



CITY OF NORTH AUGUSTA  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

Year Ended December 31, 2018

CITY OF NORTH AUGUSTA

SOUTH CAROLINA

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

YEAR ENDED

DECEMBER 31, 2018



Prepared by  
Department of Finance

Cammie T. Hayes  
Director of Finance

# CITY OF NORTH AUGUSTA, SOUTH CAROLINA

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# INTRODUCTORY SECTION

June 14, 2019

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, 2018.

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, 2018, 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, 2018, 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 120,000 square foot, state-of-the-art indoor facility known as Riverview Park Activities Center. Riverview Park Activities Center houses six gymnasiums, two racquetball courts, a suspended indoor track, fitness rooms and administrative offices for the Department of Parks, Recreation and Tourism.

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 was majorly completed late 2018. This project includes 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, 2018

	<u>Present Allocation (MGD)</u>	<u>Present Use (MGD)</u>
City of North Augusta	8.672	4.34873
City of Aiken	7.134	4.41057
Aiken County	1.260	0.00000
Cytec Industries, Inc.	.900	0.05926
Bath	.070	0.03218
Breezy Hill	1.177	0.51733
Beech Island Water & Sewer	.060	0.00793
Clearwater	.050	0.04392
Langley	.060	0.03856
VPSA	.417	0.43858
PACTIV	.050	0.00637
Kimberly Clark	.150	0.04440
Uncommitted	<u>.000</u>	<u>0.00000</u>
<b>Total</b>	<u><b>20.000</b></u>	<u><b>9.94783</b></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 23,444 for 2018.

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 3.3 percent for 2018. The current rate is less than South Carolina's 2018 unemployment rate of 3.4 percent and the 2018 national rate of 3.9 percent. The decreases in unemployment rates during the current year reflect that our local economy continues to reflect pre-recession unemployment rates.

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 \$51,863, Aiken County's is \$47,713, and the state's is \$48,781. Housing prices in the City continue to remain strong. Per the USCB, the median price of a single family home in the City is \$150,600.

Over the past ten plus years, the City has experienced a period of significant economic growth and investment. Residential building activity in North Augusta continues with subdivision infrastructure and single-family construction in The Village at Bergen Place, Bergen West, Wando Woodlands, Woodstone, Gregory Landing and Hammond's Ferry.

The City made substantial progress in 2018 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 Augusta Greenjackets completed their first season in the 4,500 seat SRP Park and the hotel/conference center accepted their first guests. In

addition, 280 apartments have been completed as Riverside Village begins to take shape. To date, the City has constructed the stadium, two parking decks, the public infrastructure and contributed funds toward the conference center. A riverfront park is all that remains of the public investment. Cost of the public improvements is approximately \$75,000,000. 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.

### **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 2018. 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 include: street reconstruction and repaving, sidewalk construction, drainage improvements, public safety additions, park improvements and additions.

### **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 12/31/2018 is \$825,129.

### **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, 2017. This was the thirty-sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently

organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

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

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

Respectfully submitted,



B. Todd Glover  
City Administrator

Respectfully submitted,



Cammie T. Hayes  
Director of Finance

North  
Augusta

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*South Carolina's Riverfront*





Government Finance Officers Association

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Achievement  
for Excellence  
in Financial  
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South Carolina**

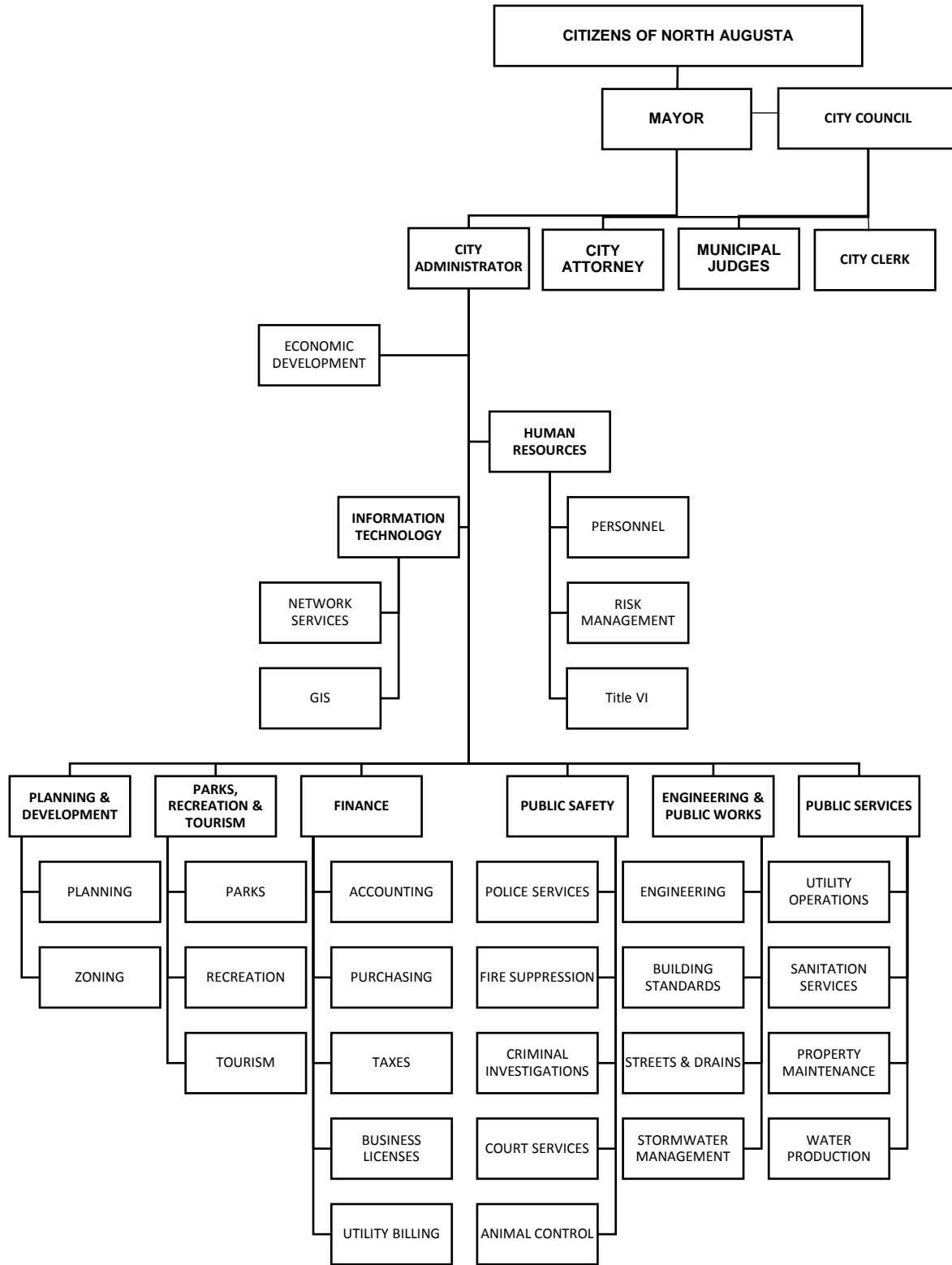
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO

# CITY OF NORTH AUGUSTA ORGANIZATION CHART – 2018



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  
Lillian E. Hodges, Director of Planning & Development

**FINANCIAL  
SECTION**



## **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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Augusta, Georgia  
June 14, 2019

North  
Augusta

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*South Carolina's Riverfront*



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2018. 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 \$132,632,993 (net position). Of this amount, (\$6,138,639), 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 \$2,376,893.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$17,418,755, a decrease of \$14,170,681 in comparison with the prior year. The decrease represents construction and completion of City projects in Riverside Village. Approximately 16.22 percent of the governmental funds combined fund balance, \$2,825,000, 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 \$3,762,499 or 21.13 percent of total general fund expenditures.
- The City's total outstanding long-term debt decreased by \$1,182,772 due to making scheduled debt 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 twelve 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 eight 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

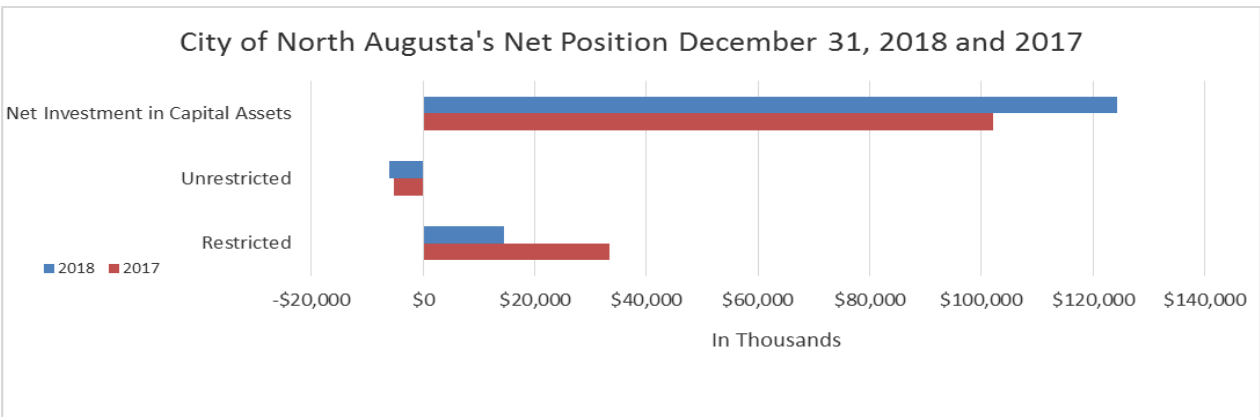
As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$132,632,993 at the close of the most recent fiscal year.

City of North Augusta's Net Position	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 21,200,221	\$ 37,714,745	\$ 19,963,415	\$ 20,381,858	\$ 41,163,636	\$ 58,096,603
Capital assets	132,221,073	116,897,141	79,319,989	77,687,822	211,541,062	194,584,963
Total Assets	153,421,294	154,611,886	99,283,404	98,069,680	252,704,698	252,681,566
Deferred outflows of resources	2,230,078	2,648,598	934,528	1,210,235	3,164,606	3,858,833
Long-term liabilities outstanding	87,589,157	87,445,349	29,721,492	31,044,177	117,310,649	118,489,526
Other liabilities outstanding	3,147,800	5,582,610	2,665,484	2,182,253	5,813,284	7,764,863
Total Liabilities	90,736,957	93,027,959	32,386,976	33,226,430	123,123,933	126,254,389
Deferred inflow of resources	53,942	14,357	58,436	15,553	112,378	29,910
Net position:						
Net investment in capital assets	65,640,358	46,115,747	58,580,045	55,927,179	124,220,403	102,042,926
Restricted	6,574,221	23,744,254	7,977,008	9,618,737	14,551,229	33,362,991
Unrestricted	(7,354,106)	(5,641,833)	1,215,467	492,016	(6,138,639)	(5,149,817)
Total Net Position	\$ 64,860,473	\$ 64,218,168	\$ 67,772,520	\$ 66,037,932	\$ 132,632,993	\$ 130,256,100

By far, the largest portion of the City's net position (93.66 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 (10.97 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$6,138,639) 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.

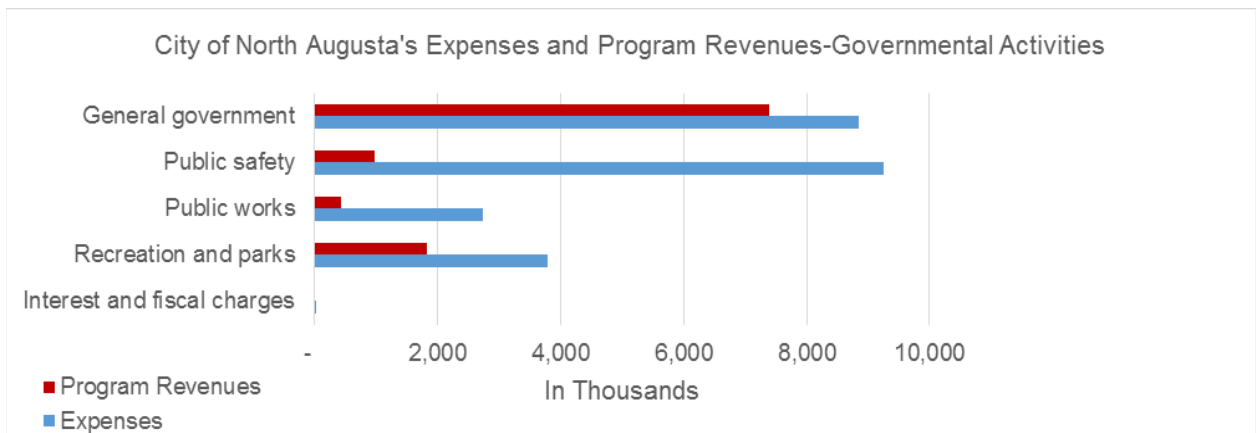


**Governmental Activities**

During 2018, governmental activities increased the City's net position by \$642,305, thereby accounting for 27.02 percent of the total growth in net position. Governmental activities revenues decreased \$893,901 from 2017 to 2018 primarily related to a one-time contribution from Aiken County that was received for parking in 2017. Charges for services include: business license revenues, franchise fees, construction permits and public safety fines. These revenues represent 36.85 percent of total revenues for governmental activities and are predominantly elastic in nature and vary with economic trends. Property taxes represent 32.44 percent of total revenues for governmental activities and remained constant with the prior year.

Also during 2018, governmental activities expenses increased by \$473,587. General government expenses increased by \$1,380,130, or 18.46 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	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 9,251,841	\$ 8,576,954	\$ 14,885,573	\$ 14,701,470	\$ 24,137,414	\$ 23,278,424
Operating grants and contributions	1,377,317	1,083,944	80,636	10,161	1,457,953	1,094,105
Capital grants and contributions	-	207,768	23,514	103,591	23,514	311,359
General revenues:						
Property taxes	8,143,925	8,146,680	-	-	8,143,925	8,146,680
Other taxes	4,897,658	3,900,461	-	-	4,897,658	3,900,461
Other	1,433,862	4,082,697	1,121,576	796,585	2,555,438	4,879,282
<b>Total Revenues</b>	<b>25,104,603</b>	<b>25,998,504</b>	<b>16,111,299</b>	<b>15,611,807</b>	<b>41,215,902</b>	<b>41,610,311</b>
<b>Expenses:</b>						
General government	8,855,053	7,474,923	-	-	8,855,053	7,474,923
Public safety	9,253,259	8,736,202	-	-	9,253,259	8,736,202
Public works	2,736,631	2,695,126	-	-	2,736,631	2,695,126
Parks, recreation, and tourism	3,785,041	4,913,582	-	-	3,785,041	4,913,582
Interest and fiscal charges on debt service	1,568	338,132	-	-	1,568	338,132
Water and wastewater	-	-	8,896,535	8,359,555	8,896,535	8,359,555
Sanitation	-	-	4,624,936	4,536,142	4,624,936	4,536,142
Stormwater	-	-	661,987	638,634	661,987	638,634
Savannah Bluff Lock and Dam	-	-	23,999	24,000	23,999	24,000
<b>Total Expenses</b>	<b>24,631,552</b>	<b>24,157,965</b>	<b>14,207,457</b>	<b>13,558,331</b>	<b>38,839,009</b>	<b>37,716,296</b>
Increase in net position before transfers	473,051	1,840,539	1,903,842	2,053,476	2,376,893	3,894,015
Transfers	169,254	205,830	(169,254)	(205,830)	-	-
Increase in net position	642,305	2,046,369	1,734,588	1,847,646	2,376,893	3,894,015
Net position-beginning of year	64,218,168	62,171,799	66,037,932	64,190,286	130,256,100	126,362,085
Net position-end of year	\$ 64,860,473	\$ 64,218,168	\$ 67,772,520	\$ 66,037,932	\$ 132,632,993	\$ 130,256,100



Business-type activities increased the City's net position by \$1,734,588 accounting for 72.98 percent of the total growth in net position. Water, sanitation and stormwater rates remained unchanged while Council approved a 0.25/1,000 gallons rate increase to the wastewater rate structure to offset a new debt service payment passed to the City from the Aiken County Public Service Authority. Water sales decreased slightly for the current year and were under budget by approximately \$35,000. Sewer sales increased over \$485,000. Fees for sanitation services and recycling increased \$108,680 from the prior year due to additional customers and special charges. Stormwater fees increased slightly due to additional customers.

Expenses for the Water and Wastewater System increased by \$536,980 from the prior year primarily due to increased expenses for interest and fiscal charges. In 2018, the expenses for the Sanitation Services Fund showed an increase from the prior year of \$88,794 due to increase personnel costs and auto



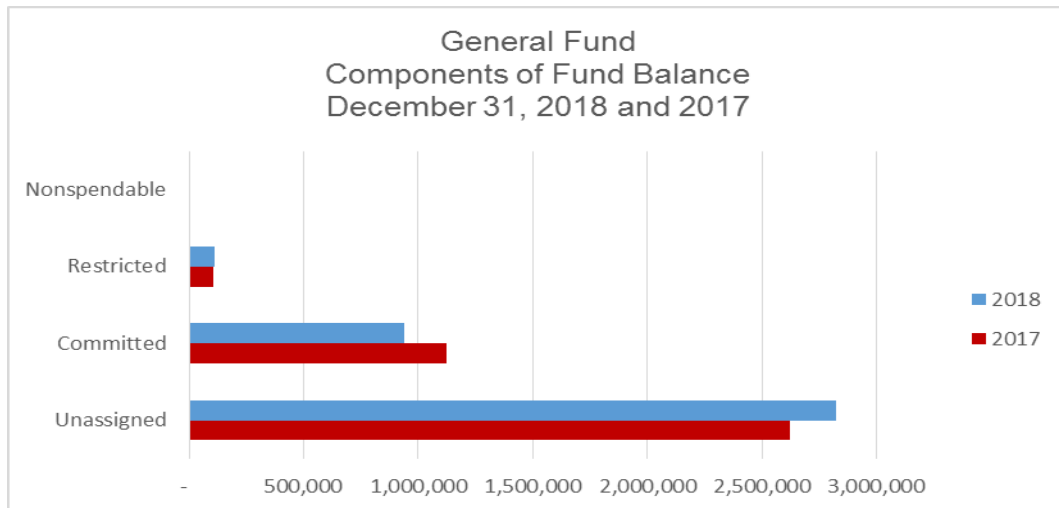
operating expenses. Increased expenses in the Stormwater Utility Fund were minimal. A total of \$23,999 was expended from the Savannah Bluff Lock and Dam Fund. This expense for consulting services was intended to gain the necessary Congressional approvals to expedite the funding for the improvements to the lock and dam.

