



CITY OF NORTH AUGUSTA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Year Ended December 31, 2019

CITY OF NORTH AUGUSTA

SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED

DECEMBER 31, 2019



Prepared by
Department of Finance

Cammie T. Hayes
Director of Finance

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

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INTRODUCTORY SECTION

June 30, 2020

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, 2019.

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, 2019, 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, 2019, 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. The City added a splash pad at Riverview Park during 2019 with the use of funds from the capital projects sales tax.

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, 2019

	<u>Present Allocation (MGD)</u>	<u>Present Use (MGD)</u>
City of North Augusta	8.672	4.76317
City of Aiken	7.134	5.16076
Aiken County	1.185	0.00000
Cytec Industries, Inc.	.900	0.05746
Bath	.070	0.03218
Breezy Hill	1.252	0.51733
Beech Island Water & Sewer	.060	0.00795
Clearwater	.050	0.04392
Langley	.060	0.03856
VPSA	.417	0.43858
PACTIV	.050	0.01017
Kimberly Clark	.150	0.04361
Uncommitted	<u>.000</u>	<u>0.00000</u>
 Total	 <u>20.000</u>	 <u>11.11369</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 26,721 for 2019.

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 2.9 percent for 2019. The 2019 rate is slightly higher than South Carolina's 2019 unemployment rate of 2.86 percent and less than the 2019 national rate of 3.7 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 \$56,811, Aiken County's is \$50,036, and the state's is \$51,015. Housing prices in the City continue to remain strong. Per the USCB, the median price of a single family home in the City is \$157,800.

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. We continue to see development plans and growth at both interstate access points leading into our city.

The City continues to make substantial progress in 2019 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 second season in the 4,500 seat SRP Park. In addition, 314 apartments, a hotel and conference center, as well as several restaurants have been completed at Riverside Village. In 2019, construction began on a parking deck that will be utilized by the stadium and upcoming office building. 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 that is scheduled to be complete in 2020. 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 included with Capital Projects Sales Tax IV.

The Local Hospitality and Accommodations taxes levied by the City during 1998 have continued as a positive revenue stream in 2019. During November 2018, Aiken County voters approved the fourth phase of a county-wide One-Cent Capital Projects Sales Tax. Current estimates reflect that the fourth phase sales tax will generate approximately \$30,700,000 for the City over seven years which will begin in 2020. These funds have been earmarked for a variety of projects as mentioned above.

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 12/31/2019 is \$330,905.

Awards and Acknowledgements

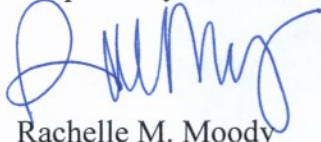
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Augusta for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2018. This was the thirty-seventh 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.

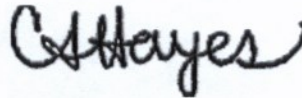
The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance and Administration Departments. We wish to thank all City employees who assisted and contributed the data necessary to prepare this report. Credit is also due to the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



Rachelle M. Moody
Interim City Administrator

Respectfully submitted,



Cammie T. Hayes
Director of Finance

North
Augusta

South Carolina's Riverfront





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of North Augusta
South Carolina**

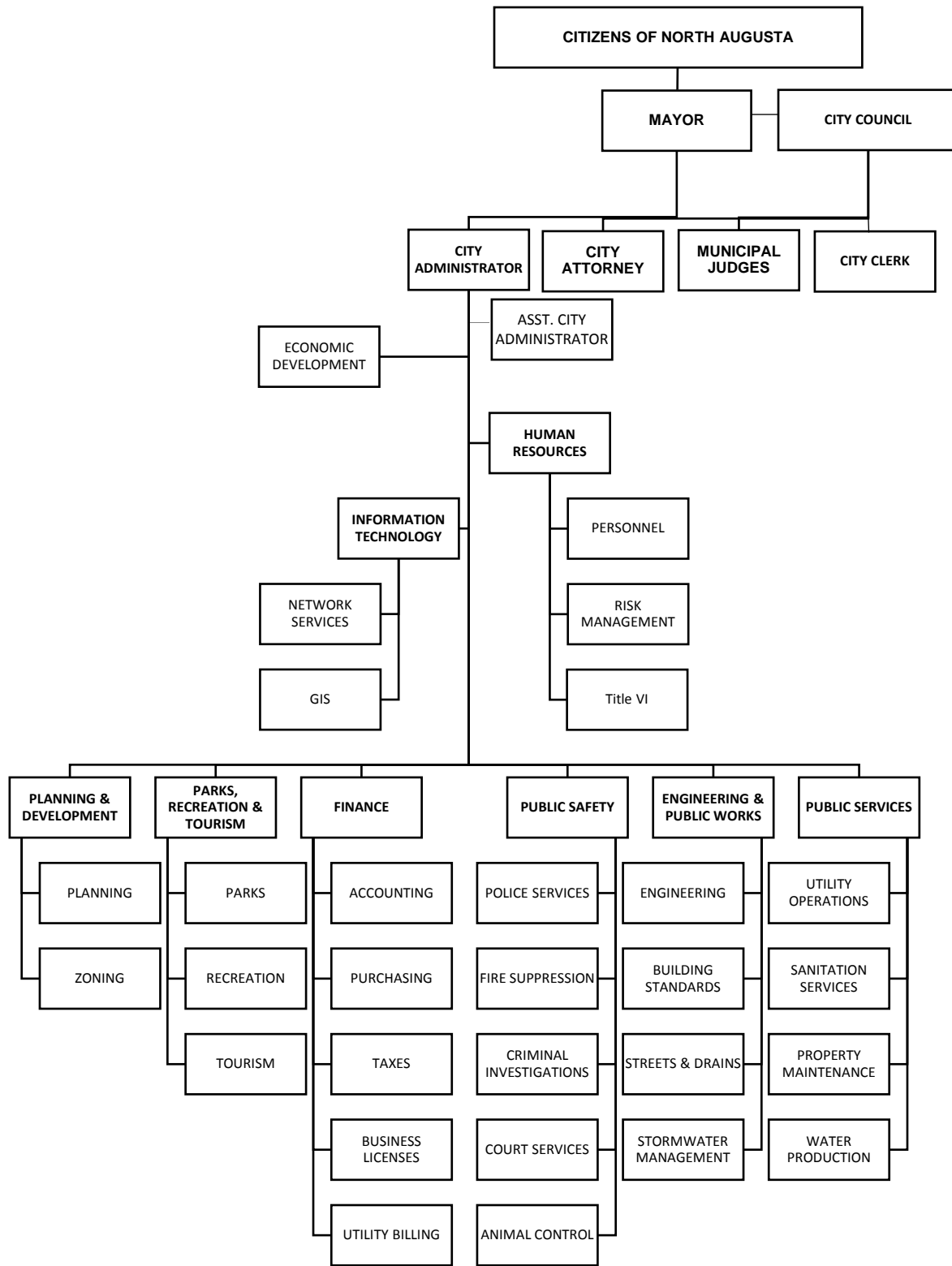
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF NORTH AUGUSTA ORGANIZATION CHART – 2019



CITY OF NORTH AUGUSTA, SOUTH CAROLINA

PRINCIPAL OFFICIALS

CITY COUNCIL

Robert A. Pettit, Mayor
(05-17 to 05-21)

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

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

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

J. Robert Brooks, Councilman
(05-15 to 05-23)

Eric H. Presnell, Councilman
(05-19 to 05-23)

Kevin W. Toole, Councilman
(05-19 to 05-23)

CITY ADMINISTRATOR

B. Todd Glover
(01-01-19 to 11-01-19)

INTERIM CITY ADMINISTRATOR

Rachelle M. Moody
(11-01-19 to 12-31-19)

CITY CLERK

Sharon Lamar

DEPARTMENT DIRECTORS

Cammie T. Hayes, Director of Finance
Lillian E. Hodges, Director of Planning & Development
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

**FINANCIAL
SECTION**

Report of Independent Auditor

To the 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, 2019, 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 City'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 City'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, 2019, 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.

Emphasis of a Matter

Restatement of Prior Net Position

As discussed in Note 14 to the financial statements, in 2019, the City determined that restatements of beginning net position were required to reflect infrastructure assets dedeed to the City in prior years but not reflected in the City's capital asset schedule. Our opinions are not modified with respect to this matter.

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 30, 2020, 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 30, 2020

North
Augusta

South Carolina's Riverfront



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of North Augusta (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. 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 \$133,853,208 (net position). Of this amount, (\$8,553,342), 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 decreased by \$1,878,135. Net position for the beginning of the year was restated due to the effect of a prior period adjustment to capital assets. Beginning of the year net position increased \$3,098,350.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$15,619,071, a decrease of \$1,799,684 in comparison with the prior year. The majority of the decrease represents construction and completion of City projects in Riverside Village and related debt payments as well as other City capital projects. Approximately 18.41 percent of the governmental funds combined fund balance, \$2,875,000, 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 \$3,308,393 or 16.86 percent of total general fund expenditures.
- The City's outstanding long-term debt, not including compensated absences, decreased by \$867,602 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 thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund 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 nine governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report.

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

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

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$133,853,208 at the close of the most recent fiscal year.

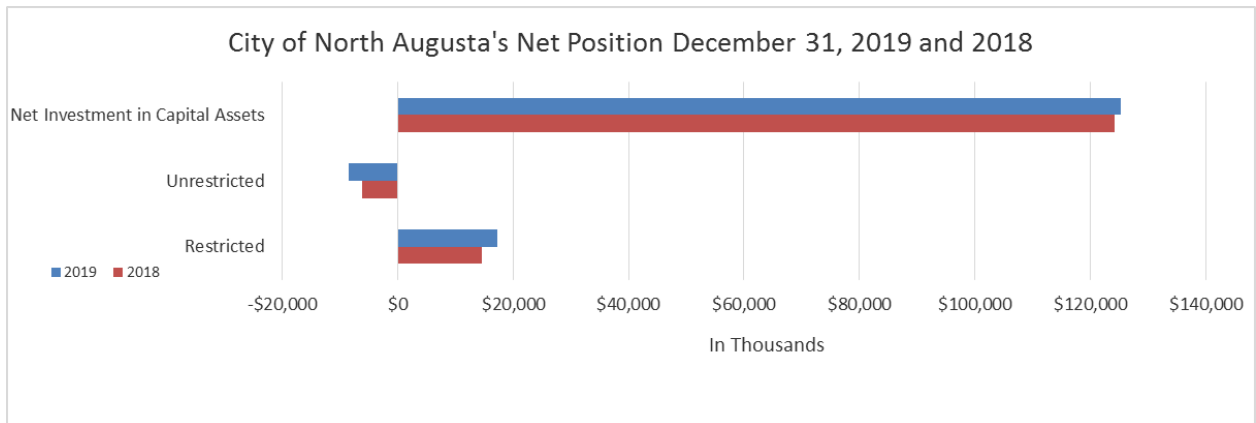
City of North Augusta's Net Position	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 17,407,786	\$ 21,200,221	\$ 20,373,825	\$ 19,963,415	\$ 37,781,611	\$ 41,163,636
Capital assets	134,510,335	132,221,073	80,445,788	79,319,989	214,956,123	211,541,062
Total Assets	151,918,121	153,421,294	100,819,613	99,283,404	252,737,734	252,704,698
Deferred outflows of resources	2,006,549	2,230,078	890,351	934,528	2,896,900	3,164,606
Long-term liabilities outstanding	87,671,752	87,589,157	29,172,552	29,721,492	116,844,304	117,310,649
Other liabilities outstanding	2,209,988	3,147,800	1,711,075	2,665,484	3,921,063	5,813,284
Total Liabilities	89,881,740	90,736,957	30,883,627	32,386,976	120,765,367	123,123,933
Deferred inflow of resources	757,721	53,942	258,338	58,436	1,016,059	112,378
Net position:						
Net investment in capital assets	64,540,113	65,640,358	60,703,383	58,580,045	125,243,496	124,220,403
Restricted	8,729,598	6,574,221	8,433,456	7,977,008	17,163,054	14,551,229
Unrestricted	(9,984,502)	(7,354,106)	1,431,160	1,215,467	(8,553,342)	(6,138,639)
Total Net Position	\$ 63,285,209	\$ 64,860,473	\$ 70,567,999	\$ 67,772,520	\$ 133,853,208	\$ 132,632,993

By far, the largest portion of the City's net position (93.57 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 (12.82 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$8,553,342) 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.

