



CITY OF NORTH AUGUSTA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Year Ended December 31, 2017

CITY OF NORTH AUGUSTA

SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED

DECEMBER 31, 2017



Prepared by
Department of Finance

Cammie T. Hayes
Director of Finance

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION (UNAUDITED)	
Letter of Transmittal	1
GFOA Certificate of Achievement	7
City Organizational Chart	8
Principal Officials	9
FINANCIAL SECTION	
Report of Independent Auditor	10
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	12
Management's Discussion and Analysis	14
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	23
Statement of Activities	24
Fund Financial Statements	
Balance Sheet – Governmental Funds	25
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	26
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	29
Proprietary Funds – Statement of Net Position	30
Proprietary Funds – Statement of Revenues, Expenses and Changes in Net Position	31
Proprietary Funds – Statement of Cash Flows	32
Notes to Financial Statements	33
Required Supplementary Information	
Schedule of proportionate share of the net pension liability	59
Schedule of contributions to pensions	60
Other Supplementary Information	
General Fund – Schedule of Revenues and Expenditures Compared with Budget	61
Combining and Individual Nonmajor Fund Financial Statements	
Nonmajor Governmental Funds – Combining Balance Sheet	71
Nonmajor Capital Projects Funds – Combining Balance Sheet	72
Nonmajor Special Revenue Funds – Combining Balance Sheet	73
Nonmajor Governmental Funds – Combining Statements of Revenues, Expenditures and Changes in Fund Balance	74
Nonmajor Capital Projects Funds – Combining Statements of Revenues, Expenditures and Changes in Fund Balance	75
Nonmajor Special Revenue Funds – Combining Statements of Revenues, Expenditures and Changes in Fund Balance	76
Enterprise Fund – Water and Wastewater System:	
Schedule of Revenues and Expenses – Budgeted and Actual	77
Schedule of Operating Expenses – Budgeted and Actual	78
Enterprise Fund – Sanitation Services:	
Schedule of Revenues and Expenses – Budgeted and Actual	81
Schedule of Operating Expenses – Budgeted and Actual	82
Enterprise Fund – Stormwater Utility Fund:	
Schedule of Revenues and Expenses – Budgeted and Actual	84
Schedule of Operating Expenses – Budgeted and Actual	85
Schedule required by State Law	
Schedule of Fines, Assessments, and Surcharges	86

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

TABLE OF CONTENTS

	<u>Table</u>	<u>Page</u>
STATISTICAL SECTION (UNAUDITED)		
Net position by component	1	87
Changes in net position	2	88
Fund balances, governmental funds	3	90
Changes in fund balances, governmental funds	4	91
Assessed value and estimated actual value of taxable property	5	92
Direct and overlapping property tax rates	6	93
Principal property tax payers	7	94
Property tax levies and collections	8	95
Business licenses/franchise fees	9	96
Number of utility customers	10	97
Ten largest water and wastewater customers	11	98
Ratio of outstanding debt by type	12	99
Ratios of general bonded debt outstanding	13	100
Direct and overlapping governmental activities debt	14	101
Legal debt margin information	15	102
Pledged-revenue bond coverage	16	103
Economic statistics	17	104
Principal employers	18	105
Full-time budget equivalent employees by fund/function/department	19	106
Operating indicators by function/program	20	107
Capital asset statistics by function/program	21	108
Enterprise funds rates and charges	22	109
Enterprise funds history of rates and charges	23	110

**INTRODUCTORY
SECTION**

May 31, 2018

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, 2017.

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, 2017, 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, 2017, 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 well underway during 2017. It is anticipated to be complete mid-year 2018.

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). 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 2018. 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.

Aiken County Public Service Authority 20.0 MGD Facility
Capacities by User
As of June 30, 2017

	<u>Present Allocation (MGD)</u>	<u>Present Use (MGD)</u>
City of North Augusta	8.672	4.32337
City of Aiken	7.134	4.12048
Aiken County	1.260	0.00000
Cytec Industries, Inc.	.900	0.06529
Bath	.070	0.03175
Breezy Hill	1.177	0.40075
Beech Island Water & Sewer	.060	0.00747
Clearwater	.050	0.05911
Langley	.060	0.03482
VPSA	.417	0.34855
PACTIV	.050	0.00575
Kimberly Clark	.150	0.04426
Uncommitted	<u>.000</u>	<u>0.00000</u>
Total	<u>20.000</u>	<u>9.44159</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 23,275 for 2017.

During the past ten years, Aiken County's unemployment rate has fluctuated from 9.9 percent in 2007, decreasing to 7.7 percent during 2012, and further decreasing to 4.8 percent for 2016. The current rate of 4% is less than South Carolina's 2017 unemployment rate of 4.2 percent and the 2017 national rate of 4.1 percent. The decreases in unemployment rates during the current year reflect that our local economy continues to reflect 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 \$50,098, Aiken County's is \$46,454, and the state's is \$46,898. Housing prices in the City continue to remain strong. Per the USCB, the median price of a single family home in the City is \$155,500.

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 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. Prior to 2017, the largest investment in residential and commercial development was \$62 million in 2006. The recession saw dramatic decreases in both areas but especially commercial development. The City again reached the

\$62 million dollar investment number in 2016. In 2017, the investment amount was over \$119 million, almost doubling the largest year to date. The City also set records in residential and commercial development respectively.

The City made substantial progress in 2017 in its efforts to redevelop vacant property on the Savannah River. A public/private partnership is being jointly developed on approximately 30 acres within Phase B of the Hammond's Ferry Development known as Riverside Village. The City began constructing a multi-purpose stadium to host a Class A minor league baseball team as well as a parking deck which were completed in April 2018. The City also began construction of a conference center with multiple meeting spaces, project area infrastructure, and a public park that will be completed late 2018. Cost of the public improvements is approximately \$75,000,000. During 2015, a 600 space parking deck was completed that is serving 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, construction is underway on the hotel and luxury apartments with the other facilities to follow suit.

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. This planning session has since been renamed to Envision. 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 these planning sessions 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: public safety headquarters and apparatus, transportation improvements to include improvements to intersections and reconstruction/resurfacing of roads, restoration of our parks and facilities, expansion of our greenway, utility infrastructure improvements, gateways and wayfinding enhancements, improvements to information technology as well as safety and security improvements. These projects, estimated to cost in excess of \$30,000,000, 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 2017. During 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, public safety additions, park improvements and additions. During 2017, planning and design was in progress on a public safety fire station and headquarters. Gym additions for Riverview Park began construction during 2017 with completion estimated mid-2018.

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 12/31/2017 is \$750,453.

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, 2016. 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.

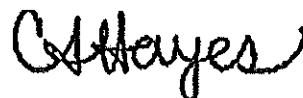
The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance and Administration Departments. We wish to thank all City employees who assisted and contributed the data necessary to prepare this report. Credit is also due to the 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
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South Carolina's Riverfront





Government Finance Officers Association

**Certificate of
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for Excellence
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**City of North Augusta
South Carolina**

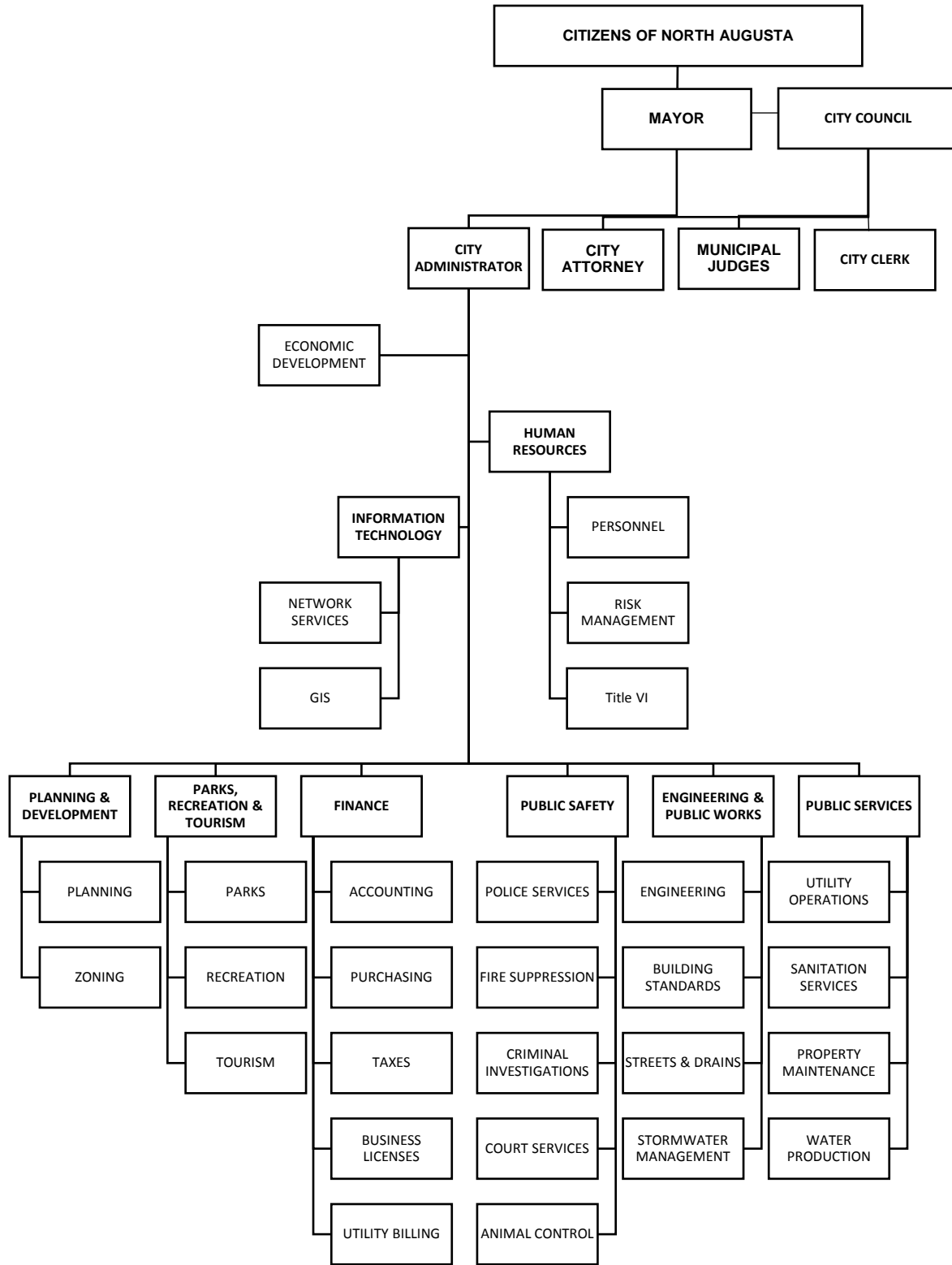
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO

CITY OF NORTH AUGUSTA ORGANIZATION CHART – 2017



CITY OF NORTH AUGUSTA, SOUTH CAROLINA

PRINCIPAL OFFICIALS

CITY COUNCIL

Robert A. Pettit, Mayor
(5-17 to 5-21)

Pat C. Carpenter, Councilwoman
(05-93 to 05-21)

Kenneth J. McDowell, Councilman
(11-98 to 05-21)

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

Fletcher L. Dickert, Councilman
(05-13 to 05-21)

David W. McGhee, Councilman
(05-13 to 05-21)

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

CITY ADMINISTRATOR

B. Todd Glover

CITY CLERK

Donna B. Young

DEPARTMENT DIRECTORS

Cammie T. Hayes, Director of Finance
Richard L. Meyer, Director of Parks, Recreation & Tourism
James E. Sutton, Director of Public Services
John C. Thomas, Director of Public Safety
Thomas C. Zeaser, Director of Engineering & Public
Vacant, Director of Planning & Development

North
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South Carolina's Riverfront



**FINANCIAL
SECTION**

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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, 2017, 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, 2017, 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 May 31, 2018, 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
May 31, 2018

**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, 2017, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated May 31, 2018.

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.

Handwritten signature of Chung Bekant LLP in black ink.

Augusta, Georgia
May 31, 2018

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, 2017. 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 \$130,256,100 (net position). Of this amount, (\$5,149,817), 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 \$3,894,015
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$31,589,436, an increase of \$16,634,396 in comparison with the prior year. Approximately 8.31 percent of this amount, \$2,625,000, 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 \$3,746,426 or 21.93 percent of total general fund expenditures.
- The City's total outstanding long-term debt increased by \$56,473,871. During May of 2017, 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, entered into an installment purchase transaction in the principal amount of not exceeding \$69,450,000 to construct and equip two parking decks, a stadium, conference facilities, a riverfront park, and certain roads, water, sewer and related infrastructure ("Series 2017B"). Proceeds from this transaction were also used to refinance the municipal center capital lease and the Series 2017A revenue bonds. 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 parks, recreation, and tourism. 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 fourteen 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 which is considered a major fund. Information is also presented separately for the Capital Projects Fund, Sales Tax III Fund, and North Augusta Public Facilities Corporation which the City elects to present as major funds. Information from the other ten 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

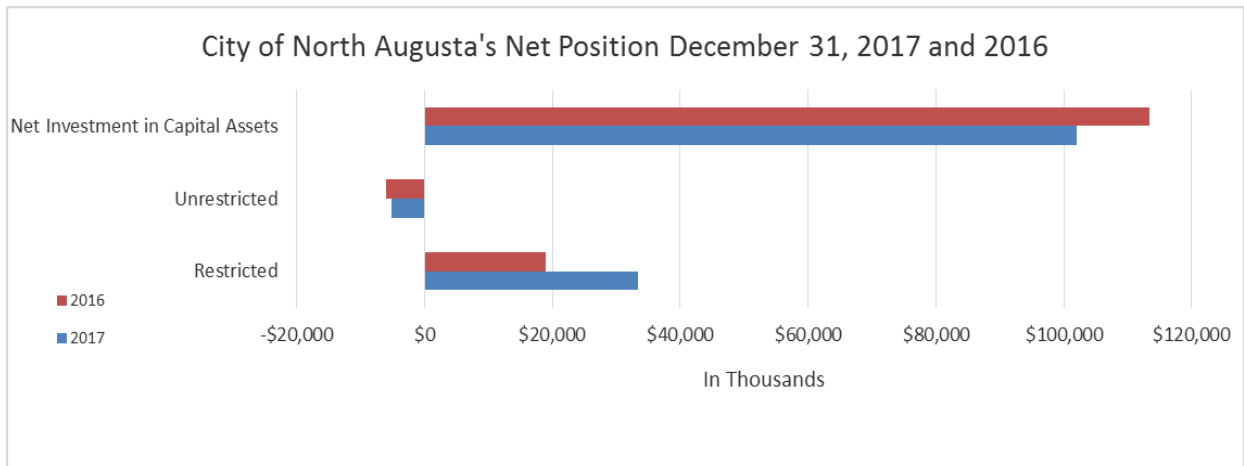
As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$130,256,100 at the close of the most recent fiscal year.

City of North Augusta's Net Position	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 37,714,745	\$ 16,146,651	\$ 20,381,858	\$ 21,814,564	\$ 58,096,603	\$ 37,961,215
Capital assets	116,897,141	75,326,254	77,687,822	74,288,776	194,584,963	149,615,030
Total Assets	154,611,886	91,472,905	98,069,680	96,103,340	252,681,566	187,576,245
Deferred outflows of resources	2,648,598	2,275,120	1,210,235	1,051,292	3,858,833	3,326,412
Long-term liabilities outstanding	71,477,591	15,720,883	22,083,908	21,366,745	93,561,499	37,087,628
Other liabilities outstanding	21,550,368	15,832,578	11,142,522	11,572,939	32,692,890	27,405,517
Total Liabilities	93,027,959	31,553,461	33,226,430	32,939,684	126,254,389	64,493,145
Deferred inflow of resources	14,357	22,765	15,553	24,662	29,910	47,427
Net position:						
Net investment in capital assets	46,115,747	60,261,553	55,927,179	53,203,765	102,042,926	113,465,318
Restricted	23,744,254	7,616,189	9,618,737	11,374,284	33,362,991	18,990,473
Unrestricted	(5,641,833)	(5,705,943)	492,016	(387,763)	(5,149,817)	(6,093,706)
Total Net Position	\$ 64,218,168	\$ 62,171,799	\$ 66,037,932	\$ 64,190,286	\$ 130,256,100	\$ 126,362,085

By far, the largest portion of the City's net position (78.34 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 (25.61 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$5,641,833) 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 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.

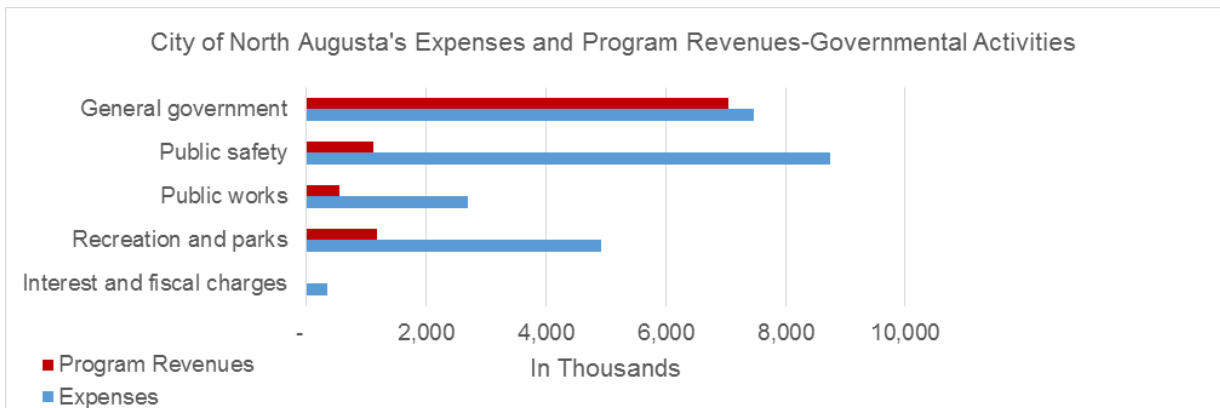


Governmental Activities

During 2017, governmental activities increased the City's net position by \$2,046,369, thereby accounting for 52.55 percent of the total growth in net position. Governmental activities revenues increased \$5,343,514 from 2016 to 2017. Charges for services include: business license revenues, franchise fees, construction permits and public safety fines. These revenues represent 32.99 percent of total revenues for governmental activities and are predominantly elastic in nature and vary with economic trends. Property taxes represent 31.34 percent of total revenues for governmental activities and increased by \$984,030 from the prior year.

Also during 2017, governmental activities expenses increased by \$5,368,469. General government expenses increased by \$2,955,829, or 65.41 percent primarily due to increases in capital purchases to include the construction projects at Riverside Village. Expenses for the other functions had minimal changes from the prior year.