**Financial Analysis of the Government’s Funds**

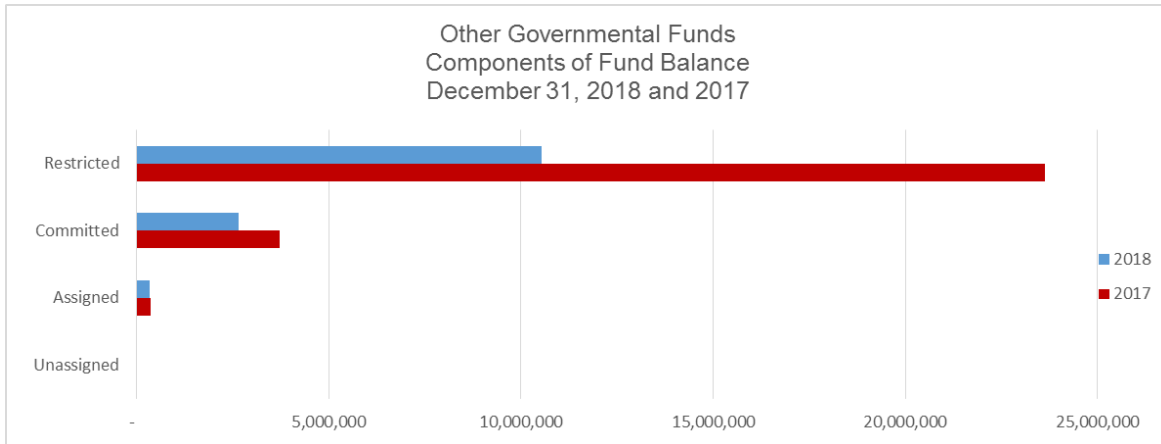
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**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, 2018, the City’s governmental funds reported combined fund balances of \$17,418,755 a decrease of \$14,170,681 from the prior year. Approximately 16.22 percent of this amount constitutes unassigned fund balance, which is available for spending at the City’s discretion. Unassigned fund balance increased by \$200,000 for the year 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 \$2,825,000, while total fund balance was \$3,873,548. 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 15.87 percent of total General Fund expenditures, while total fund balance represents 21.76 percent of those same expenditures.



Fund balance for the City’s other governmental funds totaled \$13,545,207 for 2018, a decrease of \$14,190,360 primarily related to reduced capital outlay expenditures for Riverside Village as compared to the prior year.

**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, 2018.

Property tax revenues exceeded budget by approximately \$200,000. Additionally, revenues for licenses and building permits exceeded budgeted revenues by more than \$484,000, reflective of increased local business revenues and an increase in construction within the City to include Riverside Village. Intergovernmental revenues reflected a positive variance with budgeted revenues primarily related to unbudgeted grant revenue and a fee in lieu payment from Aiken County.

General Government and Public Works expenditures were in line with budgeted expenditures for 2018. 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 expenditures were under budget due to a delay in projects expected to be completed during 2018.

**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, 2018 amounts to \$211,541,062 (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 8.71 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	
	2018	2017	2018	2017	2018	2017
Land	\$ 10,051,486	\$ 10,051,486	\$ 824,058	\$ 824,058	\$ 10,875,544	\$ 10,875,544
Land improvements	7,391,079	6,688,718	-	-	7,391,079	6,688,718
Right-of-way and easements	3,226,901	3,226,901	62,760	62,760	3,289,661	3,289,661
Buildings	95,340,866	35,614,317	20,860,986	3,113,498	116,201,852	38,727,815
Machinery and equipment	258,910	351,318	905,840	542,045	1,164,750	893,363
Furniture and fixtures	263,860	372,428	-	-	263,860	372,428
Vehicles	3,302,013	3,403,958	952,189	1,107,954	4,254,202	4,511,912
Infrastructure	12,117,190	11,489,206	-	-	12,117,190	11,489,206
System improvements	-	-	53,863,704	52,681,807	53,863,704	52,681,807
PSA capital	-	-	1,848,377	1,965,062	1,848,377	1,965,062
Construction in progress	268,768	45,698,809	2,075	17,390,638	270,843	63,089,447
<b>Total Capital Assets</b>	<b>\$ 132,221,073</b>	<b>\$ 116,897,141</b>	<b>\$ 79,319,989</b>	<b>\$ 77,687,822</b>	<b>\$ 211,541,062</b>	<b>\$ 194,584,963</b>

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 water plant expansion
- Greenway tunnel and extension
- Additional gyms at Riverview Park
- Continued design, schematics, engineering services, and architectural services related to Riverside Village as well as construction related to a stadium, and infrastructure for the project area.

The City has committed over \$2,000,000 to construction completion of the stadium and wrap up of the water treatment project in 2019.

**Long-Term Debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$89,352,539. 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	
	2018	2017	2018	2017	2018	2017
Revenue bonds	\$ 69,475,000	\$ 69,475,000	\$ 19,877,539	\$ 20,982,862	\$ 89,352,539	\$ 90,457,862
Capital leases	1,174,089	1,306,394	862,406	777,781	2,036,495	2,084,175
<b>Total Outstanding Debt</b>	<b>\$ 70,649,089</b>	<b>\$ 70,781,394</b>	<b>\$ 20,739,945</b>	<b>\$ 21,760,643</b>	<b>\$ 91,389,034</b>	<b>\$ 92,542,037</b>

The City's total debt outstanding, less compensated absences, decreased by \$1,153,003 during the current fiscal year. This decrease was attributed to making scheduled debt service payments during 2018.

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 decreased to 1.33 in 2018. 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 \$2,036,495 in capital leases for equipment and vehicles and long-term debt related to compensated absences amounting to \$989,693 (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 2019 fiscal year budget:

- The unemployment rate for Aiken County has been decreasing since 2011 and is estimated at 3.3 percent for 2018 reflecting pre-recession unemployment rates.
- The 2018 budget reflects an increase in the millage rate to 73.50. The value of a mill has increased over 48 percent during the past ten years 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, 2018

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Equity in pooled cash	\$ 1,693,633	\$ 3,050,403	\$ 4,744,036
Investments	12,335,939	5,463,472	17,799,411
Receivables:			
Taxes, net	130,895	-	130,895
Customers, net	-	1,847,159	1,847,159
Other	1,795,961	-	1,795,961
Notes	-	-	-
Inventory	-	261,137	261,137
Restricted cash and investments	5,243,793	9,317,756	14,561,549
Capital assets, net:			
Nondepreciable capital assets	13,547,155	888,893	14,436,048
Depreciable capital assets, net	118,673,918	78,431,096	197,105,014
Service rights, net	-	23,488	23,488
<b>Total Assets</b>	<b>153,421,294</b>	<b>99,283,404</b>	<b>252,704,698</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension experience differences	260,763	16,212	276,975
Pension investment return	291,226	142,670	433,896
Contributions to pension plan	618,413	305,807	924,220
Change in proportionate share	204,758	113,502	318,260
Assumption changes	854,918	356,337	1,211,255
<b>Total Deferred Outflows of Resources</b>	<b>2,230,078</b>	<b>934,528</b>	<b>3,164,606</b>
<b>LIABILITIES</b>			
Accounts payable	2,336,392	481,599	2,817,991
Accrued expenses	389,949	69,204	459,153
Municipal court liability	52,045	-	52,045
Accrued interest payable	285,317	-	285,317
Payable from restricted resources:			
Accounts payable	325	883	1,208
Retainage payable	-	769,156	769,156
Accrued bond interest	-	27,559	27,559
Customer deposits	-	543,150	543,150
Unearned revenue	83,772	456,218	539,990
Noncurrent liabilities:			
Due within one year	1,020,271	1,807,509	2,827,780
Due in more than one year	70,300,796	19,250,150	89,550,946
Net pension liability	16,268,090	8,981,548	25,249,638
<b>Total Liabilities</b>	<b>90,736,957</b>	<b>32,386,976</b>	<b>123,123,933</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Change in proportionate share	5,154	5,583	10,737
Pension experience differences	48,788	52,853	101,641
<b>Total Deferred Inflows of Resources</b>	<b>53,942</b>	<b>58,436</b>	<b>112,378</b>
<b>NET POSITION</b>			
Net investment in capital assets	65,640,358	58,580,045	124,220,403
Restricted for:			
Bond indentures	-	7,111,974	7,111,974
Operations - Savannah Bluff Lock and Dam	-	865,034	865,034
Victims assistance	111,049	-	111,049
Public safety - fire division	131,540	-	131,540
Capital projects	5,429,466	-	5,429,466
Special projects	902,166	-	902,166
Unrestricted	(7,354,106)	1,215,467	(6,138,639)
<b>Total Net Position</b>	<b>\$ 64,860,473</b>	<b>\$ 67,772,520</b>	<b>\$ 132,632,993</b>

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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 8,855,053	\$ 6,361,953	\$ 1,036,081	\$ -	\$ (1,457,019)	\$ -	\$ (1,457,019)
Public safety	9,253,259	892,138	75,017	-	(8,286,104)	-	(8,286,104)
Public works	2,736,631	167,961	266,219	-	(2,302,451)	-	(2,302,451)
Parks, recreation and tourism	3,785,041	1,829,789	-	-	(1,955,252)	-	(1,955,252)
Interest and fiscal charges on debt service	1,568	-	-	-	(1,568)	-	(1,568)
Total Governmental Activities	24,631,552	9,251,841	1,377,317	-	(14,002,394)	-	(14,002,394)
Business-type Activities:							
Water and wastewater	8,896,535	9,746,927	-	23,514	-	873,906	873,906
Sanitation	4,624,936	4,355,688	80,636	-	-	(188,612)	(188,612)
Stormwater utility	661,987	782,958	-	-	-	120,971	120,971
Savannah Bluff Lock and Dam	23,999	-	-	-	-	(23,999)	(23,999)
Total Business-type Activities	14,207,457	14,885,573	80,636	23,514	-	782,266	782,266
Total	\$ 38,839,009	\$ 24,137,414	\$ 1,457,953	\$ 23,514	(14,002,394)	782,266	(13,220,128)
General Revenues:							
Ad valorem property taxes					8,143,925	-	8,143,925
Local hospitality and accommodation taxes					1,718,195	-	1,718,195
Capital projects sales taxes					3,179,463	-	3,179,463
Interest on investments					400,007	281,451	681,458
Gain on disposal of capital assets					9,441	55,180	64,621
Miscellaneous					1,024,414	784,945	1,809,359
Transfers					169,254	(169,254)	-
Total General Revenues and Transfers					14,644,699	952,322	15,597,021
Change in net position					642,305	1,734,588	2,376,893
Net position, beginning of year					64,218,168	66,037,932	130,256,100
Net position, end of year					\$ 64,860,473	\$ 67,772,520	\$ 132,632,993

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, 2018

	General Fund	Sales Tax III Fund	Capital Projects Fund	North Augusta Public Facilities Corporation	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Equity in pooled cash	\$ 779,359	\$ -	\$ 222,409	\$ -	\$ 691,865	\$ 1,693,633
Investments	3,314,667	1,013,541	1,069,897	5,996,909	940,925	12,335,939
Receivables:						
Taxes, net of allowance for doubtful accounts	130,895	-	-	-	-	130,895
Grants	13,239	-	91,015	-	266,219	370,473
Other	294,521	792,280	-	17,279	321,408	1,425,488
Due from other funds	543,208	-	-	-	-	543,208
Restricted cash and investments	111,049	2,216,647	-	884,887	2,031,210	5,243,793
<b>Total Assets</b>	<b>\$ 5,186,938</b>	<b>\$ 4,022,468</b>	<b>\$ 1,383,321</b>	<b>\$ 6,899,075</b>	<b>\$ 4,251,627</b>	<b>\$ 21,743,429</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 744,900	\$ 14,004	\$ 50,174	\$ 1,508,150	\$ 19,489	\$ 2,336,717
Accrued salaries, wages, and employee benefits	389,742	-	-	-	207	389,949
Municipal court liability	52,045	-	-	-	-	52,045
Due to other funds	-	-	-	420,385	122,823	543,208
Unearned revenue - assessment fees	-	-	-	-	83,772	83,772
<b>Total Liabilities</b>	<b>1,186,687</b>	<b>14,004</b>	<b>50,174</b>	<b>1,928,535</b>	<b>226,291</b>	<b>3,405,691</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	126,703	792,280	-	-	-	918,983
<b>Total Deferred Inflows of Resources</b>	<b>126,703</b>	<b>792,280</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>918,983</b>
<b>FUND BALANCES</b>						
Restricted for:						
Capital projects	-	3,216,184	-	-	2,213,282	5,429,466
Victim's assistance	111,049	-	-	-	-	111,049
Public Safety - fire division	-	-	-	-	131,540	131,540
Special projects	-	-	-	4,970,540	-	4,970,540
Committed for:						
Capital projects	825,129	-	1,333,147	-	455,446	2,613,722
Parks, recreation and tourism	-	-	-	-	9,697	9,697
Special projects	-	-	-	-	870,968	870,968
Housing and development	112,370	-	-	-	-	112,370
Assigned for:						
Capital projects	-	-	-	-	344,403	344,403
Unassigned	2,825,000	-	-	-	-	2,825,000
<b>Total Fund Balances</b>	<b>3,873,548</b>	<b>3,216,184</b>	<b>1,333,147</b>	<b>4,970,540</b>	<b>4,025,336</b>	<b>17,418,755</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 5,186,938</b>	<b>\$ 4,022,468</b>	<b>\$ 1,383,321</b>	<b>\$ 6,899,075</b>	<b>\$ 4,251,627</b>	<b>\$ 21,743,429</b>

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, 2018*

Ending fund balance - governmental funds	\$ 17,418,755
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	174,576,323
Accumulated depreciation	(42,355,250)
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	2,230,078
Deferred inflows of resources related to pensions	(53,942)
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	(1,174,089)
Bonds payable	(69,475,000)
Accrued vacation	(671,978)
Accrued interest	(285,317)
Net pension liability	(16,268,090)
Amounts to be collected are not available to pay for the current period's expenditures and therefore are deferred in the funds	918,983
<b>Net Position of Governmental Activities</b>	<u>\$ 64,860,473</u>

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

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

*YEAR ENDED DECEMBER 31, 2018*

	General Fund	Sales Tax III Fund	Capital Projects Fund	North Augusta Public Facilities Corporation	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Ad valorem property tax	\$ 7,215,859	\$ -	\$ 51,311	\$ -	\$ 751,052	\$ 8,018,222
Sales taxes	-	3,179,463	-	-	-	3,179,463
Local hospitality and accommodation taxes	-	-	-	-	1,718,195	1,718,195
Licenses and permits	6,361,953	-	-	-	-	6,361,953
Fines and forfeitures	834,200	-	-	-	-	834,200
Charges for services	1,375,541	-	-	598,475	-	1,974,016
Intergovernmental	843,596	-	-	406,923	648,561	1,899,080
Interest earnings	79,677	17,855	22,890	209,768	69,817	400,007
Miscellaneous	517,922	-	139,306	-	11,569	668,797
<b>Total Revenues</b>	<b>17,228,748</b>	<b>3,197,318</b>	<b>213,507</b>	<b>1,215,166</b>	<b>3,199,194</b>	<b>25,053,933</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	4,596,777	-	55,174	106,520	889	4,759,360
Public safety	8,321,057	-	5,401	-	53,186	8,379,644
Public works	1,591,856	-	-	-	2,415	1,594,271
Parks, recreation and tourism	2,672,956	-	-	-	370,166	3,043,122
Capital outlay	-	1,264,815	834,422	15,383,153	1,253,767	18,736,157
<b>Debt service:</b>						
Capital lease payments	619,864	-	-	-	-	619,864
Interest and fiscal charges	-	-	-	3,217,755	-	3,217,755
<b>Total Expenditures</b>	<b>17,802,510</b>	<b>1,264,815</b>	<b>894,997</b>	<b>18,707,428</b>	<b>1,680,423</b>	<b>40,350,173</b>
Excess (deficiency) of revenues over expenditures	(573,762)	1,932,503	(681,490)	(17,492,262)	1,518,771	(15,296,240)
<b>Other Financing Sources (Uses):</b>						
Inception of capital lease obligation	432,308	-	-	-	-	432,308
Transfers in	911,586	-	750,453	2,858,442	17,655	4,538,136
Transfers out	(750,453)	(17,655)	(178,260)	-	(2,898,517)	(3,844,885)
<b>Total Other Financing Sources (Uses)</b>	<b>593,441</b>	<b>(17,655)</b>	<b>572,193</b>	<b>2,858,442</b>	<b>(2,880,862)</b>	<b>1,125,559</b>
Net change in fund balance	19,679	1,914,848	(109,297)	(14,633,820)	(1,362,091)	(14,170,681)
Fund balance, beginning of year	3,853,869	1,301,336	1,442,444	19,604,360	5,387,427	31,589,436
Fund balance, end of year	\$ 3,873,548	\$ 3,216,184	\$ 1,333,147	\$ 4,970,540	\$ 4,025,336	\$ 17,418,755

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, 2018

Net change in fund balances - total governmental funds \$ (14,170,681)

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	19,241,905	
Transfer of capital asset to enterprise funds	(523,997)	
Depreciation on general government assets	(3,386,398)	
Proceeds from sale of capital assets	(17,019)	
Gain on disposal of capital assets	9,441	
	15,323,932	15,323,932

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.

Compensated absences	24,219	
Principal payments on capital leases	564,613	
Proceeds from capital lease	(432,308)	
	156,524	156,524

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. (1,568)

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. 92,535

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 (758,437)

Change in net position of governmental activities \$ 642,305

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, 2018

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>Revenues:</b>			
Ad valorem property taxes	\$ 7,005,951	\$ 7,215,859	\$ 209,908
Licenses and permits	5,877,000	6,361,953	484,953
Fines and forfeitures	997,946	834,200	(163,746)
Charges for services	1,338,122	1,375,541	37,419
Intergovernmental	743,230	843,596	100,366
Interest earnings	40,000	79,677	39,677
Miscellaneous	610,307	517,922	(92,385)
Total Revenues	<u>16,612,556</u>	<u>17,228,748</u>	<u>616,192</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	4,538,135	4,596,777	58,642
Public safety	7,891,062	8,321,057	429,995
Public works	1,524,842	1,591,856	67,014
Parks, recreation and tourism	2,767,154	2,672,956	(94,198)
Capital lease payments	624,690	619,864	(4,826)
Total Expenditures	<u>17,345,883</u>	<u>17,802,510</u>	<u>456,627</u>
Excess (deficiency) of revenues over expenditures	(733,327)	(573,762)	159,565
<b>Other Financing Sources (Uses):</b>			
Proceeds from capital lease obligations	-	432,308	432,308
Transfers in	733,327	911,586	178,259
Transfers out	-	(750,453)	(750,453)
Total Other Financing Sources (Uses)	<u>733,327</u>	<u>593,441</u>	<u>(139,886)</u>
Net change in fund balance	<u>\$ -</u>	<u>19,679</u>	<u>\$ 19,679</u>
Fund balance, beginning of year		<u>3,853,869</u>	
Fund balance, end of year		<u>\$ 3,873,548</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, 2018