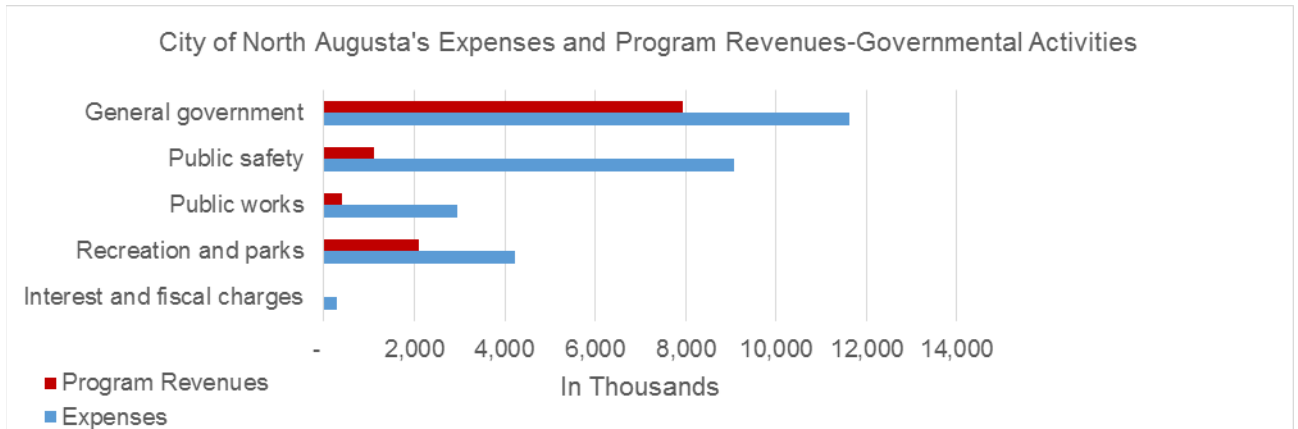


Governmental Activities

During 2019, governmental activities decreased the City's net position by \$2,549,562, thereby accounting for the decline in net position. Governmental activities revenues decreased \$289,294 from 2018 to 2019 primarily due to a decrease in available revenues from other taxes related to the end of Sales Tax III. Property taxes represent 34.08 percent of total revenues for governmental activities. Charges for services include: business license revenues, franchise fees, construction permits and public safety fines. These revenues represent 38.30 percent of total revenues for governmental activities and are predominantly elastic in nature and vary with economic trends.

Also during 2019, governmental activities expenses increased by \$3,481,666. General government expenses increased by \$2,752,744, or 31.09 percent due to increases in personnel costs to include new positions, retirement and insurance expenses as well as capital purchases for its functional areas. Public Works expenses increased by 7.31 percent due to construction related to transportation improvement projects. Expenses related to parks, recreation and tourism increased with the addition of a splash pad at Riverview Park as well as other sales tax project improvements. Public Safety expenses were relatively consistent with the prior year.

City of North Augusta's Changes in Net Position	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 9,505,367	\$ 9,251,841	\$ 15,443,563	\$ 14,885,573	\$ 24,948,930	\$ 24,137,414
Operating grants and contributions	1,265,522	1,377,317	23,516	80,636	1,289,038	1,457,953
Capital grants and contributions	759,852	-	616,830	23,514	1,376,682	23,514
General revenues:						
Property taxes	8,456,230	8,143,925	-	-	8,456,230	8,143,925
Other taxes	3,460,522	4,897,658	-	-	3,460,522	4,897,658
Other	1,367,816	1,433,862	959,613	1,121,576	2,327,429	2,555,438
Total Revenues	24,815,309	25,104,603	17,043,522	16,111,299	41,858,831	41,215,902
Expenses:						
General government	11,607,797	8,855,053	-	-	11,607,797	8,855,053
Public safety	9,079,791	9,253,259	-	-	9,079,791	9,253,259
Public works	2,936,592	2,736,631	-	-	2,936,592	2,736,631
Parks, recreation, and tourism	4,212,339	3,785,041	-	-	4,212,339	3,785,041
Interest and fiscal charges on debt service	276,699	1,568	-	-	276,699	1,568
Water and wastewater	-	-	10,077,290	8,896,535	10,077,290	8,896,535
Sanitation	-	-	4,733,146	4,624,936	4,733,146	4,624,936
Stormwater	-	-	789,312	661,987	789,312	661,987
Savannah Bluff Lock and Dam	-	-	24,000	23,999	24,000	23,999
Total Expenses	28,113,218	24,631,552	15,623,748	14,207,457	43,736,966	38,839,009
Increase (decrease) in net position before transfers	(3,297,909)	473,051	1,419,774	1,903,842	(1,878,135)	2,376,893
Transfers	748,347	169,254	(748,347)	(169,254)	-	-
Increase in net position	(2,549,562)	642,305	671,427	1,734,588	(1,878,135)	2,376,893
Net position-beginning of year	64,860,473	64,218,168	67,772,520	66,037,932	132,632,993	130,256,100
Effect of prior period adjustment to capital assets	974,298	-	2,124,052	-	3,098,350	-
Net position-beginning of year, as restated	65,834,771	64,218,168	69,896,572	66,037,932	135,731,343	130,256,100
Net position-end of year	\$ 63,285,209	\$ 64,860,473	\$ 70,567,999	\$ 67,772,520	\$ 133,853,208	\$ 132,632,993



Business-type Activities

Business-type activities increased the City's net position by \$671,427. Water, sanitation and stormwater rates remained unchanged. Water sales increased 10.25 percent over the prior year and were over budget by approximately \$294,000 related to an increase in usage and customer base. Sewer sales increased approximately \$144,000, 2.31 percent, over the prior year also related to an increase in customer base. Fees for sanitation services and recycling increased \$190,257 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 \$1,180,755 from the prior year primarily due to increased expenses from Aiken County Public Service Authority for wastewater treatment. In

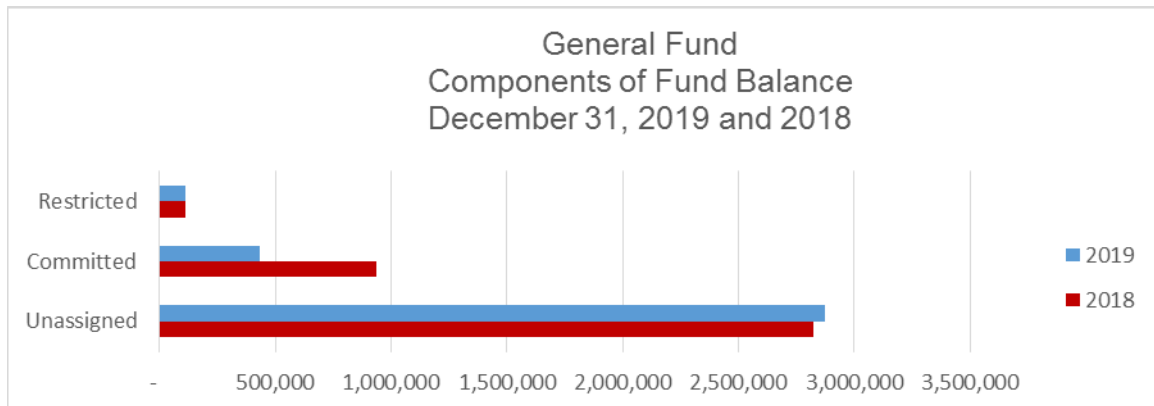
2019, the expenses for the Sanitation Services Fund showed an increase from the prior year of \$108,210 due to increased repair costs at the Material Recovery Facility related to a fire at the facility during fourth quarter 2018. Increased expenses in the Stormwater Utility Fund were \$127,325 due to increased personnel costs and depreciation of capital assets. A total of \$24,000 was expended from the Savannah Bluff Lock and Dam Fund. This expense for consulting services was intended to assist the City and other members of the consortium in the execution of a solution to improve the lock and dam that is in the best interests of the parties directly affected by its operation.

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.

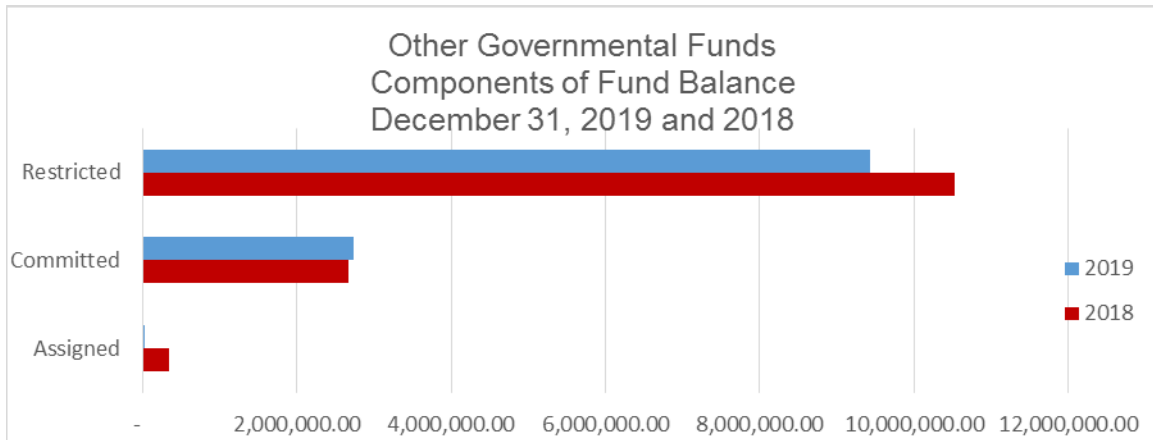
Governmental Funds. The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure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

At December 31, 2019, the City’s governmental funds reported combined fund balances of \$15,619,071 a decrease of \$1,799,684 from the prior year. Approximately 18.41 percent of this amount constitutes unassigned fund balance, which is available for spending at the City’s discretion. Unassigned fund balance increased by \$50,000 for the year due to the City’s reserve requirement to adjust the unassigned fund balance in the General Fund as the budget fluctuates 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 \$2,875,000, while total fund balance was \$3,423,618. As a measure of the General Fund’s liquidity, it may be useful to compare unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 14.65 percent of total General Fund expenditures, while total fund balance represents 17.44 percent of those same expenditures.

The final payment for the Sales Tax III Fund was received in 2019. Total fund balance for this fund increased 43.17 percent due to project completion dates being pushed into 2020. The Capital Projects Fund had a fund balance of \$2,103,849, an increase of 57.81 percent, due to the allocation of an additional 0.5 mills to the fund as well as reduced expenditures in order to prepare for the future implementation of a revised capital improvement program. Fund balance for the North Augusta Public Facilities Corporation Fund decreased 48.21 percent from the prior year due to continued payments for debt service and timing of transfers made into the fund.



Fund balance for the City's nonmajor governmental funds totaled \$2,912,384 for 2019, a decrease of \$1,112,952 primarily related to increased capital outlay expenditures for transportation improvements and other capital projects 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, 2019.

Current property tax revenues exceeded budget by approximately \$237,000. Additionally, revenues for licenses and building permits did not meet budgeted revenues by approximately \$200,000. This is reflective of estimated construction licenses for projects in Riverside Village that will occur in a future year. Charges for services reflected a positive variance with budgeted revenues primarily due to tournaments at the Activities Center. Miscellaneous revenues exceeded budget by approximately \$270,000 reflective of conservative interest estimates as well as receipt of unbudgeted grants funds for a greenway resurfacing project. Intergovernmental revenues were in line with expectations.