City of North Augusta's Changes in Net Position	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 8,576,954	\$ 8,261,176	\$ 14,701,470	\$ 14,161,988	\$ 23,278,424	\$ 22,423,164
Operating grants and contributions	1,083,944	813,941	10,161	-	1,094,105	813,941
Capital grants and contributions	207,768	-	103,591	124,408	311,359	124,408
General revenues:						
Property taxes	8,146,680	7,162,650	-	-	8,146,680	7,162,650
Other taxes	3,900,461	3,655,347	-	-	3,900,461	3,655,347
Other	4,082,697	761,876	796,585	665,514	4,879,282	1,427,390
Total Revenues	25,998,504	20,654,990	15,611,807	14,951,910	41,610,311	35,606,900
Expenses:						
General government	7,474,923	4,519,094	-	-	7,474,923	4,519,094
Public safety	8,736,202	8,473,548	-	-	8,736,202	8,473,548
Public works	2,695,126	580,327	-	-	2,695,126	580,327
Recreation and parks	4,913,582	5,061,480	-	-	4,913,582	5,061,480
Interest and fiscal charges on debt service	338,132	155,047	-	-	338,132	155,047
Water and wastewater	-	-	8,359,555	7,745,232	8,359,555	7,745,232
Sanitation	-	-	4,536,142	4,594,016	4,536,142	4,594,016
Stormwater	-	-	638,634	541,495	638,634	541,495
Savannah Bluff Lock and Dam	-	-	24,000	24,000	24,000	24,000
Total Expenses	24,157,965	18,789,496	13,558,331	12,904,743	37,716,296	31,694,239
Increase in net position before transfers	1,840,539	1,865,494	2,053,476	2,047,167	3,894,015	3,912,661
Transfers	205,830	540,943	(205,830)	(540,943)	-	-
Increase in net position	2,046,369	2,406,437	1,847,646	1,506,224	3,894,015	3,912,661
Net position-beginning of year	62,171,799	59,765,362	64,190,286	62,684,062	126,362,085	122,449,424
Prior period adjustment	-	-	-	-	-	-
Net position-end of year	\$ 64,218,168	\$ 62,171,799	\$ 66,037,932	\$ 64,190,286	\$ 130,256,100	\$ 126,362,085



Business-type Activities

Business-type activities increased the City's net position by \$1,847,646 accounting for 47.45 percent of the total growth in net position. Water and stormwater rates remained unchanged while Council approved a 0.16/1,000 gallons rate increase to the wastewater rate structure and a 0.19/cubic yard (inside City) and 0.29/cubic yard (outside City) increase to commercial dumpsters. Council also approved implementation of a \$25 electronic disposal fee per item. Water sales decreased slightly for the current year and were under budget by approximately \$35,000 and sewer sales increased over \$300,000. Fees for sanitation services and recycling increased \$108,508 from the prior year due to additional customers and special charges. Stormwater fees increased \$11,004 due to additional customers.

Expenses for the Water and Wastewater System increased by \$614,323 from the prior year primarily due to increased due to increased personnel costs, infrastructure upgrades, and increased utility costs. In

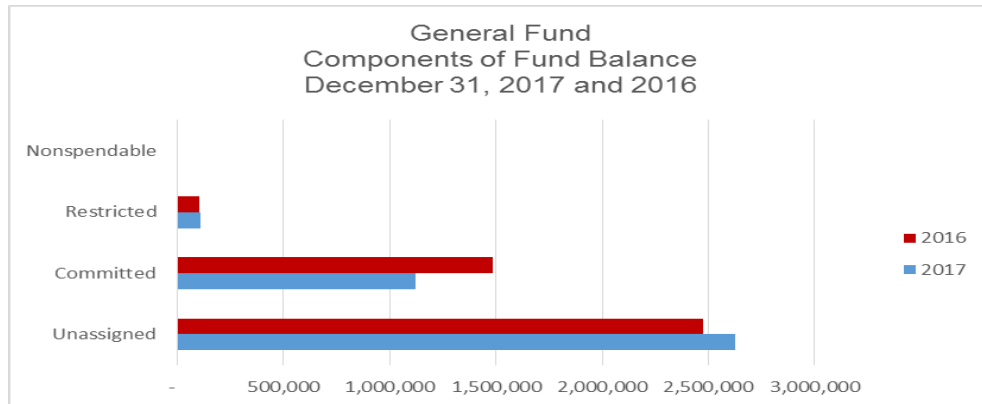
2017, the expenses for the Sanitation Services Fund showed minimal change from the prior year. The expenses in the Stormwater Utility Fund increased by \$97,139 primarily due to increased personnel costs. A total of \$24,000 was expended from the Savannah Bluff Lock and Dam Fund. This expense for consulting 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

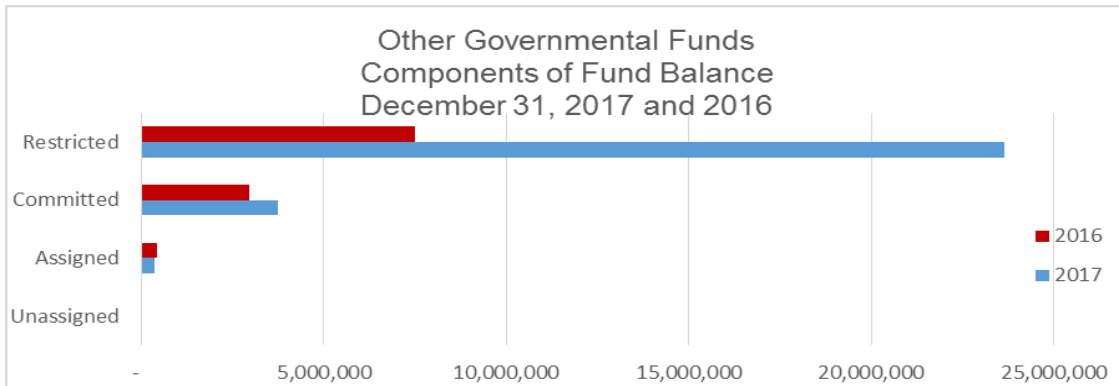
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, 2017, the City’s governmental funds reported combined fund balances of \$31,589,436 an increase of \$16,634,396 from the prior year. Approximately 8.31 percent of this amount constitutes unassigned fund balance, which is available for spending at the City’s discretion. Unassigned fund balance increased by \$150,000 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 \$2,625,000, while total fund balance was \$3,853,869. 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 15.36 percent of total General Fund expenditures, while total fund balance represents 22.56 percent of those same expenditures.



Fund balance for the City's other governmental funds totaled \$27,735,567 for 2017, an increase of \$16,843,365 related to sales taxes received during the year that are to be used for upcoming capital projects as well as bond proceeds from Series 2017B which is further discussed in Note 6 of this report.

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, 2017.

Property tax revenues exceeded budget by approximately \$135,000. Additionally, revenues for licenses and building permits exceeded budgeted revenues by more than \$358,000, reflective of increased local business revenues and an increase in construction within the City to include Riverside Village. 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, 2017 amounts to \$194,584,963 (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 30.06 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	
	2017	2016	2017	2016	2017	2016
Land	\$ 10,051,486	\$ 9,154,817	\$ 824,058	\$ 824,058	\$ 10,875,544	\$ 9,978,875
Land improvements	6,688,718	6,654,320	-	-	6,688,718	6,654,320
Right-of-way and easements	3,226,901	3,226,901	62,760	62,760	3,289,661	3,289,661
Buildings	35,614,317	36,361,279	3,113,498	3,349,131	38,727,815	39,710,410
Machinery and equipment	351,318	512,476	542,045	681,863	893,363	1,194,339
Furniture and fixtures	372,428	455,418	-	-	372,428	455,418
Vehicles	3,403,958	3,579,557	1,107,954	1,264,241	4,511,912	4,843,798
Infrastructure	11,489,206	12,256,776	-	-	11,489,206	12,256,776
System improvements	-	-	52,681,807	40,250,881	52,681,807	40,250,881
PSA capital	-	-	1,965,062	2,081,747	1,965,062	2,081,747
Construction in progress	45,698,809	3,124,710	17,390,638	25,774,095	63,089,447	28,898,805
Total Capital Assets	\$ 116,897,141	\$ 75,326,254	\$ 77,687,822	\$ 74,288,776	\$ 194,584,963	\$ 149,615,030

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 Riverside Village as well as construction related to a stadium, parking facilities, conference center and infrastructure for the project area.

The City has committed over \$13,000,000 to the continued construction of the water treatment plant, stadium, and gyms at Riverview Park during 2017.

Long-Term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$90,457,862. 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	
	2017	2016	2017	2016	2017	2016
Revenue bonds	\$ 69,475,000	\$ 10,166,337	\$ 20,982,862	\$ 20,299,376	\$ 90,457,862	\$ 30,465,713
Capital leases	1,306,394	4,898,364	777,781	785,635	2,084,175	5,683,999
Total Outstanding Debt	\$ 70,781,394	\$ 15,064,701	\$ 21,760,643	\$ 21,085,011	\$ 92,542,037	\$ 36,149,712

The City's total debt outstanding, less compensated absences, increased by \$56,392,325 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. This increase is also attributed to an installment purchase revenue bond to construct and equip parking, stadium, conference, and park facilities as well as related infrastructure.

The City maintains an "A2" rating from Moody's Investors Service for the taxable Series 2017B revenue bond reported in governmental activities.

The City's revenue bonds for business type activities were private issues and therefore not rated. The City's debt coverage requirement increased to 1.92 in 2017. 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 \$2,084,175 in capital leases for equipment and vehicles and long-term debt related to compensated absences amounting to \$1,019,462 (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 2018 fiscal year budget:

- The unemployment rate for Aiken County has been decreasing since 2011 and is estimated at 4 percent for 2017 reflecting pre-recession unemployment rates.
- The 2017 budget reflects a year of reassessment in the millage rate of 70.50. The value of a mill has increased over 8 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, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash	\$ 3,605,943	\$ 5,153,330	\$ 8,759,273
Investments	26,613,367	2,501,452	29,114,819
Receivables:			
Taxes, net	118,155	-	118,155
Customers, net	-	1,787,958	1,787,958
Other	1,044,677	-	1,044,677
Notes	-	25,000	25,000
Inventory	-	225,578	225,578
Restricted cash and investments	6,332,603	10,662,553	16,995,156
Capital assets, net:			
Nondepreciable capital assets	58,977,196	18,277,456	77,254,652
Depreciable capital assets, net	57,919,945	59,410,366	117,330,311
Service rights, net	-	25,987	25,987
Total Assets	154,611,886	98,069,680	252,681,566
DEFERRED OUTFLOWS OF RESOURCES			
Pension experience differences	105,505	39,944	145,449
Pension investment return	505,155	250,127	755,282
Contributions to pension plan	573,396	281,903	855,299
Change in proportionate share	249,871	113,734	363,605
Assumption changes	1,214,671	524,527	1,739,198
Total Deferred Outflows of Resources	2,648,598	1,210,235	3,858,833
LIABILITIES			
Accounts payable	4,720,799	597,355	5,318,154
Accrued expenses	456,987	61,349	518,336
Municipal court liability	31,093	-	31,093
Accrued interest payable	283,749	-	283,749
Payable from restricted resources:			
Accounts payable	325	97,463	97,788
Retainage payable	-	386,722	386,722
Accrued bond interest	-	27,559	27,559
Customer deposits	-	532,072	532,072
Unearned revenue	89,657	479,733	569,390
Noncurrent liabilities:			
Due within one year	1,012,101	1,789,552	2,801,653
Due in more than one year	70,465,490	20,294,356	90,759,846
Net pension liability	15,967,758	8,960,269	24,928,027
Total Liabilities	93,027,959	33,226,430	126,254,389
DEFERRED INFLOWS OF RESOURCES			
Change in proportionate share	9,773	10,587	20,360
Pension experience differences	4,584	4,966	9,550
Total Deferred Inflows of Resources	14,357	15,553	29,910
NET POSITION			
Net investment in capital assets	46,115,747	55,927,179	102,042,926
Restricted for:			
Bond indentures	-	8,747,074	8,747,074
Operations - Savannah Bluff Lock and Dam	-	871,663	871,663
Victims assistance	107,443	-	107,443
Public safety - fire division	123,410	-	123,410
Capital projects	3,909,041	-	3,909,041
Special projects	19,604,360	-	19,604,360
Unrestricted	(5,641,833)	492,016	(5,149,817)
Total Net Position	\$ 64,218,168	\$ 66,037,932	\$ 130,256,100

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, 2017

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	\$ 7,474,923	\$ 6,229,497	\$ 612,305	\$ 207,768	\$ (425,353)	\$ -	\$ (425,353)
Public safety	8,736,202	1,041,202	67,807	-	(7,627,193)	-	(7,627,193)
Public works	2,695,126	158,147	380,526	-	(2,156,453)	-	(2,156,453)
Recreation and parks	4,913,582	1,148,108	23,306	-	(3,742,168)	-	(3,742,168)
Interest and fiscal charges on debt service	338,132	-	-	-	(338,132)	-	(338,132)
Total Governmental Activities	24,157,965	8,576,954	1,083,944	207,768	(14,289,299)	-	(14,289,299)
Business-type Activities:							
Water and wastewater	8,359,555	9,459,054	-	103,591	-	1,203,090	1,203,090
Sanitation	4,536,142	4,472,281	10,161	-	-	(53,700)	(53,700)
Stormwater utility	638,634	770,135	-	-	-	131,501	131,501
Savannah Bluff Lock and Dam	24,000	-	-	-	-	(24,000)	(24,000)
Total Business-type Activities	13,558,331	14,701,470	10,161	103,591	-	1,256,891	1,256,891
Total	\$ 37,716,296	\$ 23,278,424	\$ 1,094,105	\$ 311,359	(14,289,299)	1,256,891	(13,032,408)
General Revenues:							
Ad valorem property taxes					8,146,680	-	8,146,680
Local hospitality and accommodation taxes					790,749	-	790,749
Capital projects sales taxes					3,109,712	-	3,109,712
Interest on investments					423,369	145,025	568,394
Gain on disposal of capital assets					-	78,747	78,747
Miscellaneous					3,659,328	572,813	4,232,141
Transfers					205,830	(205,830)	-
Total General Revenues and Transfers					16,335,668	590,755	16,926,423
Change in net position					2,046,369	1,847,646	3,894,015
Net position, beginning of year					62,171,799	64,190,286	126,362,085
Net position, end of year					\$ 64,218,168	\$ 66,037,932	\$ 130,256,100

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, 2017

	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	\$ 1,200,499	\$ -	426,714	\$ 489,060	\$ 1,489,670	\$ 3,605,943
Investments	3,246,983	-	1,048,050	21,065,000	1,253,334	26,613,367
Receivables:						
Taxes, net of allowance for doubtful accounts	118,155	-	-	-	-	118,155
Grants	4,791	-	-	-	-	4,791
Other	317,144	722,742	-	-	-	1,039,886
Restricted cash and investments	107,443	1,667,332	-	1,825,821	2,732,007	6,332,603
Total Assets	\$ 4,995,015	\$ 2,390,074	\$ 1,474,764	\$ 23,379,881	\$ 5,475,011	\$ 37,714,745
LIABILITIES						
Accounts payable	\$ 544,023	\$ 365,996	\$ 32,320	\$ 3,775,521	\$ 3,264	\$ 4,721,124
Accrued salaries, wages, and employee benefits	456,439	-	-	-	548	456,987
Municipal court liability	31,093	-	-	-	-	31,093
Unearned revenue - assessment fees	-	-	-	-	83,772	83,772
Total Liabilities	1,031,555	365,996	32,320	3,775,521	87,584	5,292,976
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	103,706	722,742	-	-	-	826,448
Unavailable revenue - other	5,885	-	-	-	-	5,885
Total Deferred Inflows of Resources	109,591	722,742	-	-	-	832,333
FUND BALANCES						
Restricted for:						
Capital projects	-	1,301,336	-	-	2,607,705	3,909,041
Victim's assistance	107,443	-	-	-	-	107,443
Public Safety - fire division	-	-	-	-	123,410	123,410
Special projects	-	-	-	19,604,360	-	19,604,360
Committed for:						
Capital projects	995,516	-	1,442,444	-	947,879	3,385,839
Parks, recreation and tourism	-	-	-	-	18,380	18,380
Special projects	-	-	-	-	1,323,010	1,323,010
Housing and development	125,910	-	-	-	-	125,910
Assigned for:						
Capital projects	-	-	-	-	367,043	367,043
Unassigned	2,625,000	-	-	-	-	2,625,000
Total Fund Balances	3,853,869	1,301,336	1,442,444	19,604,360	5,387,427	31,589,436
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,995,015	\$ 2,390,074	\$ 1,474,764	\$ 23,379,881	\$ 5,475,011	\$ 37,714,745

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, 2017

Ending fund balance - governmental funds	\$ 31,589,436
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	156,042,446
Accumulated depreciation	(39,145,305)
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	2,648,598
Deferred inflows of resources related to pensions	(14,357)
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	(1,306,394)
Bonds payable	(69,475,000)
Accrued vacation	(696,197)
Accrued interest	(283,749)
Net pension liability	(15,967,758)
Amounts to be collected are not available to pay for the current period's expenditures and therefore are deferred in the funds	826,448
Net Position of Governmental Activities	\$ 64,218,168

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

YEAR ENDED DECEMBER 31, 2017

	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	\$ 6,784,360	\$ -	\$ 47,822	\$ -	\$ 613,831	\$ 7,446,013
Sales taxes	-	3,109,712	-	-	-	3,109,712
Local hospitality and accommodation taxes	-	-	-	-	790,749	790,749
Licenses and permits	6,229,497	-	-	-	-	6,229,497
Fines and forfeitures	978,626	-	-	-	-	978,626
Charges for services	1,291,321	-	-	-	-	1,291,321
Intergovernmental	719,347	-	-	3,018,138	442,107	4,179,592
Interest earnings	44,913	8,935	12,137	311,202	46,182	423,369
Miscellaneous	571,492	-	-	-	5,415	576,907
Total Revenues	16,619,556	3,118,647	59,959	3,329,340	1,898,284	25,025,786
Expenditures:						
Current:						
General government	3,091,327	-	29,375	247,131	38,612	3,406,445
Public safety	7,865,896	-	-	-	55,913	7,921,809
Public works	1,500,871	-	-	-	14,452	1,515,323
Parks, recreation and tourism	4,083,409	-	1,100	-	1,080	4,085,589
Capital outlay	-	3,322,069	84,620	41,940,712	414,951	45,762,352
Debt service:						
Capital lease payments	524,152	-	-	-	3,466,970	3,991,122
Principal retirements	-	-	-	12,573,657	-	12,573,657
Interest and fiscal charges	20,788	-	-	1,641,196	50,686	1,712,670
Bond issuance costs	-	-	-	1,495,554	-	1,495,554
Total Expenditures	17,086,443	3,322,069	115,095	57,898,250	4,042,664	82,464,521
Excess (deficiency) of revenues over expenditures	(466,887)	(203,422)	(55,136)	(54,568,910)	(2,144,380)	(57,438,735)
Other Financing Sources (Uses):						
Inception of capital lease obligation	473,983	-	-	-	-	473,983
Issuance of bonds	-	-	-	71,882,320	-	71,882,320
Insurance proceeds	-	-	178,260	-	-	178,260
Transfers in	578,643	-	794,708	5,808,606	3,517,656	10,699,613
Transfers out	(794,708)	(3,000,000)	-	(3,517,656)	(1,848,681)	(9,161,045)
Total Other Financing Sources (Uses)	257,918	(3,000,000)	972,968	74,173,270	1,668,975	74,073,131
Net change in fund balance	(208,969)	(3,203,422)	917,832	19,604,360	(475,405)	16,634,396
Fund balance, beginning of year	4,062,838	4,504,758	524,612	-	5,862,832	14,955,040
Fund balance, end of year	<u>\$ 3,853,869</u>	<u>\$ 1,301,336</u>	<u>\$ 1,442,444</u>	<u>\$ 19,604,360</u>	<u>\$ 5,387,427</u>	<u>\$ 31,589,436</u>