	Business-type Activities				
	Major Funds			Nonmajor Fund	
	Water and Wastewater System	Sanitation Services	Stormwater Utility	Savannah Bluff Lock and Dam	Total Enterprise Funds
<b>ASSETS</b>					
Current Assets:					
Equity in pooled cash	\$ 1,548,264	\$ 1,269,338	\$ 232,801	\$ -	\$ 3,050,403
Restricted cash and investments	2,390,109	-	-	865,034	3,255,143
Investments	2,582,007	2,111,082	770,383	-	5,463,472
Customer accounts receivable	1,717,498	129,061	600	-	1,847,159
Inventory	261,137	-	-	-	261,137
Total Current Assets	8,499,015	3,509,481	1,003,784	865,034	13,877,314
Non-current Assets:					
Restricted cash and investments	6,062,613	-	-	-	6,062,613
Capital Assets					
Non-depreciable	610,607	91,235	187,051	-	888,893
Depreciable, net	72,371,692	2,689,521	3,369,883	-	78,431,096
Service Rights, net	23,488	-	-	-	23,488
Total Non-current Assets	79,068,400	2,780,756	3,556,934	-	85,406,090
<b>Total Assets</b>	<b>87,567,415</b>	<b>6,290,237</b>	<b>4,560,718</b>	<b>865,034</b>	<b>99,283,404</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension experience differences	7,961	7,004	1,247	-	16,212
Pension investment return	72,013	59,683	10,974	-	142,670
Contributions to pension plan	159,244	123,039	23,524	-	305,807
Change in proportionate share	58,930	45,842	8,730	-	113,502
Assumption changes	181,787	147,140	27,410	-	356,337
<b>Total Deferred Outflows of Resources</b>	<b>479,935</b>	<b>382,708</b>	<b>71,885</b>	<b>-</b>	<b>934,528</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>					
Current Liabilities:					
Accounts payable	341,594	135,019	4,986	-	481,599
Accrued expenses	191,873	169,198	25,848	-	386,919
Current portion of capital leases payable	95,497	257,936	8,765	-	362,198
Unearned revenue	23,515	-	-	-	23,515
Payable from restricted assets:					
Accounts payable	883	-	-	-	883
Retainage payable	769,156	-	-	-	769,156
Accrued bond interest	27,559	-	-	-	27,559
Current portion of revenue bonds payable	1,127,596	-	-	-	1,127,596
Customer deposits	543,150	-	-	-	543,150
Total Current Liabilities	3,120,823	562,153	39,599	-	3,722,575
Non-current Liabilities:					
Capital leases payable	130,888	341,653	27,666	-	500,207
Revenue bonds payable	18,749,943	-	-	-	18,749,943
Net pension liability	4,663,905	3,626,754	690,889	-	8,981,548
Unearned revenue	432,703	-	-	-	432,703
Total Non-current Liabilities	23,977,439	3,968,407	718,555	-	28,664,401
<b>Total Liabilities</b>	<b>27,098,262</b>	<b>4,530,560</b>	<b>758,154</b>	<b>-</b>	<b>32,386,976</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Change in proportionate share	2,804	2,350	429	-	5,583
Pension experience differences	28,364	20,423	4,066	-	52,853
<b>Total Deferred Inflows of Resources</b>	<b>31,168</b>	<b>22,773</b>	<b>4,495</b>	<b>-</b>	<b>58,436</b>
Net Position:					
Net investment in capital assets	52,878,375	2,181,167	3,520,503	-	58,580,045
Restricted for debt service	7,111,974	-	-	-	7,111,974
Restricted for operations	-	-	-	865,034	865,034
Unrestricted	927,571	(61,555)	349,451	-	1,215,467
<b>Total Net Position</b>	<b>\$ 60,917,920</b>	<b>\$ 2,119,612</b>	<b>\$ 3,869,954</b>	<b>\$ 865,034</b>	<b>\$ 67,772,520</b>

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, 2018*

	<u>Business-type Activities</u>				<b>Total Enterprise Funds</b>
	<u>Major Funds</u>			<u>Nonmajor Fund</u>	
	<b>Water and Wastewater System</b>	<b>Sanitation Services</b>	<b>Stormwater Utility Fund</b>	<b>Savannah Bluff Lock and Dam</b>	
Operating Revenues:					
Charges for services and fees	\$ 9,746,927	\$ 4,154,525	\$ 782,958	\$ -	\$ 14,684,410
Sale of recyclables	-	201,163	-	-	201,163
Other	505,843	261,677	17,425	-	784,945
Total Operating Revenues	<u>10,252,770</u>	<u>4,617,365</u>	<u>800,383</u>	<u>-</u>	<u>15,670,518</u>
Operating Expenses:					
Finance	544,637	-	-	-	544,637
Administration	880,907	-	-	-	880,907
Operations and Maintenance	4,310,424	2,504,066	569,813	23,999	7,408,302
Production and Treatment	1,478,577	-	-	-	1,478,577
Material Recovery Facility	-	1,483,340	-	-	1,483,340
Depreciation and amortization	1,234,447	623,319	91,457	-	1,949,223
Total Operating Expenses	<u>8,448,992</u>	<u>4,610,725</u>	<u>661,270</u>	<u>23,999</u>	<u>13,744,986</u>
Operating income (loss)	<u>1,803,778</u>	<u>6,640</u>	<u>139,113</u>	<u>(23,999)</u>	<u>1,925,532</u>
Nonoperating Revenues (Expenses)					
Intergovernmental	13,480	67,156	-	-	80,636
Interest earnings	204,588	43,012	16,481	17,370	281,451
Interest expense and fiscal charges	(447,543)	(14,211)	(717)	-	(462,471)
Gain (loss) on disposal of capital assets	10,230	44,950	-	-	55,180
Total Nonoperating Revenues (Expenses)	<u>(219,245)</u>	<u>140,907</u>	<u>15,764</u>	<u>17,370</u>	<u>(45,204)</u>
Income (loss) before contributions and transfers	<u>1,584,533</u>	<u>147,547</u>	<u>154,877</u>	<u>(6,629)</u>	<u>1,880,328</u>
Capital contributions	178,713	-	368,798	-	547,511
Transfers out	(478,767)	(214,484)	-	-	(693,251)
Change in net position	1,284,479	(66,937)	523,675	(6,629)	1,734,588
Net position, beginning of year	59,633,441	2,186,549	3,346,279	871,663	66,037,932
Net position, end of year	<u>\$ 60,917,920</u>	<u>\$ 2,119,612</u>	<u>\$ 3,869,954</u>	<u>\$ 865,034</u>	<u>\$ 67,772,520</u>

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

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

YEAR ENDED DECEMBER 31, 2018

	Business-type Activities				Total Enterprise Funds
	Major Funds			Nonmajor Fund	
	Water and Wastewater System	Sanitation Services	Stormwater Utility Fund	Savannah Bluff Lock and Dam	
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 10,165,285	\$ 4,627,812	\$ 799,783	\$ -	\$ 15,592,880
Cash paid for or on behalf of employees	(2,773,974)	(2,144,021)	(603,383)	-	(5,521,378)
Cash paid for goods and services	(3,976,671)	(1,688,901)	(77,101)	(23,999)	(5,766,672)
Net cash from operating activities	3,414,640	794,890	119,299	(23,999)	4,304,830
<b>Cash flows from noncapital financing activities:</b>					
Transfers out to other funds	(478,767)	(214,484)	-	-	(693,251)
Net cash from noncapital financing activities	(478,767)	(214,484)	-	-	(693,251)
<b>Cash flows from capital and related financing activities:</b>					
Purchase and construction of capital assets	(2,211,720)	(536,696)	(286,349)	-	(3,034,765)
Proceeds received from sales of capital assets	10,230	48,335	-	-	58,565
Principal paid on revenue bonds	(1,105,323)	-	-	-	(1,105,323)
Proceeds received from capitalized leases	177,454	358,972	45,412	-	581,838
Principal paid on capitalized leases	(173,788)	(314,445)	(8,981)	-	(497,214)
Proceeds received from intergovernmental activities	13,480	67,156	-	-	80,636
Interest expense	(447,543)	(14,211)	(717)	-	(462,471)
Net cash from capital and related financing activities	(3,737,210)	(390,889)	(250,635)	-	(4,378,734)
<b>Cash flows from investing activities:</b>					
Interest on investments	204,588	43,012	16,481	17,370	281,451
Net cash from investing activities	204,588	43,012	16,481	17,370	281,451
Net change in cash and cash equivalents	(596,749)	232,529	(114,855)	(6,629)	(485,704)
Cash and cash equivalents, beginning of year	13,179,742	3,147,891	1,118,039	871,663	18,317,335
Cash and cash equivalents, end of year	\$ 12,582,993	\$ 3,380,420	\$ 1,003,184	\$ 865,034	\$ 17,831,631
<b>Reconciliation of operating income (loss) to net cash from operating activities:</b>					
Operating income (loss)	\$ 1,803,778	\$ 6,640	\$ 139,113	\$ (23,999)	\$ 1,925,532
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	1,234,447	623,319	91,457	-	1,949,223
Bad debt expense	31,000	-	-	-	31,000
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(100,048)	10,447	(600)	-	(90,201)
Decrease in notes receivable	25,000	-	-	-	25,000
Increase in inventory	(35,559)	-	-	-	(35,559)
Increase (decrease) in accounts payable	(100,992)	27,010	(138,354)	-	(212,336)
Increase in retainage payable	382,434	-	-	-	382,434
Increase in customer deposits	11,078	-	-	-	11,078
Increase (decrease) in accrued salaries, wages, and employee benefits	4,010	(3,244)	1,539	-	2,305
Decrease in unearned revenue	(23,515)	-	-	-	(23,515)
Pension deferred inflows / outflows and liability	183,007	130,718	26,144	-	339,869
Total Adjustments	1,610,862	788,250	(19,814)	-	2,379,298
Net cash from operating activities	\$ 3,414,640	\$ 794,890	\$ 119,299	\$ (23,999)	\$ 4,304,830
<b>Noncash investing, capital and financing activities:</b>					
Contributed capital assets	\$ 178,713	\$ -	\$ 368,798	\$ -	\$ 547,511
Total noncash investing, capital and financing	\$ 178,713	\$ -	\$ 368,798	\$ -	\$ 547,511
<b>Reconciliation of cash and cash equivalents:</b>					
Equity in pooled cash	\$ 1,548,264	\$ 1,269,338	\$ 232,801	\$ -	\$ 3,050,403
Investments	2,582,007	2,111,082	770,383	-	5,463,472
Current restricted assets	2,390,109	-	-	865,034	3,255,143
Non-current restricted assets	6,062,613	-	-	-	6,062,613
Cash and cash equivalents	\$ 12,582,993	\$ 3,380,420	\$ 1,003,184	\$ 865,034	\$ 17,831,631

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, 2018

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### 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, 2018

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### 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, 2018

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### 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.

*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 Funds. 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, 2018

**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, 2018, expenditures exceeded budget in the General Fund for the following functions:

	<b>Budget</b>	<b>Actual</b>	<b>Over (Under)</b>
			<b>Budget</b>
General government	\$ 4,538,135	\$ 4,596,777	\$ 58,642
Capital lease payments - general government	81,804	78,604	(3,200)
	<u>\$ 4,619,939</u>	<u>\$ 4,675,381</u>	<u>\$ 55,442</u>
Public safety	\$ 7,891,062	\$ 8,321,057	\$ 429,995
Capital lease payments - public safety	468,954	467,981	(973)
	<u>\$ 8,360,016</u>	<u>\$ 8,789,038</u>	<u>\$ 429,022</u>
Public works	\$ 1,524,842	\$ 1,591,856	\$ 67,014
Capital lease payments - public works	61,891	61,238	(653)
	<u>\$ 1,586,733</u>	<u>\$ 1,653,094</u>	<u>\$ 66,361</u>

The over-expenditures for General Government and Public Works were materially in line with budgeted expenditures for the year. The over-expenditures for Public Safety were due to increased personnel costs and the purchase of vehicles and equipment with capital lease proceeds.

**CITY OF NORTH AUGUSTA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018

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**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 net realizable value 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.

During the year ended December 31, 2018, the City implemented GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*, and, therefore, did not record capitalized interest in the proprietary funds for the year ended December 31, 2018.

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, 2018

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### **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, 2018

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**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, 2018

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

As of December 31, 2018, the City’s cash and investments consisted of the following:

	<u>Maturities</u>	<u>Fair Value</u>
State Treasurer’s Investment Pool	Daily	\$ 27,463,672
Demand deposit accounts	Daily	8,559,819
Treasury reserves		<u>1,081,505</u>
Total cash and investments		<u>\$ 37,104,996</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, 2018

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**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, 2018, 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 74 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, 2018, the carrying amount of the City's deposits was \$8,555,819 and the bank balance was \$10,862,904. 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, 2018

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### 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, 2018, 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, 2018 for its \$27,463,672 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, 2018

**Note 4—Capital assets**

Capital asset activity for the year ended December 31, 2018 was as follows:

*Governmental Activities*

	<b>Balance 1/1/2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance 12/31/2018</b>
Capital assets, not being depreciated:				
Land	\$ 10,051,486	\$ -	\$ -	\$ 10,051,486
Construction in progress	45,698,809	134,908	(45,564,949)	268,768
Right-of-away	3,226,901	-	-	3,226,901
Total capital assets, not being depreciated	<u>58,977,196</u>	<u>134,908</u>	<u>(45,564,949)</u>	<u>13,547,155</u>
Capital assets, being depreciated:				
Land improvements	15,505,164	1,592,011	-	17,097,175
Buildings	46,543,336	60,479,089	-	107,022,425
Machinery and equipment	2,090,472	71,571	-	2,162,043
Furniture and fixtures	1,554,539	-	-	1,554,539
Vehicles	7,467,924	534,177	(184,031)	7,818,070
Infrastructure	23,903,815	1,471,101	-	25,374,916
Total capital assets, being depreciated	<u>97,065,250</u>	<u>64,147,949</u>	<u>(184,031)</u>	<u>161,029,168</u>
Less accumulated depreciation for:				
Land improvements	(8,816,446)	(889,650)	-	(9,706,096)
Buildings	(10,929,019)	(752,540)	-	(11,681,559)
Machinery and equipment	(1,739,154)	(163,979)	-	(1,903,133)
Furniture and fixtures	(1,182,111)	(108,568)	-	(1,290,679)
Vehicles	(4,063,966)	(628,544)	176,453	(4,516,057)
Infrastructure	(12,414,609)	(843,117)	-	(13,257,726)
Total accumulated depreciation	<u>(39,145,305)</u>	<u>(3,386,398)</u>	<u>176,453</u>	<u>(42,355,250)</u>
Total capital assets being depreciated, net	<u>57,919,945</u>	<u>60,761,551</u>	<u>(7,578)</u>	<u>118,673,918</u>
Governmental activities capital assets, net	<u>\$ 116,897,141</u>	<u>\$ 60,896,459</u>	<u>\$ (45,572,527)</u>	<u>\$ 132,221,073</u>

**CITY OF NORTH AUGUSTA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018

**Note 4—Capital assets (continued)**

Governmental activity depreciation expense was charged to functions as follows:

General government	\$ 812,843
Public safety	794,749
Public works	1,143,849
Recreation and parks	634,957
	<u>\$ 3,386,398</u>

*Business-Type Activities*

	<b>Balance 1/1/2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance 12/31/2018</b>
Capital assets, not being depreciated:				
Land	\$ 824,058	\$ -	\$ -	\$ 824,058
Construction in progress	17,390,638	2,075	(17,390,638)	2,075
Easements	62,760	-	-	62,760
Total capital assets, not being depreciated	<u>18,277,456</u>	<u>2,075</u>	<u>(17,390,638)</u>	<u>888,893</u>
Capital assets, being depreciated:				
Buildings	6,193,949	17,984,357	-	24,178,306
Machinery and equipment	2,683,675	552,873	(176,889)	3,059,659
Vehicles	4,451,275	265,800	(165,576)	4,551,499
System improvements	69,418,400	2,165,317	-	71,583,717
PSA capital	4,667,405	-	-	4,667,405
Total capital assets, being depreciated	<u>87,414,704</u>	<u>20,968,347</u>	<u>(342,465)</u>	<u>108,040,586</u>
Less accumulated depreciation for:				
Buildings	(3,080,451)	(236,869)	-	(3,317,320)
Machinery and equipment	(2,141,630)	(185,693)	173,504	(2,153,819)
Vehicles	(3,343,321)	(421,565)	165,576	(3,599,310)
System improvements	(16,736,593)	(983,420)	-	(17,720,013)
PSA capital	(2,702,343)	(116,685)	-	(2,819,028)
Total accumulated depreciation	<u>(28,004,338)</u>	<u>(1,944,232)</u>	<u>339,080</u>	<u>(29,609,490)</u>
Total capital assets being depreciated, net	<u>59,410,366</u>	<u>19,024,115</u>	<u>(3,385)</u>	<u>78,431,096</u>
Business-type activities capital assets, net	<u>\$ 77,687,822</u>	<u>\$ 19,026,190</u>	<u>\$ (17,394,023)</u>	<u>\$ 79,319,989</u>

**CITY OF NORTH AUGUSTA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018

**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, 2018:

	<b>Governmental Funds</b>	<b>Water and Wastewater</b>	<b>Sanitation</b>	<b>Stormwater</b>
Machinery and equipment	\$ 437,624	\$ 371,038	\$ 372,195	\$ 45,412
Vehicles	2,549,165	320,030	1,143,791	-
	2,986,789	691,068	1,515,986	45,412
Accumulated depreciation	(1,234,438)	(317,030)	(666,242)	(1,804)
Carry value	<u>\$ 1,752,351</u>	<u>\$ 374,038</u>	<u>\$ 849,744</u>	<u>\$ 43,608</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, 2018:

<u>Year Ending December 31,</u>	<b>Governmental Funds</b>	<b>Business-Type Funds</b>		
		<b>Water and Wastewater</b>	<b>Sanitation</b>	<b>Stormwater</b>
2019	\$ 537,755	\$ 104,753	\$ 276,555	\$ 17,105
2020	331,803	64,634	170,638	10,554
2021	225,682	43,962	116,063	7,178
2022	124,347	24,222	63,949	3,955
Total minimum lease payments	1,219,587	237,571	627,205	38,792
Amount representing interest	(45,497)	(11,188)	(27,615)	(2,361)
Present value of minimum lease payments	<u>\$ 1,174,090</u>	<u>\$ 226,383</u>	<u>\$ 599,590</u>	<u>\$ 36,431</u>

**CITY OF NORTH AUGUSTA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018

**Note 6—Long-term debt**

*Changes in Long-Term Debt*

Long-term liability activity for the year ended December 31, 2018 was as follows:

	<u>Balance 1/1/2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2018</u>	<u>Due Within One Year</u>
Governmental Activities:					
Revenue bonds:					
North Augusta Public Facility					
Corporation revenue bond	\$ 69,450,000	\$ -	\$ -	\$ 69,450,000	\$ -
Tax increment revenue bond	25,000	-	-	25,000	-
Total revenue bonds	69,475,000	-	-	69,475,000	-
Capital leases:					
Capitalized leases	1,306,394	432,308	(564,613)	1,174,089	532,296
Other liabilities:					
Compensated absences	696,197	483,141	(507,360)	671,978	487,975
Total	<u>\$ 71,477,591</u>	<u>\$ 915,449</u>	<u>\$ (1,071,973)</u>	<u>\$ 71,321,067</u>	<u>\$ 1,020,271</u>

*Revenue Bond Payable* – Revenue bond payable (recorded as a liability for governmental activities) at December 31, 2018 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 during 2017.

Total draws for the Series 2017B revenue bond as of December 31, 2018 are \$51,359,684. 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. The bond is collateralized by the constructed assets described above.

**CITY OF NORTH AUGUSTA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018

**Note 6—Long-term debt (continued)**

	<b>2017B Revenue Bond Issue</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	780,000	3,161,029	3,941,029
2024-2048	66,595,000	53,074,764	119,669,764
	<u>\$ 69,450,000</u>	<u>\$ 69,056,216</u>	<u>\$ 138,506,216</u>

Long-term liability activity for the year ended December 31, 2018 was as follows:

	<b>Balance 1/1/2018</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 12/31/2018</b>	<b>Due Within One Year</b>
Business-type Activities:					
Revenue bonds payable:					
Revenue bonds	\$ 20,982,862	\$ -	\$ (1,105,323)	\$ 19,877,539	\$ 1,127,596
Capital leases:					
Capitalized leases	777,781	581,838	(497,214)	862,405	389,864
Other liabilities:					
Compensated absences	323,265	225,797	(231,347)	317,715	317,715
Total	<u>\$ 22,083,908</u>	<u>\$ 807,635</u>	<u>\$ (1,833,884)</u>	<u>\$ 21,057,659</u>	<u>\$ 1,835,175</u>

*Revenue Bonds Payable* – Revenue bonds payable (recorded as a liability in the Water and Wastewater System Fund) at December 31, 2018 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, 2018 are \$12,906,882. There are no remaining draws. The project budget was amended on April 6, 2017 to \$12,906,882. \$ 10,862,087

\$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, 2018 are \$10,094,688. Total draws remaining are \$2,905,312. 9,015,452

\$ 19,877,539

**CITY OF NORTH AUGUSTA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018

**Note 6—Long-term debt (continued)**

	<b>2014A Revenue Bond Issue</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	619,097	165,488	784,585
2024-2035	7,886,497	939,115	8,825,612
	<u>\$ 10,862,087</u>	<u>\$ 1,886,450</u>	<u>\$ 12,748,537</u>

	<b>2015A Revenue Bond Issue</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	602,169	188,077	790,246
2024-2036	6,121,223	888,198	7,009,421
	<u>\$ 9,015,452</u>	<u>\$ 1,945,199</u>	<u>\$ 10,960,651</u>

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

<b><u>Funds</u></b>	<b><u>Purposes</u></b>
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, 2018*

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**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 2018 totaled \$1,574,831. Total net charges for services for the year were \$9,746,927.

