2,857	5,609	2,068	2,599	913
Water line leaks repaired	27	14	15	17	12	24	29	34	23	27
Average daily water pumped	4,608,000	4,226,000	3,771,000	4,246,000	4,330,000	4,365,000	3,853,000	3,569,000	3,576,000	3,750,000
Daily peak demand (gallons per day)	8,915,000	7,830,000	7,722,000	7,593,000	7,888,000	9,312,000	7,571,000	7,446,000	7,000,000	6,365,000
Peak day	8/15/2007	6/9/2008	7/3/2009	7/9/2010	8/5/2011	7/8/2012	5/27/2013	8/22/2014	6/22/2015	7/29/2016
Wastewater										
New sewer taps	268	94	83	140	122	97	117	135	158	212
Wastewater lines installed / L.F.	2,052	1,922	2,901	0	1,425	160	1,379	508	1,970	1,259
Wastewater lines repaired / L.F.	29	37	38	54	64	65	33	62	680	556
Wastewater lines cleaned / L.F.	56,895	77,402	39,468	67,029	57,810	87,648	73,232	93,859	70,610	57,320

Source: City of North Augusta's Year-end Departmental Reports

**City of North Augusta, South Carolina
Capital Asset Statistics by Function / Program
Last Ten Fiscal Years**

Function / Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Number of Stations	2	2	2	2	2	2	2	2	3	3
Number of Public Safety Officers	51	52	52	55	55	55	55	58	61	62
Number of Volunteer Firemen	20	20	20	20	20	20	20	20	20	20
Insurance Rating (ISO)	Class 3	Class 3	Class 3	Class 3	Class 3	Class 3	Class 3	Class 3	Class 2	Class 2
Signalized Intersections	24	24	26	26	30	30	30	30	31	31
Number of Fire Hydrants										
Inside City	774	778	781	792	795	802	805	809	812	814
Outside City	148	149	149	149	149	149	149	149	149	149
Public Works										
Miles of Streets	135.88	135.88	137.05	137.77	138.81	140.09	140.85	141.37	141.91	143.77
Street Lights	1,668	1,718	1,740	1,750	1,763	1,789	1,789	1,800	1,817	1,841
Parks, Recreation & Tourism										
Number of Parks	20	22	22	22	22	22	22	22	22	22
Park Acreage	463	550	550	550	550	550	550	550	550	550
Miles of Paved Greenway	11.0	12.5	12.5	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Number of Picnic Shelters	4	8	8	8	8	8	8	9	9	9
Baseball / Softball Diamonds	9	9	9	9	10	10	10	10	10	10
Football / Lions Field	1	1	2	2	2	2	2	2	2	2
Soccer Fields	6	6	6	6	6	6	6	6	6	6
Tennis Courts	9	9	9	9	11	11	11	11	11	11
Multi-purpose Fields	3	3	3	3	3	3	3	3	3	3
Community Center	1	1	1	1	1	1	1	1	1	1
Activities Center	1	1	1	1	1	1	1	1	1	1
Water										
Miles of Water Mains	170.78	189.85	194.00	194.78	195.15	195.27	196.01	196.08	228.68	229.07
Maximum Pumping Capacity (gallons per day)	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	12,000,000	12,000,000	12,000,000
Sewer										
Miles of Wastewater Lines	225.90	226.09	226.63	227.46	227.72	228.03	228.54	228.57	229.20	231.55
Stormwater										
Miles of Storm Sewer	43.18	56.80	57.28	57.77	58.22	59.29	59.79	60.37	60.73	68.01

Source: City of North Augusta's Year-end Departmental Reports

**City of North Augusta, South Carolina
Enterprise Funds Rates and Charges
Rates / Charges in effect December 31, 2016**

Water Rate in effect December 31, 2016

Meter Size	Minimum Usage	Base Rates / Inside City Limits			Base Rates / Outside City Limits		
		Debt Service	O & M	Total	Debt Service	O & M	Total
5/8 and 3/4 Inch	3,000 gallons	\$3.90	\$8.48	\$12.38	\$5.85	\$18.91	\$24.76
1 Inch	6,000 gallons	3.90	13.44	17.34	5.85	28.83	34.68
1 1/2 Inch	9,000 gallons	3.90	18.08	21.98	5.85	38.11	43.96
2 Inch	15,000 gallons	3.90	27.47	31.37	5.85	56.89	62.74
3 Inch	24,000 gallons	3.90	41.69	45.59	5.85	85.33	91.18
4 Inch	30,000 gallons	3.90	51.17	55.07	5.85	104.29	110.14
6 Inch	90,000 gallons	3.90	146.03	149.93	5.85	294.01	299.86

Volume of Consumption	Volume Rates / Inside City Limits			Volume Rates / Outside City Limits		
	Debt Service	O & M	Total	Debt Service	O & M	Total
Next 10,000 gallons	\$0.15	\$1.10	\$1.25	\$0.30	\$2.20	\$2.50
Next 27,000 gallons	0.15	1.05	1.20	0.30	2.10	2.40
Next 160,000 gallons	0.15	1.00	1.15	0.30	2.00	2.30
All Additional Usage	0.15	0.90	1.05	0.30	1.80	2.10