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, 2017

Net change in fund balances - total governmental funds \$ 16,634,396

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	46,334,221	
Transfer of capital asset to enterprise funds	(1,332,738)	
Depreciation on general government assets	(3,420,049)	
Net effect on disposal of capital assets	<u>(10,547)</u>	
		41,570,887

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	(71,882,320)	
Current year principal repayments	12,573,657	
Compensated absences	(40,014)	
Principal payments on capital leases	4,065,952	
Proceeds from capital lease	<u>(473,983)</u>	
		(55,756,708)

In the fund financial statements, interest expense on long-term debt is reported in the period that the current financial resources are used. In the statement of activities, interest expense on long-term debt is recorded as the expense is incurred. This amount is the difference between recording interest as accrued rather than as paid. (266,659)

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. 700,667

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 (836,214)

Change in net position of governmental activities \$ 2,046,369

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, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Ad valorem property taxes	\$ 6,649,523	\$ 6,784,360	\$ 134,837
Licenses and permits	5,871,000	6,229,497	358,497
Fines and forfeitures	1,097,153	978,626	(118,527)
Charges for services	1,265,660	1,291,321	25,661
Intergovernmental	754,529	719,347	(35,182)
Interest earnings	40,000	44,913	4,913
Miscellaneous	559,996	571,492	11,496
Total Revenues	<u>16,237,861</u>	<u>16,619,556</u>	<u>381,695</u>
Expenditures:			
Current:			
General government	3,217,030	3,091,327	(125,703)
Public safety	7,522,432	7,865,896	343,464
Public works	1,469,742	1,500,871	31,129
Parks, recreation and tourism	3,975,471	4,083,409	107,938
Capital lease payments	631,829	524,152	(107,677)
Interest and fiscal charges	-	20,788	20,788
Total Expenditures	<u>16,816,504</u>	<u>17,086,443</u>	<u>269,939</u>
Excess (deficiency) of revenues over expenditures	(578,643)	(466,887)	111,756
Other Financing Sources:			
Proceeds from capital lease obligations	-	473,983	473,983
Transfers in	578,643	578,643	-
Transfers out	-	(794,708)	(794,708)
Total Other Financing Sources	<u>578,643</u>	<u>257,918</u>	<u>(320,725)</u>
Net change in fund balance	<u>\$ -</u>	<u>(208,969)</u>	<u>\$ (208,969)</u>
Fund balance, beginning of year		<u>4,062,838</u>	
Fund balance, end of year		<u>\$ 3,853,869</u>	

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, 2017

	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	\$ 3,110,348	\$ 1,679,595	\$ 363,387	\$ -	\$ 5,153,330
Restricted cash and investments	2,345,331	-	-	871,663	3,216,994
Investments	278,504	1,468,296	754,652	-	2,501,452
Customer accounts receivable	1,648,450	139,508	-	-	1,787,958
Note receivable	25,000	-	-	-	25,000
Inventory	225,578	-	-	-	225,578
Total Current Assets	7,633,211	3,287,399	1,118,039	871,663	12,910,312
Non-current Assets:					
Restricted cash and investments	7,445,559	-	-	-	7,445,559
Capital Assets					
Non-depreciable	17,044,460	91,235	1,141,761	-	18,277,456
Depreciable, net	54,779,354	2,779,529	1,851,483	-	59,410,366
Service Rights, net	25,987	-	-	-	25,987
Total Non-current Assets	79,295,360	2,870,764	2,993,244	-	85,159,368
Total Assets	86,928,571	6,158,163	4,111,283	871,663	98,069,680
DEFERRED OUTFLOWS OF RESOURCES					
Pension experience differences	20,740	16,132	3,072	-	39,944
Pension investment return	129,874	101,013	19,240	-	250,127
Contributions to pension plan	146,373	113,845	21,685	-	281,903
Change in proportionate share	59,055	45,931	8,748	-	113,734
Assumption changes	272,351	211,828	40,348	-	524,527
Total Deferred Outflows of Resources	628,393	488,749	93,093	-	1,210,235
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
Current Liabilities:					
Accounts payable	346,006	108,009	143,340	-	597,355
Accrued expenses	187,863	172,442	24,309	-	384,614
Current portion of capital leases payable	117,880	243,084	-	-	360,964
Unearned revenue	23,515	-	-	-	23,515
Payable from restricted assets:					
Accounts payable	97,463	-	-	-	97,463
Retainage payable	386,722	-	-	-	386,722
Accrued bond interest	27,559	-	-	-	27,559
Current portion of revenue bonds payable	1,105,323	-	-	-	1,105,323
Customer deposits	532,072	-	-	-	532,072
Total Current Liabilities	2,824,403	523,535	167,649	-	3,515,587
Non-current Liabilities:					
Capital leases payable	104,839	311,978	-	-	416,817
Revenue bonds payable	19,877,539	-	-	-	19,877,539
Net pension liability	4,652,447	3,618,570	689,252	-	8,960,269
Unearned revenue	456,218	-	-	-	456,218
Total Non-current Liabilities	25,091,043	3,930,548	689,252	-	29,710,843
Total Liabilities	27,915,446	4,454,083	856,901	-	33,226,430
DEFERRED INFLOWS OF RESOURCES					
Change in proportionate share	5,498	4,275	814	-	10,587
Pension experience differences	2,579	2,005	382	-	4,966
Total Deferred Inflows of Resources	8,077	6,280	1,196	-	15,553
Net Position:					
Net investment in capital assets	50,618,233	2,315,702	2,993,244	-	55,927,179
Restricted for debt service	8,747,074	-	-	-	8,747,074
Restricted for operations	-	-	-	871,663	871,663
Unrestricted	268,134	(129,153)	353,035	-	492,016
Total Net Position	\$ 59,633,441	\$ 2,186,549	\$ 3,346,279	\$ 871,663	\$ 66,037,932

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, 2017

	<u>Business-type Activities</u>				Total Enterprise Funds
	<u>Major Funds</u>			<u>Nonmajor Fund</u>	
	Water and Wastewater System	Sanitation Services	Stormwater Utility Fund	Savannah Bluff Lock and Dam	
Operating Revenues:					
Charges for services and fees	\$ 9,459,054	\$ 4,045,845	\$ 770,135	\$ -	\$ 14,275,034
Sale of recyclables	-	426,436	-	-	426,436
Other	507,335	53,305	12,173	-	572,813
Total Operating Revenues	9,966,389	4,525,586	782,308	-	15,274,283
Operating Expenses:					
Finance	520,188	-	-	-	520,188
Administration	926,102	-	-	-	926,102
Operations and Maintenance	4,281,487	2,355,869	555,331	24,000	7,216,687
Production and Treatment	1,445,335	-	-	-	1,445,335
Material Recovery Facility	-	1,465,494	-	-	1,465,494
Depreciation and amortization	1,050,929	682,703	83,303	-	1,816,935
Total Operating Expenses	8,224,041	4,504,066	638,634	24,000	13,390,741
Operating income (loss)	1,742,348	21,520	143,674	(24,000)	1,883,542
Nonoperating Revenues (Expenses)					
Intergovernmental	-	10,161	-	-	10,161
Interest income	108,509	18,602	8,407	9,507	145,025
Interest expense and fiscal charges	(135,514)	(32,076)	-	-	(167,590)
Gain (loss) on disposal of capital assets	26,869	51,878	-	-	78,747
Total Nonoperating Revenues	(136)	48,565	8,407	9,507	66,343
Income (loss) before contributions and transfers	1,742,212	70,085	152,081	(14,493)	1,949,885
Capital contributions	479,544	-	956,785	-	1,436,329
Transfers out	(1,383,395)	(155,173)	-	-	(1,538,568)
Change in net position	838,361	(85,088)	1,108,866	(14,493)	1,847,646
Net position, beginning of year	58,795,080	2,271,637	2,237,413	886,156	64,190,286
Net position, end of year	\$ 59,633,441	\$ 2,186,549	\$ 3,346,279	\$ 871,663	\$ 66,037,932

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, 2017

	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	\$ 9,867,034	\$ 4,518,934	\$ 782,308	\$ -	\$ 15,168,276
Cash paid for or on behalf of employees	(2,708,312)	(2,041,618)	(293,322)	-	(5,043,252)
Cash paid for goods and services	(5,397,561)	(1,597,982)	(82,669)	(24,000)	(7,102,212)
Net cash from operating activities	1,761,161	879,334	406,317	(24,000)	3,022,812
Cash flows from noncapital financing activities:					
Transfers out to other funds	(1,690,222)	(155,173)	-	-	(1,845,395)
Transfers in from other funds	306,827	-	-	-	306,827
Net cash from noncapital financing activities	(1,383,395)	(155,173)	-	-	(1,538,568)
Cash flows from capital and related financing activities:					
Purchase and construction of capital assets	(3,303,248)	(289,534)	(185,139)	-	(3,777,921)
Proceeds received from sales of capital assets	27,638	51,878	-	-	79,516
Proceeds received from issuance of revenue bonds	2,059,767	-	-	-	2,059,767
Principal paid on revenue bonds	(1,376,281)	-	-	-	(1,376,281)
Proceeds received from capitalized leases	-	289,534	-	-	289,534
Principal paid on capitalized leases	(27,639)	(269,749)	-	-	(297,388)
Proceeds received from intergovernmental activities	-	10,161	-	-	10,161
Interest expense	(135,514)	(32,076)	-	-	(167,590)
Net cash from capital and related financing activities	(2,755,277)	(239,786)	(185,139)	-	(3,180,202)
Cash flows from investing activities:					
Interest on investments	108,509	18,602	8,407	9,507	145,025
Net cash from investing activities	108,509	18,602	8,407	9,507	145,025
Net change in cash and cash equivalents	(2,269,002)	502,977	229,585	(14,493)	(1,550,933)
Cash and cash equivalents, beginning of year	15,448,744	2,644,914	888,454	886,156	19,868,268
Cash and cash equivalents, end of year	\$ 13,179,742	\$ 3,147,891	\$ 1,118,039	\$ 871,663	\$ 18,317,335
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ 1,742,348	\$ 21,520	\$ 143,674	\$ (24,000)	\$ 1,883,542
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	1,050,929	682,703	83,303	-	1,816,935
Bad debt expense	30,787	-	-	-	30,787
Change in assets and liabilities:					
Increase in accounts receivable	(126,932)	(6,652)	-	-	(133,584)
Decrease in notes receivable	25,000	-	-	-	25,000
Increase in inventory	(42,930)	-	-	-	(42,930)
Increase (decrease) in accounts payable	(996,204)	(13,728)	139,242	-	(870,690)
Decrease in retainage payable	(154,024)	-	-	-	(154,024)
Increase in customer deposits	25,816	-	-	-	25,816
Increase in accrued salaries, wages, and employee benefits	32,112	17,936	6,278	-	56,326
Decrease in unearned revenue	(54,026)	-	-	-	(54,026)
Pension deferred inflows / outflows and liability	228,285	177,555	33,820	-	439,660
Total Adjustments	18,813	857,814	262,643	-	1,139,270
Net cash from operating activities	\$ 1,761,161	\$ 879,334	\$ 406,317	\$ (24,000)	\$ 3,022,812
Noncash investing, capital and financing activities:					
Contributed capital assets	\$ 479,544	\$ -	\$ 956,785	\$ -	\$ 1,436,329
Total noncash investing, capital and financing	\$ 479,544	\$ -	\$ 956,785	\$ -	\$ 1,436,329
Reconciliation of cash and cash equivalents:					
Equity in pooled cash	\$ 3,110,348	\$ 1,679,595	\$ 363,387	\$ -	\$ 5,153,330
Investments	278,504	1,468,296	754,652	-	2,501,452
Current restricted assets	2,345,331	-	-	871,663	3,216,994
Non-current restricted assets	7,445,559	-	-	-	7,445,559
Cash and cash equivalents	\$ 13,179,742	\$ 3,147,891	\$ 1,118,039	\$ 871,663	\$ 18,317,335

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, 2017

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, 2017

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 county-wide 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 nonoperating 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 nonoperating revenues and expenses.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

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, 2017

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, 2017, expenditures exceeded budget in the General Fund for the following functions:

	Budget	Actual	Over (Under)
			Budget
Public safety	\$ 7,522,432	\$ 7,865,896	\$ 343,464
Capital lease payments - public safety	475,967	375,652	(100,315)
	<u>\$ 7,998,399</u>	<u>\$ 8,241,548</u>	<u>\$ 243,149</u>
Public works	\$ 1,469,742	\$ 1,500,871	\$ 31,129
Capital lease payments - public works	69,815	65,930	(3,885)
	<u>\$ 1,539,557</u>	<u>\$ 1,566,801</u>	<u>\$ 27,244</u>
Parks, recreation and tourism	\$ 3,975,471	\$ 4,100,073	\$ 124,602
Capital lease payments - parks, recreation, and tourism	68,823	66,206	(2,617)
	<u>\$ 4,044,294</u>	<u>\$ 4,166,279</u>	<u>\$ 121,985</u>

The over-expenditures in the Public Safety and Public Works functions were due to purchases of vehicles and equipment with capital lease proceeds. The over-expenditures in Parks, Recreation, and Tourism were due to higher than expected costs for tournaments and festivals; however, these costs were off-set by higher than expected revenue in the General Fund. Parks, Recreation, and Tourism also was awarded a non-budgeted state grant for mosquito control which is offset by grant revenue in the General Fund.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

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, 2017, revenue bonds in the enterprise funds were used to finance specific water plant improvements. Accordingly, interest expense in the amount of \$417,900 was capitalized during 2017 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 - 10 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, 2017

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 another 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, 2017

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 authority. 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, 2017

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

As of December 31, 2017, the City’s cash and investments consisted of the following:

	<u>Maturities</u>	<u>Fair Value</u>
State Treasurer’s Investment Pool	Daily	\$ 40,262,328
Demand deposit accounts	Daily	12,584,481
Treasury reserves		<u>2,022,439</u>
Total cash and investments		<u>\$ 54,869,248</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;
- 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 is (i) 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, 2017

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, 2017, 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 73 percent 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, 2017, the carrying amount of the City's deposits was \$12,580,381 and the bank balance was \$13,172,443. 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, 2017

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, 2017, 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 percent 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 U.S. 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, 2017 for its \$40,262,328 investment in the Local Government Investment Pool 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, 2017

Note 4—Capital assets

Capital asset activity for the year ended December 31, 2017 was as follows:

Governmental Activities

	Balance 1/1/2017	Additions	Disposals	Balance 12/31/2017
Capital assets, not being depreciated:				
Land	\$ 9,154,817	\$ 896,669	\$ -	\$ 10,051,486
Construction in progress	3,124,710	42,832,028	(257,929)	45,698,809
Right-of-away	3,226,901	-	-	3,226,901
Total capital assets, not being depreciated	<u>15,506,428</u>	<u>43,728,697</u>	<u>(257,929)</u>	<u>58,977,196</u>
Capital assets, being depreciated:				
Land improvements	14,867,669	637,495	-	15,505,164
Buildings	46,230,250	313,086	-	46,543,336
Machinery and equipment	2,082,674	85,872	(78,074)	2,090,472
Furniture and fixtures	1,547,977	20,280	(13,718)	1,554,539
Vehicles	7,174,821	473,982	(180,879)	7,467,924
Infrastructure	23,903,815	-	-	23,903,815
Total capital assets, being depreciated	<u>95,807,206</u>	<u>1,530,715</u>	<u>(272,671)</u>	<u>97,065,250</u>
Less accumulated depreciation for:				
Land improvements	(8,213,349)	(603,097)	-	(8,816,446)
Buildings	(9,868,971)	(1,060,048)	-	(10,929,019)
Machinery and equipment	(1,570,198)	(240,952)	71,996	(1,739,154)
Furniture and fixtures	(1,092,559)	(108,399)	18,847	(1,182,111)
Vehicles	(3,595,264)	(639,983)	171,281	(4,063,966)
Infrastructure	(11,647,039)	(767,570)	-	(12,414,609)
Total accumulated depreciation	<u>(35,987,380)</u>	<u>(3,420,049)</u>	<u>262,124</u>	<u>(39,145,305)</u>
Total capital assets being depreciated, net	<u>59,819,826</u>	<u>(1,889,334)</u>	<u>(10,547)</u>	<u>57,919,945</u>
Governmental activities capital assets, net	<u>\$ 75,326,254</u>	<u>\$ 41,839,363</u>	<u>\$ (268,476)</u>	<u>\$ 116,897,141</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

Note 4—Capital assets (continued)

Governmental activity depreciation expense was charged to functions as follows:

General government:	\$ 745,671
Public safety	778,640
Public works:	1,150,838
Recreation and parks:	744,900
	<u>\$ 3,420,049</u>

Business-Type Activities

	Balance 1/1/2017	Additions	Disposals	Balance 12/31/2017
Capital assets, not being depreciated:				
Land	\$ 824,058	\$ -	\$ -	\$ 824,058
Construction in progress	25,774,095	4,581,946	(12,965,403)	17,390,638
Easements	62,760	-	-	62,760
Total capital assets, not being depreciated	<u>26,660,913</u>	<u>4,581,946</u>	<u>(12,965,403)</u>	<u>18,277,456</u>
Capital assets, being depreciated:				
Buildings	6,193,949	-	-	6,193,949
Machinery and equipment	2,807,171	33,361	(156,857)	2,683,675
Vehicles	4,388,004	324,171	(260,900)	4,451,275
System improvements	56,178,225	13,240,175	-	69,418,400
PSA capital	4,667,405	-	-	4,667,405
Total capital assets, being depreciated	<u>74,234,754</u>	<u>13,597,707</u>	<u>(417,757)</u>	<u>87,414,704</u>
Less accumulated depreciation for:				
Buildings	(2,844,818)	(235,633)	-	(3,080,451)
Machinery and equipment	(2,125,308)	(172,410)	156,088	(2,141,630)
Vehicles	(3,123,763)	(480,458)	260,900	(3,343,321)
System improvements	(15,927,344)	(809,249)	-	(16,736,593)
PSA capital	(2,585,658)	(116,685)	-	(2,702,343)
Total accumulated depreciation	<u>(26,606,891)</u>	<u>(1,814,435)</u>	<u>416,988</u>	<u>(28,004,338)</u>
Total capital assets being depreciated, net	<u>47,627,863</u>	<u>11,783,272</u>	<u>(769)</u>	<u>59,410,366</u>
Business-type activities capital assets, net	<u>\$ 74,288,776</u>	<u>\$ 16,365,218</u>	<u>\$ (12,966,172)</u>	<u>\$ 77,687,822</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

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, 2017:

	Governmental Funds	Water and Wastewater	Sanitation	Total
Machinery and equipment	\$ 388,528	\$ 193,584	\$ 349,923	\$ 932,035
Vehicles	2,475,446	362,930	1,064,418	3,902,794
Buildings	6,350,000	-	-	6,350,000
	9,213,974	556,514	1,414,341	11,184,829
Accumulated depreciation	(2,136,898)	(261,438)	(628,454)	(3,026,790)
Carry value	<u>\$ 7,077,076</u>	<u>\$ 295,076</u>	<u>\$ 785,887</u>	<u>\$ 8,158,039</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, 2017:

Year Ending December 31,	Governmental Funds	Business-Type Funds		Total
		Water and Wastewater	Sanitation	
2018	\$ 560,332	\$ 94,997	\$ 238,087	\$ 893,416
2019	451,377	76,525	191,792	719,694
2020	226,510	38,402	96,245	361,157
2021	110,642	18,758	47,012	176,412
Total minimum lease payments	1,348,861	228,682	573,136	2,150,679
Amount representing interest	(42,467)	(5,963)	(18,075)	(66,505)
Present value of minimum lease payments	<u>\$ 1,306,394</u>	<u>\$ 222,719</u>	<u>\$ 555,061</u>	<u>\$ 2,084,174</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

Note 6—Long-term debt

Changes in Long-Term Debt

Long-term liability activity for the year ended December 31, 2017 was as follows:

	<u>Balance 1/1/2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2017</u>	<u>Due Within One Year</u>
Governmental Activities:					
Revenue bonds:					
North Augusta Public Facility					
Corporation revenue bond	\$ 10,141,337	\$ 71,882,320	\$ (12,573,657)	\$ 69,450,000	\$ -
Tax increment revenue bond	25,000	-	-	25,000	-
Total revenue bonds	<u>10,166,337</u>	<u>71,882,320</u>	<u>(12,573,657)</u>	<u>69,475,000</u>	<u>-</u>
Capital leases:					
Municipal Center lease	3,466,970	-	(3,466,970)	-	-
Capitalized leases	<u>1,431,394</u>	<u>473,983</u>	<u>(598,983)</u>	<u>1,306,394</u>	<u>499,906</u>
Total capital leases	<u>4,898,364</u>	<u>473,983</u>	<u>(4,065,953)</u>	<u>1,306,394</u>	<u>499,906</u>
Other liabilities:					
Compensated absences	<u>656,182</u>	<u>481,749</u>	<u>(441,734)</u>	<u>696,197</u>	<u>512,195</u>
Total	<u>\$ 15,720,883</u>	<u>\$ 72,838,052</u>	<u>\$ (17,081,344)</u>	<u>\$ 71,477,591</u>	<u>\$ 1,012,101</u>

Revenue Bond Payable – Revenue bond payable (recorded as a liability for governmental activities) at December 31, 2017 is comprised of the following:

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 (“Series 2017A”). In January 2017, the City also entered into an amended and restated agreement to lease the parking deck from the Corporation. In May 2017, the North Augusta Public Facilities Corporation entered into an installment purchase transaction in the principal amount of not exceeding \$69,450,000 to construct and equip two parking decks, a stadium, conference facilities, a riverfront park, and certain roads, water, sewer and related infrastructure (“Series 2017B”). Proceeds from this transaction were also used to refinance the municipal center capital lease and the Series 2017A revenue bond discussed above.