**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, 2018

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### 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](http://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 and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivision of government and individual newly elected to the South Carolina General Assembly at or after the 2012 general election.

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 and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

*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, 2018

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**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/current annual salary. 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. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the board, are insufficient to maintain the amortization period set in statute, the board shall increase employer contribution rates as necessary.

After June 30, 2027, 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 eighty-five percent, then the board, effective on 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 eighty-five percent. 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 eighty-five 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 eighty-five percent.

**CITY OF NORTH AUGUSTA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018

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**Note 8—Pension plans (continued)**

The Retirement System Funding and Administration Act 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 legislation's 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 twenty year amortization period.

*SCRS* –The City's contributions to SCRS for the fiscal year ending December 31, 2018 were approximately \$1,130,000, equal to the required contributions for each year.

*PORS* –The City's contributions to PORS for the fiscal year ending December 31, 2018 were approximately \$656,000, 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, 2017. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2017 actuarial valuations, using membership data as of July 1, 2017, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2018, 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, 2018, the City reported \$17,272,206 and \$7,977,432 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, 2018, the City's proportionate share was 0.077085 percent for SCRS and 0.281536 percent for PORS.

**CITY OF NORTH AUGUSTA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018

**Note 8—Pension plans (continued)**

*Deferred Outflows/(Inflows) of Resources* – For the year ended December 31, 2018, the City recognized pension expense of \$1,782,190 and \$1,100,517 for SCRS and PORS, respectively. At December 31, 2018, 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	\$ 274,368	\$ -	\$ 159,528	\$ -
Net difference between expected and actual pension plan experience	31,178	101,641	245,797	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	218,269	10,737	99,991	-
Assumption changes	685,265	-	525,990	-
Employer contributions subsequent to the measurement date	588,091	-	336,129	-
<b>Total</b>	<b>\$ 1,797,171</b>	<b>\$ 112,378</b>	<b>\$ 1,367,435</b>	<b>\$ -</b>

The deferred outflows of resources of \$588,091 and \$336,129 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, 2018. The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at December 31, 2018. Average remaining service lives of all employees provided with pensions through the pension plans for the June 30, 2018 measurement period was 4.080 years for SCRS and 4.348 years for PORS.

**Amortization of remaining deferred outflows/(inflows)**  
**Measurement period ending June 30, 2018**

	SCRS	PORS
2019	\$ 758,936	\$ 502,966
2020	566,378	395,296
2021	(203,364)	107,170
2022	(25,248)	25,874
<b>Net balance deferred outflows/(inflow) of resources</b>	<b>\$ 1,096,702</b>	<b>\$ 1,031,306</b>

**CITY OF NORTH AUGUSTA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018

**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](http://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 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 regarding the net pension liability 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 for the period ending June 30, 2015.

The June 30, 2018, total pension liability (“TPL”), net pension liability (“NPL”), and sensitivity information shown 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, 2017. The total pension liability was rolled-forward from the valuation date to the plans’ fiscal year end, June 30, 2018, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used as of June 30, 2018.

	<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

The post-retiree mortality assumption is dependent upon the member’s job category and gender. The base mortality assumptions, 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.

**CITY OF NORTH AUGUSTA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018

**Note 8—Pension plans (continued)**

**Post-Retiree Mortality Assumptions**

<b>Former Job Class</b>	<b>Males</b>	<b>Females</b>
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 2018 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 adding expected inflation and 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 TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Equity	47%	3.38%
Real Assets	10%	0.42%
Opportunistic	13%	0.48%
Diversified Credit	18%	0.65%
Conservative Fixed Income	12%	0.10%
Total expected real return	100%	5.03%
Inflation for actuarial purposes		2.25%
Total expected nominal return		7.28%

*Discount Rate* – The discount rate used to measure the TPL 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 Code of Laws. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all the 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 TPL.

**CITY OF NORTH AUGUSTA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018

**Note 8—Pension plans (continued)**

*Sensitivity Analysis* - The following table presents the collective NPL of the participating employers calculated using the discount rate of 7.25 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
SCRS	\$ 22,070,782	\$ 17,272,206	\$ 13,841,832
PORS	10,754,589	7,977,432	5,702,726

**Note 9—Interfund receivables, payables, and transfers**

Interfund receivable and payable balances at December 31, 2018 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	North Augusta Public Facility Corp.	\$ 420,385
General Fund	Nonmajor governmental fund	122,823
		<u>\$ 543,208</u>

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

The following interfund transfers are reflected in the fund financial statements at December 31, 2018:

<u>Transfer in</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Water and Wastewater Fund	\$ 478,767
General Fund	Sanitation	214,484
General Fund	Capital Projects Fund	178,260
General Fund	Nonmajor governmental funds	40,075
Capital Projects Fund	General Fund	750,453
Nonmajor governmental funds	Sales Tax III Fund	17,655
North Augusta Public Facility Corp.	Nonmajor governmental funds	2,858,442
		<u>\$ 4,538,136</u>

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

**CITY OF NORTH AUGUSTA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018

**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, 2018 are composed of the following:

	<b>Project</b>	<b>Expended Through</b>	
	<b>Authorization</b>	<b>December 31, 2018</b>	<b>Commitment</b>
Riverside Village Stadium	\$ 31,487,738	\$ 29,889,709	\$ 1,598,029
Water Plant Upgrade	14,813,081	14,043,925	769,156
	<u>\$ 46,300,819</u>	<u>\$ 43,933,634</u>	<u>\$ 2,367,185</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, 2018

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### **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—Tax abatements**

As of December 31, 2018 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, 2018, the City received \$33,168 for tax years 2016 and 2017 as part of the intergovernmental agreement with Aiken County mentioned above.

### **Note 14—Subsequent events**

The City has evaluated subsequent events through June 14, 2019, 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, 2018.

**CITY OF NORTH AUGUSTA, SOUTH CAROLINA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2018

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

**SCRS:**

	<b>City's Proportion of the Net Pension Liability</b>	<b>City's Proportionate Share of the Net Pension Liability</b>	<b>City's Covered Payroll</b>	<b>City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
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%
6/30/2018	0.08%	17,272,206	7,983,849	216.34%	54.10%

**PORS:**

	<b>City's Proportion of the Net Pension Liability</b>	<b>City's Proportionate Share of the Net Pension Liability</b>	<b>City's Covered Payroll</b>	<b>City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
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%
6/30/2018	0.28%	7,977,432	3,896,877	204.71%	61.70%

\*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, 2018

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

SCRS:

	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to the Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>City's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
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	835,163	(835,163)	-	7,371,464	11.33%
12/31/2017	975,309	(975,309)	-	7,745,243	12.59%
12/31/2018	1,128,580	(1,128,580)	-	8,024,995	14.06%

	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to the Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>City's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
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)	-	3,116,056	12.03%
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	504,306	(504,306)	-	3,599,658	14.01%
12/31/2017	575,300	(575,300)	-	3,769,186	15.26%
12/31/2018	655,814	(655,814)	-	3,918,206	16.74%

## OTHER SUPPLEMENTARY INFORMATION

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

*YEAR ENDED DECEMBER 31, 2018*

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>Revenues:</b>			
<b>Taxes:</b>			
Current	\$ 6,940,951	\$ 7,125,303	\$ 184,352
Delinquent	10,000	15,039	5,039
Penalties	55,000	75,517	20,517
<b>Total Taxes</b>	<b>7,005,951</b>	<b>7,215,859</b>	<b>209,908</b>
<b>Licenses and Permits:</b>			
Business licenses	5,550,000	6,007,529	457,529
Building permits	280,000	299,448	19,448
Electrical permits	18,000	23,047	5,047
Mechanical permits	18,000	19,740	1,740
Plumbing permits	11,000	12,189	1,189
<b>Total Licenses and Permits</b>	<b>5,877,000</b>	<b>6,361,953</b>	<b>484,953</b>
<b>Fines and Forfeitures:</b>			
Public safety fines	977,946	808,531	(169,415)
Drug related fines	20,000	25,669	5,669
<b>Total Fines and Forfeitures</b>	<b>997,946</b>	<b>834,200</b>	<b>(163,746)</b>
<b>Charges for Services:</b>			
Fire protection fees	62,712	62,182	(530)
Customer street light fees	81,475	82,045	570
Municipal Center rentals	94,100	103,083	8,983
<b>Recreation fees</b>			
Special programs	37,500	24,209	(13,291)
Volleyball	5,170	6,437	1,267
Soccer	69,030	69,503	473
Miscellaneous	142,000	129,984	(12,016)
Basketball	48,530	45,064	(3,466)
Softball	31,510	28,024	(3,486)
Football	32,440	45,162	12,722
Baseball	57,670	62,909	5,239
Concession stand	140,000	173,273	33,273
Community Center fees	59,160	63,346	4,186
Activities Center fees	227,325	178,249	(49,076)
Recreation facilities rentals	24,000	32,115	8,115
Activities Center tournaments	225,500	269,956	44,456
<b>Total Charges for Services</b>	<b>1,338,122</b>	<b>1,375,541</b>	<b>37,419</b>
<b>Intergovernmental:</b>			
<b>State of South Carolina:</b>			
State shared revenue	546,230	501,426	(44,804)
Accommodations tax	26,000	64,778	38,778
Merchants' inventory tax	54,700	54,790	90
Local option sales tax	20,000	21,146	1,146
SCDOT traffic signals	81,300	85,916	4,616
Law enforcement net grant	10,000	5,120	(4,880)
Department of Justice grant	5,000	4,719	(281)
Highway safety grant	-	12,239	12,239
FEMA grant	-	60,294	60,294
Aiken County FILOT	-	33,168	33,168
<b>Total Intergovernmental</b>	<b>743,230</b>	<b>843,596</b>	<b>100,366</b>

(continued)

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

*YEAR ENDED DECEMBER 31, 2018*

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
Miscellaneous:			
Other	420,307	353,860	(66,447)
Communication tower rental	190,000	164,062	(25,938)
Interest earnings	40,000	79,677	39,677
Total Miscellaneous	<u>650,307</u>	<u>597,599</u>	<u>(52,708)</u>
Total Revenues	<u>\$ 16,612,556</u>	<u>\$ 17,228,748</u>	<u>\$ 616,192</u>
Expenditures:			
General Government:			
City Council -			
Personal services:			
Salaries and wages	\$ 107,681	\$ 111,234	\$ 3,553
FICA	8,238	7,491	(747)
Employee retirement	12,442	12,622	180
Employee insurance	22,500	22,607	107
Workers' compensation	3,450	2,190	(1,260)
Operating expenditures:			
General supplies/postage	4,625	3,068	(1,557)
Dues/training/travel	13,510	10,947	(2,563)
Contracts/repairs	1,000	697	(303)
Advertising	300	205	(95)
Professional Services	50	673	623
Special department supplies	2,850	4,371	1,521
Insurance	900	1,116	216
Contingencies	2,000	(170)	(2,170)
Total	<u>179,546</u>	<u>177,051</u>	<u>(2,495)</u>
City Administration -			
Personal services:			
Salaries and wages	136,228	139,120	2,892
FICA	10,421	10,616	195
Employee retirement	19,154	19,506	352
Employee insurance	7,500	8,198	698
Workers' compensation	6,950	4,411	(2,539)
Operating expenditures:			
Contributions	15,000	15,000	-
General supplies/postage	1,850	1,880	30
Dues/training/travel	13,800	12,395	(1,405)
Contracts/repairs	6,650	4,171	(2,479)
Professional services	65,000	102,291	37,291
Insurance	2,250	7,407	5,157
Contingencies	100,000	37,434	(62,566)
Total	<u>384,803</u>	<u>362,429</u>	<u>(22,374)</u>

(continued)

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

*YEAR ENDED DECEMBER 31, 2018*

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
	<b>General Government (continued):</b>		
<b>Justice and Law -</b>			
<b>Personal services:</b>			
Salaries and wages	122,526	127,790	5,264
FICA	9,373	9,338	(35)
Employee retirement	15,179	15,179	-
Employee insurance	7,500	7,536	36
Workers' compensation	3,600	2,285	(1,315)
<b>Operating expenditures:</b>			
General supplies/postage	500	-	(500)
State fees/fines	491,047	421,572	(69,475)
Dues/training/travel	5,488	2,813	(2,675)
Contracts and repairs	10,800	9,744	(1,056)
Jury services	2,000	1,800	(200)
Professional services	22,525	20,440	(2,085)
Juvenile detention	3,500	4,305	805
Insurance	23,200	28,772	5,572
Total	717,238	651,574	(65,664)
<b>Community Promotion -</b>			
<b>Personal services:</b>			
FICA	-	8	8
<b>Operating expenditures:</b>			
Contributions	48,200	48,200	-
Dues/training/travel	5,931	5,931	-
Special department supplies	16,400	12,580	(3,820)
Insurance	4,300	5,333	1,033
Total	74,831	72,052	(2,779)
<b>Finance -</b>			
<b>Personal services:</b>			
Salaries and wages	270,388	276,861	6,473
FICA	20,685	20,494	(191)
Employee retirement	38,016	38,158	142
Employee insurance	30,000	30,143	143
Workers' compensation	8,000	6,437	(1,563)
<b>Operating expenditures:</b>			
General supplies/postage	9,200	9,834	634
Dues/training/travel	2,225	2,272	47
Data processing	11,000	12,734	1,734
Contracts/repairs	20,250	15,010	(5,240)
Advertising	1,000	723	(277)
Professional services	20,850	20,600	(250)
Insurance	3,275	4,062	787
Total	434,889	437,328	2,439
<b>City Buildings -</b>			
<b>Operating expenditures:</b>			
General supplies/postage	20,000	18,566	(1,434)
Utility services	199,000	308,067	109,067
Contracts/repairs	77,197	72,250	(4,947)
Professional services	6,700	19,113	12,413
Insurance	23,900	29,640	5,740
Total	326,797	447,636	120,839

(continued)

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

*YEAR ENDED DECEMBER 31, 2018*

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
General Government (continued):			
Building Standards -			
Personal services:			
Salaries and wages	252,256	262,739	10,483
Overtime pay	-	314	314
FICA	19,298	19,721	423
Employee retirement	35,467	36,777	1,310
Employee insurance	33,750	33,906	156
Workers' compensation	7,600	16,313	8,713
Operating expenditures:			
General supplies/postage	3,000	3,490	490
Dues/training/travel	3,737	3,483	(254)
Auto operating	6,200	5,129	(1,071)
Data processing	10,000	9,986	(14)
Contracts/repairs	3,070	3,940	870
Uniforms/clothing	1,350	1,352	2
Professional services	-	26,556	26,556
Special department supplies	2,600	4,332	1,732
Insurance	1,136	1,409	273
Capital lease payments	9,005	8,764	(241)
Total	388,469	438,211	49,742
Planning and Development -			
Personal services:			
Salaries and wages	176,160	89,670	(86,490)
FICA	13,476	6,278	(7,198)
Employee retirement	24,768	11,371	(13,397)
Employee insurance	18,750	18,806	56
Workers' compensation	5,000	3,174	(1,826)
Unemployment insurance	-	2,934	2,934
Operating expenditures:			
General supplies/postage	3,900	2,065	(1,835)
Dues/training/travel	8,000	2,127	(5,873)
Data processing	7,375	7,016	(359)
Contracts/repairs	4,800	2,322	(2,478)
Advertising	1,000	1,793	793
Professional services	8,000	22,365	14,365
Special department supplies	3,500	3,347	(153)
Insurance	2,300	2,852	552
Capital lease payments	2,066	2,066	-
Total	279,095	178,186	(100,909)

(continued)



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

YEAR ENDED DECEMBER 31, 2018

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
	<b>General Government (continued):</b>		
<b>Property Maintenance -</b>			
<b>Personal services:</b>			
Salaries and wages	569,026	580,285	11,259
Overtime pay	15,440	20,923	5,483
FICA	44,712	44,045	(667)
Employee retirement	82,176	82,732	556
Employee insurance	105,000	105,168	168
Workers' compensation	16,700	14,161	(2,539)
<b>Operating expenditures:</b>			
General supplies/postage	763	1,397	634
Dues/training/travel	2,150	2,261	111
Auto operating	48,009	47,604	(405)
Utility services	17,254	19,207	1,953
Contracts/repairs	31,329	35,909	4,580
Building materials/supplies	1,800	1,449	(351)
Uniforms/clothing	7,694	7,755	61
Professional services	129,720	125,275	(4,445)
Special department supplies	126,200	122,768	(3,432)
Insurance	18,575	23,036	4,461
Capital lease payments	64,839	62,240	(2,599)
<b>Capital outlay:</b>			
Machines/equipment	24,800	70,962	46,162
<b>Total</b>	<b>1,306,187</b>	<b>1,367,177</b>	<b>60,990</b>
<b>Human Resources -</b>			
<b>Personal services:</b>			
Salaries and wages	113,992	147,129	33,137
FICA	8,720	11,393	2,673
Employee retirement	16,027	21,088	5,061
Employee insurance	18,750	20,214	1,464
Workers' compensation	3,600	2,285	(1,315)
<b>Operating expenditures:</b>			
General supplies/postage	2,200	2,297	97
Dues/training/travel	1,555	2,466	911
Contracts/repairs	1,850	783	(1,067)
Advertising	11,172	4,120	(7,052)
Professional services	20,581	36,514	15,933
Special department supplies	39,233	29,507	(9,726)
<b>Total</b>	<b>237,680</b>	<b>277,796</b>	<b>40,116</b>
<b>Information Technology -</b>			
<b>Personal services:</b>			
Salaries and wages	71,904	77,007	5,103
FICA	5,501	5,556	55
Employee retirement	10,110	10,105	(5)
Employee insurance	11,250	12,296	1,046
Workers' compensation	2,200	1,396	(804)
<b>Operating expenditures:</b>			
General supplies/postage	1,000	1,327	327
Auto operating	1,725	8,367	6,642
Utility services	96,700	96,260	(440)
Data processing	31,220	25,010	(6,210)
Contracts/repairs	52,900	23,083	(29,817)
Capital lease payments	5,894	5,534	(360)
<b>Total</b>	<b>290,404</b>	<b>265,941</b>	<b>(24,463)</b>
<b>Total General Government</b>	<b>\$ 4,619,939</b>	<b>\$ 4,675,381</b>	<b>\$ 55,442</b>

(continued)