Sewer Rate in effect December 31, 2016

Base Rates	Base Rates / Inside City Limits			Base Rates / Outside City Limits		
	Debt Service	O & M	Total	Debt Service	O & M	Total
	\$2.53	\$8.19	\$10.72	\$5.06	\$9.19	\$14.25

Volume of Consumption	Volume Rates / Inside City Limits			Volume Rates / Outside City Limits		
	Debt Service	O & M	Total	Debt Service	O & M	Total
Rates for first 15,000,000 gallons/month	\$0.62	\$2.12	\$2.74	\$1.24	\$2.16	\$3.40
All Additional Usage	0.59	1.65	2.24	0.59	1.65	2.24

Sanitation Service Charges in effect December 31, 2016

	<u>Inside City</u>	<u>Outside City</u>	<u>Recycling</u>
Residential (monthly)	\$15.90	\$23.85	\$3.60

	Base Fee <u>In and Out City</u>	Volume Charge (per cubic yard)		<u>Recycling</u>
		<u>Inside City</u>	<u>Outside City</u>	
Commercial (monthly)				
2 cubic yard container	\$48.04	\$2.16	\$3.24	\$3.60
3 cubic yard container	50.45	2.16	3.24	3.60
4 cubic yard container	52.84	2.16	3.24	3.60
6 cubic yard container	58.13	2.16	3.24	3.60
8 cubic yard container	63.94	2.16	3.24	3.60

Stormwater Management Service Charges in effect December 31, 2016

Residential Charge (Inside City only)	\$5.00 per month
Multi-family Charge (Inside City only)	\$3.75 per month per unit
Non-residential (Inside City only)	Each non-residential developed property is classified and charged according to its primary developed use

**City of North Augusta, South Carolina
Enterprise Funds History of Rates and Charges
Last Ten Fiscal Years Through December 31, 2016**

History of Water Rate Changes (past 10 years)

- 1/1/2013 O & M Minimum Base Rate increased by \$.75 per month inside city limits and \$1.50 per month outside city limits
O & M Volume Rate increased by \$.10 per 1,000 gallons inside city limits and \$.20 per 1,000 gallons outside city limits
- 1/1/2009 O & M Minimum Base Rate increased by \$38 per month inside city limits and \$.76 per month outside city limits
- 1/1/2007 O & M Minimum Base Rate increased by \$1.75 per month inside city limits and \$3.50 per month outside city limits
O & M Volume Rate increased by \$.05 per 1,000 gallons inside city limits and \$.10 per 1,000 gallons outside city limits
- 1/1/2004 O & M Minimum Base Rate increased by \$1.30 per month inside city limits and \$2.60 per month outside city limits
O & M Volume Rate increased by \$.02 per 1,000 gallons inside city limits and \$.04 per 1,000 gallons outside city limits

History of Sewer Rate Changes (past 10 years)

- 7/1/2010 O & M Minimum Base Rate increased by \$.50 per month inside and outside city limits
O & M Volume Rate increased by \$.10 per 1,000 gallons inside and outside city limits
- 7/1/2009 O & M Volume Rate increased by \$.10 per 1,000 gallons inside and outside city limits (PSA)
- 1/1/2009 O & M Minimum Base Rate increased by \$1.00 per month outside city limits
O & M Volume Rate increased by \$.06 per 1,000 gallons inside and \$.10 per 1,000 gallons outside city limits
- 7/1/2008 O & M Volume Rate increased by \$.16 per 1,000 gallons inside and outside city limits (PSA)
- 7/1/2006 O & M Volume Rate increased by \$.10 per 1,000 gallons inside and outside city limits (PSA)
- 7/1/2005 O & M Volume Rate increased by \$.05 per 1,000 gallons inside and outside city limits (PSA)
- 1/1/2004 O & M Minimum Base Rate increased by \$1.50 per month inside and outside city limits
O & M Volume Rate increased by \$.10 per 1,000 gallons inside and outside city limits

History of Sanitation and Recycling Charge Changes (past 10 years)

- 1/1/2012 Residential Service Charge increased by \$.60 inside city limits and \$.90 outside city limits
Commercial Rates increased by 3.5%
Recycling Service Charge increased by \$.60 inside and outside city limits
- 1/1/2009 Residential Service Charge increased by \$.30 inside city limits and \$.45 outside city limits
Commercial Rates increased by 2%
- 1/1/2007 Recycling Service Charge increased by \$.75 inside and outside city limits
- 1/1/2006 Residential Service Charge increased by \$1.70 inside city limits and \$2.55 outside city limits
Commercial Rates increased by 12%
- 1/1/2004 Residential Service Charge increased by \$1.40 inside city limits and \$2.10 outside city limits
Commercial Rates increased by 12%

Stormwater Management Service Charge Changes (past 10 years)

- 7/1/2002 Stormwater Management Fee Implemented as follows (original rate adopted in 2002)
 - Residential Charge (Inside City only) \$4.00 per month per unit
 - Multi-family Charge (Inside City only) \$3.00 per month per unit
 - Non-residential (Inside City only) Each non-residential developed property is classified and charged according to its primary developed use
- 1/1/2015 Residential Charge (Inside City only) increased by \$1.00 per month per unit
Multi-family Charge (Inside City only) increased by \$.75 per month per unit