Total draws for the Series 2017B revenue bond as of December 31, 2017 are \$35,739,216. The bond matures in November 2048. Principal payments are due annually in November beginning in 2020. Interest payments are made bi-annually based on the all-in true interest cost of the revenue bond transaction.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

Note 6—Long-term debt (continued)

	2017B Revenue Bond Issue		
	Principal	Interest	Total
2018	\$ -	\$ 3,217,755	\$ 3,217,755
2019	-	3,217,755	3,217,755
2020	650,000	3,217,755	3,867,755
2021	715,000	3,202,506	3,917,506
2022	710,000	3,182,407	3,892,407
2023-2048	67,375,000	57,650,595	125,025,595
	<u>\$ 69,450,000</u>	<u>\$ 73,688,773</u>	<u>\$ 143,138,773</u>

Long-term liability activity for the year ended December 31, 2017 was as follows:

	Balance 1/1/2017	Additions	Reductions	Balance 12/31/2017	Due Within One Year
Business-type Activities:					
Revenue bonds payable:					
Revenue bonds	\$ 20,299,376	\$ 2,059,767	\$ (1,376,281)	\$ 20,982,862	\$ 1,105,323
Capital leases:					
Capitalized leases	785,635	324,171	(332,025)	777,781	360,964
Other liabilities:					
Compensated absences	281,734	236,985	(195,454)	323,265	323,265
Total	<u>\$ 21,366,745</u>	<u>\$ 2,620,923</u>	<u>\$ (1,903,760)</u>	<u>\$ 22,083,908</u>	<u>\$ 1,789,552</u>

Revenue Bonds Payable – Revenue bonds payable (recorded as a liability in the Water and Wastewater System Fund) at December 31, 2017 are comprised of the following individual issues:

\$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 \$196,146 beginning May 1, 2015 through February 1, 2035; interest at 2.0%. Total draws as of December 31, 2017 are \$12,906,882. There are no remaining draws. The project budget was amended on April 6, 2017 to \$12,906,882.

\$ 11,422,409

\$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, 2017 are \$10,094,688. Total draws remaining are \$2,905,312.

9,560,453

\$ 20,982,862

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

Note 6—Long-term debt (continued)

	2014A Revenue Bond Issue		
	Principal	Interest	Total
2018	\$ 560,322	\$ 224,263	\$ 784,585
2019	571,613	212,972	784,585
2020	583,131	201,454	784,585
2021	594,881	189,704	784,585
2022	606,868	177,717	784,585
2023-2035	8,505,594	1,105,579	9,611,173
	<u>\$ 11,422,409</u>	<u>\$ 2,111,689</u>	<u>\$ 13,534,098</u>

	2015A Revenue Bond Issue		
	Principal	Interest	Total
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	590,275	199,971	790,246
2023-2036	6,723,392	1,201,572	7,924,964
	<u>\$ 9,560,453</u>	<u>\$ 2,315,741</u>	<u>\$ 11,876,194</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, 2017

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 for so long a time as any sum remains due and payable by way of principal or interest on the bonds. 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 2017 totaled \$1,869,321. Total net charges for services for the year were \$9,459,054.

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 County 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 60 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 State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems ("Systems") and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017 the Retirement Systems Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

Note 8—Pension plans (continued)

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report (“CAFR”) containing financial statements and required supplementary information for the 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, 202 Arbor Lake Drive, Columbia SC 29223. 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. 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.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

Note 8—Pension plans (continued)

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.

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 30-year amortization period; and, this increase is not limited to one-half of one percent per year.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

Note 8—Pension plans (continued)

If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than ninety percent, then the board, effective of the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 90 percent. Any decrease in contribution rates must maintain the 2.9 and 5 percent differentials between the SCRS and PORS employer and employee contribution rates respectively. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 90 percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90 percent.

The Retirement System Funding and Administration Act increases employer contribution rates to 13.56 percent for SCRS and 16.24 percent for PORS, effective July 1, 2017. It also removes the 2.9 percent and 5 percent differential and increases and establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislations' ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a 20-year amortization schedule. The recent pension reform legislation also changes the long-term funded ratio requirement from 90 to 85.

SCRS –The City's contributions to SCRS for the fiscal year ending December 31, 2017 were approximately \$964,000, equal to the required contributions for each year.

PORS –The City's contributions to PORS for the fiscal year ending December 31, 2017 were approximately \$560,000, equal to the required contributions for each year.

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, 2016. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2016 actuarial valuations, using membership data as of July 1, 2016, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2017, 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, 2017, the City reported \$17,231,285 and \$7,696,742 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, 2017, the City's proportionate share was 0.076544 percent for SCRS and 0.280950 percent for PORS.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

Note 8—Pension plans (continued)

Deferred Outflows/(Inflows) of Resources – For the year ended December 31, 2017, the City recognized pension expense of \$1,820,792 and \$1,005,683 for SCRS and PORS, respectively. At December 31, 2017, 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	\$ 481,016	\$ -	\$ 274,276	\$ -
Net difference between expected and actual pension plan experience	76,817	9,550	68,632	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	218,716	20,360	144,884	-
Assumption changes	1,008,706	-	730,497	-
Employer contributions subsequent to the measurement date	542,121	-	313,168	-
Total	\$ 2,327,376	\$ 29,910	\$ 1,531,457	\$ -

The deferred outflows of resources of \$542,121 and \$313,168 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, 2017. Average remaining service lives of all employees provided with pensions through the pension plans for the June 30, 2017 measurement period was 4.073 years for SCRS and 4.553 years for PORS.

Amortization of remaining deferred outflows/(inflows)
Measurement period ending June 30, 2017

	SCRS	PORS
2018	\$ 545,465	\$ 370,315
2019	786,087	489,229
2020	552,291	328,249
2021	(128,498)	30,496
Net balance deferred outflows/(inflow) of resources	\$ 1,755,345	\$ 1,218,289

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

Note 8—Pension plans (continued)

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 of the ongoing plan 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. An experience report on the Systems was most recently issued as of July 1, 2015.

The June 30, 2017, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in PEBA’s report were determined by their consulting actuary, Gabriel, Roeder, Smith and Company (“GRS”) and are based on an actuarial valuation performed as of July 1, 2016. The total pension liability was rolled-forward from the valuation date to the plans’ fiscal year end, June 30, 2017, using generally accepted actuarial principles. The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017, and included a provision to reduce the assumed rate of return from 7.5 percent to 7.25 percent effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll forward total pension liability for this assumption change as of the measurement date of June 30, 2017.

The following table provides a summary of the actuarial assumptions and methods used as of June 30, 2017.

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% - 9.5% (varies by service)
Includes inflation at	2.25%	2.25%
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, 2017

Note 8—Pension plans (continued)

The post-retiree mortality assumption is dependent upon the member’s job category and gender. The base mortality assumption, the 2016 Public Retirees of South Carolina Mortality table (2016PRSC), was developed using the Systems’ mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Post-Retiree Mortality Assumptions

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

Long-Term Expected Rate of Return – The long-term expected rate of return on pension plan investments is based upon 30-year capital market assumptions. Long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and then adding the expected inflation which is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	45%	3.24%
Real Assets	8%	0.41%
Opportunistic	17%	0.69%
Diversified Credit	18%	0.80%
Conservative Fixed Income	12%	0.18%
Total expected real return	100%	5.32%
Inflation for actuarial purposes		2.25%
Total expected nominal return		7.57%

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

Note 8—Pension plans (continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.25 percent. 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.

Sensitivity Analysis - The following table represents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, 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 percent lower (6.25 percent) or 1 percent higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SCRS	\$ 22,208,760	\$ 17,231,285	\$ 14,211,128
PORS	10,392,139	7,696,742	5,573,710

Note 9—Interfund receivables, payables, and transfers

There were no interfund receivable and payable balances at December 31, 2017.

The following interfund transfers are reflected in the fund financial statements at December 31, 2017:

Transfer in	Transfer Out	Amount
General fund	Water and Wastewater fund	\$ 383,395
General fund	Sanitation	155,173
General fund	Nonmajor governmental fund	40,075
Capital Projects Fund	General fund	794,708
North Augusta Public Facilities Corp.	Water and Wastewater fund	1,000,000
North Augusta Public Facilities Corp.	Sales Tax III fund	3,000,000
North Augusta Public Facilities Corp.	Nonmajor governmental fund	1,808,606
Nonmajor governmental fund	North Augusta Public Facilities Corp.	3,517,656
		\$ 10,699,613

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.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

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.

Note 11—Commitments

Significant commitments at December 31, 2017 are composed of the following:

	Expended Through		
	Project Authorization	December 31, 2017	Commitment
Riverside Village Stadium	\$ 31,487,738	\$ 21,006,681	\$ 10,481,057
Water Plant Upgrade	14,813,081	13,200,611	1,612,470
Riverview Park Gyms	4,730,650	3,004,574	1,726,076
	<u>\$ 51,031,469</u>	<u>\$ 37,211,866</u>	<u>\$ 13,819,603</u>

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.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

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—New accounting pronouncements

During the year ended December 31, 2017, the City implemented SGAS. No. 77, Tax Abatement Disclosures. This statement requires disclosure regarding tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered into by other governments and that reduce the reporting government's tax revenues.

As of December 31, 2017 the City provides tax abatements under an intergovernmental agreement with Aiken County, South Carolina (the "County"). This agreement is a form of a Fee-in-Lieu of Tax Program instigated by the County for the purpose of creating multi-county industrial and business parks ("MCIP"), pursuant to which certain economic incentives are available to companies locating, improving, or expanding projects within such parks, through which the economic development of the county and the state will be promoted and trade developed by inducing manufacturing and certain other business enterprises to locate in and remain in the State of South Carolina. The Fee in Lieu of Tax ("FILOT") is authorized under South Carolina Code of Laws Title 12, Chapter 44, Title 4, Chapter 29, and/or Title 4, Chapter 12. The FILOT is used to encourage investment and provides a reduction of property tax when a business invests a minimum of \$2,500,000 within a 5-6 year investment period (beginning with the date property is initially placed in service). Property subject to a FILOT agreement is exempt from ad valorem property tax and is instead subject to a FILOT equal to the product of the value of the property, an assessment ratio that is generally no lower than 6% (but may be as low as 4% for extraordinary projects that satisfy the statutory definition of an "enhanced investment"), and a millage rate that is either fixed for the life of the agreement or is adjusted every five years based on the trailing five-year average.

The reduction in property taxes is accomplished by a reduction of assessed value, reduction in millage rate and elimination of (or reduction in) number of times millage rates are changed. In addition, an agreement may allow the possible use of net present value method over term of FILOT to equalize payments. Repayment of incentive is required by state law if taxpayer fails to meet statutory minimum investment requirement. Other recapture provisions may be negotiated (such as a pro rata clawback for failure to meet and/or maintain jobs/investment).

During the year ended December 31, 2017, there were no abatements under the above agreement which resulted in the reduction of tax revenues for the City.

Note 14—Subsequent events

The City has evaluated subsequent events through May 31, 2018, the date which the financial statements were available to be issued. As of this date, there were no material subsequent events requiring adjustment to or disclosure in the financial statements for the year ended December 31, 2017.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2017

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	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2015	0.08%	\$ 14,301,301	\$ 7,070,316	202.27%	57.00%
6/30/2016	0.08%	16,062,609	7,282,122	220.58%	52.90%
6/30/2017	0.08%	17,231,285	7,723,042	223.12%	53.30%

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	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2015	0.27%	\$ 5,956,041	\$ 3,385,504	175.93%	64.60%
6/30/2016	0.28%	7,039,605	3,538,195	198.96%	60.40%
6/30/2017	0.28%	7,696,742	3,783,451	203.43%	60.90%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2017

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
12/31/2008	\$ 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)	-	6,608,240	9.33%
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%
12/31/2017	963,691	(963,691)	-	7,745,243	12.44%

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
12/31/2008	\$ 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%
12/31/2017	560,223	(560,223)	-	3,769,186	14.86%

OTHER SUPPLEMENTARY INFORMATION

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

YEAR ENDED DECEMBER 31, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Taxes:			
Current	\$ 6,584,523	\$ 6,711,915	\$ 127,392
Delinquent	10,000	12,551	2,551
Penalties	55,000	59,894	4,894
Total Taxes	<u>6,649,523</u>	<u>6,784,360</u>	<u>134,837</u>
Licenses and Permits:			
Business licenses	5,550,000	5,727,383	177,383
Building permits	280,000	447,792	167,792
Electrical permits	16,000	20,593	4,593
Mechanical permits	14,000	21,559	7,559
Plumbing permits	11,000	12,170	1,170
Total Licenses and Permits	<u>5,871,000</u>	<u>6,229,497</u>	<u>358,497</u>
Fines and Forfeitures:			
Public safety fines	1,077,153	957,206	(119,947)
Drug related fines	20,000	21,420	1,420
Total Fines and Forfeitures	<u>1,097,153</u>	<u>978,626</u>	<u>(118,527)</u>
Charges for Services:			
Fire protection fees	58,104	62,576	4,472
Customer street light fees	78,191	80,637	2,446
Municipal Center rentals	100,100	88,487	(11,613)
Recreation fees			
Special programs	43,500	37,590	(5,910)
Volleyball	6,480	6,855	375
Soccer	62,020	62,593	573
Miscellaneous	105,000	152,316	47,316
Basketball	44,500	54,424	9,924
Softball	30,260	30,430	170
Football	35,630	41,361	5,731
Baseball	67,950	55,633	(12,317)
Concession stand	140,000	138,575	(1,425)
Community Center fees	61,445	66,226	4,781
Activities Center fees	187,480	157,277	(30,203)
Recreation facilities rentals	23,500	24,640	1,140
Activities Center tournaments	221,500	231,701	10,201
Total Charges for Services	<u>1,265,660</u>	<u>1,291,321</u>	<u>25,661</u>
Intergovernmental:			
State of South Carolina:			
State shared revenue	547,529	495,667	(51,862)
Accommodations tax	36,000	42,328	6,328
Merchants' inventory tax	54,700	54,790	90
Local option sales tax	20,000	19,520	(480)
SCDOT traffic signals	81,300	77,510	(3,790)
Law enforcement net grant	10,000	2,558	(7,442)
Department of Justice grant	5,000	3,668	(1,332)
SCDHEC mosquito control grant	-	23,306	23,306
Total Intergovernmental	<u>754,529</u>	<u>719,347</u>	<u>(35,182)</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
	Budget	Actual	Budget
Miscellaneous:			
Other	369,054	438,108	69,054
Communication tower rental	190,942	133,384	(57,558)
Interest earnings	40,000	44,913	4,913
Total Miscellaneous	<u>599,996</u>	<u>616,405</u>	<u>16,409</u>
Total Revenues	<u>\$ 16,237,861</u>	<u>\$ 16,619,556</u>	<u>\$ 381,695</u>
Expenditures:			
General Government:			
City Council -			
Personal services:			
Salaries and wages	\$ 106,591	\$ 107,589	\$ 998
FICA	8,154	7,207	(947)
Employee retirement	10,322	10,439	117
Employee insurance	30,000	28,230	(1,770)
Workers' compensation	3,406	2,329	(1,077)
Operating expenditures:			
General supplies/postage	4,025	5,315	1,290
Dues/training/travel	8,510	4,854	(3,656)
Contracts/repairs	1,700	1,816	116
Advertising	300	-	(300)
Professional Services	3,550	1,969	(1,581)
Special department supplies	850	578	(272)
Insurance	866	842	(24)
Contingencies	2,000	719	(1,281)
Total	<u>180,274</u>	<u>171,887</u>	<u>(8,387)</u>
City Administration -			
Personal services:			
Salaries and wages	129,446	134,979	5,533
FICA	9,903	9,874	(29)
Employee retirement	15,288	15,847	559
Employee insurance	7,500	7,450	(50)
Workers' compensation	6,900	4,718	(2,182)
Unemployment insurance	25	-	(25)
Operating expenditures:			
General supplies/postage	1,850	1,848	(2)
Dues/training/travel	9,000	12,823	3,823
Contracts/repairs	5,150	6,903	1,753
Professional services	65,000	84,579	19,579
Insurance	2,202	2,140	(62)
Contingencies	19,368	17,027	(2,341)
Total	<u>271,632</u>	<u>298,188</u>	<u>26,556</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2017

	2017		Over (Under) Budget
	Original and Final Budget	Actual	
General Government (continued):			
Justice and Law -			
Personal services:			
Salaries and wages	120,405	124,883	4,478
FICA	9,211	9,123	(88)
Employee retirement	14,220	12,547	(1,673)
Employee insurance	7,500	7,993	493
Workers' compensation	3,564	2,437	(1,127)
Operating expenditures:			
State fees/fines	582,759	500,756	(82,003)
Dues/training/travel	5,375	2,712	(2,663)
Contracts and repairs	10,800	1,210	(9,590)
Jury services	2,000	1,280	(720)
Professional services	21,937	14,555	(7,382)
Juvenile detention	3,000	3,225	225
Insurance	23,116	22,466	(650)
Total	803,887	703,187	(100,700)
Community Promotion -			
Operating expenditures:			
Contributions	67,350	66,874	(476)
Dues/training/travel	5,931	5,931	-
Special department supplies	14,650	16,035	1,385
Insurance	4,265	4,145	(120)
Total	92,196	92,985	789
Finance -			
Personal services:			
Salaries and wages	258,288	263,945	5,657
FICA	19,759	19,312	(447)
Employee retirement	30,504	30,961	457
Employee insurance	30,000	29,113	(887)
Workers' compensation	7,947	13,096	5,149
Operating expenditures:			
General supplies/postage	8,200	10,048	1,848
Dues/training/travel	2,225	2,213	(12)
Data processing	9,000	12,869	3,869
Contracts/repairs	22,180	16,139	(6,041)
Advertising	1,000	1,108	108
Professional services	20,000	22,410	2,410
Insurance	3,232	3,141	(91)
Total	412,335	424,355	12,020