General Government expenditures were in line with budgeted expectations for 2019 with salary savings resulting from vacant positions. The over-expenditures for public safety were due to increased personnel costs and the purchase of vehicles and equipment with capital lease proceeds. Public Works and Parks, Recreation, and Tourism expenditures were over budget due to the purchase of vehicles and equipment with capital lease proceeds.

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, 2019 amounts to \$214,956,123 (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 1.61 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	
	2019	2018	2019	2018	2019	2018
Land	\$ 10,330,391	\$ 10,051,486	\$ 824,058	\$ 824,058	\$ 11,154,449	\$ 10,875,544
Land improvements	9,281,274	7,391,079	-	-	9,281,274	7,391,079
Right-of-way and easements	3,490,419	3,226,901	62,760	62,760	3,553,179	3,289,661
Buildings	91,665,215	95,340,866	20,175,751	20,860,986	111,840,966	116,201,852
Machinery and equipment	933,567	258,910	948,411	905,840	1,881,978	1,164,750
Furniture and fixtures	156,154	263,860	-	-	156,154	263,860
Vehicles	3,623,273	3,302,013	813,928	952,189	4,437,201	4,254,202
Infrastructure	13,810,646	12,117,190	-	-	13,810,646	12,117,190
System improvements	-	-	55,885,934	53,863,704	55,885,934	53,863,704
PSA capital	-	-	1,732,871	1,848,377	1,732,871	1,848,377
Construction in progress	1,219,396	268,768	2,075	2,075	1,221,471	270,843
Total Capital Assets	\$ 134,510,335	\$ 132,221,073	\$ 80,445,788	\$ 79,319,989	\$ 214,956,123	\$ 211,541,062

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
- New telemetry system
- Greenway improvements
- Splash pad at Riverview Park
- New air packs and firetruck for public safety
- Purchase of land for public safety fire station
- Various improvements to water and wastewater systems
- 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 to include parking meters.

The City has committed over \$1,200,000 to construction completion of the amphitheater in Riverside Village.

Long-Term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$88,364,980. 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	
	2019	2018	2019	2018	2019	2018
Revenue bonds	\$ 69,475,000	\$ 69,475,000	\$ 18,889,980	\$ 19,877,539	\$ 88,364,980	\$ 89,352,539
Capital leases	1,304,026	1,174,089	852,425	862,405	2,156,451	2,036,494
Total Outstanding Debt	\$ 70,779,026	\$ 70,649,089	\$ 19,742,405	\$ 20,739,944	\$ 90,521,431	\$ 91,389,033

The City's total debt outstanding, less compensated absences, decreased by \$867,602 during the current fiscal year. This decrease was attributed to making scheduled debt service payments during 2019.

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 1.89 in 2019. 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 \$2,156,451 in capital leases for equipment and vehicles and long-term debt related to compensated absences amounting to \$939,694 (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 2020 fiscal year budget:

- The unemployment rate for Aiken County has been decreasing since 2011 and is estimated at 2.9 percent for 2019 reflecting pre-recession unemployment rates.
- The value of a mill has increased over 48 percent during the past ten years reflective of a recovering economy. The millage rate is currently 73.50.
- Increases are expected in health insurance premiums, as well as pension and other employee benefit costs.
- Decrease expected in business license revenue due to one-time licenses related to construction projects.
- Permit fees were increased after an internal rate review was performed with comparable municipalities and surrounding communities.
- The City plans to re-establish its merit based compensation plan by beginning with a mid-year 2 percent increase.
- For business-type activities, rates remain the same.

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 Finance Department, 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, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash	\$ 4,436,885	\$ 3,738,037	\$ 8,174,922
Investments	11,139,680	5,592,967	16,732,647
Receivables:			
Taxes, net	142,624	-	142,624
Customers, net	-	1,731,704	1,731,704
Other	500,934	-	500,934
Inventory	-	265,842	265,842
Restricted cash and investments	1,187,663	9,024,287	10,211,950
Capital assets, net:			
Nondepreciable capital assets	15,040,206	888,893	15,929,099
Depreciable capital assets, net	119,470,129	79,556,895	199,027,024
Service rights, net	-	20,988	20,988
Total Assets	151,918,121	100,819,613	252,737,734
DEFERRED OUTFLOWS OF RESOURCES			
Pension investment return	591,445	277,748	869,193
Pension experience differences	164,406	6,970	171,376
Contributions to pension plan	669,725	329,272	998,997
Change in proportionate share	114,782	79,991	194,773
Assumption changes	466,191	196,370	662,561
Total Deferred Outflows of Resources	2,006,549	890,351	2,896,900
LIABILITIES			
Accounts payable	1,007,227	612,731	1,619,958
Accrued expenses	412,810	74,811	487,621
Municipal court liability	48,184	-	48,184
Accrued interest payable	657,670	-	657,670
Payable from restricted resources:			
Accounts payable	325	-	325
Accrued bond interest	-	27,559	27,559
Customer deposits	-	563,272	563,272
Unearned revenue	83,772	432,702	516,474
Noncurrent liabilities:			
Due within one year	1,002,944	1,346,772	2,349,716
Due in more than one year	70,444,725	18,666,684	89,111,409
Net pension liability	16,224,083	9,159,096	25,383,179
Total Liabilities	89,881,740	30,883,627	120,765,367
DEFERRED INFLOWS OF RESOURCES			
Pension investment return	422,425	192,410	614,835
Pension experience differences	118,939	64,979	183,918
Change in proportionate share	216,357	949	217,306
Total Deferred Inflows of Resources	757,721	258,338	1,016,059
NET POSITION			
Net investment in capital assets	64,540,113	60,703,383	125,243,496
Restricted for:			
Bond indentures	-	7,572,726	7,572,726
Operations - Savannah Bluff Lock and Dam	-	860,730	860,730
Victims assistance	115,225	-	115,225
Public safety - fire division	137,464	-	137,464
Capital projects	5,450,809	-	5,450,809
Special projects	3,026,100	-	3,026,100
Unrestricted	(9,984,502)	1,431,160	(8,553,342)
Total Net Position	\$ 63,285,209	\$ 70,567,999	\$ 133,853,208

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, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Operating		Capital	Governmental Activities	Business-type Activities	Total
		Charges for Services	Grants and Contributions	Grants and Contributions			
Governmental Activities:							
General government	\$ 11,607,797	\$ 6,256,452	\$ 910,459	\$ 759,852	\$ (3,681,034)	\$ -	\$ (3,681,034)
Public safety	9,079,791	1,044,181	72,274	-	(7,963,336)	-	(7,963,336)
Public works	2,936,592	108,726	282,789	-	(2,545,077)	-	(2,545,077)
Parks, recreation and tourism	4,212,339	2,096,008	-	-	(2,116,331)	-	(2,116,331)
Interest and fiscal charges on debt service	276,699	-	-	-	(276,699)	-	(276,699)
Total Governmental Activities	28,113,218	9,505,367	1,265,522	759,852	(16,582,477)	-	(16,582,477)
Business-type Activities:							
Water and wastewater	10,077,290	10,151,786	23,516	213,290	-	311,302	311,302
Sanitation	4,733,146	4,487,564	-	-	-	(245,582)	(245,582)
Stormwater utility	789,312	804,213	-	403,540	-	418,441	418,441
Savannah Bluff Lock and Dam	24,000	-	-	-	-	(24,000)	(24,000)
Total Business-type Activities	15,623,748	15,443,563	23,516	616,830	-	460,161	460,161
Total	\$ 43,736,966	\$ 24,948,930	\$ 1,289,038	\$ 1,376,682	(16,582,477)	460,161	(16,122,316)
General Revenues:							
Ad valorem property taxes					8,456,230	-	8,456,230
Local hospitality and accommodation taxes					2,017,221	-	2,017,221
Capital projects sales taxes					1,443,301	-	1,443,301
Interest on investments					330,669	327,680	658,349
Gain on disposal of capital assets					31,203	465	31,668
Miscellaneous					1,005,944	631,468	1,637,412
Transfers					748,347	(748,347)	-
Total General Revenues and Transfers					14,032,915	211,266	14,244,181
Change in net position					(2,549,562)	671,427	(1,878,135)
Net position, beginning of year					64,860,473	67,772,520	132,632,993
Effect of prior period adjustment to capital assets					974,298	2,124,052	3,098,350
Net position, beginning of year, as restated					65,834,771	69,896,572	135,731,343
Net position, end of year					\$ 63,285,209	\$ 70,567,999	\$ 133,853,208

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, 2019

	General Fund	Sales Tax III Fund	Capital Projects Fund	North Augusta Public Facilities Corporation	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Equity in pooled cash	\$ 1,436,955	\$ -	\$ 507,499	\$ 1,638,780	\$ 853,651	\$ 4,436,885
Investments	2,777,533	4,554,111	1,596,350	1,023,846	1,187,840	11,139,680
Receivables:						
Taxes, net of allowance for doubtful accounts	142,624	-	-	-	-	142,624
Grants	-	-	-	-	31,461	31,461
Other	283,368	-	-	123,972	62,133	469,473
Restricted cash and investments	115,225	147,050	-	2,900	922,488	1,187,663
Total Assets	\$ 4,755,705	\$ 4,701,161	\$ 2,103,849	\$ 2,789,498	\$ 3,057,573	\$ 17,407,786
LIABILITIES						
Accounts payable	\$ 635,541	\$ 96,397	\$ -	\$ 215,042	\$ 60,572	\$ 1,007,552
Accrued salaries, wages, and employee benefits	411,965	-	-	-	845	412,810
Accrued interest	95,654	-	-	-	-	95,654
Municipal court liability	48,184	-	-	-	-	48,184
Unearned revenue - assessment fees	-	-	-	-	83,772	83,772
Total Liabilities	1,191,344	96,397	-	215,042	145,189	1,647,972
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	140,743	-	-	-	-	140,743
Total Deferred Inflows of Resources	140,743	-	-	-	-	140,743
FUND BALANCES						
Restricted for:						
Capital projects	-	4,604,764	-	-	846,045	5,450,809
Victim's assistance	115,225	-	-	-	-	115,225
Public Safety - fire division	-	-	-	-	137,464	137,464
Special projects	-	-	-	2,574,456	1,260,773	3,835,229
Committed for:						
Capital projects	330,905	-	2,103,849	-	621,597	3,056,351
Parks, recreation and tourism	-	-	-	-	12,367	12,367
Housing and development	102,488	-	-	-	-	102,488
Assigned for:						
Capital projects	-	-	-	-	34,138	34,138
Unassigned	2,875,000	-	-	-	-	2,875,000
Total Fund Balances	3,423,618	4,604,764	2,103,849	2,574,456	2,912,384	15,619,071
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,755,705	\$ 4,701,161	\$ 2,103,849	\$ 2,789,498	\$ 3,057,573	\$ 17,407,786

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, 2019

Ending fund balance - governmental funds	\$ 15,619,071
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	181,460,514
Accumulated depreciation	(46,950,179)
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	2,006,549
Deferred inflows of resources related to pensions	(757,721)
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	(1,304,026)
Bonds payable	(69,475,000)
Accrued vacation	(668,643)
Accrued interest	(562,016)
Net pension liability	(16,224,083)
Amounts to be collected are not available to pay for the current period's expenditures and therefore are deferred in the funds	140,743
Net Position of Governmental Activities	<u>\$ 63,285,209</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, 2019