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

YEAR ENDED DECEMBER 31, 2018

	2018		
	Original and Final Budget	Actual	Over (Under) Budget
Public Safety -			
Personal services:			
Salaries and wages	\$ 4,703,944	\$ 4,780,805	\$ 76,861
Overtime pay	144,300	175,277	30,977
FICA	370,891	365,092	(5,799)
Employee retirement	787,947	762,508	(25,439)
Employee insurance	675,000	677,548	2,548
Workers' compensation	140,925	103,558	(37,367)
Operating expenditures:			
General supplies/postage	22,000	19,867	(2,133)
Dues/training/travel	50,000	49,579	(421)
Auto operating	226,750	264,742	37,992
Data processing	112,635	126,385	13,750
Contracts/repairs	265,000	264,651	(349)
Uniforms/clothing	80,950	82,751	1,801
CVA expenditures	36,320	13,839	(22,481)
LEN grant	10,000	4,342	(5,658)
Community policing	34,400	28,660	(5,740)
NAPS drug related account	20,000	25,534	5,534
Professional services	40,000	31,363	(8,637)
Special department supplies	100,000	98,109	(1,891)
Insurance	65,000	80,611	15,611
Capital lease payments	468,954	467,981	(973)
Capital outlay:			
Automotive equipment	-	340,731	340,731
Machines and equipment	5,000	25,105	20,105
Total Public Safety	<u>\$ 8,360,016</u>	<u>\$ 8,789,038</u>	<u>\$ 429,022</u>
Public Works:			
Engineering -			
Personal services:			
Salaries and wages	\$ 126,204	\$ 123,588	\$ (2,616)
FICA	9,655	9,291	(364)
Employee retirement	17,744	16,844	(900)
Employee insurance	18,750	18,475	(275)
Workers' compensation	2,475	1,571	(904)
Operating expenditures:			
General supplies/postage	500	374	(126)
Dues/training/travel	2,005	1,606	(399)
Auto operating	2,375	1,675	(700)
Data processing	2,500	2,500	-
Contracts/repairs	2,280	6,865	4,585
Uniforms/clothing	1,000	464	(536)
Advertising	100	-	(100)
Special department supplies	1,500	1,212	(288)
Insurance	18,400	22,819	4,419
Total	<u>205,488</u>	<u>207,284</u>	<u>1,796</u>

(continued)

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

*YEAR ENDED DECEMBER 31, 2018*

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
Public Works (continued):			
Street Lighting and Traffic Signals -			
Operating expenditures:			
Dues/training/travel	2,450	940	(1,510)
Utility services	433,220	454,706	21,486
Contracts/repairs	15,500	18,492	2,992
Professional services	6,000	6,101	101
Special department supplies	28,500	11,650	(16,850)
Total	<u>485,670</u>	<u>491,889</u>	<u>6,219</u>
Streets and Drains -			
Personal services:			
Salaries and wages	458,517	471,108	12,591
Overtime pay	7,500	9,056	1,556
FICA	35,650	35,770	120
Employee retirement	65,522	66,036	514
Employee insurance	75,000	75,357	357
Workers' compensation	14,200	14,625	425
Operating expenditures:			
General supplies/postage	500	686	186
Dues/training/travel	2,500	2,059	(441)
Auto operating	35,600	35,377	(223)
Contracts/repairs	19,160	28,371	9,211
Building materials/supplies	70,000	62,919	(7,081)
Uniforms/clothing	5,940	6,106	166
Professional services	15,270	12,419	(2,851)
Special department supplies	17,850	17,338	(512)
Insurance	10,475	10,044	(431)
Capital lease payments	61,891	61,238	(653)
Capital outlay:			
Machines and equipment	-	45,412	45,412
Total	<u>895,575</u>	<u>953,921</u>	<u>58,346</u>
Total Public Works	<u>\$ 1,586,733</u>	<u>\$ 1,653,094</u>	<u>\$ 66,361</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2018

	2018		
	Original and Final Budget	Actual	Over (Under) Budget
Parks, Recreation, and Tourism:			
Recreation -			
Personal services:			
Salaries and wages	\$ 387,424	\$ 407,003	\$ 19,579
Overtime pay	6,000	10,672	4,672
FICA	30,097	31,521	1,424
Employee retirement	44,974	45,387	413
Employee insurance	30,000	30,143	143
Workers' compensation	11,000	6,982	(4,018)
Operating expenditures:			
General supplies/postage	2,400	702	(1,698)
Dues/training/travel	9,940	9,506	(434)
Auto operating	2,600	3,241	641
Contract/repairs	7,750	6,953	(797)
Uniforms/clothing	900	-	(900)
Advertising	1,300	860	(440)
Professional services	23,000	8,157	(14,843)
Special department supplies	6,000	5,875	(125)
Basketball program	37,000	40,776	3,776
Softball program	27,400	17,259	(10,141)
Football program	28,000	33,348	5,348
Baseball program	52,000	58,364	6,364
Soccer program	57,000	48,602	(8,398)
Volleyball program	4,200	4,677	477
Concession stand supplies	83,000	100,820	17,820
Insurance	16,750	20,773	4,023
Capital outlay:			
Furniture/fixtures	1,500	-	(1,500)
Machines/equipment	15,000	13,832	(1,168)
Total	885,235	905,453	20,218
Parks -			
Personal services:			
Salaries and wages	210,232	210,943	711
Overtime pay	12,000	15,298	3,298
FICA	17,001	17,197	196
Employee retirement	31,246	30,271	(975)
Employee insurance	37,500	37,678	178
Workers' compensation	6,700	4,956	(1,744)
Operating expenditures:			
General supplies/postage	1,500	226	(1,274)
Dues/training/travel	1,150	649	(501)
Auto operating	11,750	12,603	853
Utility services	19,700	30,506	10,806
Contracts/repairs	16,600	51,006	34,406
Building materials/supplies	13,500	6,693	(6,807)
Uniforms/clothing	2,100	1,595	(505)
Professional services	4,000	-	(4,000)
Special department supplies	18,500	6,912	(11,588)
Insurance	7,300	9,053	1,753
Capital lease payments	12,041	12,041	-
Capital outlay:			
Machines/equipment	8,500	7,837	(663)
Park improvements	100,000	-	(100,000)
Total	531,320	455,464	(75,856)

(continued)

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

*YEAR ENDED DECEMBER 31, 2018*

	<b>2018</b>		<b>Over (Under) Budget</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	
Parks, Recreation, and Tourism (continued):			
Community Center -			
Personal services:			
Salaries and wages	78,717	80,445	1,728
Overtime pay	2,000	241	(1,759)
FICA	6,175	6,152	(23)
Employee retirement	11,349	11,086	(263)
Employee insurance	15,000	15,071	71
Workers' compensation	2,500	1,759	(741)
Operating expenditures:			
General supplies/postage	2,800	-	(2,800)
Auto operating	300	222	(78)
Utility services	23,000	4,277	(18,723)
Contracts/repairs	15,200	31,540	16,340
Uniforms/clothing	700	602	(98)
Advertising	3,000	2,858	(142)
Special department supplies	11,000	4,826	(6,174)
Insurance	3,275	4,062	787
Total	175,016	163,141	(11,875)
RVP Activities Center -			
Personal services:			
Salaries and wages	337,008	341,437	4,429
Overtime pay	12,000	9,684	(2,316)
FICA	26,699	25,546	(1,153)
Employee retirement	49,071	48,359	(712)
Employee insurance	52,500	52,750	250
Workers' compensation	9,500	6,030	(3,470)
Operating expenditures:			
General supplies/postage	15,500	15,411	(89)
Dues/training/travel	1,400	1,112	(288)
Auto operating	1,650	1,163	(487)
Utility services	-	(7,408)	(7,408)
Contracts/repairs	73,300	50,740	(22,560)
Uniforms/clothing	1,400	124	(1,276)
Advertising	2,300	476	(1,824)
Tournaments/special events	165,000	162,786	(2,214)
Special department supplies	29,500	33,595	4,095
Insurance	15,275	18,942	3,667
Capital outlay:			
Furniture/fixtures	1,500	-	(1,500)
Total	793,603	760,747	(32,856)

(continued)

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

*YEAR ENDED DECEMBER 31, 2018*

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
Parks, Recreation, and Tourism (continued):			
Tourism -			
Personal services:			
Salaries and wages	128,675	123,183	(5,492)
Overtime pay	5,000	3,842	(1,158)
FICA	10,226	9,621	(605)
Employee retirement	18,795	17,412	(1,383)
Employee insurance	30,000	23,836	(6,164)
Workers' compensation	4,075	2,586	(1,489)
Operating expenditures:			
Contributions	12,150	12,150	-
General supplies/postage	7,000	7,344	344
Data processing	2,100	-	(2,100)
Uniforms/clothing	1,000	685	(315)
Advertising	-	1,916	1,916
Professional services	-	30	30
Event and festival supplies	155,000	176,876	21,876
Special department supplies	20,000	20,711	711
Total	<u>394,021</u>	<u>400,192</u>	<u>6,171</u>
Total Parks, Recreation, and Tourism	<u>\$ 2,779,195</u>	<u>\$ 2,684,997</u>	<u>\$ (94,198)</u>
Total Expenditures	<u>\$ 17,345,883</u>	<u>\$ 17,802,510</u>	<u>\$ 456,627</u>

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

DECEMBER 31, 2018

	<b>Capital Projects Funds</b>	<b>Special Revenue Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Equity in pooled cash	\$ 126,498	\$ 565,367	\$ 691,865
Investments	613,727	327,198	940,925
Accounts receivable	321,408	-	321,408
Grants receivable	266,219	-	266,219
Restricted cash and investments	1,891,874	139,336	2,031,210
<b>Total Assets</b>	<b>\$ 3,219,726</b>	<b>\$ 1,031,901</b>	<b>\$ 4,251,627</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 19,489	\$ 19,489
Accrued salary and wages	-	207	207
Due to other funds	122,823	-	122,823
Unearned revenue - assessment fees	83,772	-	83,772
<b>Total Liabilities</b>	<b>206,595</b>	<b>19,696</b>	<b>226,291</b>
<b>FUND BALANCES</b>			
Fund balances:			
Restricted for:			
Capital projects	2,213,282	-	2,213,282
Public safety (Fire Division)	-	131,540	131,540
Committed for:			
Capital projects	455,446	-	455,446
Parks, recreation and tourism	-	9,697	9,697
Special projects	-	870,968	870,968
Assigned for:			
Capital projects	344,403	-	344,403
<b>Total Fund Balances</b>	<b>3,013,131</b>	<b>1,012,205</b>	<b>4,025,336</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,219,726</b>	<b>\$ 1,031,901</b>	<b>\$ 4,251,627</b>

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

DECEMBER 31, 2018

	Sales Tax Fund	Sales Tax II Fund	Street Improvements Fund	Tax Increment Fund	Transportation Improvement Fund	Total
<b>ASSETS</b>						
Equity in pooled cash	\$ -	\$ -	\$ -	\$ 36,362	\$ 90,136	\$ 126,498
Investments	-	-	468,583	1,462	143,682	613,727
Accounts receivable	-	321,408	-	-	-	321,408
Grants receivable	-	-	266,219	-	-	266,219
Restricted cash and investments	108,227	1,027,284	100,000	-	656,363	1,891,874
<b>Total Assets</b>	<b>\$ 108,227</b>	<b>\$ 1,348,692</b>	<b>\$ 834,802</b>	<b>\$ 37,824</b>	<b>\$ 890,181</b>	<b>\$ 3,219,726</b>
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ -	\$ 122,823	\$ -	\$ -	\$ 122,823
Unearned revenue - assessment fees	-	-	-	-	83,772	83,772
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>122,823</b>	<b>-</b>	<b>83,772</b>	<b>206,595</b>
<b>FUND BALANCES</b>						
Fund balances:						
Restricted for:						
Capital projects	108,227	1,348,692	100,000	-	656,363	2,213,282
Committed for:						
Capital projects	-	-	303,383	37,824	114,239	455,446
Assigned for:						
Capital projects	-	-	308,596	-	35,807	344,403
<b>Total Fund Balances</b>	<b>108,227</b>	<b>1,348,692</b>	<b>711,979</b>	<b>37,824</b>	<b>806,409</b>	<b>3,013,131</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 108,227</b>	<b>\$ 1,348,692</b>	<b>\$ 834,802</b>	<b>\$ 37,824</b>	<b>\$ 890,181</b>	<b>\$ 3,219,726</b>



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

DECEMBER 31, 2018

	Recreation Fund	Fireman's Fund	Riverfront/ Central Core Redevelopment Fund	Totals
<b>ASSETS</b>				
Equity in pooled cash	\$ 10,273	\$ -	\$ 555,094	\$ 565,367
Investments	-	-	327,198	327,198
Restricted cash and investments	-	139,336	-	139,336
<b>Total Assets</b>	<u>\$ 10,273</u>	<u>\$ 139,336</u>	<u>\$ 882,292</u>	<u>\$ 1,031,901</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 576	\$ 7,796	\$ 11,117	\$ 19,489
Accrued salary and wages	-	-	207	207
<b>Total Liabilities</b>	<u>576</u>	<u>7,796</u>	<u>11,324</u>	<u>19,696</u>
<b>FUND BALANCES</b>				
Fund balances:				
Restricted for:				
Public safety (Fire Division)	-	131,540	-	131,540
Committed for:				
Parks, recreation and tourism	9,697	-	-	9,697
Special projects	-	-	870,968	870,968
<b>Total Fund Balances</b>	<u>9,697</u>	<u>131,540</u>	<u>870,968</u>	<u>1,012,205</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 10,273</u>	<u>\$ 139,336</u>	<u>\$ 882,292</u>	<u>\$ 1,031,901</u>

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

YEAR ENDED DECEMBER 31, 2018

	<b>Capital Projects Funds</b>	<b>Special Revenue Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>			
Ad valorem property taxes	\$ 751,052	\$ -	\$ 751,052
Local hospitality and accommodations taxes	-	1,718,195	1,718,195
Intergovernmental	587,627	60,934	648,561
Interest earnings	57,714	12,103	69,817
Miscellaneous	8,289	3,280	11,569
Total Revenues	<u>1,404,682</u>	<u>1,794,512</u>	<u>3,199,194</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	889	-	889
Public safety	-	53,186	53,186
Public works	2,415	-	2,415
Recreation and parks	-	370,166	370,166
Capital outlay	1,042,242	211,525	1,253,767
Total Expenditures	<u>1,045,546</u>	<u>634,877</u>	<u>1,680,423</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	17,655	-	17,655
Transfers out	(1,286,287)	(1,612,230)	(2,898,517)
Total Other Financing Sources (Uses)	<u>(1,268,632)</u>	<u>(1,612,230)</u>	<u>(2,880,862)</u>
Net change in fund balance	(909,496)	(452,595)	(1,362,091)
Fund balance, beginning of year	3,922,627	1,464,800	5,387,427
Fund balance, end of year	<u>\$ 3,013,131</u>	<u>\$ 1,012,205</u>	<u>\$ 4,025,336</u>

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

*YEAR ENDED DECEMBER 31, 2018*

	<b>Sales Tax Fund</b>	<b>Sales Tax II Fund</b>	<b>Street Improvements Fund</b>	<b>Tax Increment Fund</b>	<b>Transportation Improvement Fund</b>	<b>Totals</b>
<b>Revenues:</b>						
Ad valorem property taxes	\$ -	\$ -	\$ -	\$ 751,052	\$ -	\$ 751,052
Intergovernmental	-	321,408	266,219	-	-	587,627
Interest earnings	2,150	24,946	10,240	3,728	16,650	57,714
Miscellaneous	-	-	8,289	-	-	8,289
<b>Total Revenues</b>	<b>2,150</b>	<b>346,354</b>	<b>284,748</b>	<b>754,780</b>	<b>16,650</b>	<b>1,404,682</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	-	-	-	889	-	889
Public works	-	-	2,415	-	-	2,415
Capital outlay	-	760,582	281,660	-	-	1,042,242
<b>Total Expenditures</b>	<b>-</b>	<b>760,582</b>	<b>284,075</b>	<b>889</b>	<b>-</b>	<b>1,045,546</b>
<b>Other Financing Sources (Uses):</b>						
Transfers in	-	17,655	-	-	-	17,655
Transfers out	-	-	-	(1,286,287)	-	(1,286,287)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>17,655</b>	<b>-</b>	<b>(1,286,287)</b>	<b>-</b>	<b>(1,268,632)</b>
Net change in fund balance	2,150	(396,573)	673	(532,396)	16,650	(909,496)
Fund balance, beginning of year	106,077	1,745,265	711,306	570,220	789,759	3,922,627
<b>Fund balance, end of year</b>	<b>\$ 108,227</b>	<b>\$ 1,348,692</b>	<b>\$ 711,979</b>	<b>\$ 37,824</b>	<b>\$ 806,409</b>	<b>\$ 3,013,131</b>

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

*YEAR ENDED DECEMBER 31, 2018*

	Recreation Fund	Fireman's Fund	Riverfront/ Central Core Redevelopment Fund	Totals
<b>Revenues:</b>				
Local hospitality and accommodations taxes	\$ -	\$ -	\$ 1,718,195	\$ 1,718,195
Intergovernmental	-	60,934	-	60,934
Interest earnings	37	382	11,684	12,103
Miscellaneous	3,280	-	-	3,280
<b>Total Revenues</b>	<b>3,317</b>	<b>61,316</b>	<b>1,729,879</b>	<b>1,794,512</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	-	53,186	-	53,186
Recreation and parks	-	-	370,166	370,166
Capital outlay	12,000	-	199,525	211,525
<b>Total Expenditures</b>	<b>12,000</b>	<b>53,186</b>	<b>569,691</b>	<b>634,877</b>
<b>Other Financing Uses:</b>				
Transfers out	-	-	(1,612,230)	(1,612,230)
<b>Total Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>(1,612,230)</b>	<b>(1,612,230)</b>
Net change in fund balance	(8,683)	8,130	(452,042)	(452,595)
Fund balance, beginning of year	18,380	123,410	1,323,010	1,464,800
<b>Fund balance, end of year</b>	<b>\$ 9,697</b>	<b>\$ 131,540</b>	<b>\$ 870,968</b>	<b>\$ 1,012,205</b>

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

YEAR ENDED DECEMBER 31, 2018

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>Operating Revenues:</b>			
Water sales	\$ 3,266,751	\$ 3,231,940	\$ (34,811)
Sewer sales	6,037,593	6,243,287	205,694
Water tap fees	95,671	92,334	(3,337)
Sewer tap fees	108,721	165,448	56,727
Fire protection fees	11,741	13,918	2,177
Other	440,004	505,843	65,839
Total Operating Revenues	<u>9,960,481</u>	<u>10,252,770</u>	<u>292,289</u>
<b>Operating Expenses:</b>			
Utilities Finance	544,145	544,637	492
Utilities Administration	997,993	880,907	(117,086)
Water Operations and Maintenance	1,025,152	814,431	(210,721)
Water Production and Treatment	1,539,554	1,478,577	(60,977)
Wastewater Operations and Maintenance	3,853,413	3,495,993	(357,420)
Depreciation and amortization	-	1,234,447	1,234,447
Total Operating Expenses	<u>7,960,257</u>	<u>8,448,992</u>	<u>488,735</u>
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	-	13,480	13,480
Interest earnings	17,000	204,588	187,588
Interest expense and fiscal charges	-	(447,543)	(447,543)
Gain on sale of capital assets	-	10,230	10,230
Total Nonoperating Revenues (Expenses):	<u>17,000</u>	<u>(219,245)</u>	<u>(236,245)</u>
Income before contributions and operating transfers	2,017,224	1,584,533	(432,691)
Capital contributions	-	178,713	178,713
Transfers out	(1,913,767)	(478,767)	1,435,000
Change in net position	<u>\$ 103,457</u>	<u>\$ 1,284,479</u>	<u>\$ 1,181,022</u>