(continued)

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

YEAR ENDED DECEMBER 31, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
	General Government (continued):		
Building Standards -			
Personal services:			
Salaries and wages	243,188	245,129	1,941
FICA	18,604	18,701	97
Employee retirement	28,721	29,014	293
Employee insurance	33,750	32,654	(1,096)
Workers' compensation	7,526	5,227	(2,299)
Unemployment insurance	25	-	(25)
Operating expenditures:			
General supplies/postage	3,000	3,665	665
Dues/training/travel	3,737	2,242	(1,495)
Auto operating	6,200	4,874	(1,326)
Data processing	6,000	6,749	749
Contracts/repairs	2,900	4,229	1,329
Uniforms/clothing	1,350	1,125	(225)
Special department supplies	2,600	4,332	1,732
Insurance	1,136	1,104	(32)
Capital lease payments	9,130	8,764	(366)
Capital outlay:			
Vehicles	-	19,914	19,914
Total	367,867	387,723	19,856
Planning and Development -			
Personal services:			
Salaries and wages	178,874	148,028	(30,846)
FICA	13,684	11,214	(2,470)
Employee retirement	21,125	16,443	(4,682)
Employee insurance	18,750	17,935	(815)
Workers' compensation	4,951	3,386	(1,565)
Unemployment insurance	25	3,586	3,561
Operating expenditures:			
General supplies/postage	3,900	867	(3,033)
Dues/training/travel	8,000	476	(7,524)
Auto operating	-	150	150
Data processing	6,875	6,749	(126)
Contracts/repairs	4,800	2,250	(2,550)
Advertising	1,000	720	(280)
Professional services	8,000	2,524	(5,476)
Special department supplies	3,500	470	(3,030)
Insurance	2,262	2,198	(64)
Capital lease payments	2,200	2,066	(134)
Total	277,946	219,062	(58,884)
City Buildings -			
Operating expenditures:			
General supplies/postage	24,900	15,392	(9,508)
Utility services	199,000	198,975	(25)
Contracts/repairs	76,348	70,172	(6,176)
Professional services	6,700	8,489	1,789
Special department supplies	-	16	16
Insurance	23,833	23,163	(670)
Total	330,781	316,207	(14,574)

(continued)

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

YEAR ENDED DECEMBER 31, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
General Government (continued):			
Human Resources -			
Personal services:			
Salaries and wages	108,932	116,696	7,764
FICA	8,333	8,878	545
Employee retirement	12,865	13,744	879
Employee insurance	16,332	17,169	837
Workers' compensation	3,576	2,445	(1,131)
Unemployment insurance	25	-	(25)
Operating expenditures:			
General supplies/postage	1,740	1,758	18
Dues/training/travel	1,555	780	(775)
Contracts/repairs	1,850	1,571	(279)
Advertising	11,172	7,479	(3,693)
Professional services	16,520	21,822	5,302
Special department supplies	37,382	25,254	(12,128)
Total	<u>220,282</u>	<u>217,596</u>	<u>(2,686)</u>
Information Technology -			
Personal services:			
Salaries and wages	70,408	72,994	2,586
FICA	5,386	5,466	80
Employee retirement	8,315	8,504	189
Employee insurance	11,250	11,042	(208)
Workers' compensation	2,156	1,474	(682)
Operating expenditures:			
General supplies/postage	1,000	126	(874)
Auto operating	1,825	599	(1,226)
Utility services	96,700	92,011	(4,689)
Data processing	31,220	29,361	(1,859)
Contracts/repairs	42,900	32,726	(10,174)
Capital lease payments	5,894	5,534	(360)
Total	<u>277,054</u>	<u>259,837</u>	<u>(17,217)</u>
Total General Government	<u>\$ 3,234,254</u>	<u>\$ 3,091,027</u>	<u>\$ (143,227)</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
Public Safety -			
Personal services:			
Salaries and wages	\$ 4,489,316	\$ 4,555,037	\$ 65,721
Overtime pay	144,300	157,800	13,500
FICA	354,472	345,426	(9,046)
Employee retirement	650,608	593,387	(57,221)
Employee insurance	675,000	654,867	(20,133)
Workers' compensation	140,896	119,654	(21,242)
Unemployment insurance	2,000	-	(2,000)
Operating expenditures:			
General supplies/postage	22,000	19,489	(2,511)
Dues/training/travel	50,000	50,151	151
Auto operating	226,750	222,615	(4,135)
Data processing	107,280	101,255	(6,025)
Contracts/repairs	261,100	268,557	7,457
Uniforms/clothing	110,950	112,120	1,170
CVA expenditures	15,000	23,627	8,627
LEN grant	10,000	3,771	(6,229)
Community policing	23,200	23,191	(9)
NAPS drug related account	20,000	21,820	1,820
Professional services	44,610	26,854	(17,756)
Special department supplies	100,000	95,577	(4,423)
Insurance	64,950	76,068	11,118
Capital lease payments	475,967	375,652	(100,315)
Capital outlay:			
Automotive equipment	-	388,331	388,331
Machines and equipment	10,000	6,299	(3,701)
Total Public Safety	<u>\$ 7,998,399</u>	<u>\$ 8,241,548</u>	<u>\$ 243,149</u>
Public Works:			
Engineering -			
Personal services:			
Salaries and wages	\$ 118,526	\$ 118,196	\$ (330)
FICA	9,067	8,868	(199)
Employee retirement	13,998	14,034	36
Employee insurance	18,750	17,734	(1,016)
Workers' compensation	2,428	1,660	(768)
Unemployment insurance	25	-	(25)
Operating expenditures:			
General supplies/postage	500	588	88
Dues/training/travel	4,340	4,780	440
Auto operating	2,125	1,433	(692)
Data processing	2,500	1,765	(735)
Contracts/repairs	2,580	1,550	(1,030)
Uniforms/clothing	750	409	(341)
Professional services	-	-	-
Advertising	100	39	(61)
Special department supplies	1,500	975	(525)
Insurance	18,387	17,870	(517)
Total	<u>195,576</u>	<u>189,901</u>	<u>(5,675)</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
	Public Works (continued):		
Street Lighting and Traffic Signals -			
Operating expenditures:			
Dues/training/travel	2,450	361	(2,089)
Utility services	425,000	438,049	13,049
Contracts/repairs	15,500	15,083	(417)
Professional services	6,000	-	(6,000)
Special department supplies	18,500	31,831	13,331
Total	<u>467,450</u>	<u>485,324</u>	<u>17,874</u>
Streets and Drains -			
Personal services:			
Salaries and wages	441,611	448,205	6,594
Overtime pay	7,500	4,909	(2,591)
FICA	34,357	33,685	(672)
Employee retirement	53,040	52,861	(179)
Employee insurance	75,000	72,625	(2,375)
Workers' compensation	14,124	15,607	1,483
Unemployment insurance	500	-	(500)
Operating expenditures:			
General supplies/postage	500	406	(94)
Dues/training/travel	2,500	601	(1,899)
Auto operating	35,600	31,110	(4,490)
Contracts/repairs	33,640	32,724	(916)
Building materials/supplies	70,000	70,181	181
Uniforms/clothing	5,400	5,424	24
Professional services	270	112	(158)
Special department supplies	14,500	18,976	4,476
Judgments/settlements	250	235	(15)
Insurance	10,424	10,131	(293)
Capital lease payments	69,815	65,930	(3,885)
Capital outlay:			
Machines and equipment	7,500	-	(7,500)
Vehicles	-	27,854	27,854
Total	<u>876,531</u>	<u>891,576</u>	<u>15,045</u>
Total Public Works	<u>\$ 1,539,557</u>	<u>\$ 1,566,801</u>	<u>\$ 27,244</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
	Parks, Recreation, and Tourism:		
Recreation -			
Personal services:			
Salaries and wages	\$ 313,865	\$ 330,621	\$ 16,756
Overtime pay	8,000	6,356	(1,644)
FICA	24,623	25,059	436
Employee retirement	37,296	39,444	2,148
Employee insurance	37,500	36,226	(1,274)
Workers' compensation	10,944	7,155	(3,789)
Unemployment insurance	25	-	(25)
Operating expenditures:			
General supplies/postage	2,400	2,400	-
Dues/training/travel	9,515	9,428	(87)
Auto operating	2,600	930	(1,670)
Contract/repairs	7,750	6,764	(986)
Uniforms/clothing	900	-	(900)
Advertising	1,500	1,488	(12)
Rent	800	-	(800)
Professional services	42,600	40,419	(2,181)
Special department supplies	111,450	175,775	64,325
Basketball program	41,200	43,726	2,526
Softball program	28,000	31,876	3,876
Football program	32,500	39,872	7,372
Baseball program	67,000	52,899	(14,101)
Soccer program	55,500	52,225	(3,275)
Volleyball program	4,700	5,315	615
Concession stand supplies	115,000	114,068	(932)
Insurance	16,701	16,231	(470)
Capital outlay:			
Furniture/fixtures	1,500	-	(1,500)
Machines/equipment	12,500	12,034	(466)
Total	986,369	1,050,311	63,942
Parks -			
Personal services:			
Salaries and wages	201,687	204,386	2,699
Overtime pay	12,000	15,013	3,013
FICA	16,347	16,482	135
Employee retirement	25,236	25,837	601
Employee insurance	37,500	36,470	(1,030)
Workers' compensation	6,676	5,304	(1,372)
Unemployment insurance	250	-	(250)
Operating expenditures:			
General supplies/postage	1,500	1,500	-
Dues/training/travel	1,150	1,018	(132)
Auto operating	11,750	10,917	(833)
Utility services	61,425	66,891	5,466
Contracts/repairs	108,580	108,769	189
Building materials/supplies	27,100	27,103	3
Uniforms/clothing	2,100	1,870	(230)
Professional services	4,000	4,021	21
Special department supplies	18,500	18,818	318
Insurance	7,271	7,067	(204)
Capital lease payments	12,100	12,041	(59)
Capital outlay:			
Machines/equipment	6,700	5,075	(1,625)
Park improvements	31,040	-	(31,040)
Total	592,912	568,582	(24,330)

(continued)

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

YEAR ENDED DECEMBER 31, 2017

	2017		Over (Under) Budget
	Original and Final Budget	Actual	
Parks, Recreation, and Tourism (continued):			
Property Maintenance -			
Personal services:			
Salaries and wages	541,124	542,129	1,005
Overtime pay	13,128	13,814	686
FICA	42,400	40,587	(1,813)
Employee retirement	65,457	65,168	(289)
Employee insurance	105,000	101,685	(3,315)
Workers' compensation	16,648	27,408	10,760
Unemployment insurance	250	-	(250)
Operating expenditures:			
General supplies/postage	848	854	6
Dues/training/travel	2,400	2,410	10
Auto operating	40,000	51,400	11,400
Utility services	16,824	20,799	3,975
Contracts/repairs	30,000	37,995	7,995
Building materials/supplies	5,000	3,807	(1,193)
Uniforms/clothing	7,970	6,424	(1,546)
Professional services	123,661	110,027	(13,634)
Special department supplies	131,780	137,997	6,217
SCDHEC mosquito control grant	-	8,138	8,138
Insurance	18,535	18,426	(109)
Capital lease payments	56,723	54,165	(2,558)
Capital outlay:			
Automotive equipment	-	31,585	31,585
Machines/equipment	19,132	25,603	6,471
Total	1,236,880	1,300,421	63,541
Community Center -			
Personal services:			
Salaries and wages	75,237	77,620	2,383
Overtime pay	2,000	1,786	(214)
FICA	5,909	6,050	141
Employee retirement	9,122	9,330	208
Employee insurance	15,000	14,516	(484)
Workers' compensation	2,458	1,681	(777)
Unemployment insurance	50	-	(50)
Operating expenditures:			
General supplies/postage	2,800	226	(2,574)
Auto operating	300	122	(178)
Utility services	22,000	22,939	939
Contracts/repairs	15,200	27,516	12,316
Uniforms/clothing	650	637	(13)
Advertising	3,000	2,958	(42)
Professional services	2,000	-	(2,000)
Special department supplies	7,000	6,998	(2)
Insurance	3,239	3,148	(91)
Total	165,965	175,527	9,562

(continued)

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

YEAR ENDED DECEMBER 31, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
Parks, Recreation, and Tourism (continued):			
RVP Activities Center -			
Personal services:			
Salaries and wages	322,064	323,325	1,261
Overtime pay	12,000	5,390	(6,610)
FICA	25,556	23,996	(1,560)
Employee retirement	39,453	38,534	(919)
Employee insurance	52,500	50,508	(1,992)
Workers' compensation	9,455	6,038	(3,417)
Unemployment insurance	1,500	-	(1,500)
Operating expenditures:			
General supplies/postage	10,500	12,489	1,989
Dues/training/travel	1,400	875	(525)
Auto operating	1,650	507	(1,143)
Utility services	127,044	129,459	2,415
Data processing	-	2,671	2,671
Contracts/repairs	70,095	62,877	(7,218)
Uniforms/clothing	1,400	513	(887)
Advertising	2,300	1,200	(1,100)
Tournaments/special events	105,000	132,216	27,216
Special department supplies	29,500	24,720	(4,780)
Insurance	15,223	14,795	(428)
Capital outlay:			
Furniture/fixtures	16,000	25,665	9,665
Total	<u>842,640</u>	<u>855,778</u>	<u>13,138</u>
Tourism -			
Personal services:			
Salaries and wages	122,098	126,440	4,342
Overtime pay	5,000	2,865	(2,135)
FICA	9,723	9,581	(142)
Employee retirement	15,010	15,133	123
Employee insurance	22,500	21,859	(641)
Workers' compensation	4,037	2,761	(1,276)
Operating expenditures:			
General supplies/postage	6,000	8,532	2,532
Data processing	2,160	-	(2,160)
Uniforms/clothing	1,000	439	(561)
Advertising	8,000	6,746	(1,254)
Professional services	4,000	1,789	(2,211)
Special department supplies	20,000	19,515	(485)
Total	<u>219,528</u>	<u>215,660</u>	<u>(3,868)</u>
Total Parks, Recreation, and Tourism	<u>\$ 4,044,294</u>	<u>\$ 4,166,279</u>	<u>\$ 121,985</u>
Interest and fiscal charges	-	20,788	20,788
Total Expenditures	<u>\$ 16,816,504</u>	<u>\$ 17,086,443</u>	<u>\$ 269,939</u>

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

DECEMBER 31, 2017

	Capital Projects Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS			
Equity in pooled cash	\$ 812,894	\$ 676,776	\$ 1,489,670
Investments	587,596	665,738	1,253,334
Restricted cash and investments	2,607,705	124,302	2,732,007
Total Assets	\$ 4,008,195	\$ 1,466,816	\$ 5,475,011
LIABILITIES			
Accounts payable	\$ 1,796	\$ 1,468	\$ 3,264
Accrued salary and wages	-	548	548
Unearned revenue - assessment fees	83,772	-	83,772
Total Liabilities	85,568	2,016	87,584
FUND BALANCES			
Fund balances:			
Restricted for:			
Capital projects	2,607,705	-	2,607,705
Public safety (Fire Division)	-	123,410	123,410
Committed for:			
Capital projects	947,879	-	947,879
Parks, recreation and tourism	-	18,380	18,380
Special projects	-	1,323,010	1,323,010
Assigned for:			
Capital projects	367,043	-	367,043
Total Fund Balances	3,922,627	1,464,800	5,387,427
Total Liabilities and Fund Balances	\$ 4,008,195	\$ 1,466,816	\$ 5,475,011

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

DECEMBER 31, 2017

	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	\$ -	\$ -	\$ 455,969	\$ 267,103	\$ 89,822	\$ -	\$ 812,894
Investments	-	-	157,133	303,117	127,346	-	587,596
Restricted cash and investments	106,077	1,745,265	100,000	-	656,363	-	2,607,705
Total Assets	\$ 106,077	\$ 1,745,265	\$ 713,102	\$ 570,220	\$ 873,531	\$ -	\$ 4,008,195
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 1,796	\$ -	\$ -	\$ -	\$ 1,796
Unearned revenue - assessment fees	-	-	-	-	83,772	-	83,772
Total Liabilities	-	-	1,796	-	83,772	-	85,568
FUND BALANCES							
Fund balances:							
Restricted for:							
Capital projects	106,077	1,745,265	100,000	-	656,363	-	2,607,705
Committed for:							
Capital projects	-	-	262,420	570,220	115,239	-	947,879
Assigned for:							
Capital projects	-	-	348,886	-	18,157	-	367,043
Total Fund Balances	106,077	1,745,265	711,306	570,220	789,759	-	3,922,627
Total Liabilities and Fund Balances	\$ 106,077	\$ 1,745,265	\$ 713,102	\$ 570,220	\$ 873,531	\$ -	\$ 4,008,195

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

DECEMBER 31, 2017

	Recreation Fund	Fireman's Fund	Riverfront/ Central Core Redevelopment Fund	Totals
ASSETS				
Equity in pooled cash	\$ 18,956	\$ -	\$ 657,820	\$ 676,776
Investments	-	-	665,738	665,738
Restricted cash and investments	-	124,302	-	124,302
Total Assets	<u>\$ 18,956</u>	<u>\$ 124,302</u>	<u>\$ 1,323,558</u>	<u>\$ 1,466,816</u>
LIABILITIES				
Accounts payable	\$ 576	\$ 892	\$ -	\$ 1,468
Accrued salary and wages	-	-	548	548
Total Liabilities	<u>576</u>	<u>892</u>	<u>548</u>	<u>2,016</u>
FUND BALANCES				
Fund balances:				
Restricted for:				
Public safety (Fire Division)	-	123,410	-	123,410
Committed for:				
Parks, recreation and tourism	18,380	-	-	18,380
Special projects	-	-	1,323,010	1,323,010
Total Fund Balances	<u>18,380</u>	<u>123,410</u>	<u>1,323,010</u>	<u>1,464,800</u>
Total Liabilities and Fund Balances	<u>\$ 18,956</u>	<u>\$ 124,302</u>	<u>\$ 1,323,558</u>	<u>\$ 1,466,816</u>

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

YEAR ENDED DECEMBER 31, 2017

	Capital Projects Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
Revenues:			
Ad valorem property taxes	\$ 613,831	\$ -	\$ 613,831
Local hospitality and accommodations taxes	-	790,749	790,749
Intergovernmental	380,526	61,581	442,107
Interest earnings	33,865	12,317	46,182
Miscellaneous	-	5,415	5,415
Total Revenues	1,028,222	870,062	1,898,284
Expenditures:			
Current:			
General government	38,612	-	38,612
Public safety	-	55,913	55,913
Public works	14,452	-	14,452
Recreation and parks	-	1,080	1,080
Capital outlay	414,951	-	414,951
Debt Service:			
Capital lease payments	-	3,466,970	3,466,970
Interest and fiscal charges	-	50,686	50,686
Total Expenditures	468,015	3,574,649	4,042,664
Other Financing Sources (Uses):			
Transfers in	-	3,517,656	3,517,656
Transfers out	(421,665)	(1,427,016)	(1,848,681)
Total Other Financing Sources (Uses)	(421,665)	2,090,640	1,668,975
Net change in fund balance	138,542	(613,947)	(475,405)
Fund balance, beginning of year	3,784,085	2,078,747	5,862,832
Fund balance, end of year	\$ 3,922,627	\$ 1,464,800	\$ 5,387,427