	General Fund	Sales Tax III Fund	Capital Projects Fund	North Augusta Public Facilities Corporation	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Ad valorem property tax	\$ 7,494,447	\$ -	\$ 104,892	\$ -	\$ 804,992	\$ 8,404,331
Sales taxes	-	2,235,581	-	-	-	2,235,581
Local hospitality and accommodation taxes	-	-	-	-	2,017,221	2,017,221
Licenses and permits	6,256,452	-	-	-	-	6,256,452
Fines and forfeitures	1,006,060	-	-	-	-	1,006,060
Charges for services	1,453,009	-	-	773,210	-	2,226,219
Intergovernmental	863,130	-	-	249,648	456,887	1,569,665
Interest earnings	101,766	46,604	27,739	80,536	74,024	330,669
Miscellaneous	778,327	-	10	-	2,630	780,967
Total Revenues	17,953,191	2,282,185	132,641	1,103,394	3,355,754	24,827,165
Expenditures:						
Current:						
General government	5,444,738	-	36,211	269,785	896	5,751,630
Public safety	8,874,479	-	-	-	57,844	8,932,323
Public works	1,708,320	-	-	-	20,198	1,728,518
Parks, recreation and tourism	2,901,779	-	-	-	376,511	3,278,290
Capital outlay	-	893,605	6,973	1,753,396	2,255,453	4,909,427
Debt service:						
Capital lease payments	698,728	-	33,227	-	-	731,955
Interest and fiscal charges	-	-	-	3,217,751	-	3,217,751
Total Expenditures	19,628,044	893,605	76,411	5,240,932	2,710,902	28,549,894
Excess (deficiency) of revenues over expenditures	(1,674,853)	1,388,580	56,230	(4,137,538)	644,852	(3,722,729)
Other Financing Sources (Uses):						
Inception of capital lease obligation	838,111	-	-	-	-	838,111
Transfers in	1,235,666	-	825,129	1,741,454	23,725	3,825,974
Transfers out	(848,854)	-	(110,657)	-	(1,781,529)	(2,741,040)
Total Other Financing Sources (Uses)	1,224,923	-	714,472	1,741,454	(1,757,804)	1,923,045
Net change in fund balance	(449,930)	1,388,580	770,702	(2,396,084)	(1,112,952)	(1,799,684)
Fund balance, beginning of year	3,873,548	3,216,184	1,333,147	4,970,540	4,025,336	17,418,755
Fund balance, end of year	<u>\$ 3,423,618</u>	<u>\$ 4,604,764</u>	<u>\$ 2,103,849</u>	<u>\$ 2,574,456</u>	<u>\$ 2,912,384</u>	<u>\$ 15,619,071</u>

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

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

YEAR ENDED DECEMBER 31, 2019

Net change in fund balances - total governmental funds \$ (1,799,684)

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	6,713,533	
Transfer of capital asset to enterprise funds	(336,587)	
Depreciation on general government assets	(5,069,306)	
Proceeds from sale of capital assets	(23,879)	
Gain on disposal of capital assets	31,203	
	<u>31,203</u>	1,314,964

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	3,335	
Principal payments on capital leases	708,174	
Proceeds from capital lease	(838,111)	
	<u>(126,602)</u>	(126,602)

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. (276,699)

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. (778,240)

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 (883,301)

Change in net position of governmental activities \$ (2,549,562)

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, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Ad valorem property taxes	\$ 7,250,560	\$ 7,494,447	\$ 243,887
Licenses and permits	6,455,770	6,256,452	(199,318)
Fines and forfeitures	1,090,000	1,006,060	(83,940)
Charges for services	1,316,954	1,453,009	136,055
Intergovernmental	825,001	863,130	38,129
Interest earnings	44,000	101,766	57,766
Miscellaneous	566,417	778,327	211,910
Total Revenues	<u>17,548,702</u>	<u>17,953,191</u>	<u>404,489</u>
Expenditures:			
Current:			
General government	5,664,231	5,444,738	(219,493)
Public safety	8,062,283	8,874,479	812,196
Public works	1,574,650	1,708,320	133,670
Parks, recreation and tourism	2,767,373	2,901,779	134,406
Capital lease payments	715,831	698,728	(17,103)
Total Expenditures	<u>18,784,368</u>	<u>19,628,044</u>	<u>843,676</u>
Excess (deficiency) of revenues over expenditures	(1,235,666)	(1,674,853)	(439,187)
Other Financing Sources (Uses):			
Proceeds from capital lease obligations	-	838,111	838,111
Transfers in	1,235,666	1,235,666	-
Transfers out	-	(848,854)	(848,854)
Total Other Financing Sources (Uses)	<u>1,235,666</u>	<u>1,224,923</u>	<u>(10,743)</u>
Net change in fund balance	<u>\$ -</u>	<u>(449,930)</u>	<u>\$ (449,930)</u>
Fund balance, beginning of year		3,873,548	
Fund balance, end of year		<u>\$ 3,423,618</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, 2019

	Business-type Activities				
	Major Funds			Nonmajor Fund	
	Water and Wastewater System	Sanitation Services	Stormwater Utility	Savannah Bluff Lock and Dam	Total Enterprise Funds
ASSETS					
Current Assets:					
Equity in pooled cash	\$ 2,209,186	\$ 1,074,751	\$ 454,100	\$ -	\$ 3,738,037
Restricted cash and investments	2,449,820	-	-	860,730	3,310,550
Investments	2,643,206	2,161,119	788,642	-	5,592,967
Customer accounts receivable	1,538,457	193,247	-	-	1,731,704
Inventory	265,842	-	-	-	265,842
Total Current Assets	9,106,511	3,429,117	1,242,742	860,730	14,639,100
Non-current Assets:					
Restricted cash and investments	5,713,737	-	-	-	5,713,737
Capital Assets					
Non-depreciable	610,607	91,235	187,051	-	888,893
Depreciable, net	72,558,587	2,295,466	4,702,842	-	79,556,895
Service Rights, net	20,988	-	-	-	20,988
Total Non-current Assets	78,903,919	2,386,701	4,889,893	-	86,180,513
Total Assets	88,010,430	5,815,818	6,132,635	860,730	100,819,613
DEFERRED OUTFLOWS OF RESOURCES					
Pension investment return	140,527	112,879	24,342	-	277,748
Pension experience differences	3,274	3,365	331	-	6,970
Contributions to pension plan	171,146	132,279	25,847	-	329,272
Change in proportionate share	41,931	32,644	5,416	-	79,991
Assumption changes	100,649	84,143	11,578	-	196,370
Total Deferred Outflows of Resources	457,527	365,310	67,514	-	890,351
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
Current Liabilities:					
Accounts payable	482,798	125,390	4,543	-	612,731
Accrued expenses	169,322	143,756	32,784	-	345,862
Current portion of capital leases payable	93,985	165,115	18,472	-	277,572
Unearned revenue	23,515	-	-	-	23,515
Payable from restricted assets:					
Accrued bond interest	27,559	-	-	-	27,559
Current portion of revenue bonds payable	798,149	-	-	-	798,149
Customer deposits	563,272	-	-	-	563,272
Total Current Liabilities	2,158,600	434,261	55,799	-	2,648,660
Non-current Liabilities:					
Capital leases payable	224,577	301,620	48,656	-	574,853
Revenue bonds payable	18,091,831	-	-	-	18,091,831
Net pension liability	4,753,960	3,696,675	708,461	-	9,159,096
Unearned revenue	409,187	-	-	-	409,187
Total Non-current Liabilities	23,479,555	3,998,295	757,117	-	28,234,967
Total Liabilities	25,638,155	4,432,556	812,916	-	30,883,627
DEFERRED INFLOWS OF RESOURCES					
Pension investment return	97,594	75,774	19,042	-	192,410
Pension experience differences	34,531	25,211	5,237	-	64,979
Change in proportionate share	437	512	-	-	949
Total Deferred Inflows of Resources	132,562	101,497	24,279	-	258,338
Net Position:					
Net investment in capital assets	53,960,652	1,919,966	4,822,765	-	60,703,383
Restricted for debt service	7,572,726	-	-	-	7,572,726
Restricted for operations	-	-	-	860,730	860,730
Unrestricted	1,163,862	(272,891)	540,189	-	1,431,160
Total Net Position	\$ 62,697,240	\$ 1,647,075	\$ 5,362,954	\$ 860,730	\$ 70,567,999

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, 2019

	Business-type Activities				Total Enterprise Funds
	Major Funds			Nonmajor Fund	
	Water and Wastewater System	Sanitation Services	Stormwater Utility Fund	Savannah Bluff Lock and Dam	
Operating Revenues:					
Charges for services and fees	\$ 10,151,786	\$ 4,344,782	\$ 804,213	\$ -	\$ 15,300,781
Sale of recyclables	-	142,782	-	-	142,782
Other	519,965	69,119	42,384	-	631,468
Total Operating Revenues	10,671,751	4,556,683	846,597	-	16,075,031
Operating Expenses:					
Finance	615,040	-	-	-	615,040
Administration	503,994	-	-	-	503,994
Operations and Maintenance	5,298,583	2,477,033	598,696	24,000	8,398,312
Production and Treatment	1,548,867	-	-	-	1,548,867
Material Recovery Facility	-	1,690,829	-	-	1,690,829
Depreciation and amortization	1,715,817	552,325	189,626	-	2,457,768
Total Operating Expenses	9,682,301	4,720,187	788,322	24,000	15,214,810
Operating income (loss)	989,450	(163,504)	58,275	(24,000)	860,221
Nonoperating Revenues (Expenses)					
Intergovernmental	23,516	-	-	-	23,516
Interest earnings	235,489	53,098	19,397	19,696	327,680
Interest expense and fiscal charges	(394,989)	(12,959)	(990)	-	(408,938)
Gain (loss) on disposal of capital assets	(3,855)	-	4,320	-	465
Total Nonoperating Revenues (Expenses)	(139,839)	40,139	22,727	19,696	(57,277)
Income (loss) before contributions and transfers	849,611	(123,365)	81,002	(4,304)	802,944
Capital contributions	243,629	-	709,788	-	953,417
Transfers in	28,820	13,278	3,320	-	45,418
Transfers out	(740,173)	(362,450)	(27,729)	-	(1,130,352)
Change in net position	381,887	(472,537)	766,381	(4,304)	671,427
Net position, beginning of year, as previously reported	60,917,920	2,119,612	3,869,954	865,034	67,772,520
Effect of prior period adjustment to capital assets	1,397,433	-	726,619	-	2,124,052
Net position, beginning of year, as restated	62,315,353	2,119,612	4,596,573	865,034	69,896,572
Net position, end of year	\$ 62,697,240	\$ 1,647,075	\$ 5,362,954	\$ 860,730	\$ 70,567,999