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

YEAR ENDED DECEMBER 31, 2018

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
Utilities Finance:			
Personal services:			
Salaries and wages	\$ 213,347	\$ 193,284	\$ (20,063)
FICA	16,321	14,118	(2,203)
Employee retirement	29,997	44,826	14,829
Employee insurance	37,500	37,678	178
Workers' compensation	4,000	2,539	(1,461)
Operating expenses:			
General supplies/postage	84,000	76,165	(7,835)
Dues/training/travel	3,805	2,054	(1,751)
Data processing	70,300	93,400	23,100
Contracts and repairs	26,300	27,071	771
Professional services	22,225	17,320	(4,905)
Special department supplies	500	372	(128)
Insurance	4,850	4,810	(40)
Bad debts	31,000	31,000	-
Total Utilities Finance	<u>544,145</u>	<u>544,637</u>	<u>492</u>
Utilities Administration:			
Personal services:			
Salaries and wages	528,345	513,222	(15,123)
Overtime pay	7,280	9,736	2,456
FICA	41,080	37,765	(3,315)
Employee retirement	77,616	121,632	44,016
Employee insurance	72,090	71,310	(780)
Workers' compensation	16,200	10,282	(5,918)
Operating expenses:			
General supplies/postage	4,975	1,772	(3,203)
Dues/training/travel	6,305	6,451	146
Auto operating	11,688	14,190	2,502
Utility services	13,498	12,430	(1,068)
Contracts and repairs	82,588	40,333	(42,255)
Building material	400	303	(97)
Uniforms and clothing	2,303	2,191	(112)
Professional services	37,895	5,252	(32,643)
Data processing	34,600	27,678	(6,922)
Special department supplies	41,290	4,327	(36,963)
Lease purchase	17,790	-	(17,790)
Insurance	2,050	2,033	(17)
Total Utilities Administration	<u>997,993</u>	<u>880,907</u>	<u>(117,086)</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2018

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
<b>Water Operations and Maintenance:</b>			
Personal services:			
Salaries and wages	352,316	349,573	(2,743)
Overtime pay	13,519	16,416	2,897
FICA	27,986	26,405	(1,581)
Employee retirement	51,436	82,841	31,405
Employee insurance	60,000	60,947	947
Workers' compensation	11,250	7,269	(3,981)
Operating expenses:			
Dues/training	1,960	2,291	331
Auto operating	32,930	28,111	(4,819)
Contracts and repairs	19,994	13,415	(6,579)
Building material	11,650	6,258	(5,392)
Uniforms and clothing	4,115	3,783	(332)
Advertising	2,100	421	(1,679)
Special department supplies	103,795	86,173	(17,622)
Insurance	3,900	3,868	(32)
Line upgrades	225,440	126,660	(98,780)
Leases	75,561	-	(75,561)
Small equipment	27,200	-	(27,200)
Total Water Operations and Maintenance	1,025,152	814,431	(210,721)
<b>Water Production and Treatment:</b>			
Personal services:			
Salaries and wages	445,848	453,374	7,526
Overtime pay	28,492	29,952	1,460
FICA	36,287	34,392	(1,895)
Employee retirement	66,692	112,705	46,013
Employee insurance	60,000	60,285	285
Workers' compensation	15,450	9,806	(5,644)
Operating expenses:			
General supplies	3,500	1,569	(1,931)
Dues/training	5,425	5,649	224
Auto operating	5,983	2,963	(3,020)
Utility services	437,521	402,717	(34,804)
Contracts and repairs	126,461	80,526	(45,935)
Building material	1,850	1,726	(124)

(continued)

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

YEAR ENDED DECEMBER 31, 2018

	<b>2018</b>		
	<b>Original</b>		<b>Over</b>
	<b>and Final</b>		<b>(Under)</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
Water Production and Treatment (continued):			
Operating expenses (continued):			
Uniforms and clothing	3,320	3,053	(267)
Professional services	105,086	98,013	(7,073)
ACPSA treatment charges	4,500	1,930	(2,570)
Special department supplies	166,854	167,519	665
Insurance	12,500	12,398	(102)
Leases	3,585	-	(3,585)
Small equipment	10,200	-	(10,200)
Total Water Production and Treatment	<u>1,539,554</u>	<u>1,478,577</u>	<u>(60,977)</u>
Wastewater Operations and Maintenance:			
Personal services:			
Salaries and wages	454,136	427,537	(26,599)
Overtime pay	18,443	13,306	(5,137)
FICA	36,152	31,365	(4,787)
Employee retirement	66,445	99,454	33,009
Employee insurance	75,000	76,019	1,019
Workers' compensation	14,325	12,953	(1,372)
Operating expenses:			
Dues/training	900	1,000	100
Auto operating	28,580	36,840	8,260
Utility services	68,102	65,282	(2,820)
Contracts and repairs	70,718	63,518	(7,200)
Building material	13,230	12,381	(849)
Uniforms and clothing	4,470	4,495	25
Professional services	-	229	229
ACPSA treatment charges	2,874,402	2,587,018	(287,384)
Special department supplies	17,372	21,012	3,640
Insurance	41,525	43,584	2,059
Leases	52,350	-	(52,350)
Small equipment	17,263	-	(17,263)
Total Wastewater Operations and Maintenance	<u>3,853,413</u>	<u>3,495,993</u>	<u>(357,420)</u>
Depreciation and amortization	<u>-</u>	<u>1,234,447</u>	<u>1,234,447</u>
Total Operating Expenses	<u>\$ 7,960,257</u>	<u>\$ 8,448,992</u>	<u>\$ 488,735</u>



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

*YEAR ENDED DECEMBER 31, 2018*

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>Operating Revenues:</b>			
Sanitation service fees	\$ 3,279,300	\$ 3,331,802	\$ 52,502
Recycling fees	770,600	822,723	52,123
Sale of recyclables	348,000	201,163	(146,837)
Other	69,258	261,677	192,419
Total Operating Revenues	<u>4,467,158</u>	<u>4,617,365</u>	<u>150,207</u>
<b>Operating Expenses:</b>			
Sanitation operations	2,632,437	2,504,066	(128,371)
Material recovery facility	1,681,237	1,483,340	(197,897)
Depreciation	-	623,319	623,319
Total Operating Expenses	<u>4,313,674</u>	<u>4,610,725</u>	<u>297,051</u>
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	49,000	67,156	18,156
Interest income	12,000	43,012	31,012
Interest earnings	-	(14,211)	(14,211)
Gain on disposal of assets	-	44,950	44,950
Total Nonoperating Revenues	<u>61,000</u>	<u>140,907</u>	<u>79,907</u>
Income before transfers	214,484	147,547	(66,937)
Transfers out	<u>(214,484)</u>	<u>(214,484)</u>	<u>-</u>
Change in net position	<u>\$ -</u>	<u>\$ (66,937)</u>	<u>\$ (66,937)</u>

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

YEAR ENDED DECEMBER 31, 2018

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
Sanitation Operations:			
Personal services:			
Salaries and wages	\$ 1,180,479	\$ 1,102,697	\$ (77,782)
Overtime pay	13,621	20,232	6,611
FICA	91,449	81,979	(9,470)
Employee retirement	169,347	254,322	84,975
Employee insurance	203,304	204,052	748
Workers' compensation	33,700	48,855	15,155
Operating expenses:			
General supplies	2,038	1,488	(550)
Dues/training	3,342	3,026	(316)
Auto operating	334,171	381,775	47,604
Utility services	21,680	32,530	10,850
Data processing	10,600	14,314	3,714
Contracts and repairs	27,325	42,450	15,125
Uniforms and clothing	10,460	8,754	(1,706)
Advertising	2,100	284	(1,816)
Professional services	12,350	10,723	(1,627)
Special department supplies	242,664	265,677	23,013
Judgments/settlements	-	1,500	1,500
Leases	244,157	-	(244,157)
Insurance	29,650	29,408	(242)
Total Sanitation Operations	<u>2,632,437</u>	<u>2,504,066</u>	<u>(128,371)</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2018

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
Material Recovery Facility:			
Personal services:			
Salaries and wages	383,080	358,450	(24,630)
Overtime pay	17,193	14,267	(2,926)
FICA	30,621	28,839	(1,782)
Employee retirement	56,278	84,930	28,652
Employee insurance	63,750	64,053	303
Workers' compensation	12,500	8,819	(3,681)
Operating expenses:			
General supplies	1,515	1,519	4
Dues/training	980	409	(571)
Auto operating	87,897	107,161	19,264
Utility services	17,147	18,825	1,678
Contracts and repairs	74,979	149,854	74,875
Building material	1,450	561	(889)
Recycling expenses	45,493	19,968	(25,525)
Uniforms and clothing	4,067	4,067	-
Professional services	175,694	180,698	5,004
Special department supplies	401,787	419,595	17,808
Leases	101,006	-	(101,006)
Small equipment	184,300	-	(184,300)
Insurance	21,500	21,325	(175)
Total Material Recovery Facility	<u>1,681,237</u>	<u>1,483,340</u>	<u>(197,897)</u>
Depreciation	<u>-</u>	<u>623,319</u>	<u>623,319</u>
Total Operating Expenses	<u>\$ 4,313,674</u>	<u>\$ 4,610,725</u>	<u>\$ 297,051</u>

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

YEAR ENDED DECEMBER 31, 2018

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
Operating Revenues:			
Stormwater utility fees	\$ 770,000	\$ 782,958	\$ 12,958
Other	6,831	17,425	10,594
Total Operating Revenues	<u>776,831</u>	<u>800,383</u>	<u>23,552</u>
Operating Expenses:			
Stormwater operations	780,796	569,813	(210,983)
Depreciation	-	91,457	91,457
Total Operating Expenses	<u>780,796</u>	<u>661,270</u>	<u>(119,526)</u>
Nonoperating Revenues (Expenses):			
Interest earnings	3,965	16,481	12,516
Interest expense and fiscal charges	-	(717)	(717)
Total Nonoperating Revenues	<u>3,965</u>	<u>15,764</u>	<u>11,799</u>
Income before contributions	-	154,877	154,877
Contributions	-	368,798	368,798
Change in net position	<u>\$ -</u>	<u>\$ 523,675</u>	<u>\$ 523,675</u>

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

YEAR ENDED DECEMBER 31, 2018

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
Stormwater Operations:			
Personal services:			
Salaries and wages	\$ 341,939	\$ 346,617	\$ 4,678
Overtime pay	1,800	2,095	295
FICA	26,312	25,390	(922)
Employee retirement	48,330	73,155	24,825
Employee insurance	37,740	38,489	749
Workers' compensation	8,550	5,427	(3,123)
Operating expenses:			
General supplies	1,400	860	(540)
Dues/training	4,425	1,820	(2,605)
Auto operating	7,900	4,963	(2,937)
Data processing	29,300	31,741	2,441
Contracts and repairs	7,340	2,618	(4,722)
Uniforms and clothing	2,000	1,774	(226)
Advertising	3,000	2,812	(188)
Professional services	23,426	20,868	(2,558)
Special department supplies	7,191	4,365	(2,826)
Insurance	6,875	6,819	(56)
Leases	10,010	-	(10,010)
Drainage projects	213,258	-	(213,258)
Total Stormwater Operations	<u>780,796</u>	<u>569,813</u>	<u>(210,983)</u>
Depreciation	-	91,457	91,457
Total Operating Expenses	<u>\$ 780,796</u>	<u>\$ 661,270</u>	<u>\$ (119,526)</u>

**SCHEDULE REQUIRED BY STATE LAW**

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

*YEAR ENDED DECEMBER 31, 2018*

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Court Fines & Assessments:	
Court fines collected	\$ 808,339
Court fines retained by City	<u>385,504</u>
Court fines remitted to State Treasurer	<u><u>\$ 422,835</u></u>
Court Surcharges and Assessments:	
Court surcharges collected and retained	\$ 6,085
Assessments retained by City	<u>35,013</u>
Court surcharges and assessments retained for Victim Services	<u><u>\$ 41,098</u></u>
Victim Services:	
Court assessments allocated to Victim Services	\$ 35,013
Court surcharges allocated to Victim Services	<u>6,085</u>
Funds allocated to Victim Services	41,098
Victim Services Expenditures	<u>37,492</u>
Funds Allocated to Victim Services in Excess of Victim Services Expenditures	3,606
Funds available for carryforward - beginning of year	<u>107,443</u>
Funds available for carryforward - end of year	<u><u>\$ 111,049</u></u>

## COMPLIANCE SECTION



**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, 2018, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated June 14, 2019.

**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 cursive script.

Augusta, Georgia  
June 14, 2019

North  
Augusta

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*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.*

<b>CONTENTS</b>	<b>PAGE</b>
<b>FINANCIAL TRENDS</b> <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
<b>REVENUE CAPACITY</b> <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
<b>DEBT CAPACITY</b> <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
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b> <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
<b>OPERATING INFORMATION</b> <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

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*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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Governmental activities</b>					
Net investment in capital assets	\$ 43,873,602	\$ 44,780,462	\$ 48,387,572	\$ 51,180,628	\$ 53,791,597
Restricted	9,771	5,461	9,158,402	7,210,998	7,810,702
Unrestricted	<u>12,594,803</u>	<u>15,028,645</u>	<u>6,382,049</u>	<u>7,342,802</u>	<u>5,466,773</u>
Total governmental activities net position	<u>\$ 56,478,176</u>	<u>\$ 59,814,568</u>	<u>\$ 63,928,023</u>	<u>\$ 65,734,428</u>	<u>\$ 67,069,072</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 40,738,413	\$ 41,186,486	\$ 44,889,398	\$ 46,022,914	\$ 47,734,609
Restricted	9,329,287	10,537,438	9,422,871	10,116,845	10,104,431
Unrestricted	<u>9,289,594</u>	<u>9,417,349</u>	<u>8,342,254</u>	<u>8,233,390</u>	<u>7,777,449</u>
Total business-type activities net position	<u>\$ 59,357,294</u>	<u>\$ 61,141,273</u>	<u>\$ 62,654,523</u>	<u>\$ 64,373,149</u>	<u>\$ 65,616,489</u>
<b>Primary Government</b>					
Net investment in capital assets	\$ 84,612,015	\$ 85,966,948	\$ 93,276,970	\$ 97,203,542	\$ 101,526,206
Restricted	9,339,058	10,542,899	18,581,273	17,327,843	17,915,133
Unrestricted	<u>21,884,397</u>	<u>24,445,994</u>	<u>14,724,303</u>	<u>15,576,192</u>	<u>13,244,222</u>
Total primary government net position	<u>\$ 115,835,470</u>	<u>\$ 120,955,841</u>	<u>\$ 126,582,546</u>	<u>\$ 130,107,577</u>	<u>\$ 132,685,561</u>

	Year Ending December 31				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Governmental activities</b>					
Net investment in capital assets	\$ 57,779,457	\$ 59,649,524	\$ 60,261,553	\$ 46,115,747	\$ 65,640,358
Restricted	7,536,710	6,964,338	7,616,189	23,744,254	6,574,221
Unrestricted	<u>4,267,933</u>	<u>(6,848,500)</u>	<u>(5,705,943)</u>	<u>(5,641,833)</u>	<u>(7,354,106)</u>
Total governmental activities net position	<u>\$ 69,584,100</u>	<u>\$ 59,765,362</u>	<u>\$ 62,171,799</u>	<u>\$ 64,218,168</u>	<u>\$ 64,860,473</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 51,802,542	\$ 53,610,839	\$ 53,203,765	\$ 55,927,179	\$ 58,580,045
Restricted	9,883,717	10,248,230	11,374,284	9,618,737	7,977,008
Unrestricted	<u>6,767,765</u>	<u>(1,175,007)</u>	<u>(387,763)</u>	<u>492,016</u>	<u>1,215,467</u>
Total business-type activities net position	<u>\$ 68,454,024</u>	<u>\$ 62,684,062</u>	<u>\$ 64,190,286</u>	<u>\$ 66,037,932</u>	<u>\$ 67,772,520</u>
<b>Primary Government</b>					
Net investment in capital assets	\$ 109,581,999	\$ 113,260,363	\$ 113,465,318	\$ 102,042,926	\$ 124,220,403
Restricted	17,420,427	17,212,568	18,990,473	33,362,991	14,551,229
Unrestricted	<u>11,035,698</u>	<u>(8,023,507)</u>	<u>(6,093,706)</u>	<u>(5,149,817)</u>	<u>(6,138,639)</u>
Total primary government net position	<u>\$ 138,038,124</u>	<u>\$ 122,449,424</u>	<u>\$ 126,362,085</u>	<u>\$ 130,256,100</u>	<u>\$ 132,632,993</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				
	2009	2010	2011	2012	2013
<b>Expenses</b>					
Governmental activities:					
General government	\$ 3,646,500	\$ 3,798,574	\$ 3,416,002	\$ 3,574,637	\$ 3,893,288
Public safety	5,414,709	5,898,849	6,546,364	6,975,047	6,615,699
Public works	1,883,507	1,796,722	2,796,708	2,980,032	2,609,477
Recreation and parks	3,623,796	3,994,496	3,792,045	4,053,013	4,212,673
Debt service - interest and fees	476,037	380,060	358,055	340,610	313,866
Loss on debt defeasance	-	-	-	-	277,682
Total governmental activities expenses	<u>\$ 15,044,549</u>	<u>\$ 15,868,701</u>	<u>\$ 16,909,174</u>	<u>\$ 17,923,339</u>	<u>\$ 17,922,685</u>
Business-type activities:					
Water and wastewater	\$ 6,782,763	\$ 6,994,927	\$ 7,220,770	\$ 6,958,202	\$ 7,491,321
Sanitation	3,012,364	3,054,296	3,168,553	3,160,647	3,376,614
Stormwater utility	529,291	519,481	542,919	568,984	826,121
Savannah Bluff Lock and Dam	6,062	23,275	22,000	24,000	24,000
Total business-type activities expenses	<u>\$ 10,330,480</u>	<u>\$ 10,591,979</u>	<u>\$ 10,954,242</u>	<u>\$ 10,711,833</u>	<u>\$ 11,718,056</u>
Total primary government expenses	<u>\$ 25,375,029</u>	<u>\$ 26,460,680</u>	<u>\$ 27,863,416</u>	<u>\$ 28,635,172</u>	<u>\$ 29,640,741</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 4,344,903	\$ 4,386,190	\$ 4,605,180	\$ 4,711,699	\$ 4,892,172
Public safety	945,905	1,082,900	1,177,117	1,092,699	1,055,155
Public Works	41,692	42,894	40,512	46,970	60,381
Recreation and parks	921,644	1,110,505	1,060,317	1,019,548	1,058,841
Operating grants and contributions	748,276	850,731	1,334,520	801,328	811,914
Capital grants and contributions	1,813,172	489,270	1,569,830	1,619,796	1,357,083
Total governmental activities program revenues	<u>\$ 8,815,592</u>	<u>\$ 7,962,490</u>	<u>\$ 9,787,476</u>	<u>\$ 9,292,040</u>	<u>\$ 9,235,546</u>
Business-type activities:					
Charges for services:					
Water and wastewater	\$ 7,714,553	\$ 8,148,497	\$ 8,450,349	\$ 8,388,987	\$ 8,564,524
Sanitation	3,182,076	3,384,930	3,400,975	3,388,623	3,647,518
Stormwater utility	554,394	563,305	572,288	573,660	575,233
Capital grants and contributions	955,928	511,472	245,500	206,463	220,936
Total business-type activities program revenues	<u>\$ 12,406,951</u>	<u>\$ 12,608,204</u>	<u>\$ 12,669,112</u>	<u>\$ 12,557,733</u>	<u>\$ 13,008,211</u>
Total primary government program revenues	<u>\$ 21,222,543</u>	<u>\$ 20,570,694</u>	<u>\$ 22,456,588</u>	<u>\$ 21,849,773</u>	<u>\$ 22,243,757</u>
Net (expense) / revenue					
Governmental activities	\$ (6,228,957)	\$ (7,906,211)	\$ (7,121,698)	\$ (8,631,299)	\$ (8,687,139)
Business-type activities	2,076,471	2,016,225	1,714,870	1,845,900	1,290,155
Total primary government net expense	<u>\$ (4,152,486)</u>	<u>\$ (5,889,986)</u>	<u>\$ (5,406,828)</u>	<u>\$ (6,785,399)</u>	<u>\$ (7,396,984)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Ad valorem property taxes	\$ 5,994,545	\$ 6,142,064	\$ 6,294,172	\$ 6,780,783	\$ 6,858,860
Capital projects sales taxes	3,331,626	3,354,214	3,474,959	1,861,677	1,180,511
Local hospitality and accommodations taxes	548,490	555,230	559,853	584,227	622,971
Interest on investments	92,616	54,755	33,350	77,894	70,768
Miscellaneous	106,871	577,187	336,245	590,882	631,662
Transfers	537,959	559,153	536,574	542,241	657,011
Total governmental activities	<u>\$ 10,612,107</u>	<u>\$ 11,242,603</u>	<u>\$ 11,235,153</u>	<u>\$ 10,437,704</u>	<u>\$ 10,021,783</u>
Business-type activities:					
Interest on investments	\$ 95,157	\$ 63,562	\$ 42,216	\$ 56,203	\$ 48,450
Miscellaneous	427,190	263,345	292,738	358,764	561,746
Transfers	(537,959)	(559,153)	(536,574)	(542,241)	(657,011)
Total business-type activities	<u>\$ (15,612)</u>	<u>\$ (232,246)</u>	<u>\$ (201,620)</u>	<u>\$ (127,274)</u>	<u>\$ (46,815)</u>
Total primary government	<u>\$ 10,596,495</u>	<u>\$ 11,010,357</u>	<u>\$ 11,033,533</u>	<u>\$ 10,310,430</u>	<u>\$ 9,974,968</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 4,383,150	\$ 3,336,392	\$ 4,113,455	\$ 1,806,405	\$ 1,334,644
Business-type activities	2,060,859	1,783,979	1,513,250	1,718,626	1,243,340
Total primary government	<u>\$ 6,444,009</u>	<u>\$ 5,120,371</u>	<u>\$ 5,626,705</u>	<u>\$ 3,525,031</u>	<u>\$ 2,577,984</u>