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

YEAR ENDED DECEMBER 31, 2017

	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	\$ -	\$ -	\$ -	\$ 613,831	\$ -	\$ -	\$ 613,831
Intergovernmental	-	-	380,526	-	-	-	380,526
Interest earnings	1,881	15,999	3,780	3,349	8,856	-	33,865
Total Revenues	<u>1,881</u>	<u>15,999</u>	<u>384,306</u>	<u>617,180</u>	<u>8,856</u>	<u>-</u>	<u>1,028,222</u>
Expenditures:							
Current:							
General government	-	-	-	38,612	-	-	38,612
Public works	-	-	14,452	-	-	-	14,452
Capital outlay	-	847	380,526	33,578	-	-	414,951
Total Expenditures	<u>-</u>	<u>847</u>	<u>394,978</u>	<u>72,190</u>	<u>-</u>	<u>-</u>	<u>468,015</u>
Other Financing Sources (Uses):							
Transfers out	(299,654)	-	-	(113,031)	-	(8,980)	(421,665)
Total Other Financing Sources (Uses)	<u>(299,654)</u>	<u>-</u>	<u>-</u>	<u>(113,031)</u>	<u>-</u>	<u>(8,980)</u>	<u>(421,665)</u>
Net change in fund balance	(297,773)	15,152	(10,672)	431,959	8,856	(8,980)	138,542
Fund balance, beginning of year	403,850	1,730,113	721,978	138,261	780,903	8,980	3,784,085
Fund balance, end of year	<u>\$ 106,077</u>	<u>\$ 1,745,265</u>	<u>\$ 711,306</u>	<u>\$ 570,220</u>	<u>\$ 789,759</u>	<u>\$ -</u>	<u>\$ 3,922,627</u>

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

YEAR ENDED DECEMBER 31, 2017

	Recreation Fund	Fireman's Fund	Riverfront/ Central Core Redevelopment Fund	Totals
Revenues:				
Local hospitality and accommodations taxes	\$ -	\$ -	\$ 790,749	\$ 790,749
Intergovernmental	-	61,581	-	61,581
Interest earnings	45	281	11,991	12,317
Miscellaneous	5,415	-	-	5,415
Total Revenues	<u>5,460</u>	<u>61,862</u>	<u>802,740</u>	<u>870,062</u>
Expenditures:				
Current:				
Public safety	-	55,913	-	55,913
Recreation and parks	-	-	1,080	1,080
Debt Service:				
Capital lease payments	-	-	3,466,970	3,466,970
Interest and fiscal charges	-	-	50,686	50,686
Total Expenditures	<u>-</u>	<u>55,913</u>	<u>3,518,736</u>	<u>3,574,649</u>
Other Financing Uses:				
Transfers in	-	-	3,517,656	3,517,656
Transfers out	-	-	(1,427,016)	(1,427,016)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>2,090,640</u>	<u>2,090,640</u>
Net change in fund balance	5,460	5,949	(625,356)	(613,947)
Fund balance, beginning of year	12,920	117,461	1,948,366	2,078,747
Fund balance, end of year	<u>\$ 18,380</u>	<u>\$ 123,410</u>	<u>\$ 1,323,010</u>	<u>\$ 1,464,800</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, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
Operating Revenues:			
Water sales	\$ 3,290,034	\$ 3,255,072	\$ (34,962)
Sewer sales	5,599,871	5,757,850	157,979
Water tap fees	56,000	154,708	98,708
Sewer tap fees	87,000	279,454	192,454
Fire protection fees	11,741	11,970	229
Other	442,190	507,335	65,145
Total Operating Revenues	<u>9,486,836</u>	<u>9,966,389</u>	<u>479,553</u>
Operating Expenses:			
Utilities Finance	506,402	520,188	13,786
Utilities Administration	967,278	926,102	(41,176)
Water Operations and Maintenance	840,302	799,847	(40,455)
Water Production and Treatment	1,393,579	1,445,335	51,756
Wastewater Operations and Maintenance	3,588,346	3,481,640	(106,706)
Depreciation and amortization	-	1,050,929	1,050,929
Total Operating Expenses	<u>7,295,907</u>	<u>8,224,041</u>	<u>928,134</u>
Nonoperating Revenues (Expenses):			
Interest income	25,000	108,509	83,509
Interest expense and fiscal charges	-	(135,514)	(135,514)
Gain on sale of capital assets	-	26,869	26,869
Total Nonoperating Revenues (Expenses):	<u>25,000</u>	<u>(136)</u>	<u>(25,136)</u>
Income before contributions and operating transfers	2,215,929	1,742,212	(473,717)
Capital contributions	-	479,544	479,544
Transfers in	-	-	-
Transfers out	(1,573,395)	(1,383,395)	190,000
Change in net position	<u>\$ 642,534</u>	<u>\$ 838,361</u>	<u>\$ 195,827</u>

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

YEAR ENDED DECEMBER 31, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
	Budget	Actual	Budget
Utilities Finance:			
Personal services:			
Salaries and wages	\$ 194,951	\$ 188,399	\$ (6,552)
FICA	14,914	14,082	(832)
Employee retirement	23,024	42,807	19,783
Employee insurance	30,000	29,338	(662)
Workers' compensation	3,929	2,687	(1,242)
Operating expenses:			
General supplies/postage	79,000	87,922	8,922
Dues/training/travel	3,805	2,110	(1,695)
Data processing	72,000	74,155	2,155
Contracts and repairs	26,300	24,340	(1,960)
Professional services	22,175	18,614	(3,561)
Special department supplies	500	278	(222)
Insurance	4,804	4,669	(135)
Bad debts	31,000	30,787	(213)
Total Utilities Finance	506,402	520,188	13,786
Utilities Administration:			
Personal services:			
Salaries and wages	507,158	526,465	19,307
Overtime pay	5,882	12,020	6,138
FICA	39,353	38,214	(1,139)
Employee retirement	62,791	121,058	58,267
Employee insurance	72,090	69,739	(2,351)
Workers' compensation	15,736	10,761	(4,975)
Unemployment insurance	325	-	(325)
Operating expenses:			
General supplies/postage	4,685	3,924	(761)
Dues/training/travel	5,405	6,178	773
Auto operating	11,525	10,694	(831)
Utility services	14,513	10,530	(3,983)
Contracts and repairs	86,518	78,359	(8,159)
Building material	500	425	(75)
Uniforms and clothing	3,220	1,699	(1,521)
Professional services	37,707	4,512	(33,195)
Data processing	34,600	23,222	(11,378)
Special department supplies	41,236	6,358	(34,878)
Lease purchase	22,034	-	(22,034)
Insurance	2,000	1,944	(56)
Total Utilities Administration	967,278	926,102	(41,176)

(continued)

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

YEAR ENDED DECEMBER 31, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
	Water Operations and Maintenance:		
Personal services:			
Salaries and wages	345,020	350,464	5,444
Overtime pay	15,426	18,578	3,152
FICA	27,574	26,470	(1,104)
Employee retirement	42,569	83,752	41,183
Employee insurance	60,000	57,385	(2,615)
Workers' compensation	11,179	7,976	(3,203)
Unemployment insurance	100	-	(100)
Operating expenses:			
Dues/training	2,000	1,500	(500)
Auto operating	29,460	39,185	9,725
Contracts and repairs	19,184	14,753	(4,431)
Building material	10,320	11,907	1,587
Uniforms and clothing	5,999	3,118	(2,881)
Advertising	2,100	387	(1,713)
Professional services	-	112	112
Special department supplies	116,034	114,361	(1,673)
Judgments/settlements	250	2,837	2,587
Insurance	3,869	3,760	(109)
Line upgrades	83,007	63,302	(19,705)
Leases	56,211	-	(56,211)
Small equipment	10,000	-	(10,000)
Total Water Operations and Maintenance	840,302	799,847	(40,455)
Water Production and Treatment:			
Personal services:			
Salaries and wages	437,734	438,554	820
Overtime pay	31,780	29,636	(2,144)
FICA	35,918	32,966	(2,952)
Employee retirement	55,450	111,521	56,071
Employee insurance	60,000	57,385	(2,615)
Workers' compensation	15,369	10,510	(4,859)
Unemployment insurance	250	-	(250)
Operating expenses:			
General supplies	3,500	2,539	(961)
Dues/training	7,350	4,877	(2,473)
Auto operating	5,387	5,036	(351)
Utility services	403,560	462,226	58,666
Contracts and repairs	108,348	102,328	(6,020)
Building material	2,500	2,238	(262)

(continued)

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

YEAR ENDED DECEMBER 31, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
	Water Production and Treatment (continued):		
Operating expenses (continued):			
Uniforms and clothing	3,500	2,366	(1,134)
Professional services	55,480	51,971	(3,509)
ACPSA treatment charges	4,500	4,919	419
Special department supplies	146,310	114,150	(32,160)
Insurance	12,463	12,113	(350)
Leases	4,180	-	(4,180)
Total Water Production and Treatment	<u>1,393,579</u>	<u>1,445,335</u>	<u>51,756</u>
Wastewater Operations and Maintenance:			
Personal services:			
Salaries and wages	433,848	442,106	8,258
Overtime pay	13,753	23,727	9,974
FICA	34,241	32,658	(1,583)
Employee retirement	52,862	106,242	53,380
Employee insurance	75,000	71,731	(3,269)
Workers' compensation	14,287	11,478	(2,809)
Unemployment insurance	250	-	(250)
Operating expenses:			
Dues/training	1,100	500	(600)
Auto operating	23,868	41,943	18,075
Utility services	70,547	65,184	(5,363)
Contracts and repairs	66,706	91,979	25,273
Building material	12,750	14,932	2,182
Uniforms and clothing	6,180	4,127	(2,053)
Professional services	-	2,717	2,717
ACPSA treatment charges	2,672,925	2,525,783	(147,142)
Special department supplies	16,890	3,462	(13,428)
Judgments/settlements	250	-	(250)
Insurance	41,472	43,071	1,599
Leases	43,417	-	(43,417)
Small equipment	8,000	-	(8,000)
Total Wastewater Operations and Maintenance	<u>3,588,346</u>	<u>3,481,640</u>	<u>(106,706)</u>
Depreciation and amortization	-	1,050,929	1,050,929
Total Operating Expenses	<u>\$ 7,295,907</u>	<u>\$ 8,224,041</u>	<u>\$ 928,134</u>

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

YEAR ENDED DECEMBER 31, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
Operating Revenues:			
Sanitation service fees	\$ 3,180,432	\$ 3,253,760	\$ 73,328
Recycling fees	670,000	792,085	122,085
Sale of recyclables	250,000	426,436	176,436
Other	40,254	53,305	13,051
Total Operating Revenues	<u>4,140,686</u>	<u>4,525,586</u>	<u>384,900</u>
Operating Expenses:			
Sanitation operations	2,512,092	2,355,869	(156,223)
Material recovery facility	1,485,421	1,465,494	(19,927)
Depreciation	-	682,703	682,703
Total Operating Expenses	<u>3,997,513</u>	<u>4,504,066</u>	<u>506,553</u>
Nonoperating Revenues (Expenses):			
Intergovernmental	-	10,161	10,161
Interest revenue	12,000	18,602	6,602
Interest expense	-	(32,076)	(32,076)
Gain on disposal of assets	-	51,878	51,878
Total Nonoperating Revenues	<u>12,000</u>	<u>48,565</u>	<u>36,565</u>
Income before transfers	155,173	70,085	(85,088)
Transfers out	<u>(155,173)</u>	<u>(155,173)</u>	<u>-</u>
Change in net position	<u>\$ -</u>	<u>\$ (85,088)</u>	<u>\$ (85,088)</u>

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

YEAR ENDED DECEMBER 31, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
Sanitation Operations:			
Personal services:			
Salaries and wages	\$ 1,110,346	\$ 1,078,466	\$ (31,880)
Overtime pay	13,300	26,008	12,708
FICA	86,059	81,354	(4,705)
Employee retirement	134,098	262,331	128,233
Employee insurance	195,804	188,631	(7,173)
Workers' compensation	33,573	24,242	(9,331)
Unemployment insurance	2,000	-	(2,000)
Operating expenses:			
General supplies	1,428	1,015	(413)
Dues/training	3,482	3,135	(347)
Auto operating	349,457	323,913	(25,544)
Utility services	21,049	26,153	5,104
Data processing	8,900	11,067	2,167
Contracts and repairs	29,608	32,618	3,010
Uniforms and clothing	10,830	6,466	(4,364)
Advertising	2,100	1,678	(422)
Professional services	11,364	7,895	(3,469)
Special department supplies	245,020	244,923	(97)
Judgments/settlements	250	6,000	5,750
Leases	223,853	-	(223,853)
Insurance	29,571	29,974	403
Total Sanitation Operations	<u>2,512,092</u>	<u>2,355,869</u>	<u>(156,223)</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
Material Recovery Facility:			
Personal services:			
Salaries and wages	388,992	355,140	(33,852)
Overtime pay	19,230	19,033	(197)
FICA	31,229	27,441	(3,788)
Employee retirement	48,211	89,463	41,252
Employee insurance	63,750	61,214	(2,536)
Workers' compensation	12,427	23,786	11,359
Unemployment insurance	500	-	(500)
Operating expenses:			
General supplies	900	261	(639)
Dues/training	605	625	20
Auto operating	83,413	98,801	15,388
Utility services	17,409	18,721	1,312
Contracts and repairs	82,182	132,054	49,872
Building material	2,360	522	(1,838)
Recycling expenses	46,155	21,231	(24,924)
Uniforms and clothing	4,170	4,301	131
Professional services	220,618	168,350	(52,268)
Special department supplies	349,564	423,725	74,161
Leases	92,277	-	(92,277)
Insurance	21,429	20,826	(603)
Total Material Recovery Facility	<u>1,485,421</u>	<u>1,465,494</u>	<u>(19,927)</u>
Depreciation	-	682,703	682,703
Total Operating Expenses	<u>\$ 3,997,513</u>	<u>\$ 4,504,066</u>	<u>\$ 506,553</u>

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

YEAR ENDED DECEMBER 31, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
Operating Revenues:			
Stormwater utility fees	\$ 758,000	\$ 770,135	\$ 12,135
Other	6,871	12,173	5,302
Total Operating Revenues	<u>764,871</u>	<u>782,308</u>	<u>17,437</u>
Operating Expenses:			
Stormwater operations	768,871	555,331	(213,540)
Depreciation	-	83,303	83,303
Total Operating Expenses	<u>768,871</u>	<u>638,634</u>	<u>(130,237)</u>
Nonoperating Revenues (Expenses):			
Interest revenue	4,000	8,407	4,407
Total Nonoperating Revenues	<u>4,000</u>	<u>8,407</u>	<u>4,407</u>
Income before contributions	-	152,081	152,081
Contributions	-	956,785	956,785
Change in net position	<u>\$ -</u>	<u>\$ 1,108,866</u>	<u>\$ 1,108,866</u>

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

YEAR ENDED DECEMBER 31, 2017

	2017		
	Original and Final Budget	Actual	Over (Under) Budget
Stormwater Operations:			
Personal services:			
Salaries and wages	\$ 312,496	328,314	\$ 15,818
Overtime pay	1,800	1,439	(361)
FICA	23,922	23,386	(536)
Employee retirement	36,906	71,212	34,306
Employee insurance	37,740	36,220	(1,520)
Workers' compensation	8,500	5,813	(2,687)
Unemployment insurance	200	-	(200)
Operating expenses:			
General supplies	1,400	1,378	(22)
Dues/training	4,425	4,355	(70)
Auto operating	7,900	5,179	(2,721)
Data processing	36,600	35,594	(1,006)
Contracts and repairs	6,340	5,250	(1,090)
Uniforms and clothing	2,000	1,993	(7)
Advertising	3,000	2,694	(306)
Professional services	20,339	20,355	16
Special department supplies	6,060	5,540	(520)
Insurance	6,800	6,609	(191)
Drainage projects	252,443	-	(252,443)
Total Stormwater Operations	<u>768,871</u>	<u>555,331</u>	<u>(213,540)</u>
Depreciation	-	83,303	83,303
Total Operating Expenses	<u>\$ 768,871</u>	<u>\$ 638,634</u>	<u>\$ (130,237)</u>

SCHEDULE REQUIRED BY STATE LAW

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

YEAR ENDED DECEMBER 31, 2017

Court Fines:	
Court fines collected	\$ 379,658
Court fines retained by City	<u>379,658</u>
Court fines remitted to State Treasurer	<u>\$ -</u>
Court Assessments:	
Court assessments collected	\$ 368,050
Court assessments retained by City	<u>40,940</u>
Court assessments remitted to State Treasurer	<u>\$ 327,110</u>
Court Surcharges:	
Court surcharges collected	\$ 208,991
Court surcharges retained by City	<u>35,230</u>
Court surcharges remitted to State Treasurer	<u>\$ 173,761</u>
Victim Services:	
Court assessments allocated to Victim Services	\$ 40,940
Court surcharges allocated to Victim Services	<u>10,687</u>
Funds allocated to Victim Services	51,627
Victim Services Expenditures	<u>47,828</u>
Funds Allocated to Victim Services in Excess of Victim Services Expenditures	3,799
Funds available for carryforward - beginning of year	<u>103,644</u>
Funds available for carryforward - end of year	<u>\$ 107,443</u>

North
Augusta

South Carolina's Riverfront



**STATISTICAL
SECTION**

STATISTICAL SECTION

This part of the City of North Augusta's Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

CONTENTS	PAGE
FINANCIAL TRENDS <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	87 – 91
REVENUE CAPACITY <i>These schedules contain information to help the reader assess the factors affecting the government's ability to generate its property taxes and other major sources of revenue.</i>	92 – 98
DEBT CAPACITY <i>These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	99 – 103
DEMOGRAPHIC AND ECONOMIC INFORMATION <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.</i>	104 – 105
OPERATING INFORMATION <i>These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities the City performs. A history of rates and charges is also presented.</i>	106 – 110

SOURCES: *Unless otherwise noted, the information in these schedules is derived from the City of North Augusta's Comprehensive Annual Financial Reports for the relevant year.*