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, 2019

	Business-type Activities				Total Enterprise Funds
	Major Funds			Nonmajor Fund	
	Water and Wastewater System	Sanitation Services	Stormwater Utility Fund	Savannah Bluff Lock and Dam	
Cash flows from operating activities:					
Cash received from customers	\$ 10,814,357	\$ 4,492,497	\$ 847,197	\$ -	\$ 16,154,051
Cash paid for or on behalf of employees	(2,595,882)	(2,065,455)	(492,995)	-	(5,154,332)
Cash paid for goods and services	(5,779,795)	(1,971,435)	(57,481)	(24,000)	(7,832,711)
Net cash from operating activities	2,438,680	455,607	296,721	(24,000)	3,167,008
Cash flows from noncapital financing activities:					
Transfers out to other funds	(740,173)	(362,450)	(27,729)	-	(1,130,352)
Transfers in from other funds	28,820	13,278	3,320	-	45,418
Net cash from noncapital financing activities	(711,353)	(349,172)	(24,409)	-	(1,084,934)
Cash flows from capital and related financing activities:					
Purchase and construction of capital assets	(263,005)	(158,270)	(86,178)	-	(507,453)
Proceeds received from sales of capital assets	-	-	4,320	-	4,320
Principal paid on revenue bonds	(987,559)	-	-	-	(987,559)
Proceeds received from capitalized leases	237,448	158,270	49,932	-	445,650
Principal paid on capitalized leases	(145,271)	(291,124)	(19,235)	-	(455,630)
Proceeds received from intergovernmental activities	23,516	-	-	-	23,516
Interest expense	(394,989)	(12,959)	(990)	-	(408,938)
Net cash from capital and related financing activities	(1,529,860)	(304,083)	(52,151)	-	(1,886,094)
Cash flows from investing activities:					
Interest on investments	235,489	53,098	19,397	19,696	327,680
Net cash from investing activities	235,489	53,098	19,397	19,696	327,680
Net change in cash and cash equivalents	432,956	(144,550)	239,558	(4,304)	523,660
Cash and cash equivalents, beginning of year	12,582,993	3,380,420	1,003,184	865,034	17,831,631
Cash and cash equivalents, end of year	\$ 13,015,949	\$ 3,235,870	\$ 1,242,742	\$ 860,730	\$ 18,355,291
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ 989,450	\$ (163,504)	\$ 58,275	\$ (24,000)	\$ 860,221
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	1,715,817	552,325	189,626	-	2,457,768
Bad debt expense	33,041	-	-	-	33,041
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	146,000	(64,186)	600	-	82,414
Increase in inventory	(4,705)	-	-	-	(4,705)
Increase (decrease) in accounts payable	140,321	(9,629)	(443)	-	130,249
Decrease in retainage payable	(769,156)	-	-	-	(769,156)
Increase in customer deposits	20,122	-	-	-	20,122
Increase (decrease) in accrued salaries, wages, and employee benefits	(22,551)	(25,442)	6,936	-	(41,057)
Decrease in unearned revenue	(23,516)	-	-	-	(23,516)
Pension deferred inflows / outflows and liability	213,857	166,043	41,727	-	421,627
Total Adjustments	1,449,230	619,111	238,446	-	2,306,787
Net cash from operating activities	\$ 2,438,680	\$ 455,607	\$ 296,721	\$ (24,000)	\$ 3,167,008
Noncash investing, capital and financing activities:					
Contributed capital assets	\$ 243,629	\$ -	\$ 709,788	\$ -	\$ 953,417
Capital assets contributed in prior year	1,397,433	-	726,619	-	2,124,052
Loss on disposal of assets	3,855	-	-	-	3,855
Total noncash investing, capital and financing	\$ 1,644,917	\$ -	\$ 1,436,407	\$ -	\$ 3,081,324
Reconciliation of cash and cash equivalents:					
Equity in pooled cash	\$ 2,209,186	\$ 1,074,751	\$ 454,100	\$ -	\$ 3,738,037
Investments	2,643,206	2,161,119	788,642	-	5,592,967
Current restricted assets	2,449,820	-	-	860,730	3,310,550
Non-current restricted assets	5,713,737	-	-	-	5,713,737
Cash and cash equivalents	\$ 13,015,949	\$ 3,235,870	\$ 1,242,742	\$ 860,730	\$ 18,355,291

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

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

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 THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

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 60 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 THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

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 accounting principles generally accepted in the United States of America (“U.S. GAAP”) 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 U.S. GAAP.
- 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 U.S. GAAP except that depreciation is not a budgeted item.

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

DECEMBER 31, 2019

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, 2019, expenditures exceeded budget in the General Fund for the following functions:

	Budget	Actual	Over (Under)
	Budget	Budget	Budget
Public safety	\$ 8,062,283	\$ 8,874,479	\$ 812,196
Capital lease payments - public safety	533,791	523,150	(10,641)
	<u>\$ 8,596,074</u>	<u>\$ 9,397,629</u>	<u>\$ 801,555</u>
Public works	\$ 1,574,650	\$ 1,708,320	\$ 133,670
Capital lease payments - public works	89,721	87,437	(2,284)
	<u>\$ 1,664,371</u>	<u>\$ 1,795,757</u>	<u>\$ 131,386</u>
Parks, recreation and tourism	\$ 2,767,373	\$ 2,901,779	\$ 134,406
Capital lease payments - parks, recreation, and tourism	20,841	20,471	(370)
	<u>\$ 2,788,214</u>	<u>\$ 2,922,250</u>	<u>\$ 134,036</u>

The over-expenditures for Public Works and Parks, Recreation and Tourism were materially in line with budgeted expenditures for the year and were due to the purchase of vehicles and equipment with capital lease proceeds as well as increased expenditures for athletic and special programs offset by increased revenues for these programs. 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 THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

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.

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

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.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

Note 1—Summary of significant accounting policies (continued)

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.

During the year ended December 31, 2019, the City implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* and, therefore, includes both long-term debt (such as bonds, notes, and loans) and other long-term liabilities (such as compensated absences, leases payable, and claims and judgements) in their debt disclosures. Refer to Note 6 for disclosures.

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 THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

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% of the then current general fund budget to the nearest \$25,000.

Stormwater Utility Fund: 20% of the then current stormwater utility fund budget to the nearest \$25,000.

Sanitation Services Fund: 20% of the then current sanitation services fund budget to the nearest \$25,000.

Street Improvements Fund: \$100,000.

Water and Sewer Fund: 20% of the then current water and sewer fund budget to the nearest \$25,000.

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

DECEMBER 31, 2019

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

As of December 31, 2019, the City’s cash and investments consisted of the following:

<u>Maturities</u>	<u>Fair Value</u>
Daily	\$ 25,222,290
Daily	9,697,239
	<u>199,990</u>
	<u>\$ 35,119,519</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 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 THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

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, 2019, 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 LGIP'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% 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, 2019, the carrying amount of the City's deposits was \$9,697,239 and the bank balance was \$10,850,774. 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 THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

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, 2019, 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 Standard & Poor and invest at least 99.5% of total assets in cash, U.S. Treasury bills, note and other obligations issued or guaranteed as to principal and interest by the U.S. Treasury, and repurchase agreements secured by such obligation or cash.

Note 3—Fair value measurements

The City follows the Fair Value Measurements topic of GASB, 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, 2019 for its \$25,222,290 investment in the LGIP are valued at the net asset value. 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 THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

Note 4—Capital assets

Capital asset activity for the year ended December 31, 2019 was as follows:

Governmental Activities

	<u>Balance 1/1/2019</u>	<u>Reclass</u>	<u>Prior Period Adjustment</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/2019</u>
Capital assets, not being depreciated:						
Land	\$ 10,051,486	\$ -	\$ -	\$ 278,905	\$ -	\$ 10,330,391
Construction in progress	268,768	-	-	950,628	-	1,219,396
Right-of-away	<u>3,226,901</u>	<u>-</u>	<u>148,886</u>	<u>114,632</u>	<u>-</u>	<u>3,490,419</u>
Total capital assets, not being depreciated	<u>13,547,155</u>	<u>-</u>	<u>148,886</u>	<u>1,344,165</u>	<u>-</u>	<u>15,040,206</u>
Capital assets, being depreciated:						
Land improvements	17,097,175	203,770	-	2,040,014	-	19,340,959
Buildings	107,022,425	(1,125,092)	-	292,901	-	106,190,234
Machinery and equipment	2,162,043	83,342	-	628,004	(111,879)	2,761,510
Furniture and fixtures	1,554,539	3,106	-	-	-	1,557,645
Vehicles	7,818,070	(86,448)	-	1,082,249	(367,785)	8,446,086
Infrastructure	<u>25,374,916</u>	<u>921,322</u>	<u>838,023</u>	<u>989,613</u>	<u>-</u>	<u>28,123,874</u>
Total capital assets, being depreciated	<u>161,029,168</u>	<u>-</u>	<u>838,023</u>	<u>5,032,781</u>	<u>(479,664)</u>	<u>166,420,308</u>
Less accumulated depreciation for:						
Land improvements	(9,706,096)	307,571	-	(661,160)	-	(10,059,685)
Buildings	(11,681,559)	(314,891)	-	(2,535,893)	7,324	(14,525,019)
Machinery and equipment	(1,903,133)	110,640	-	(147,329)	111,879	(1,827,943)
Furniture and fixtures	(1,290,679)	(2,430)	-	(108,382)	-	(1,401,491)
Vehicles	(4,516,057)	(3,083)	-	(671,458)	367,785	(4,822,813)
Infrastructure	<u>(13,257,726)</u>	<u>(97,807)</u>	<u>(12,611)</u>	<u>(945,084)</u>	<u>-</u>	<u>(14,313,228)</u>
Total accumulated depreciation	<u>(42,355,250)</u>	<u>-</u>	<u>(12,611)</u>	<u>(5,069,306)</u>	<u>486,988</u>	<u>(46,950,179)</u>
Total capital assets being depreciated, net	<u>118,673,918</u>	<u>-</u>	<u>825,412</u>	<u>(36,525)</u>	<u>7,324</u>	<u>119,470,129</u>
Governmental activities capital assets, net	<u>\$132,221,073</u>	<u>\$ -</u>	<u>\$ 974,298</u>	<u>\$ 1,307,640</u>	<u>\$ 7,324</u>	<u>\$ 134,510,335</u>

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

DECEMBER 31, 2019

Note 4—Capital assets (continued)

Governmental activity depreciation expense was charged to functions as follows:

General government	\$ 2,174,379
Public safety	805,165
Public works	1,282,282
Recreation and parks	807,480
	<u>\$ 5,069,306</u>

Business-Type Activities

	<u>Balance 1/1/2019</u>	<u>Prior Period Adjustment</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/2019</u>
Capital assets, not being depreciated:					
Land	\$ 824,058	\$ -	\$ -	\$ -	\$ 824,058
Construction in progress	2,075	-	-	-	2,075
Easements	62,760	-	-	-	62,760
Total capital assets, not being depreciated	<u>888,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>888,893</u>
Capital assets, being depreciated:					
Buildings	24,178,306	-	-	-	24,178,306
Machinery and equipment	3,059,659	-	261,192	(46,823)	3,274,028
Vehicles	4,551,499	-	208,202	(51,306)	4,708,395
System improvements	71,583,717	2,166,110	999,590	-	74,749,417
PSA capital	4,667,405	-	-	-	4,667,405
Total capital assets, being depreciated	<u>108,040,586</u>	<u>2,166,110</u>	<u>1,468,984</u>	<u>(98,129)</u>	<u>111,577,551</u>
Less accumulated depreciation for:					
Buildings	(3,317,320)	-	(685,235)	-	(4,002,555)
Machinery and equipment	(2,153,819)	-	(206,651)	34,853	(2,325,617)
Vehicles	(3,599,310)	-	(346,464)	51,307	(3,894,467)
System improvements	(17,720,013)	(42,058)	(1,101,412)	-	(18,863,483)
PSA capital	(2,819,028)	-	(115,506)	-	(2,934,534)
Total accumulated depreciation	<u>(29,609,490)</u>	<u>(42,058)</u>	<u>(2,455,268)</u>	<u>86,160</u>	<u>(32,020,656)</u>
Total capital assets being depreciated, net	<u>78,431,096</u>	<u>2,124,052</u>	<u>(986,284)</u>	<u>(11,969)</u>	<u>79,556,895</u>
Business-type activities capital assets, net	<u>\$ 79,319,989</u>	<u>\$ 2,124,052</u>	<u>\$ (986,284)</u>	<u>\$ (11,969)</u>	<u>\$ 80,445,788</u>

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

DECEMBER 31, 2019

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 GASB 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, 2019:

	<u>Governmental Funds</u>	<u>Water and Wastewater</u>	<u>Sanitation</u>	<u>Stormwater</u>	<u>Total</u>
Machinery and equipment	\$ 560,660	\$ 414,902	\$ 93,172	\$ 45,412	\$ 1,114,146
Vehicles	2,064,397	34,637	713,604	49,932	2,862,570
	2,625,057	449,539	806,776	95,344	3,976,716
Accumulated depreciation	(767,225)	(48,021)	(246,499)	(9,065)	(1,070,810)
Carry value	<u>\$ 1,857,832</u>	<u>\$ 401,518</u>	<u>\$ 560,277</u>	<u>\$ 86,279</u>	<u>\$ 2,905,906</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, 2019:

<u>Year Ending December 31,</u>	<u>Business-Type Funds</u>				<u>Total</u>
	<u>Governmental Funds</u>	<u>Water and Wastewater</u>	<u>Sanitation</u>	<u>Stormwater</u>	
2020	\$ 512,425	\$ 126,088	\$ 183,137	\$ 26,614	\$ 848,264
2021	400,823	98,628	143,252	20,817	663,520
2022	294,256	72,405	105,165	15,283	487,109
2023	163,486	40,228	58,429	8,491	270,634
Total minimum lease payments	1,370,990	337,349	489,983	71,205	2,269,527
Amount representing interest	(66,964)	(18,787)	(23,248)	(4,077)	(113,076)
Present value of minimum lease payments	<u>\$ 1,304,026</u>	<u>\$ 318,562</u>	<u>\$ 466,735</u>	<u>\$ 67,128</u>	<u>\$ 2,156,451</u>

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

DECEMBER 31, 2019

Note 6—Long-term debt and other long-term liabilities

Changes in Long-Term Debt and Other Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2019 was as follows:

	<u>Balance 1/1/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2019</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	1,174,089	838,111	(708,174)	1,304,026	518,303
Other liabilities:					
Compensated absences	671,978	471,296	(474,631)	668,643	484,641
	<u>\$ 71,321,067</u>	<u>\$ 1,309,407</u>	<u>\$ (1,182,805)</u>	<u>\$ 71,447,669</u>	<u>\$ 1,002,944</u>

Revenue Bond Payable – Revenue bond payable (recorded as a liability for governmental activities) at December 31, 2019 is comprised of the following:

In January 2015, the 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 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, 2019 are \$56,398,679. 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 THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

Note 6—Long-term debt and other long-term liabilities (continued)

	2017B Revenue Bond Issue		
	Principal	Interest	Total
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	855,000	3,136,077	3,991,077
2025-2048	<u>65,740,000</u>	<u>49,878,685</u>	<u>115,618,685</u>
	<u>\$ 69,450,000</u>	<u>\$ 65,778,459</u>	<u>\$ 135,228,459</u>

Long-term liability activity for the year ended December 31, 2019 was as follows:

	<u>Balance 1/1/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2019</u>	<u>Due Within One Year</u>
Business-type Activities:					
Revenue bonds payable:					
Revenue bonds	\$ 19,877,539	\$ -	\$ (987,559)	\$ 18,889,980	\$ 798,149
Capital leases:					
Capitalized leases	862,405	445,650	(455,630)	852,425	277,572
Other liabilities:					
Compensated absences	<u>317,715</u>	<u>200,608</u>	<u>(247,272)</u>	<u>271,051</u>	<u>271,051</u>
	<u>\$ 21,057,659</u>	<u>\$ 646,258</u>	<u>\$ (1,690,461)</u>	<u>\$ 20,013,456</u>	<u>\$ 1,346,772</u>

Revenue Bonds Payable – Revenue bonds payable (recorded as a liability in the Water and Wastewater System Fund) at December 31, 2019 are comprised of the following individual issues:

<p>\$13,000,000 Water and Wastewater (Series 2014A) serial bonds, originally dated March 20, 2014 (SC Drinking Water Revolving Loan Fund Number 3-060-14-0210003-01) due in 80 quarterly installments of \$196,146 beginning May 1, 2015 through February 1, 2035; interest at 2.0%. Total draws as of December 31, 2019 are \$12,906,882. There are no remaining draws. The project budget was amended on April 6, 2017 to \$12,906,882.</p>	<p>\$ 10,290,474</p>
<p>\$13,000,000 Water and Wastewater (Series 2015A) serial bonds, originally dated February 17, 2015 (SC Drinking Water Revolving Loan Fund Number X3-065-14-0210003-02) due in 80 quarterly installments of \$197,561 beginning March 1, 2017; interest at 2.0%. Total draws as of December 31, 2019 are \$10,094,688. Total draws remaining are \$2,905,312.</p>	<p style="text-align: right;"><u>8,599,506</u></p> <p style="text-align: right;"><u>\$ 18,889,980</u></p>

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

DECEMBER 31, 2019

Note 6—Long-term debt and other long-term liabilities (continued)

	2014A Revenue Bond Issue		
	Principal	Interest	Total
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	631,573	153,013	784,586
2025-2035	7,254,924	787,078	8,042,002
	<u>\$ 10,290,474</u>	<u>\$ 1,674,454</u>	<u>\$ 11,964,928</u>

	2015A Revenue Bond Issue		
	Principal	Interest	Total
2020	\$ 215,018	\$ 66,355	\$ 281,373
2021	449,303	164,334	613,637
2022	458,357	155,280	613,637
2023	467,593	146,044	613,637
2024	477,015	136,622	613,637
2025-2036	6,532,220	831,430	7,363,650
	<u>\$ 8,599,506</u>	<u>\$ 1,500,065</u>	<u>\$ 10,099,571</u>

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

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

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

DECEMBER 31, 2019

Note 6—Long-term debt and other long-term liabilities (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% of annual net system charges for services. Principal and interest paid in 2019 totaled \$1,377,270. Total net charges for services for the year were \$10,151,786.

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 THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

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 U.S. GAAP. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report (“CAFR”) containing financial statements and required supplementary information for the Systems’ Pension Trust Funds. The CAFR is publicly available on the Retirement Benefits’ link on PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the CAFR of the state. City of North Augusta is a member of the South Carolina Retirement System (“SCRS”) and the South Carolina Police Officers Retirement System (“PORS”).

Plan Description – The 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 subdivisions of government, and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The 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 THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

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 1% or \$500 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 1% or \$500 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 85%, 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 85%. 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 85%, 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 85%.

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

DECEMBER 31, 2019

Note 8—Pension plans (continued)

The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 9% and 9.75% for SCRS and PORS, respectively. The employer contribution rates will continue to increase annually by 1% through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56% for SCRS and 21.24% for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a 20-year amortization period.

SCRS – The City's contributions to SCRS for the fiscal year ending December 31, 2019 were \$1,235,059, equal to the required contributions for each year.

PORS – The City's contributions to PORS for the fiscal year ending December 31, 2019 were \$702,156, 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, 2018. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2018 actuarial valuations, using membership data as of July 1, 2018, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2019, 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, 2019, the City reported \$17,638,284 and \$7,744,895 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, 2019, the City's proportionate share was 0.077245% for SCRS and 0.270239% for PORS.

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

DECEMBER 31, 2019

Note 8—Pension plans (continued)

Deferred Outflows/(Inflows) of Resources – For the year ended December 31, 2019, the City recognized pension expense of \$1,261,138 and \$1,137,752 for SCRS and PORS, respectively. At December 31, 2019, 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	\$ 552,880	\$ 396,722	\$ 316,313	\$ 218,113
Net difference between expected and actual pension plan experience	12,125	126,678	159,251	57,240
Changes in proportion and differences between Employer contributions and proportionate share of contributions	149,173	1,148	45,600	216,158
Assumption changes	355,437	-	307,124	-
Employer contributions subsequent to the measurement date	636,470	-	362,527	-
	<u>\$ 1,706,085</u>	<u>\$ 524,548</u>	<u>\$ 1,190,815</u>	<u>\$ 491,511</u>

The deferred outflows of resources of \$636,470 and \$362,527 for SCRS and PORS, respectively, 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, 2020. The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at December 31, 2019. Average remaining service lives of all employees provided with pensions through the pension plans for the June 30, 2019 measurement period was 4.026 years for SCRS and 4.217 years for PORS.

Amortization of remaining deferred outflows/(inflows)
Measurement period ended June 30, 2019

	SCRS	PORS
2020	\$ 501,555	\$ 141,085
2021	(95,698)	97,454
2022	80,395	53,437
2023	58,815	44,801
Net balance deferred outflows/(inflows) of resources	<u>\$ 545,067</u>	<u>\$ 336,777</u>

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

DECEMBER 31, 2019

Note 8—Pension plans (continued)

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

Actuarial Assumptions and Methods – Actuarial valuations of the 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 ended June 30, 2015.

The June 30, 2019, total pension liability (“TPL”), NPL, and sensitivity information shown PEBA’s report were determined by their consulting actuary Gabriel, Roeder, Smith and Company and are based on an actuarial valuation performed as of July 1, 2018. The total pension liability was rolled-forward from the valuation date to the plans’ fiscal year-end, June 30, 2019, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used as of June 30, 2019.

	<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

* Includes inflation of 2.25%

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 THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

Note 8—Pension plans (continued)

Post-Retiree Mortality Assumptions

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

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2019 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% inflation component.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	51%	3.61%
Real Assets	12%	0.69%
Opportunistic	8%	0.26%
Credit	15%	0.64%
Rate Sensitive	14%	0.21%
Total expected real return	100%	5.41%
Inflation for actuarial purposes		2.25%
Total expected nominal return		7.66%

Discount Rate – The discount rate used to measure the TPL was 7.25%. 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 THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

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%, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00% lower (6.25%) or 1.00% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SCRS	\$ 22,220,485	\$ 17,638,284	\$ 13,814,081
PORS	10,496,164	7,744,895	5,490,904

Note 9—Interfund receivables, payables, and transfers

The following interfund transfers are reflected in the fund financial statements at December 31, 2019:

<u>Transfer in</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Water and Wastewater Fund	\$ 740,173
General Fund	Sanitation Fund	352,387
General Fund	Stormwater Fund	26,677
General Fund	Capital Projects Fund	76,354
General Fund	Nonmajor governmental funds	40,075
Capital Projects Fund	General Fund	825,129
Nonmajor governmental funds	General Fund	23,725
North Augusta Public Facility Corp.	Nonmajor governmental funds	1,741,454
Water and Wastewater Fund	Stormwater Fund	1,052
Water and Wastewater Fund	Sanitation Fund	10,063
Water and Wastewater Fund	Capital Projects Fund	17,705
Sanitation Fund	Capital Projects Fund	13,278
Stormwater Fund	Capital Projects Fund	3,320
		<u>\$ 3,871,392</u>

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

Note 10—Risk management

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

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

DECEMBER 31, 2019

Note 10—Risk management (continued)

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, 2019 are composed of the following:

	Project Authorization	Expended Through December 31, 2019	Commitment
Riverside Village Amphitheater	\$ 2,045,227	\$ 775,700	\$ 1,269,527
	<u>\$ 2,045,227</u>	<u>\$ 775,700</u>	<u>\$ 1,269,527</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.

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.

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

DECEMBER 31, 2019

Note 13—Tax abatements

As of December 31, 2019, 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, 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 five to six-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, 2019, the City received \$37,859 for tax year 2018 as part of the intergovernmental agreement with the County mentioned above.

Note 14—Restatement of net position

Correction of an error

The City has determined that restatements of beginning net position are required to reflect infrastructure assets deeded to the City in prior years but not reflected on the City’s capital asset schedule. The effect of the prior period restatement is summarized below and reflected in the government-wide financial statements.

	Governmental Activities	Business-type Activities
Ending net position December 31, 2018	\$ 64,860,473	\$ 67,772,520
Capital assets, not being depreciated	148,886	-
Capital assets, being depreciated	838,023	2,166,110
Accumulated depreciation	<u>(12,611)</u>	<u>(42,058)</u>
Beginning net position December 31, 2019	<u>\$ 65,834,771</u>	<u>\$ 69,896,572</u>

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

DECEMBER 31, 2019

Note 15—Subsequent events

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. There have been mandates from federal, state, and local authorities requiring forced closures of non-essential businesses, limiting person-to-person contact and public gatherings. The City has evaluated the impact of this outbreak on their daily operations, noting reductions in revenue from parks, recreation, and tourism due to the current limitations on public gatherings. The City will continue to monitor the situation and revisit the current budget for any identified reductions. As of the date of this report, there is an estimated 4% reduction to parks, recreation, and tourism revenues and expenditures for the year ended December 31, 2020.