(continued)



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

	Year Ending December 31				
	2014	2015	2016	2017	2018
<b>Expenses</b>					
Governmental activities:					
General government	\$ 4,181,576	\$ 4,573,665	\$ 4,519,094	\$ 7,474,923	\$ 8,855,053
Public safety	7,232,466	7,517,589	8,473,548	8,736,202	9,253,259
Public works	2,348,897	2,051,542	580,327	2,695,126	2,736,631
Recreation and parks	4,501,259	4,723,035	5,061,480	4,913,582	3,785,041
Debt service - interest and fees	163,147	168,583	155,047	338,132	1,568
Loss on debt defeasance	-	-	-	-	-
Total governmental activities expenses	<u>\$ 18,427,345</u>	<u>\$ 19,034,414</u>	<u>\$ 18,789,496</u>	<u>\$ 24,157,965</u>	<u>\$ 24,631,552</u>
Business-type activities:					
Water and sewer	\$ 7,420,051	\$ 8,081,456	\$ 7,745,232	\$ 8,359,555	\$ 8,896,535
Sanitation	3,958,515	4,316,548	4,594,016	4,536,142	4,624,936
Stormwater utility	507,555	494,179	541,495	638,634	661,987
Savannah Bluff Lock and Dam utility	24,000	24,000	24,000	24,000	23,999
Total business-type activities expenses	<u>\$ 11,910,121</u>	<u>\$ 12,916,183</u>	<u>\$ 12,904,743</u>	<u>\$ 13,558,331</u>	<u>\$ 14,207,457</u>
Total primary government expenses	<u>\$ 30,337,466</u>	<u>\$ 31,950,597</u>	<u>\$ 31,694,239</u>	<u>\$ 37,716,296</u>	<u>\$ 38,839,009</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 5,272,149	\$ 5,621,613	\$ 5,885,657	\$ 6,229,497	\$ 6,361,953
Public safety	1,109,022	1,195,544	1,060,102	1,041,202	892,138
Public Works	62,664	65,907	78,018	158,147	167,961
Recreation and parks	1,090,469	1,162,485	1,260,024	1,148,108	1,829,789
Operating grants and contributions	1,433,764	872,652	791,316	1,083,944	1,377,317
Capital grants and contributions	468,934	-	-	207,768	-
Total governmental activities program revenues	<u>\$ 9,437,002</u>	<u>\$ 8,918,201</u>	<u>\$ 9,075,117</u>	<u>\$ 9,868,666</u>	<u>\$ 10,629,158</u>
Business-type activities:					
Charges for services:					
Water and sewer	\$ 8,800,125	\$ 8,664,457	\$ 9,155,898	\$ 9,459,054	\$ 9,746,927
Sanitation	4,163,934	4,168,309	4,246,959	4,472,281	4,355,688
Stormwater utility	584,566	746,814	759,131	770,135	782,958
Operating grants and contributions	264,747	2,449	-	10,161	80,636
Capital grants and contributions	618,036	396,837	124,408	103,591	23,514
Total business-type activities program revenues	<u>\$ 14,431,408</u>	<u>\$ 13,978,866</u>	<u>\$ 14,286,396</u>	<u>\$ 14,815,222</u>	<u>\$ 14,989,723</u>
Total primary government program revenues	<u>\$ 23,868,410</u>	<u>\$ 22,897,067</u>	<u>\$ 23,361,513</u>	<u>\$ 24,683,888</u>	<u>\$ 25,618,881</u>
Net (expense) / revenue					
Governmental activities	\$ (8,990,343)	\$ (10,116,213)	\$ (9,714,379)	\$ (14,289,299)	\$ (14,002,394)
Business-type activities	2,521,287	1,062,683	1,381,653	1,256,891	782,266
Total primary government net expense	<u>\$ (6,469,056)</u>	<u>\$ (9,053,530)</u>	<u>\$ (8,332,726)</u>	<u>\$ (13,032,408)</u>	<u>\$ (13,220,128)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Ad valorem property taxes	\$ 6,993,684	\$ 6,874,139	\$ 7,162,650	\$ 8,146,680	\$ 8,143,925
Capital projects sales taxes	2,733,613	2,828,301	2,891,291	3,109,712	3,179,463
Local hospitality and accommodations taxes	661,531	713,903	764,056	790,749	1,718,195
Interest on investments	69,440	89,791	192,906	423,369	400,007
Gain(loss) on disposal of capital assets	-	(3,311)	-	-	9,441
Miscellaneous	696,936	886,062	568,970	3,659,328	1,024,414
Transfers	378,848	514,893	540,943	205,830	169,254
Total governmental activities	<u>\$ 11,534,052</u>	<u>\$ 11,903,778</u>	<u>\$ 12,120,816</u>	<u>\$ 16,335,668</u>	<u>\$ 14,644,699</u>
Business-type activities:					
Interest on investments	\$ 50,735	\$ 69,410	\$ 120,990	\$ 145,025	\$ 281,451
Gain(loss) on disposal of capital assets	-	46,107	(12,606)	78,747	55,180
Miscellaneous	644,361	584,902	557,130	572,813	784,945
Transfers	(378,848)	(514,893)	(540,943)	(205,830)	(169,254)
Total business-type activities	<u>\$ 316,248</u>	<u>\$ 185,526</u>	<u>\$ 124,571</u>	<u>\$ 590,755</u>	<u>\$ 952,322</u>
Total primary government	<u>\$ 11,850,300</u>	<u>\$ 12,089,304</u>	<u>\$ 12,245,387</u>	<u>\$ 16,926,423</u>	<u>\$ 15,597,021</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 2,543,709	\$ 1,787,565	\$ 2,406,437	\$ 2,046,369	\$ 642,305
Business-type activities	2,837,535	1,248,209	1,506,224	1,847,646	1,734,588
Total primary government	<u>\$ 5,381,244</u>	<u>\$ 3,035,774</u>	<u>\$ 3,912,661</u>	<u>\$ 3,894,015</u>	<u>\$ 2,376,893</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund					
Reserved	\$ 10,947	\$ 6,780	\$ -	\$ -	\$ -
Unreserved	595,511	522,008	-	-	-
Nonspendable *	-	-	1,723	1,220	1,630
Restricted *	-	-	2,600	3,140	32,841
Committed *	-	-	695,829	1,143,666	966,050
Total General Fund	<u>\$ 606,458</u>	<u>\$ 528,788</u>	<u>\$ 700,152</u>	<u>\$ 1,148,026</u>	<u>\$ 1,000,521</u>
All Other Governmental Funds					
Reserved	\$ 7,187	\$ -	\$ -	\$ -	\$ -
Unreserved	12,509,474	15,060,268	-	-	-
Restricted *	-	-	8,599,562	6,725,864	7,065,591
Committed *	-	-	2,053,852	1,197,249	1,534,983
Assigned *	-	-	4,728,272	6,031,460	4,234,929
Total all other governmental funds	<u>\$ 12,516,661</u>	<u>\$ 15,060,268</u>	<u>\$ 15,381,686</u>	<u>\$ 13,954,573</u>	<u>\$ 12,835,503</u>

	Year Ending December 31				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund					
Nonspendable *	\$ 1,774	\$ -	\$ -	\$ -	\$ -
Restricted *	60,140	88,746	103,644	107,443	111,049
Committed *	1,073,650	796,106	1,484,194	1,121,426	937,499
Unassigned *	-	2,375,000	2,475,000	2,625,000	2,825,000
Total General Fund	<u>\$ 1,135,564</u>	<u>\$ 3,259,852</u>	<u>\$ 4,062,838</u>	<u>\$ 3,853,869</u>	<u>\$ 3,873,548</u>
All Other Governmental Funds					
Restricted *	6,746,666	5,790,157	7,512,545	23,636,811	10,531,546
Committed *	2,114,554	2,184,346	2,950,803	3,731,713	2,669,258
Assigned *	2,489,051	1,261,269	428,854	367,043	344,403
Unassigned *	(188,988)	(69,258)	-	-	-
Total all other governmental funds	<u>\$ 11,161,283</u>	<u>\$ 9,166,514</u>	<u>\$ 10,892,202</u>	<u>\$ 27,735,567</u>	<u>\$ 13,545,207</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**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Year Ending December 31				
	2009	2010	2011	2012	2013
<b>Revenues</b>					
Ad valorem taxes	\$ 5,994,545	\$ 6,142,064	\$ 6,294,172	\$ 6,780,783	\$ 6,858,860
Sales taxes	3,331,626	3,354,214	3,474,959	1,861,677	1,180,511
Local hospitality and accommodations taxes	548,490	555,230	559,853	584,227	622,971
Licenses and permits	4,344,903	4,386,190	4,605,181	4,711,699	4,892,172
Fines and forfeitures	880,343	1,017,029	1,113,435	1,029,126	991,039
Charges for services	1,083,661	1,176,376	1,123,999	1,083,121	1,122,957
Intergovernmental	2,181,554	1,105,430	2,050,355	1,198,831	1,141,759
Miscellaneous/interest earnings	453,852	513,604	369,594	675,603	697,191
Contributions	-	-	62,497	310,352	1,000
Grant revenue	421,586	-	17,563	4,352	-
<b>Total Revenues</b>	<b>\$ 19,240,560</b>	<b>\$ 18,250,137</b>	<b>\$ 19,671,608</b>	<b>\$ 18,239,771</b>	<b>\$ 17,508,460</b>
<b>Expenditures</b>					
General government	\$ 2,921,774	\$ 3,296,614	\$ 2,964,818	\$ 2,984,191	\$ 3,302,811
Public safety	5,091,162	5,547,594	6,092,949	6,502,974	6,058,506
Public works	1,078,396	1,182,030	1,117,385	1,176,290	1,157,668
Parks, recreation and tourism	2,818,409	2,947,681	2,966,513	3,154,330	3,141,942
Capital outlay	8,928,503	2,596,756	5,903,648	5,089,261	1,353,010
Debt service:					
Capital lease payments	945,126	883,675	974,915	1,024,075	4,117,682
Interest and fiscal charges	412,307	386,664	361,398	345,547	599,101
Intergovernmental	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 22,195,677</b>	<b>\$ 16,841,014</b>	<b>\$ 20,381,626</b>	<b>\$ 20,276,668</b>	<b>\$ 19,730,720</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ (2,955,117)</b>	<b>\$ 1,409,123</b>	<b>\$ (710,018)</b>	<b>\$ (2,036,897)</b>	<b>\$ (2,222,260)</b>
<b>Other financing sources (uses)</b>					
Proceeds on sale of capital assets	\$ -	\$ 293,749	\$ -	\$ -	\$ -
Inception of capital lease obligation	285,909	217,368	666,226	515,417	309,494
Lease issuance cost	-	-	-	-	-
Issuance of bonds	-	-	-	-	-
Transfers in	771,195	1,141,208	913,575	1,135,143	1,691,350
Transfers out	(257,821)	(595,511)	(377,001)	(592,902)	(1,045,159)
<b>Total other financing sources (uses)</b>	<b>\$ 799,283</b>	<b>\$ 1,056,814</b>	<b>\$ 1,202,800</b>	<b>\$ 1,057,658</b>	<b>\$ 955,685</b>
<b>Net change in fund balance</b>	<b>\$ (2,155,834)</b>	<b>\$ 2,465,937</b>	<b>\$ 492,782</b>	<b>\$ (979,239)</b>	<b>\$ (1,266,575)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	9.77%	8.90%	8.72%	8.42%	24.83%

	Year Ending December 31				
	2014	2015	2016	2017	2018
<b>Revenues</b>					
Ad valorem taxes	\$ 6,993,526	\$ 6,871,821	\$ 7,163,429	\$ 7,446,013	\$ 8,018,222
Sales taxes	2,733,613	2,828,301	2,891,291	3,109,712	3,179,463
Local hospitality and accommodations taxes	661,531	713,903	764,056	790,749	1,718,195
Licenses and permits	5,272,149	5,621,613	5,885,657	6,229,497	6,361,953
Fines and forfeitures	1,044,648	1,138,891	996,799	978,626	834,200
Charges for services	1,154,843	1,285,045	1,401,345	1,291,321	1,974,016
Intergovernmental	1,187,485	872,652	791,316	4,179,592	1,899,080
Miscellaneous/interest earnings	747,304	977,123	781,035	1,000,276	1,068,804
Contributions	368,500	-	-	-	-
Grant revenue	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 20,163,599</b>	<b>\$ 20,309,349</b>	<b>\$ 20,674,928</b>	<b>\$ 25,025,786</b>	<b>\$ 25,053,933</b>
<b>Expenditures</b>					
General government	\$ 3,704,832	\$ 4,028,393	\$ 3,712,733	\$ 3,406,445	\$ 4,759,360
Public safety	6,630,196	7,833,279	7,990,705	7,921,809	8,379,644
Public works	1,344,015	1,487,619	1,394,286	1,515,323	1,594,271
Parks, recreation and tourism	3,391,470	3,647,665	4,022,934	4,085,589	3,043,122
Capital outlay	6,269,988	13,260,678	1,790,360	45,762,352	18,736,157
Debt service:					
Capital lease payments	747,764	897,952	929,907	3,991,122	619,864
Interest and fiscal charges	179,035	164,947	155,047	1,712,670	3,217,755
Principal Retirements	-	-	-	12,573,657	-
Bond Issuance Costs	-	-	-	1,495,554	-
<b>Total Expenditures</b>	<b>\$ 22,267,300</b>	<b>\$ 31,320,533</b>	<b>\$ 19,995,972</b>	<b>\$ 82,464,521</b>	<b>\$ 40,350,173</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ (2,103,701)</b>	<b>\$ (11,011,184)</b>	<b>\$ 678,956</b>	<b>\$ (57,438,735)</b>	<b>\$ (15,296,240)</b>
<b>Other financing sources (uses)</b>					
Proceeds on sale of capital assets	\$ 26,191	\$ -	\$ -	\$ -	\$ -
Inception of capital lease obligation	312,249	887,594	880,655	473,983	432,308
Issuance of bonds	-	9,738,217	428,120	71,882,320 (a)	-
Insurance proceeds	-	-	-	178,260	-
Transfers in	3,253,841	23,350,453	1,397,258	10,699,613	4,538,136
Transfers out	(2,874,993)	(22,835,560)	(856,315)	(9,161,045)	(3,844,885)
<b>Total other financing sources (uses)</b>	<b>\$ 717,288</b>	<b>\$ 11,140,704</b>	<b>\$ 1,849,718</b>	<b>\$ 74,073,131</b>	<b>\$ 1,125,559</b>
<b>Net change in fund balance</b>	<b>\$ (1,386,413)</b>	<b>\$ 129,520</b>	<b>\$ 2,528,674</b>	<b>\$ 16,634,396</b>	<b>\$ (14,170,681)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	5.77%	6.42%	7.03%	24.36%	9.80%

(a) 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.

**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	
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	(b) 2016	79,819,959	1,628,796,572	26,336,665	199,378,794	106,156,624	1,828,175,366	70.50
2018	2017	82,341,248	1,680,245,695	27,375,296	207,241,635	109,716,544	1,887,487,330	73.50

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	
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
2018	2017	73.50	-	73.50	64.60	3.90	68.50	137.30	28.70	166.00	308.00

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 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>2018</u>			<u>2009</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	\$ 3,467,500	1	3.16%	\$ 1,952,460	1	2.66%
Allnex Industries, Inc. (a)	Manufacturing	2,702,970	2	2.46%	1,907,140	2	2.60%
Wal-Mart, Inc.	Retail Shopping	2,421,283	3	2.21%	754,490	6	1.03%
SRP Federal Credit Union	Banking/Credit Union	1,181,710	4	1.08%			
SUSO 3 Augusta, LP	Real Estate	1,111,260	5	1.01%			
Halocarbon Chemicals, Inc.	Manufacturing	1,003,940	6	0.92%	913,840	5	1.25%
CVS SC Distribution, Inc.	Warehousing/Distribution	733,160	7	0.67%	724,480	7	0.99%
The Kroger Company	Grocery Store	644,160	8	0.59%			
Lowes Home Centers, Inc.	Retail Building Supplies	594,072	9	0.54%	447,520	10	0.61%
Trailer Train-Hamburg Industries	Manufacturing	555,950	10	0.51%			
Bell South Telecommunications	Communication				1,033,590	4	1.41%
North Augusta Plaza SC, LLC	Real Estate				1,036,660	3	1.41%
Cutwater Inc & Nomad Investments	Real Estate				468,430	9	0.64%
Breckenridge Villas	Apartments				528,190	8	0.72%
<b>TOTAL Taxable Assessed</b>		<b>\$ 14,416,005</b>		<b>13.15%</b>	<b>\$ 9,766,800</b>		<b>13.32%</b>

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 2018 (tax year 2017) 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
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%	33,018	5,774,998	99.85%
2011	2010	5,924,149	5,883,727	99.32%	29,224	5,912,951	99.81%
2012	(c) 2011	6,377,793	6,344,561	99.48%	11,953	6,356,514	99.67%
2013	2012	6,488,677	6,446,489	99.35%	21,397	6,467,886	99.68%
2014	2013	6,597,073	6,565,216	99.52%	12,362	6,577,578	99.70%
2015	2014	6,804,705	6,762,260	99.38%	18,741	6,781,001	99.65%
2016	2015	7,026,901	6,992,988	99.52%	7,676	7,000,664	99.63%
2017	(c) 2016	7,484,042	7,446,013	99.49%	5,716	7,451,729	99.57%
2018	2017	8,064,166	8,018,222	99.43%		8,018,222	99.43%

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
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
2018	6,007,529	1,355,936,169	2,420

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>
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
2018	8,775	777	9,552	2,950	158	3,108	12,660

<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>
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
2018	10,397	638	11,035	980	31	1,011	12,046

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>2018 Annual Consumption</u>		<u>2009 Annual Consumption</u>	
		<u>Rank</u>	<u>Water Usage</u>	<u>Rank</u>	<u>Water Usage</u>
City of North Augusta	Municipal Government	1	68,677,900	2	46,253,000
Halocarbon Chemicals, Inc.	Manufacturing	2	51,237,700	3	45,802,700
Allnex Industries, Inc.	Manufacturing	3	40,467,800	4	23,931,600 (a)
Aiken County Schools	School District	4	14,062,100	6	10,184,900
JARS at Breckenridge/Plaza Terrace	Apartments	5	12,815,100	5	12,176,100
Gentry's Mobile Home Park	Mobile Home Park	6	7,559,100	7	7,482,800
Pinecrest Apartments	Apartments	7	6,686,000		
The Housing Authority	Apartments	8	6,187,300	8	7,444,100
CIG Plaza Place LLC	Apartments	9	5,368,800	10	5,885,000 (b)
Lulu's Car Wash	Automated Car Wash	10	5,080,000		
Breezy Hill Water & Sewer Authority	Water District Provider			1	233,913,600
UniHealth Post Acute Care	Nursing Home Facility			9	6,365,300

**Wastewater Customers**

<u>Customer Name</u>	<u>Type of Business</u>	<u>2018 Annual Consumption</u>		<u>2009 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	733,957,000	1	503,191,000
City of North Augusta	Municipal Government	2	55,318,971	9	6,243,000
Halocarbon Chemicals, Inc.	Manufacturing	3	51,237,700	2	45,802,700
Allnex Industries, Inc.	Manufacturing	4	40,337,447	3	12,657,300 (a)
JARS at Breckenridge/Plaza Terrace	Apartments	5	13,247,867	4	10,229,100
Aiken County Schools	School District	6	10,840,350	5	8,566,000
Gentry's Mobile Home Park	Mobile Home Park	7	8,623,597		
National Healthcare	Nursing Home Facility	8	7,372,403		
The Housing Authority	Apartments	9	7,052,000	8	6,397,500
CIG Plaza Place LLC	Apartments	10	6,617,550	7	6,759,900 (b)
UniHealth Post Acute Care	Nursing Home Facility			6	8,546,700
The Groves Apartments, LLC	Apartments			10	5,568,200

Note: Consumption is measured in gallons

Source: City of North Augusta utility billing records

(a) Allnex formerly Cytec formerly Surface Specialties

(b) CIG Plaza Place LLC formerly Plaza Place Apartments, LLC

**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
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
2018	-	1,887,487,330	0.00%	23,444	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 2018 at this time.