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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities					
Net investment in capital assets	\$ 37,222,478	\$ 43,873,602	\$ 44,780,462	\$ 48,387,572	\$ 51,180,628
Restricted	47,801	9,771	5,461	9,158,402	7,210,998
Unrestricted	<u>14,824,747</u>	<u>12,594,803</u>	<u>15,028,645</u>	<u>6,382,049</u>	<u>7,342,802</u>
Total governmental activities net position	<u>\$ 52,095,026</u>	<u>\$ 56,478,176</u>	<u>\$ 59,814,568</u>	<u>\$ 63,928,023</u>	<u>\$ 65,734,428</u>
Business-type activities					
Net investment in capital assets	\$ 39,260,545	\$ 40,738,413	\$ 41,186,486	\$ 44,889,398	\$ 46,022,914
Restricted	8,669,853	9,329,287	10,537,438	9,422,871	10,116,845
Unrestricted	<u>9,366,037</u>	<u>9,289,594</u>	<u>9,417,349</u>	<u>8,342,254</u>	<u>8,233,390</u>
Total business-type activities net position	<u>\$ 57,296,435</u>	<u>\$ 59,357,294</u>	<u>\$ 61,141,273</u>	<u>\$ 62,654,523</u>	<u>\$ 64,373,149</u>
Primary Government					
Net investment in capital assets	\$ 76,483,023	\$ 84,612,015	\$ 85,966,948	\$ 93,276,970	\$ 97,203,542
Restricted	8,717,654	9,339,058	10,542,899	18,581,273	17,327,843
Unrestricted	<u>24,190,784</u>	<u>21,884,397</u>	<u>24,445,994</u>	<u>14,724,303</u>	<u>15,576,192</u>
Total primary government net position	<u>\$ 109,391,461</u>	<u>\$ 115,835,470</u>	<u>\$ 120,955,841</u>	<u>\$ 126,582,546</u>	<u>\$ 130,107,577</u>

	Year Ending December 31				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities					
Net investment in capital assets	\$ 53,791,597	\$ 57,779,457	\$ 59,649,524	\$ 60,261,553	\$ 46,115,747
Restricted	7,810,702	7,536,710	6,964,338	7,616,189	23,744,254
Unrestricted	<u>5,466,773</u>	<u>4,267,933</u>	<u>(6,848,500)</u>	<u>(5,705,943)</u>	<u>(5,641,833)</u>
Total governmental activities net position	<u>\$ 67,069,072</u>	<u>\$ 69,584,100</u>	<u>\$ 59,765,362</u>	<u>\$ 62,171,799</u>	<u>\$ 64,218,168</u>
Business-type activities					
Net investment in capital assets	\$ 47,734,609	\$ 51,802,542	\$ 53,610,839	\$ 53,203,765	\$ 55,927,179
Restricted	10,104,431	9,883,717	10,248,230	11,374,284	9,618,737
Unrestricted	<u>7,777,449</u>	<u>6,767,765</u>	<u>(1,175,007)</u>	<u>(387,763)</u>	<u>492,016</u>
Total business-type activities net position	<u>\$ 65,616,489</u>	<u>\$ 68,454,024</u>	<u>\$ 62,684,062</u>	<u>\$ 64,190,286</u>	<u>\$ 66,037,932</u>
Primary Government					
Net investment in capital assets	\$ 101,526,206	\$ 109,581,999	\$ 113,260,363	\$ 113,465,318	\$ 102,042,926
Restricted	17,915,133	17,420,427	17,212,568	18,990,473	33,362,991
Unrestricted	<u>13,244,222</u>	<u>11,035,698</u>	<u>(8,023,507)</u>	<u>(6,093,706)</u>	<u>(5,149,817)</u>
Total primary government net position	<u>\$ 132,685,561</u>	<u>\$ 138,038,124</u>	<u>\$ 122,449,424</u>	<u>\$ 126,362,085</u>	<u>\$ 130,256,100</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				
	2008	2009	2010	2011	2012
Expenses					
Governmental activities:					
General government	\$ 2,890,989	\$ 3,646,500	\$ 3,798,574	\$ 3,416,002	\$ 3,574,637
Public safety	5,265,573	5,414,709	5,898,849	6,546,364	6,975,047
Public works	2,692,210	1,883,507	1,796,722	2,796,708	2,980,032
Recreation and parks	3,763,461	3,623,796	3,994,496	3,792,045	4,053,013
Debt service - interest and fees	433,418	476,037	380,060	358,055	340,610
Loss on debt defeasance	-	-	-	-	-
Total governmental activities expenses	<u>\$ 15,045,651</u>	<u>\$ 15,044,549</u>	<u>\$ 15,868,701</u>	<u>\$ 16,909,174</u>	<u>\$ 17,923,339</u>
Business-type activities:					
Water and wastewater	\$ 6,694,797	\$ 6,782,763	\$ 6,994,927	\$ 7,220,770	\$ 6,958,202
Sanitation	3,239,034	3,012,364	3,054,296	3,168,553	3,160,647
Stormwater utility	373,803	529,291	519,481	542,919	568,984
Savannah Bluff Lock and Dam	-	6,062	23,275	22,000	24,000
Total business-type activities expenses	<u>\$ 10,307,634</u>	<u>\$ 10,330,480</u>	<u>\$ 10,591,979</u>	<u>\$ 10,954,242</u>	<u>\$ 10,711,833</u>
Total primary government expenses	<u>\$ 25,353,285</u>	<u>\$ 25,375,029</u>	<u>\$ 26,460,680</u>	<u>\$ 27,863,416</u>	<u>\$ 28,635,172</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 4,481,413	\$ 4,344,903	\$ 4,386,190	\$ 4,605,180	\$ 4,711,699
Public safety	897,428	945,905	1,082,900	1,177,117	1,092,699
Public Works	39,605	41,692	42,894	40,512	46,970
Recreation and parks	931,614	921,644	1,110,505	1,060,317	1,019,548
Operating grants and contributions	817,172	748,276	850,731	1,334,520	801,328
Capital grants and contributions	1,768,611	1,813,172	489,270	1,569,830	1,619,796
Total governmental activities program revenues	<u>\$ 8,935,843</u>	<u>\$ 8,815,592</u>	<u>\$ 7,962,490</u>	<u>\$ 9,787,476</u>	<u>\$ 9,292,040</u>
Business-type activities:					
Charges for services:					
Water and wastewater	\$ 7,537,277	\$ 7,714,553	\$ 8,148,497	\$ 8,450,349	\$ 8,388,987
Sanitation	3,308,538	3,182,076	3,384,930	3,400,975	3,388,623
Stormwater utility	547,766	554,394	563,305	572,288	573,660
Capital grants and contributions	3,091,789	955,928	511,472	245,500	206,463
Total business-type activities program revenues	<u>\$ 14,485,370</u>	<u>\$ 12,406,951</u>	<u>\$ 12,608,204</u>	<u>\$ 12,669,112</u>	<u>\$ 12,557,733</u>
Total primary government program revenues	<u>\$ 23,421,213</u>	<u>\$ 21,222,543</u>	<u>\$ 20,570,694</u>	<u>\$ 22,456,588</u>	<u>\$ 21,849,773</u>
Net (expense) / revenue					
Governmental activities	\$ (6,109,808)	\$ (6,228,957)	\$ (7,906,211)	\$ (7,121,698)	\$ (8,631,299)
Business-type activities	4,177,736	2,076,471	2,016,225	1,714,870	1,845,900
Total primary government net expense	<u>\$ (1,932,072)</u>	<u>\$ (4,152,486)</u>	<u>\$ (5,889,986)</u>	<u>\$ (5,406,828)</u>	<u>\$ (6,785,399)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Ad valorem property taxes	\$ 5,498,319	\$ 5,994,545	\$ 6,142,064	\$ 6,294,172	\$ 6,780,783
Capital projects sales taxes	3,415,808	3,331,626	3,354,214	3,474,959	1,861,677
Local hospitality and accommodations taxes	550,501	548,490	555,230	559,853	584,227
Interest on investments	533,146	92,616	54,755	33,350	77,894
Miscellaneous	198,679	106,871	577,187	336,245	590,882
Transfers	396,667	537,959	559,153	536,574	542,241
Total governmental activities	<u>\$ 10,593,120</u>	<u>\$ 10,612,107</u>	<u>\$ 11,242,603</u>	<u>\$ 11,235,153</u>	<u>\$ 10,437,704</u>
Business-type activities:					
Interest on investments	\$ 400,115	\$ 95,157	\$ 63,562	\$ 42,216	\$ 56,203
Miscellaneous	483,157	427,190	263,345	292,738	358,764
Transfers	(396,667)	(537,959)	(559,153)	(536,574)	(542,241)
Total business-type activities	<u>\$ 486,605</u>	<u>\$ (15,612)</u>	<u>\$ (232,246)</u>	<u>\$ (201,620)</u>	<u>\$ (127,274)</u>
Total primary government	<u>\$ 11,079,725</u>	<u>\$ 10,596,495</u>	<u>\$ 11,010,357</u>	<u>\$ 11,033,533</u>	<u>\$ 10,310,430</u>
Change in Net Position					
Governmental activities	\$ 4,483,312	\$ 4,383,150	\$ 3,336,392	\$ 4,113,455	\$ 1,806,405
Business-type activities	4,664,341	2,060,859	1,783,979	1,513,250	1,718,626
Total primary government	<u>\$ 9,147,653</u>	<u>\$ 6,444,009</u>	<u>\$ 5,120,371</u>	<u>\$ 5,626,705</u>	<u>\$ 3,525,031</u>

(continued)

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

	Year Ending December 31				
	2013	2014	2015	2016	2017
Expenses					
Governmental activities:					
General government	\$ 3,893,288	\$ 4,181,576	\$ 4,573,665	\$ 4,519,094	\$ 7,474,923
Public safety	6,615,699	7,232,466	7,517,589	8,473,548	8,736,202
Public works	2,609,477	2,348,897	2,051,542	580,327	2,695,126
Recreation and parks	4,212,673	4,501,259	4,723,035	5,061,480	4,913,582
Debt service - interest and fees	313,866	163,147	168,583	155,047	338,132
Loss on debt defeasance	277,682	-	-	-	-
Total governmental activities expenses	<u>\$ 17,922,685</u>	<u>\$ 18,427,345</u>	<u>\$ 19,034,414</u>	<u>\$ 18,789,496</u>	<u>\$ 24,157,965</u>
Business-type activities:					
Water and sewer	\$ 7,491,321	\$ 7,420,051	\$ 8,081,456	\$ 7,745,232	\$ 8,359,555
Sanitation	3,376,614	3,958,515	4,316,548	4,594,016	4,536,142
Stormwater utility	826,121	507,555	494,179	541,495	638,634
Savannah Bluff Lock and Dam utility	24,000	24,000	24,000	24,000	24,000
Total business-type activities expenses	<u>\$ 11,718,056</u>	<u>\$ 11,910,121</u>	<u>\$ 12,916,183</u>	<u>\$ 12,904,743</u>	<u>\$ 13,558,331</u>
Total primary government expenses	<u>\$ 29,640,741</u>	<u>\$ 30,337,466</u>	<u>\$ 31,950,597</u>	<u>\$ 31,694,239</u>	<u>\$ 37,716,296</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 4,892,172	\$ 5,272,149	\$ 5,621,613	\$ 5,885,657	\$ 6,229,497
Public safety	1,055,155	1,109,022	1,195,544	1,060,102	1,041,202
Public Works	60,381	62,664	65,907	78,018	158,147
Recreation and parks	1,058,841	1,090,469	1,162,485	1,260,024	1,148,108
Operating grants and contributions	811,914	1,433,764	872,652	791,316	1,083,944
Capital grants and contributions	1,357,083	468,934	-	-	207,768
Total governmental activities program revenues	<u>\$ 9,235,546</u>	<u>\$ 9,437,002</u>	<u>\$ 8,918,201</u>	<u>\$ 9,075,117</u>	<u>\$ 9,868,666</u>
Business-type activities:					
Charges for services:					
Water and sewer	\$ 8,564,524	\$ 8,800,125	\$ 8,664,457	\$ 9,155,898	\$ 9,459,054
Sanitation	3,647,518	4,163,934	4,168,309	4,246,959	4,472,281
Stormwater utility	575,233	584,566	746,814	759,131	770,135
Operating grants and contributions	-	264,747	2,449	-	10,161
Capital grants and contributions	220,936	618,036	396,837	124,408	103,591
Total business-type activities program revenues	<u>\$ 13,008,211</u>	<u>\$ 14,431,408</u>	<u>\$ 13,978,866</u>	<u>\$ 14,286,396</u>	<u>\$ 14,815,222</u>
Total primary government program revenues	<u>\$ 22,243,757</u>	<u>\$ 23,868,410</u>	<u>\$ 22,897,067</u>	<u>\$ 23,361,513</u>	<u>\$ 24,683,888</u>
Net (expense) / revenue					
Governmental activities	\$ (8,687,139)	\$ (8,990,343)	\$ (10,116,213)	\$ (9,714,379)	\$ (14,289,299)
Business-type activities	1,290,155	2,521,287	1,062,683	1,381,653	1,256,891
Total primary government net expense	<u>\$ (7,396,984)</u>	<u>\$ (6,469,056)</u>	<u>\$ (9,053,530)</u>	<u>\$ (8,332,726)</u>	<u>\$ (13,032,408)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Ad valorem property taxes	\$ 6,858,860	\$ 6,993,684	\$ 6,874,139	\$ 7,162,650	\$ 8,146,680
Capital projects sales taxes	1,180,511	2,733,613	2,828,301	2,891,291	3,109,712
Local hospitality and accommodations taxes	622,971	661,531	713,903	764,056	790,749
Interest on investments	70,768	69,440	89,791	192,906	423,369
Gain(loss) on disposal of capital assets	-	-	(3,311)	-	-
Miscellaneous	631,662	696,936	886,062	568,970	3,659,328
Transfers	657,011	378,848	514,893	540,943	205,830
Total governmental activities	<u>\$ 10,021,783</u>	<u>\$ 11,534,052</u>	<u>\$ 11,903,778</u>	<u>\$ 12,120,816</u>	<u>\$ 16,335,668</u>
Business-type activities:					
Interest on investments	\$ 48,450	\$ 50,735	\$ 69,410	\$ 120,990	\$ 145,025
Gain(loss) on disposal of capital assets	-	-	46,107	(12,606)	78,747
Miscellaneous	561,746	644,361	584,902	557,130	572,813
Transfers	(657,011)	(378,848)	(514,893)	(540,943)	(205,830)
Total business-type activities	<u>\$ (46,815)</u>	<u>\$ 316,248</u>	<u>\$ 185,526</u>	<u>\$ 124,571</u>	<u>\$ 590,755</u>
Total primary government	<u>\$ 9,974,968</u>	<u>\$ 11,850,300</u>	<u>\$ 12,089,304</u>	<u>\$ 12,245,387</u>	<u>\$ 16,926,423</u>
Change in Net Position					
Governmental activities	\$ 1,334,644	\$ 2,543,709	\$ 1,787,565	\$ 2,406,437	\$ 2,046,369
Business-type activities	1,243,340	2,837,535	1,248,209	1,506,224	1,847,646
Total primary government	<u>\$ 2,577,984</u>	<u>\$ 5,381,244</u>	<u>\$ 3,035,774</u>	<u>\$ 3,912,661</u>	<u>\$ 3,894,015</u>

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

	Year Ending December 31				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund					
Reserved	\$ 49,883	\$ 10,947	\$ 6,780	\$ -	\$ -
Unreserved	257,821	595,511	522,008	-	-
Nonspendable *	-	-	-	1,723	1,220
Restricted *	-	-	-	2,600	3,140
Committed *	-	-	-	695,829	1,143,666
Total General Fund	<u>\$ 307,704</u>	<u>\$ 606,458</u>	<u>\$ 528,788</u>	<u>\$ 700,152</u>	<u>\$ 1,148,026</u>
All Other Governmental Funds					
Reserved	\$ 7,187	\$ 7,187	\$ -	\$ -	\$ -
Unreserved	14,964,062	12,509,474	15,060,268	-	-
Restricted *	-	-	-	8,599,562	6,725,864
Committed *	-	-	-	2,053,852	1,197,249
Assigned *	-	-	-	4,728,272	6,031,460
Total all other governmental funds	<u>\$ 14,971,249</u>	<u>\$ 12,516,661</u>	<u>\$ 15,060,268</u>	<u>\$ 15,381,686</u>	<u>\$ 13,954,573</u>

	Year Ending December 31				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund					
Nonspendable *	\$ 1,630	\$ 1,774	\$ -	\$ -	\$ -
Restricted *	32,841	60,140	88,746	103,644	107,443
Committed *	966,050	1,073,650	796,106	1,484,194	1,121,426
Unassigned *	-	-	2,375,000	2,475,000	2,625,000
Total General Fund	<u>\$ 1,000,521</u>	<u>\$ 1,135,564</u>	<u>\$ 3,259,852</u>	<u>\$ 4,062,838</u>	<u>\$ 3,853,869</u>
All Other Governmental Funds					
Restricted *	7,065,591	6,746,666	5,790,157	7,512,545	23,636,811
Committed *	1,534,983	2,114,554	2,184,346	2,950,803	3,731,713
Assigned *	4,234,929	2,489,051	1,261,269	428,854	367,043
Unassigned *	-	(188,988)	(69,258)	-	-
Total all other governmental funds	<u>\$ 12,835,503</u>	<u>\$ 11,161,283</u>	<u>\$ 9,166,514</u>	<u>\$ 10,892,202</u>	<u>\$ 27,735,567</u>

*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
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	
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
2017	2016	79,819,959	1,628,796,572	26,336,665	199,378,794	106,156,624	1,828,175,366	70.50

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	(a) Tax Year	Overlapping Property Tax Rates									
		City of North Augusta			County of Aiken			Aiken County School District			Total Direct & Overlapping Rates
		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	
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
2017	2016	70.50	-	70.50	64.60	3.90	68.50	137.30	28.70	166.00	305.00

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, 2016

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**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2017</u>			<u>2008</u>		
		<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
S. C. Electric & Gas Co.	Utility	\$ 3,232,640	1	3.05%	\$ 1,927,950	2	2.82%
Allnex Industries, Inc. (a)	Manufacturing	2,879,320	2	2.71%	2,246,820	1	3.28%
Wal-Mart, Inc.	Retail Shopping	2,156,900	3	2.03%	911,490	4	1.33%
SRP Federal Credit Union	Banking/Credit Union	1,265,570	4	1.19%			
SUSO 3 Augusta, LP	Real Estate	1,111,260	5	1.05%			
Halocarbon Chemicals, Inc.	Manufacturing	1,072,580	6	1.01%	845,340	5	1.24%
CVS SC Distribution, Inc.	Warehousing/Distribution	755,930	7	0.71%	730,730	6	1.07%
The Kroger Company	Grocery Store	650,890	8	0.61%			
Lowes Home Centers, Inc.	Retail Building Supplies	574,350	9	0.54%	492,430	8	0.72%
Trailer Train-Hamburg Industries	Manufacturing	557,480	10	0.53%			
Bell South Telecommunications	Communication				1,053,150	3	1.54%
North Augusta Plaza SC, LLC	Real Estate				619,120	7	0.91%
North Augusta Business Technology	Real Estate				349,260	9	0.51%
Martintown Plaza	Real Estate				334,030	10	0.48%
TOTAL Taxable Assessed							
Value-10 Largest Taxpayers		<u>\$ 14,256,920</u>		<u>13.43%</u>	<u>\$ 9,510,320</u>		<u>13.90%</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 2017 (tax year 2016) 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%.