On November 6, 2018, a favorable bond referendum was held in the City of North Augusta authorizing the City to issue general obligation bonds not exceeding \$10,250,000 as part of a favorable Capital Projects Sales Tax referendum. These bonds were issued on March 19, 2020 to construct and equip a public safety headquarters. Bond payments will be made from revenues collected from the capital projects sales tax.

The City has evaluated subsequent events through June 30, 2020, the date which the financial statements were available to be issued. As of this date, other than the above mentioned, there were no material subsequent events requiring adjustment to or disclosure in the financial statements for the year ended December 31, 2019.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2019

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

SCRS:

	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2015	0.08%	\$ 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%
6/30/2019	0.08%	17,638,284	8,150,277	216.41%	54.40%

PORS:

	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2015	0.27%	\$ 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%
6/30/2019	0.27%	7,744,895	3,919,711	197.59%	62.70%

*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, 2019

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

SCRS:

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
12/31/2019	1,235,059	(1,235,059)	-	8,201,611	15.06%

PORS:

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
12/31/2019	702,156	(702,156)	-	3,957,543	17.74%

OTHER SUPPLEMENTARY INFORMATION

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Taxes:			
Current	\$ 7,185,560	\$ 7,423,020	\$ 237,460
Delinquent	10,000	4,762	(5,238)
Penalties	55,000	66,665	11,665
Total Taxes	<u>7,250,560</u>	<u>7,494,447</u>	<u>243,887</u>
Licenses and Permits:			
Business licenses	6,105,770	5,886,386	(219,384)
Building permits	300,000	316,041	16,041
Electrical permits	20,000	20,735	735
Mechanical permits	18,000	21,758	3,758
Plumbing permits	12,000	11,532	(468)
Total Licenses and Permits	<u>6,455,770</u>	<u>6,256,452</u>	<u>(199,318)</u>
Fines and Forfeitures:			
Public safety fines	1,070,000	974,881	(95,119)
Drug related fines	20,000	31,179	11,179
Total Fines and Forfeitures	<u>1,090,000</u>	<u>1,006,060</u>	<u>(83,940)</u>
Charges for Services:			
Fire protection fees	63,000	42,815	(20,185)
Customer street light fees	87,244	87,396	152
Municipal Center rentals	103,800	79,334	(24,466)
Recreation fees			
Special programs	29,600	31,660	2,060
Volleyball	5,880	5,270	(610)
Soccer	65,990	64,403	(1,587)
Miscellaneous	145,000	122,096	(22,904)
Basketball	51,300	43,368	(7,932)
Softball	29,820	29,898	78
Football	36,065	39,255	3,190
Baseball	55,420	71,458	16,038
Concession stand	150,000	194,013	44,013
Community Center fees	64,800	71,530	6,730
Activities Center fees	164,035	188,678	24,643
Recreation facilities rentals	24,000	42,638	18,638
Activities Center tournaments	241,000	339,197	98,197
Total Charges for Services	<u>1,316,954</u>	<u>1,453,009</u>	<u>136,055</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Intergovernmental:			
State of South Carolina:			
State shared revenue	502,230	526,959	24,729
Accommodations tax	44,000	45,655	1,655
Merchants' inventory tax	54,700	54,790	90
Local option sales tax	20,000	21,801	1,801
SCDOT traffic signals	14,550	21,330	6,780
Law enforcement net grant	10,000	2,788	(7,212)
Department of Justice grant	146,521	2,002	(144,519)
Highway safety grant	-	149,946	149,946
Aiken County FILOT	33,000	37,859	4,859
Total Intergovernmental	825,001	863,130	38,129
Miscellaneous:			
Other	376,417	555,731	179,314
Communication tower rental	190,000	222,596	32,596
Interest earnings	44,000	101,766	57,766
Total Miscellaneous	610,417	880,093	269,676
Total Revenues	\$ 17,548,702	\$ 17,953,191	\$ 404,489
Expenditures:			
General Government:			
City Council -			
Personal services:			
Salaries and wages	\$ 107,881	\$ 101,897	\$ (5,984)
FICA	8,253	6,743	(1,510)
Employee retirement	13,357	13,504	147
Employee insurance	23,700	24,488	788
Workers' compensation	3,102	2,609	(493)
Operating expenditures:			
General supplies/postage	4,025	3,523	(502)
Dues/training/travel	13,510	8,008	(5,502)
Contracts/repairs	1,000	209	(791)
Advertising	300	474	174
Professional Services	4,050	1,105	(2,945)
Special department supplies	2,850	1,718	(1,132)
Insurance	1,233	1,157	(76)
Contingencies	2,000	500	(1,500)
Total	185,261	165,935	(19,326)

(continued)

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
General Government (continued):			
City Administration -			
Personal services:			
Salaries and wages	256,823	192,250	(64,573)
FICA	19,647	14,644	(5,003)
Employee retirement	38,678	28,857	(9,821)
Employee insurance	15,800	15,895	95
Workers' compensation	3,924	3,301	(623)
Operating expenditures:			
Contributions	15,000	15,000	-
General supplies/postage	2,250	2,262	12
Dues/training/travel	15,300	17,502	2,202
Data processing	2,500	1,605	(895)
Contracts/repairs	8,500	4,919	(3,581)
Professional services	65,000	23,296	(41,704)
Insurance	9,993	11,658	1,665
Contingencies	93,922	95,830	1,908
Total	547,337	427,019	(120,318)
Justice and Law -			
Personal services:			
Salaries and wages	122,526	127,550	5,024
FICA	9,373	9,326	(47)
Employee retirement	16,258	16,258	-
Employee insurance	7,900	7,947	47
Workers' compensation	3,530	2,970	(560)
Operating expenditures:			
General supplies/postage	500	16	(484)
State fees/fin	565,986	516,187	(49,799)
Dues/training/travel	4,988	1,772	(3,216)
Contracts and repairs	10,800	10,511	(289)
Jury services	2,000	2,250	250
Professional services	22,725	20,824	(1,901)
Juvenile detention	3,500	1,000	(2,500)
Insurance	27,313	25,630	(1,683)
Total	797,399	742,241	(55,158)

(continued)

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
General Government (continued):			
Community Promotion -			
Operating expenditures:			
Contributions	48,200	47,200	(1,000)
Dues/training/travel	5,931	5,931	-
Special department supplies	16,400	19,151	2,751
Insurance	3,656	3,431	(225)
Total	74,187	75,713	1,526
Finance -			
Personal services:			
Salaries and wages	270,688	239,045	(31,643)
FICA	20,708	17,477	(3,231)
Employee retirement	40,766	35,017	(5,749)
Employee insurance	31,600	31,790	190
Workers' compensation	7,789	9,637	1,848
Unemployment insurance	-	6,520	6,520
Operating expenditures:			
General supplies/postage	10,000	12,222	2,222
Dues/training/travel	2,225	2,225	-
Data processing	11,000	16,853	5,853
Contracts/repairs	17,700	15,964	(1,736)
Advertising	1,000	400	(600)
Professional services	22,250	20,528	(1,722)
Insurance	3,312	3,108	(204)
Total	439,038	410,786	(28,252)
City Buildings -			
Operating expenditures:			
General supplies/postage	15,000	20,846	5,846
Auto operating	-	3,147	3,147
Utility services	260,000	320,464	60,464
Contracts/repairs	80,000	77,857	(2,143)
Professional services	6,700	15,893	9,193
Insurance	15,966	14,951	(1,015)
Total	377,666	453,158	75,492

(continued)

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
General Government (continued):			
Building Standards -			
Personal services:			
Salaries and wages	259,141	246,249	(12,892)
FICA	19,824	17,896	(1,928)
Employee retirement	39,027	36,514	(2,513)
Employee insurance	35,500	35,717	217
Workers' compensation	7,267	6,113	(1,154)
Operating expenditures:			
General supplies/postage	3,000	3,072	72
Dues/training/travel	3,925	3,782	(143)
Auto operating	6,400	5,322	(1,078)
Data processing	10,000	12,084	2,084
Contracts/repairs	3,790	5,084	1,294
Uniforms/clothing	1,550	1,456	(94)
Professional services	24,000	2,016	(21,984)
Special department supplies	2,600	3,244	644
Insurance	1,959	1,838	(121)
Capital lease payments	13,845	13,402	(443)
Capital outlay:			
Vehicles	-	22,000	22,000
Total	<u>431,828</u>	<u>415,789</u>	<u>(16,039)</u>
Human Resources -			
Personal services:			
Salaries and wages	125,918	129,782	3,864
FICA	9,633	9,255	(378)
Employee retirement	18,963	19,865	902
Employee insurance	19,010	19,129	119
Workers' compensation	3,284	2,763	(521)
Operating expenditures:			
General supplies/postage	2,200	1,966	(234)
Dues/training/travel	2,900	3,456	556
Contracts/repairs	1,850	1,552	(298)
Advertising	9,600	8,970	(630)
Professional services	38,999	33,777	(5,222)
Special department supplies	54,042	17,933	(36,109)
Insurance	5,452	5,116	(336)
Capital outlay:			
Machines/equipment	9,000	5,813	(3,187)
Total	<u>300,851</u>	<u>259,377</u>	<u>(41,474)</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
General Government (continued):			
Planning and Development -			
Personal services:			
Salaries and wages	236,887	229,868	(7,019)
FICA	18,122	16,440	(1,682)
Employee retirement	37,132	33,723	(3,409)
Employee insurance	27,650	27,816	166
Workers' compensation	5,075	4,269	(806)
Operating expenditures:			
General supplies/postage	4,400	4,396	(4)
Dues/training/travel	8,000	1,728	(6,272)
Auto operating	5,492	762	(4,730)
Data processing	7,775	7,440	(335)
Contracts/repairs	4,800	2,641	(2,159)
Advertising	1,000	1,270	270
Professional services	38,000	-	(38,000)
Special department supplies	6,600	2,930	(3,670)
Insurance	2,000	1,877	(123)
Capital lease payments	2,066	2,066	-
Capital outlay:			
Office machines	8,000	5,813	(2,187)
Total	<u>412,999</u>	<u>343,039</u>	<u>(69,960)</u>
Property Maintenance -			
Personal services:			
Salaries and wages	606,348	622,807	16,459
Overtime pay	17,297	20,979	3,682
FICA	47,709	47,338	(371)
Employee retirement	93,921	94,721	800
Employee insurance	106,650	110,195	3,545
Workers' compensation	16,837	16,999	162
Operating expenditures:			
General supplies/postage	2,652	2,954	302
Dues/training/travel	1,935	2,753	818
Auto operating	39,927	39,058	(869)
Utility services	17,770	17,061	(709)
Contracts/repairs	30,900	49,599	18,699
Building materials/supplies	2,070	986	(1,084)
Uniforms/clothing	7,834	10,463	2,629

(continued)

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
General Government (continued):			
Property Maintenance (continued)-			
Professional services	129,200	101,575	(27,625)
Special department supplies	130,710	136,553	5,843
Insurance	21,903	20,553	(1,350)
Capital lease payments	49,673	46,668	(3,005)
Capital outlay:			
Automotive equipment	-	26,657	26,657
Machines/equipment	65,750	65,057	(693)
Total	<u>1,389,086</u>	<u>1,432,976</u>	<u>43,890</u>
Information Technology -			
Personal services:			
Salaries and wages	251,837	259,097	7,260
FICA	19,266	18,714	(552)
Employee retirement	40,248	40,065	(183)
Employee insurance	23,700	23,842	142
Workers' compensation	7,257	6,105	(1,152)
Operating expenditures:			
General supplies/postage	4,900	2,429	(2,471)
Dues/training/travel	3,350	1,890	(1,460)
Auto operating	1,790	1,264	(526)
Utility services	96,700	116,040	19,340
Data processing	97,270	90,040	(7,230)
Contracts/repairs	142,100	138,904	(3,196)
Insurance	17,145	16,088	(1,057)
Capital lease payments	5,894	5,534	(360)
Capital outlay:			
Office machines	68,600	66,363	(2,237)
Total	<u>780,057</u>	<u>786,375</u>	<u>6,318</u>
Total General Government	<u>\$ 5,735,709</u>	<u>\$ 5,512,408</u>	<u>\$ (223,301)</u>