**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			
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)
2018	-	69,475,000	-	1,174,089	19,877,539	862,405	-	91,389,033	23,444	3,898.18

(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**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2018**

<u>Jurisdiction</u>	<u>Debt Outstanding @ December 31, 2018</u>	<u>Percent Applicable to City of North Augusta</u>	<u>Amount Applicable to City of North Augusta</u>
<b>Direct Debt</b>			
City of North Augusta *	\$ 70,649,089	100.00%	\$ 70,649,089
<b>Overlapping Debt</b>			
County of Aiken	\$ 41,871,941	14.98%	\$ 6,272,417
Aiken County School District	<u>162,115,000</u>	<u>14.98%</u>	<u>24,284,827</u>
Sub-total - Overlapping Debt	<u>\$ 203,986,941</u>	<u>14.98%</u>	<u>\$ 30,557,244</u>
<b>Total</b>	<u><u>\$ 274,636,030</u></u>		<u><u>\$ 101,206,333</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**

	<b>Fiscal Year</b>				
	<u><b>2009</b></u>	<u><b>2010</b></u>	<u><b>2011</b></u>	<u><b>2012</b></u>	<u><b>2013</b></u>
Debt Limit	\$ 5,864,466	\$ 5,993,158	\$ 6,139,015	\$ 6,875,400	\$ 6,994,935
Total net debt applicable to limit	<u>4,239,853</u> *	<u>3,964,448</u>	<u>3,684,043</u> *	<u>3,393,638</u> *	<u>-</u>
Legal debt margin	<u>\$ 1,624,613</u>	<u>\$ 2,028,710</u>	<u>\$ 2,454,972</u>	<u>\$ 3,481,762</u>	<u>\$ 6,994,935</u>
Total net debt applicable to the limit as a percentage of debt limit	72.30%	66.15%	60.01%	49.36%	0.00%

	<b>Fiscal Year</b>				
	<u><b>2014</b></u>	<u><b>2015</b></u>	<u><b>2016</b></u>	<u><b>2017</b></u>	<u><b>2018</b></u>
Debt Limit	\$ 7,111,789	\$ 7,335,620	\$ 7,575,153	\$ 8,492,530	\$ 8,777,324
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 7,111,789</u>	<u>\$ 7,335,620</u>	<u>\$ 7,575,153</u>	<u>\$ 8,492,530</u>	<u>\$ 8,777,324</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	
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
2018	10,252,770	8,448,992	1,803,778	1,139,805	219,034	1,358,839	1.33

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>
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	167,458	6,535,813	39,030	4.8%
2017	168,179	6,837,409	40,656	4.1%

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 2018.

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 2011-2018 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	167,458
2017	23,275	168,179



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

Employer	Location	Service or Product	2018			2009		
			Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Savannah River Site - see detail below (1)	Out	Materials for Nuclear Defense	11,626	1	16.27%	11,439	1	16.22%
Aiken County Public Schools	In / Out	School District	3,350	2	4.69%	3,390	2	4.81%
Bridgestone Americas (2)	Out	Passenger/Light Truck Tires and Large/Ultra Large Tires	2,269	3	3.17%	930	5	1.32%
Kimberly-Clark Corp.	Out	Consumer Paper Products	1,200	4	1.68%	1,475	3	2.09%
Aiken Regional Medical Center	Out	Hospital	1,070	5	1.50%	991	4	1.41%
Aiken County Government	Out	County Government	975	6	1.36%	899	6	1.27%
Advanced Glassfiber Yarn	Out	Fiberglass Insulation and Circuit Boards	660	7	0.92%	775	7	1.10%
UPS Customhouse Brokerage	Out	International Customhouse Brokerage	610	8	0.85%	514	9	0.73%
University of South Carolina-Aiken	Out	Higher Education	606	9	0.85%			
Shaw Industries	Out	Fibers Manufacturing	600	10	0.84%	527	8	0.75%
Walmart-North Augusta	In	Retail	585	11	0.82%			
Crane Merchandising Systems	Out	Vending Machines	480	12	0.67%			
City of Aiken	Out	Municipal Government	404	13	0.57%	431	11	0.61%
ASCO Valve, Inc.	Out	Solenoid Valve Technology	400	14	0.56%	285	13	0.40%
Tri Development Center of Aiken	Out	Non-Profit Service Agency Supply Chain Management/Distribution Center for CVS	370	15	0.52%			
CVS Distribution Center	Out	Pharmacy locations	350	16	0.49%			
Hubbell Power Systems	Out	High Voltage Insulators and Arrestors	328	17	0.46%	340	12	0.48%
Autoneum North America, Inc.	Out	Thermal & Acoustical Management	300	18	0.42%			
MTU America Inc.	Out	Off Road Diesel Engines and Components	275	19	0.38%			
City of North Augusta	In	Municipal Government	243	20	0.34%	217	17	0.31%
Westinghouse Safety Management Solutions	Out	Engineering Consulting Firm				500	10	0.71%
The Calstar Group (b)	Out	Speciality Tires and Wheels				280	14	0.40%
BAE Systems	Out	Machine Parts - Track Vehicles				277	15	0.39%
Glaxo Smith Kline	Out	Proprietary Drugs				252	16	0.36%
PACTIV Corp.	Out	Plastic Food Service Plates				208	18	0.29%
Newman Technology SC, Inc	Out	Automotive/ATV Exhaust and Suspension				169	19	0.24%
R.E. Phelon, Inc.	Out	Aluminum Die Casting				141	20	0.20%

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	7,798	(2) Bridgestone America's Tire Operations, LLC	1,884
		Bridgestone America's Off Road Radial Tires	<u>385</u>
Shaw Areva Mox Services	2,026		<u>2,269</u>
Centerra	681		
Parsons	482		
Department of Energy	345		
US Forestry Service	109		
Savannah River Ecology Lab	68		
Other Subcontractors	<u>117</u>		
	<u>11,626</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	4,492	57.60%
Columbia County, Georgia	1,245	15.97%
Richmond County, Georgia	878	11.26%
Barnwell County, South Carolina	460	5.90%
Edgefield County, South Carolina	226	2.90%
Orangeburg County, South Carolina	138	1.77%
Bamberg County, South Carolina	88	1.13%
Lexington County, South Carolina	83	1.06%
Allendale County, South Carolina	36	0.46%
Other	<u>152</u>	<u>1.95%</u>
	<u>7,798</u>	<u>100.00%</u>

(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**

<u>Fund / Function / Department</u>	<u>Fiscal Year</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>	<u>2018</u>
<b><u>General Fund</u></b>										
<b>General Government</b>										
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	3.0	3.0	3.0	3.0	1.0	1.0	1.0
Information Technology	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5 (a)	1.5	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	4.5	4.5	4.5	5.5	5.5	4.0	4.0	4.0
Human Resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0 (b)	2.0	2.0
Building Standards	5.0	4.0	3.0	3.5	3.5	3.5	4.5	4.5	4.5	4.5
Planning and Development	5.0	4.0	3.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5
Property Maintenance	13.0	13.0	13.0	13.0	12.0	12.0	13.0	14.0	14.0	14.0
<b>Public Safety</b>	<b>72.0</b>	<b>72.0</b>	<b>76.5</b>	<b>76.5</b>	<b>77.0</b>	<b>79.0</b>	<b>84.0</b>	<b>88.0</b>	<b>90.0</b>	<b>90.0</b>
<b>Public Works</b>										
Engineering	2.5	2.5	1.5	1.5	1.5	1.5	1.5	2.5	2.5	2.5
Streets & Drains	9.0	9.0	9.0	9.0	9.0	9.5	10.0	10.0	10.0	10.0
<b>Parks, Recreation &amp; Tourism</b>										
Recreation	6.0	5.0	5.0	5.0	5.0	4.0	5.0	5.0	4.0	4.0
Parks	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0
Community Center	3.0	2.0	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	3.0	3.0	3.0
RVP Activities	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0
<b>Sub-total</b>	<b>134.5</b>	<b>130.5</b>	<b>131.5</b>	<b>132.0</b>	<b>132.5</b>	<b>135.0</b>	<b>143.5</b>	<b>152.5</b>	<b>155.0</b>	<b>155.0</b>
<b><u>Stormwater Fund</u></b>										
<b>Stormwater</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>5.5</b>	<b>5.5</b>	<b>5.0</b>	<b>4.5</b>	<b>5.5</b>	<b>5.0</b>	<b>5.0</b>
<b>Sub-total</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>5.5</b>	<b>5.5</b>	<b>5.0</b>	<b>4.5</b>	<b>5.5</b>	<b>5.0</b>	<b>5.0</b>
<b><u>Riverfront Central Core Dev. Fund</u></b>										
<b>Tourism</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0 (d)</b>	<b>1.0</b>
<b>Sub-total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>
<b><u>Sanitation Fund</u></b>										
<b>Public Works</b>										
Information Technology	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5 (c)	0.5	0.5
Sanitation	26.5	26.0	26.0	25.5	26.0	26.0	26.0	25.5	26.5	26.5
Material Recovery Center	7.5	7.5	7.5	7.5	7.5	8.5	8.5	8.5	8.5	8.5
<b>Sub-total</b>	<b>34.0</b>	<b>33.5</b>	<b>33.5</b>	<b>33.0</b>	<b>33.5</b>	<b>34.5</b>	<b>34.5</b>	<b>34.5</b>	<b>35.5</b>	<b>35.5</b>
<b><u>Water &amp; Wastewater Fund</u></b>										
<b>Public Utilities</b>										
Information Technology	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0 (a)	2.0	2.0
Utilities Finance	4.0	4.0	4.0	5.0	5.0	5.0	5.0	4.0	5.0	5.0
Utilities Administration	7.5	8.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Water Operations	9.0	9.0	8.0	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
<b>Sub-total</b>	<b>38.5</b>	<b>39.0</b>	<b>37.5</b>	<b>38.5</b>	<b>38.5</b>	<b>38.5</b>	<b>38.5</b>	<b>39.5</b>	<b>40.5</b>	<b>40.5</b>
<b>TOTAL</b>	<b>213.0</b>	<b>209.0</b>	<b>208.5</b>	<b>209.0</b>	<b>210.0</b>	<b>213.0</b>	<b>221.0</b>	<b>232.0</b>	<b>237.0</b>	<b>237.0</b>

(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>	Fiscal Year									
	<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>	<u>2018</u>
<b>General Government</b>										
Size of City (square miles)	20.676	20.723	20.769	20.778	20.989	21.019	21.150	21.172	21.177	21.180
Annexations approved by City Council	3	4	4	7	5	5	-	2	1	1
Building permits issued	684	815	627	604	622	660	648	668	689	703
Plumbing permits issued	283	349	341	291	340	310	373	381	296	358
Mechanical permits issued	333	467	323	345	391	433	417	520	455	494
Electrical permits issued	335	443	411	349	422	431	434	482	813	618
Business licenses issued	1,746	1,803	1,756	1,750	1,760	1,861	1,849	1,877	2,017	2,420
<b>Police</b>										
Total calls for service	46,956	50,349	50,356	42,632	41,058	38,973	40,567	37,929	37,322	38,112
Criminal arrests	2,405	2,024	1,800	1,841	1,377	1,360	1,766	1,572	1,338	885
Incident reports (police action required)	3,051	3,277	3,228	3,557	3,377	3,399	3,627	3,888	3,966	3,797
Accidental reports (collisions)	1,105	1,068	1,041	1,007	960	1,012	1,190	1,187	1,267	1,390
Traffic offenses (resulting in fine)	5,224	6,590	8,652	8,698	8,780	8,785	8,809	7,933	8,261	8,490
Drug offenses	145	260	231	136	203	157	177	210	372	214
Burglaries reported	385	408	333	218	117	108	97	132	93	94
<b>Fire</b>										
Actual fire calls - Inside City	276	192	150	105	130	145	114	105	83	377
Actual fire calls - Outside City	25	13	23	21	17	12	7	31	32	56
<b>Solid Waste</b>										
Garbage Refuse Collected (tons) - Residential	10,606	10,618	10,402	9,011	9,079	9,143	10,227	9,334	9,554	9,473
Garbage Refuse Collected (tons) - Commercial	6,494	6,049	6,625	6,874	4,992	5,037	4,723	5,502	6,082	5,647
Recyclables Collected (tons)	2,804	3,055	5,617	4,839	5,326	5,313	6,656	5,047	5,437	5,507
<b>Property Maintenance</b>										
Tree trimming hours	185	198	260	287	254	275	1,378	3,516	1,338	2,050
Mowing hours	12,200	12,800	13,250	12,970	12,960	12,976	10,944	12,892	14,036	10,368
Planting hours	5,400	5,500	5,600	5,760	5,565	4,628	1,726	1,388	1,145	1,504
<b>Streets and Drains</b>										
Pothole patching / asphalt tons	236	191	254	388	476	409	341	464	142	132
Curb, gutter & sidewalk repair / CY	152	199	324	290	285	378	472	292	400	294
Storm drain inlets cleaned	221	224	307	330	325	282	419	619	848	664
Street sweeping / miles	2,139	2,168	2,670	2,393	2,727	977	1,339	822	574	563
<b>Parks and Recreation</b>										
Baseball / Number of Players	747	786	784	788	735	789	779	687	592	576
Youth Softball / Number of Players	292	261	270	262	248	259	238	234	240	221
Spring Soccer / Number of Players	566	513	527	540	528	511	484	532	585	580
Fall Soccer / Number of Players	522	504	511	534	474	473	552	552	493	540
Youth Basketball / Number of Players	554	581	595	600	549	680	640	615	652	577
Youth Football / Number of Players	358	346	313	309	310	281	280	239	219	267
Youth Cheerleading / Number of Participants	128	153	165	115	118	96	113	117	182	164
Youth Volleyball / Number of Participants	86	89	91	61	105	83	94	73	86	82
<b>Water</b>										
New water services	52	103	101	43	33	77	77	184	130	128
Water lines installed / L.F.	13,221	3,766	4,662	2,857	5,609	2,068	2,599	913	780	1,094
Water line leaks repaired	15	17	12	24	29	34	23	27	16	19
Average daily water pumped	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	3,462,000
Daily peak demand (gallons per day)	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	5,977,000
Peak day	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	9/7/2018
<b>Wastewater</b>										
New sewer taps	83	140	122	97	117	135	158	212	154	197
Wastewater lines installed / L.F.	2,901	0	1,425	160	1,379	508	1,970	1,259	6,208	8,423
Wastewater lines repaired / L.F.	38	54	64	65	33	62	680	556	252	16
Wastewater lines cleaned / L.F.	39,468	67,029	57,810	87,648	73,232	93,859	70,610	57,320	34,516	49,432

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>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>	<u>2018</u>
<b>Public Safety</b>										
Number of Stations	2	2	2	2	2	2	3	3	3	3
Number of Public Safety Officers	52	55	55	55	55	58	61	62	64	65
Number of Volunteer Firemen	20	20	20	20	20	20	20	20	25	20
Insurance Rating (ISO)	Class 3	Class 3	Class 3	Class 3	Class 3	Class 3	Class 2	Class 2	Class 2	Class 2
Signalized Intersections	26	26	30	30	30	30	31	31	32	32
Number of Fire Hydrants										
Inside City	781	792	795	802	805	809	812	814	816	848
Outside City	149	149	149	149	149	149	149	149	149	149
<b>Public Works</b>										
Miles of Streets	137.05	137.77	138.81	140.09	140.85	141.37	141.91	143.77	144.2	144.9
Street Lights	1,740	1,750	1,763	1,789	1,789	1,800	1,817	1,841	1,859	1,980
<b>Parks, Recreation &amp; Tourism</b>										
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	14.0	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	9	9	9	9	9
Baseball / Softball Diamonds	9	9	10	10	10	10	10	10	10	10
Football / Lions Field	2	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	11	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
<b>Water</b>										
Miles of Water Mains	194.00	194.78	195.15	195.27	196.01	196.08	228.68	229.07	229.84	231.09
Maximum Pumping Capacity (gallons per day)	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	12,000,000 <sup>(a)</sup>	12,000,000	12,000,000	12,000,000	12,000,000
<b>Sewer</b>										
Miles of Wastewater Lines	226.63	227.46	227.72	228.03	228.54	228.57	229.20	229.57	230.74	232
<b>Stormwater</b>										
Miles of Storm Sewer	57.28	57.77	58.22	59.29	59.79	60.37	60.73	68.01	68.47	69.21

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, 2018**

**Water Rate in effect December 31, 2018**

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, 2018**

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	\$0.87	\$2.28	\$3.15	\$1.49	\$2.32	\$3.81
All Additional Usage	0.70	1.81	2.51	0.70	1.81	2.51

**Sanitation Service Charges in effect December 31, 2018**

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

Commercial (monthly)	Base Fee	Volume Charge (per cubic yard)	
	<u>In and Out City</u>	<u>Inside City</u>	<u>Outside City</u>
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, 2018**

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, 2018**

**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

**History of Sewer Rate Changes (past 10 years)**

- 1/1/2018      O & M Volume Rate increased by \$.25 per 1,000 gallons inside and outside city limits (PSA)
- 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)

**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%

**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