(a) Allnex formerly Cytec formerly Surface Specialties

**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
2008	(c) 2007	\$ 5,280,998	\$ 5,245,248	99.32%	\$ 21,018	\$ 5,266,266	99.72%
2009	2008	5,659,210	5,630,867	99.50%	21,263	5,652,130	99.87%
2010	2009	5,783,397	5,741,980	99.28%	32,948	5,774,928	99.85%
2011	2010	5,924,149	5,883,727	99.32%	23,471	5,907,198	99.71%
2012	(c) 2011	6,377,793	6,344,561	99.48%	11,465	6,356,026	99.66%
2013	2012	6,488,677	6,446,489	99.35%	19,637	6,466,126	99.65%
2014	2013	6,597,073	6,565,216	99.52%	10,338	6,575,554	99.67%
2015	2014	6,804,705	6,762,260	99.38%	16,911	6,779,171	99.62%
2016	2015	7,026,901	6,992,988	99.52%	5,216	6,998,204	99.59%
2017	(c) 2016	7,484,042	7,446,013	99.49%		7,446,013	99.49%

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
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
2017	5,727,383	1,253,829,811	2,017

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>
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
2017	8,310	785	9,095	2,959	158	3,117	12,212

<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>
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
2017	10,114	646	10,760	979	32	1,011	11,771

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>2017 Annual Consumption</u>		<u>2008 Annual Consumption</u>	
		<u>Rank</u>	<u>Water Usage</u>	<u>Rank</u>	<u>Water Usage</u>
Halocarbon Chemicals, Inc.	Manufacturing	1	56,537,200	3	45,669,800
City of North Augusta	Municipal Government	2	53,654,600	2	56,163,000
Allnex Industries, Inc.	Manufacturing	3	36,799,000	4	27,079,700 (a)
Aiken County Schools	School District	4	12,210,600	6	9,282,800
JARS at Breckenridge/Plaza Terrace	Apartments	5	9,503,900	5	14,159,800 (b)
Gentry's Mobile Home Park	Mobile Home Park	6	7,995,400	9	6,664,300
The Housing Authority	Apartments	7	7,279,900		
Pinecrest Apartments	Apartments	8	5,214,200		
Mitchell Manor Mobile Home Park	Apartments	9	4,817,300		
Plaza Place Apartments, LLC	Apartments	10	4,451,800	8	6,765,000
Breezy Hill Water & Sewer Authority	Water District Provider			1	256,711,600
UniHealth Post Acute Care	Nursing Home Facility			7	6,777,200 (c)
The Groves Apartments, LLC	Apartments			10	6,246,400

Wastewater Customers

<u>Customer Name</u>	<u>Type of Business</u>	<u>2017 Annual Consumption</u>		<u>2008 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	684,700,000	1	507,176,000
Halocarbon Chemicals, Inc.	Manufacturing	2	56,537,200	2	45,669,800
Allnex Industries, Inc.	Manufacturing	3	36,706,447	3	15,107,700 (a)
City of North Augusta	Municipal Government	4	31,791,988	4	10,755,300
Aiken County Schools	School District	5	10,813,991	7	7,380,300
The Housing Authority	Apartments	6	8,383,894		
Willow Wick Apartments	Apartments	7	8,028,803		
National Healthcare	Nursing Home Facility	8	7,783,200	10	5,204,000
Gentry's Mobile Home Park	Mobile Home Park	9	7,562,100		
Pinecrest Apartments	Apartments	10	6,325,806		
JARS at Breckenridge/Plaza Terrace	Apartments			5	10,268,900 (b)
Plaza Place Apartments, LLC	Apartments			9	6,287,000
UniHealth Post Acute Care	Nursing Home Facility			6	8,922,000 (c)
The Groves Apartments, LLC	Apartments			8	6,652,200

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			
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	22,568	1,420.62 (b)
2016	-	10,166,337	3,466,970	1,431,394	20,299,376	785,635	-	36,149,712	22,932	1,576.39
2017	-	69,475,000	-	1,306,394	20,982,862	777,781	-	92,542,037	23,275	3,976.03 (c)

(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.

(c) 2017 installment purchase revenue bond to construct and equip two parking decks, a stadium, conference facilities, a riverfront park, and certain roads, water, sewer, and related infrastructure (Series 2017B.) Also included is a \$25,000 tax increment revenue bond.

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
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
2017	-	1,828,175,366	0.00%	23,275	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. New data not available for 2017 at this time.

City of North Augusta, South Carolina
Direct and Overlapping Governmental Activities Debt
As of December 31, 2017

<u>Jurisdiction</u>	<u>Debt Outstanding @ December 31, 2017</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 *	\$ 70,781,394	100.00%	\$ 70,781,394
Overlapping Debt			
County of Aiken	\$ 44,075,847	14.95%	\$ 6,589,339
Aiken County School District	<u>117,555,000</u>	<u>14.95%</u>	<u>17,574,473</u>
Sub-total - Overlapping Debt	<u>\$ 161,630,847</u>	<u>14.95%</u>	<u>\$ 24,163,812</u>
Total	<u><u>\$ 232,412,241</u></u>		<u><u>\$ 94,945,206</u></u>

* Includes Revenue Bonds 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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit	\$ 5,472,536	\$ 5,864,466	\$ 5,993,158	\$ 6,139,015	\$ 6,875,400
Total net debt applicable to limit	<u>4,491,068</u> *	<u>4,239,853</u> *	<u>3,964,448</u>	<u>3,684,043</u> *	<u>3,393,638</u> *
Legal debt margin	<u>\$ 981,468</u>	<u>\$ 1,624,613</u>	<u>\$ 2,028,710</u>	<u>\$ 2,454,972</u>	<u>\$ 3,481,762</u>
Total net debt applicable to the limit as a percentage of debt limit	82.07%	72.30%	66.15%	60.01%	49.36%

	Fiscal Year				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 6,994,935	\$ 7,111,789	\$ 7,335,620	\$ 7,575,153	\$ 8,492,530
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 6,994,935</u>	<u>\$ 7,111,789</u>	<u>\$ 7,335,620</u>	<u>\$ 7,575,153</u>	<u>\$ 8,492,530</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	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	
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
2017	9,966,389	7,173,112	2,793,277	1,203,043	252,869	1,455,912	1.92

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>
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%
2016	168,179	6,535,813	39,030	4.8%

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 2017.

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 2011-2016 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
2016	22,932	168,179

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

Employer	Location	Service or Product	2017			2008		
			Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Savannah River Site - see detail below (1)	Out	Materials for Nuclear Defense	11,091	1	15.62%	10,477	1	14.86%
Aiken County Public Schools	In / Out	School District	3,180	2	4.48%	3,303	2	4.68%
Bridgestone Americas Tire Operations LLC	Out	Passenger and Light Truck Tires	1,884	3	2.65%	964	5	1.37%
Kimberly-Clark Corp.	Out	Consumer Paper Products	1,200	4	1.69%	1,300	3	1.84%
Aiken Regional Medical Center	Out	Hospital	1,070	5	1.51%	976	4	1.38%
Aiken County Government	Out	County Government	975	6	1.37%	910	6	1.29%
Centerra (a)	Out	Engineering Consulting Firm	665	7	0.94%			
Advanced Glassfiber Yarn	Out	Fiberglass Insulation and Circuit Boards	660	8	0.93%	747	7	1.06%
University of South Carolina-Aiken	Out	Higher Education	606	9	0.85%			
Shaw Industries	Out	Fibers Manufacturing	600	10	0.84%	536	10	0.76%
UPS Customhouse Brokerage	Out	International Customhouse Brokerage	590	11	0.83%	579	9	0.82%
Walmart-North Augusta	In	Retail	585	12	0.82%			
City of Aiken	Out	Municipal Government	404	13	0.57%	413	13	0.59%
ASCO Valve, Inc.	Out	Solenoid Valve Technology	400	14	0.56%	481	11	0.68%
Bridgestone Americas Off Road Radial Tires	Out	Large and Ultra Large Tires	385	15	0.54%			
Tri Development Center of Aiken	Out	Non-Profit Service Agency Supply Chain Management/Distribution	370	16	0.52%			
CVS Distribution Center	Out	Center for CVS Pharmacy locations	350	17	0.49%			
Hubbell Power Systems	Out	High Voltage Insulators and Arrestors Services and Products to Anesthesia Related	328	18	0.46%	415	12	0.59%
Medac	In	Healthcare Providers	325	19	0.46%			
TTX/Hamburg Industries, Inc.	In	Re-built Railway Cars	252	20	0.35%	333	15	0.47%
City of North Augusta	In	Municipal Government	243		0.34%	210	20	0.30%
The Calstar Group (b)	Out	Speciality Tires and Wheels	230		0.32%	277	18	0.39%
Glaxo Smith Kline	Out	Proprietary Drugs	200		0.28%	400	14	0.57%
Newman Technology SC, Inc	Out	Automotive/ATV Exhaust and Suspension	110		0.15%	320	16	0.45%
BAE Systems	Out	Machine Parts - Track Vehicles	104		0.15%	285	17	0.40%
R.E. Phelon, Inc.	Out	Aluminum Die Casting				235	19	0.33%
Westinghouse Safety Management Solutions	Out	Engineering Consulting Firm				580	8	0.82%

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	7,771
Shaw Areva Mox Services	2,166
Parsons	506
Department of Energy	345
US Forestry Service	112
Savannah River Ecology Lab	71
Other Subcontractors	<u>120</u>
	<u>11,091</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	%
Aiken County, South Carolina	4,472	57.5%
Columbia County, Georgia	1,308	16.8%
Richmond County, Georgia	822	10.6%
Barnwell County, South Carolina	452	5.8%
Edgefield County, South Carolina	213	2.7%
Orangeburg County, South Carolina	93	1.2%
Bamberg County, South Carolina	88	1.1%
Lexington County, South Carolina	111	1.4%
Allendale County, South Carolina	38	0.5%
Other	174	2.2%
	<u>7,771</u>	100.00%

- (a) Formerly Wackenhut
- (b) Formerly Carlisle Tire and Wheel Company

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

Fund / Function / Department	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<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	3.0	3.0	3.0	3.0	1.0	1.0
Information Technology	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5 (a)	1.5
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	4.5	4.5	4.5	5.5	5.5	4.0	4.0
Human Resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0 (b)	2.0
Building Standards	4.0	5.0	4.0	3.0	3.5	3.5	3.5	4.5	4.5	4.5
Planning and Development	6.0	5.0	4.0	3.0	2.0	2.0	2.0	2.0	2.0	2.5
Property Maintenance	13.0	13.0	13.0	13.0	13.0	12.0	12.0	13.0	14.0	14.0
Public Safety	69.0	72.0	72.0	76.5	76.5	77.0	79.0	84.0	88.0	90.0
Public Works										
Engineering	3.0	2.5	2.5	1.5	1.5	1.5	1.5	1.5	2.5	2.5
Streets & Drains	9.0	9.0	9.0	9.0	9.0	9.0	9.5	10.0	10.0	10.0
Parks, Recreation & Tourism										
Recreation	6.0	6.0	5.0	5.0	5.0	5.0	4.0	5.0	5.0	4.0
Parks	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0
Community Center	3.0	3.0	2.0	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	3.0	3.0
RVP Activities	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0
Sub-total	132.0	134.5	130.5	131.5	132.0	132.5	135.0	143.5	152.5	155.0
<u>Stormwater Fund</u>										
Stormwater	5.0	6.0	6.0	6.0	5.5	5.5	5.0	4.5	5.5	5.0
Sub-total	5.0	6.0	6.0	6.0	5.5	5.5	5.0	4.5	5.5	5.0
<u>Riverfront Central Core Dev. Fund</u>										
Tourism	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0 (d)
Sub-total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
<u>Sanitation Fund</u>										
Public Works										
Information Technology	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5 (c)	0.5
Sanitation	26.5	26.5	26.0	26.0	25.5	26.0	26.0	26.0	25.5	26.5
Material Recovery Center	7.5	7.5	7.5	7.5	7.5	7.5	8.5	8.5	8.5	8.5
Sub-total	34.0	34.0	33.5	33.5	33.0	33.5	34.5	34.5	34.5	35.5
<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	2.0 (a)	2.0
Utilities Finance	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	4.0	5.0
Utilities Administration	8.0	7.5	8.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Water Operations	9.0	9.0	9.0	8.0	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	38.5	39.0	37.5	38.5	38.5	38.5	38.5	39.5	40.5
TOTAL	210.0	213.0	209.0	208.5	209.0	210.0	213.0	221.0	232.0	237.0

- (a) previously included under Finance
- (b) previously included under Administration
- (c) previously included under Sanitation
- (d) previously under Parks, Recreation, and Tourism

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

<u>Function / Program</u>	<u>Fiscal Year</u>									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government										
Size of City (square miles)	20.670	20.676	20.723	20.769	20.778	20.989	21.019	21.150	21.172	21.177
Annexations approved by City Council	5	3	4	4	7	5	5	-	2	1
Building permits issued	799	684	815	627	604	622	660	648	668	689
Plumbing permits issued	496	283	349	341	291	340	310	373	381	296
Mechanical permits issued	432	333	467	323	345	391	433	417	520	455
Electrical permits issued	622	335	443	411	349	422	431	434	482	813
Business licenses issued	1,822	1,746	1,803	1,756	1,750	1,760	1,861	1,849	1,877	2,017
Police										
Total calls for service	47,189	46,956	50,349	50,356	42,632	41,058	38,973	40,567	37,929	37,322
Criminal arrests	1,833	2,405	2,024	1,800	1,841	1,377	1,360	1,766	1,572	1,338
Incident reports (police action required)	3,238	3,051	3,277	3,228	3,557	3,377	3,399	3,627	3,888	3,966
Accident reports (collisions)	1,069	1,105	1,068	1,041	1,007	960	1,012	1,190	1,187	1,267
Traffic offenses (resulting in fine)	5,858	5,224	6,590	8,652	8,698	8,780	8,785	8,809	7,933	8,261
Drug offenses	202	145	260	231	136	203	157	177	210	372
Burglaries reported	298	385	408	333	218	117	108	97	132	93
Fire										
Actual fire calls - Inside City	133	276	192	150	105	130	145	114	105	83
Actual fire calls - Outside City	34	25	13	23	21	17	12	7	31	32
Solid Waste										
Garbage Refuse Collected (tons) - Residential	9,544	10,606	10,618	10,402	9,011	9,079	9,143	10,227	9,334	9,554
Garbage Refuse Collected (tons) - Commercial	6,740	6,494	6,049	6,625	6,874	4,992	5,037	4,723	5,502	6,082
Recyclables Collected (tons)	2,119	2,804	3,055	5,617	4,839	5,326	5,313	6,656	5,047	5,437
Property Maintenance										
Tree trimming hours	227	185	198	260	287	254	275	1,378	3,516	1,338
Mowing hours	13,198	12,200	12,800	13,250	12,970	12,960	12,976	10,944	12,892	14,036
Planting hours	5,412	5,400	5,500	5,600	5,760	5,565	4,628	1,726	1,388	1,145
Streets and Drains										
Pothole patching / asphalt tons	280	236	191	254	388	476	409	341	464	142
Curb, gutter & sidewalk repair / CY	192	152	199	324	290	285	378	472	292	400
Storm drain inlets cleaned	275	221	224	307	330	325	282	419	619	848
Street sweeping / miles	2,827	2,139	2,168	2,670	2,393	2,727	977	1,339	822	574
Parks and Recreation										
Baseball / Number of Players	782	747	786	784	788	735	789	779	687	592
Youth Softball / Number of Players	289	292	261	270	262	248	259	238	234	240
Spring Soccer / Number of Players	436	566	513	527	540	528	511	484	532	585
Fall Soccer / Number of Players	494	522	504	511	534	474	473	552	552	493
Youth Basketball / Number of Players	576	554	581	595	600	549	680	640	615	652
Youth Football / Number of Players	328	358	346	313	309	310	281	280	239	219
Youth Cheerleading / Number of Participants	128	128	153	165	115	118	96	113	117	182
Youth Volleyball / Number of Participants	76	86	89	91	61	105	83	94	73	86
Water										
New water services	57	52	103	101	43	33	77	77	184	130
Water lines installed / L.F.	7,626	13,221	3,766	4,662	2,857	5,609	2,068	2,599	913	780
Water line leaks repaired	14	15	17	12	24	29	34	23	27	16
Average daily water pumped	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	3,380,000
Daily peak demand (gallons per day)	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	5,479,000
Peak day	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	7/23/2017
Wastewater										
New sewer taps	94	83	140	122	97	117	135	158	212	154
Wastewater lines installed / L.F.	1,922	2,901	0	1,425	160	1,379	508	1,970	1,259	6,208
Wastewater lines repaired / L.F.	37	38	54	64	65	33	62	680	556	252
Wastewater lines cleaned / L.F.	77,402	39,468	67,029	57,810	87,648	73,232	93,859	70,610	57,320	34,516

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

<u>Function / Program</u>	<u>Fiscal Year</u>									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Public Safety										
Number of Stations	2	2	2	2	2	2	2	3	3	3
Number of Public Safety Officers	52	52	55	55	55	55	58	61	62	64
Number of Volunteer Firemen	20	20	20	20	20	20	20	20	20	25
Insurance Rating (ISO)	Class 3	Class 3	Class 3	Class 3	Class 3	Class 3	Class 3	Class 2	Class 2	Class 2
Signalized Intersections	24	26	26	30	30	30	30	31	31	32
Number of Fire Hydrants										
Inside City	778	781	792	795	802	805	809	812	814	816
Outside City	149	149	149	149	149	149	149	149	149	149
Public Works										
Miles of Streets	135.88	137.05	137.77	138.81	140.09	140.85	141.37	141.91	143.77	144.2
Street Lights	1,718	1,740	1,750	1,763	1,789	1,789	1,800	1,817	1,841	1,859
Parks, Recreation & Tourism										
Number of Parks	22	22	22	22	22	22	22	22	22	22
Park Acreage	550	550	550	550	550	550	550	550	550	550
Miles of Paved Greenway	12.5	12.5	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Number of Picnic Shelters	8	8	8	8	8	8	9	9	9	9
Baseball / Softball Diamonds	9	9	9	10	10	10	10	10	10	10
Football / Lions Field	1	2	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	11	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	189.85	194.00	194.78	195.15	195.27	196.01	196.08	228.68	229.07	229.84
Maximum Pumping Capacity (gallons per day)	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	12,000,000 (a)	12,000,000	12,000,000	12,000,000
Sewer										
Miles of Wastewater Lines	226.09	226.63	227.46	227.72	228.03	228.54	228.57	229.20	229.57	230.74
Stormwater										
Miles of Storm Sewer	56.80	57.28	57.77	58.22	59.29	59.79	60.37	60.73	68.01	68.47

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

(a) In 2014, SCDHEC reduced the City's maximum pumping capacity to 12,000,000 GPD

City of North Augusta, South Carolina
Enterprise Funds Rates and Charges
Rates / Charges in effect December 31, 2017

Water Rate in effect December 31, 2017

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, 2017

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	\$2.28	\$2.90	\$1.24	\$2.32	\$3.56
All Additional Usage	0.59	1.81	2.40	0.59	1.81	2.40

Sanitation Service Charges in effect December 31, 2017

	<u>Inside City</u>	<u>Outside City</u>
Residential (monthly)	\$19.50	\$27.45

	Base Fee <u>In and Out City</u>	Volume Charge (per cubic yard)	
		<u>Inside City</u>	<u>Outside City</u>
Commercial (monthly)			
2 cubic yard container	\$51.64	\$2.35	\$3.53
3 cubic yard container	54.05	2.35	3.53
4 cubic yard container	56.44	2.35	3.53
6 cubic yard container	61.73	2.35	3.53
8 cubic yard container	67.54	2.35	3.53

Stormwater Management Service Charges in effect December 31, 2017

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, 2017**

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)

- 1/1/2017 O & M Volume Rate increased by \$.16 per 1,000 gallons inside and outside city limits (PSA)
- 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)

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

- 1/1/2017 Recycling Service Charge of \$3.60 included in Residential and Commercial Service Charges
Commercial Volume Charge increased \$0.19 inside city limits and \$0.29 outside city limits
- 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%

Stormwater Management Service Charge Changes (past 10 years)

- 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