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Public Safety -			
Personal services:			
Salaries and wages	\$ 4,717,637	\$ 4,869,995	\$ 152,358
Overtime pay	154,300	195,632	41,332
FICA	372,703	373,060	357
Employee retirement	840,318	828,213	(12,105)
Employee insurance	703,100	708,936	5,836
Workers' compensation	139,664	147,604	7,940
Operating expenditures:			
General supplies/postage	22,000	22,315	315
Dues/training/travel	50,000	50,964	964
Auto operating	234,270	248,426	14,156
Data processing	115,000	123,446	8,446
Contracts/repairs	265,000	283,315	18,315
Uniforms/clothing	118,100	90,054	(28,046)
CVA expenditures	36,320	22,228	(14,092)
LEN grant	10,000	5,378	(4,622)
Community policing	34,400	29,566	(4,834)
NAPS drug related account	20,000	31,740	11,740
Professional services	40,000	26,292	(13,708)
Special department supplies	100,000	89,385	(10,615)
Insurance	74,846	70,233	(4,613)
Capital lease payments	533,791	523,150	(10,641)
Capital outlay:			
Automotive equipment	-	500,084	500,084
Machines and equipment	14,625	157,613	142,988
Total Public Safety	<u>\$ 8,596,074</u>	<u>\$ 9,397,629</u>	<u>\$ 801,555</u>
Public Works:			
Engineering -			
Personal services:			
Salaries and wages	\$ 160,671	\$ 155,299	\$ (5,372)
FICA	12,291	11,759	(532)
Employee retirement	24,197	22,741	(1,456)
Employee insurance	23,700	23,842	142
Workers' compensation	3,636	3,059	(577)
Operating expenditures:			
General supplies/postage	500	391	(109)
Dues/training/travel	2,535	2,500	(35)
Auto operating	2,455	2,851	396
Data processing	3,600	3,254	(346)

(continued)

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Public Works (continued):			
Engineering (continued)-			
Contracts/repairs	2,280	2,304	24
Uniforms/clothing	1,000	980	(20)
Advertising	100	49	(51)
Professional services	-	360	360
Special department supplies	1,500	1,696	196
Insurance	1,498	1,406	(92)
Capital lease payments	5,544	5,264	(280)
Capital outlay:			
Automotive equipment	-	24,970	24,970
Total	<u>245,507</u>	<u>262,725</u>	<u>17,218</u>
Street Lighting and Traffic Signals -			
Operating expenditures:			
Dues/training/travel	2,450	1,958	(492)
Utility services	435,500	456,771	21,271
Contracts/repairs	10,275	15,326	5,051
Special department supplies	16,000	15,921	(79)
Insurance	23,727	22,265	(1,462)
Total	<u>487,952</u>	<u>512,241</u>	<u>24,289</u>
Streets and Drains -			
Personal services:			
Salaries and wages	460,094	451,600	(8,494)
Overtime pay	7,500	5,871	(1,629)
FICA	35,771	33,870	(1,901)
Employee retirement	70,420	67,099	(3,321)
Employee insurance	79,000	79,474	474
Workers' compensation	13,425	20,348	6,923
Operating expenditures:			
General supplies/postage	500	652	152
Dues/training/travel	2,500	2,533	33
Auto operating	36,620	36,537	(83)
Contracts/repairs	19,160	19,513	353
Building materials/supplies	70,000	64,761	(5,239)
Uniforms/clothing	5,940	5,423	(517)
Professional services	16,270	22,681	6,411
Special department supplies	17,850	17,985	135
Insurance	11,685	10,965	(720)

(continued)

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Public Works (continued):			
Streets and Drains (continued)-			
Capital lease payments	84,177	82,173	(2,004)
Capital outlay:			
Machines and equipment	-	99,306	99,306
Total	930,912	1,020,791	89,879
Total Public Works	<u>\$ 1,664,371</u>	<u>\$ 1,795,757</u>	<u>\$ 131,386</u>
Parks, Recreation, and Tourism:			
Recreation -			
Personal services:			
Salaries and wages	\$ 391,805	\$ 334,492	\$ (57,313)
Overtime pay	6,000	5,839	(161)
FICA	30,432	25,235	(5,197)
Employee retirement	47,026	47,297	271
Employee insurance	31,600	31,790	190
Workers' compensation	11,333	9,690	(1,643)
Operating expenditures:			
General supplies/postage	2,400	1,117	(1,283)
Dues/training/travel	9,940	11,247	1,307
Auto operating	2,740	2,305	(435)
Contract/repairs	7,750	13,067	5,317
Uniforms/clothing	900	-	(900)
Advertising	1,300	1,444	144
Professional services	73,000	147,462	74,462
Special department supplies	6,000	6,061	61
Basketball program	37,500	29,413	(8,087)
Softball program	27,400	27,136	(264)
Football program	30,000	36,035	6,035
Baseball program	50,000	65,755	15,755
Soccer program	55,000	48,526	(6,474)
Volleyball program	4,200	3,767	(433)
Concession stand supplies	91,000	119,854	28,854
Insurance	17,551	16,469	(1,082)
Capital lease payments	8,800	8,430	(370)
Capital outlay:			
Furniture/fixtures	1,500	-	(1,500)
Machines/equipment	13,000	56,990	43,990
Total	<u>958,177</u>	<u>1,049,421</u>	<u>91,244</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Parks, Recreation, and Tourism (continued):			
Parks -			
Personal services:			
Salaries and wages	205,577	191,207	(14,370)
Overtime pay	14,000	12,954	(1,046)
FICA	16,798	15,511	(1,287)
Employee retirement	33,068	30,100	(2,968)
Employee insurance	39,500	39,737	237
Workers' compensation	6,402	5,920	(482)
Operating expenditures:			
General supplies/postage	1,500	201	(1,299)
Dues/training/travel	1,450	1,450	-
Auto operating	11,890	10,695	(1,195)
Utility services	20,500	13,297	(7,203)
Contracts/repairs	32,600	37,194	4,594
Building materials/supplies	13,500	7,990	(5,510)
Uniforms/clothing	2,100	2,101	1
Professional services	-	11,224	11,224
Special department supplies	18,500	13,418	(5,082)
Insurance	5,283	4,957	(326)
Capital lease payments	12,041	12,041	-
Capital outlay:			
Park improvements	30,000	-	(30,000)
Total	464,709	409,997	(54,712)
Community Center -			
Personal services:			
Salaries and wages	78,717	80,652	1,935
Overtime pay	2,000	454	(1,546)
FICA	6,175	6,184	9
Employee retirement	12,156	11,943	(213)
Employee insurance	15,800	15,895	95
Workers' compensation	2,325	16,783	14,458
Operating expenditures:			
General supplies/postage	2,800	235	(2,565)
Auto operating	310	240	(70)
Utility services	23,000	22,253	(747)
Contracts/repairs	16,200	17,073	873
Uniforms/clothing	700	227	(473)
Advertising	3,000	2,904	(96)
Special department supplies	10,000	5,793	(4,207)
Insurance	2,896	2,718	(178)
Total	176,079	183,354	7,275

(continued)

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Parks, Recreation, and Tourism (continued):			
RVP Activities Center -			
Personal services:			
Salaries and wages	344,533	346,806	2,273
Overtime pay	10,000	10,010	10
FICA	27,122	26,463	(659)
Employee retirement	53,393	53,174	(219)
Employee insurance	55,300	55,632	332
Workers' compensation	10,054	8,458	(1,596)
Operating expenditures:			
General supplies/postage	15,500	14,253	(1,247)
Dues/training/travel	1,400	1,396	(4)
Auto operating	1,700	492	(1,208)
Contracts/repairs	73,300	124,197	50,897
Uniforms/clothing	1,400	134	(1,266)
Advertising	2,300	525	(1,775)
Tournaments/special events	150,000	225,445	75,445
Special department supplies	29,500	14,931	(14,569)
Insurance	14,917	13,998	(919)
Capital outlay:			
Furniture/fixtures	1,500	-	(1,500)
Total	<u>791,919</u>	<u>895,914</u>	<u>103,995</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Parks, Recreation, and Tourism (continued):			
Tourism -			
Personal services:			
Salaries and wages	126,116	127,796	1,680
Overtime pay	5,000	4,970	(30)
FICA	10,030	10,084	54
Employee retirement	19,746	19,560	(186)
Employee insurance	23,700	23,842	142
Workers' compensation	3,851	3,240	(611)
Operating expenditures:			
Contributions	12,150	12,150	-
General supplies/postage	8,000	4,849	(3,151)
Data processing	1,100	1,090	(10)
Uniforms/clothing	1,000	160	(840)
Advertising	-	47	47
Event and festival supplies	155,000	150,347	(4,653)
Special department supplies	22,000	16,386	(5,614)
Insurance	9,637	9,043	(594)
Total	<u>397,330</u>	<u>383,564</u>	<u>(13,766)</u>
Total Parks, Recreation, and Tourism	<u>\$ 2,788,214</u>	<u>\$ 2,922,250</u>	<u>\$ 134,036</u>
 Total Expenditures	 <u>\$ 18,784,368</u>	 <u>\$ 19,628,044</u>	 <u>\$ 843,676</u>

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

DECEMBER 31, 2019

	Capital Projects Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS			
Equity in pooled cash	\$ 418,126	\$ 435,525	\$ 853,651
Investments	315,970	871,870	1,187,840
Accounts receivable	-	62,133	62,133
Grants receivable	31,461	-	31,461
Restricted cash and investments	846,088	76,400	922,488
Total Assets	\$ 1,611,645	\$ 1,445,928	\$ 3,057,573
LIABILITIES			
Accounts payable	\$ 26,093	\$ 34,479	\$ 60,572
Accrued salary and wages	-	845	845
Unearned revenue - assessment fees	83,772	-	83,772
Total Liabilities	109,865	35,324	145,189
FUND BALANCES			
Fund balances:			
Restricted for:			
Capital projects	846,045	-	846,045
Public safety (Fire Division)	-	137,464	137,464
Special projects	-	1,260,773	1,260,773
Committed for:			
Capital projects	621,597	-	621,597
Parks, recreation and tourism	-	12,367	12,367
Assigned for:			
Capital projects	34,138	-	34,138
Total Fund Balances	1,501,780	1,410,604	2,912,384
Total Liabilities and Fund Balances	\$ 1,611,645	\$ 1,445,928	\$ 3,057,573

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

DECEMBER 31, 2019

	Sales Tax Fund	Sales Tax II Fund	Street Improvements Fund	Tax Increment Fund	Transportation Improvement Fund	Total
ASSETS						
Equity in pooled cash	\$ -	\$ -	\$ 310,071	\$ 37,911	\$ 70,144	\$ 418,126
Investments	-	-	205,643	1,497	108,830	315,970
Grants receivable	-	-	31,461	-	-	31,461
Restricted cash and investments	110,719	635,369	100,000	-	-	846,088
Total Assets	\$ 110,719	\$ 635,369	\$ 647,175	\$ 39,408	\$ 178,974	\$ 1,611,645
LIABILITIES						
Accounts payable	\$ -	\$ 43	\$ 26,050	\$ -	\$ -	\$ 26,093
Unearned revenue - assessment fees	-	-	-	-	83,772	83,772
Total Liabilities	-	43	26,050	-	83,772	109,865
FUND BALANCES						
Fund balances:						
Restricted for:						
Capital projects	110,719	635,326	100,000	-	-	846,045
Committed for:						
Capital projects	-	-	491,846	39,408	90,343	621,597
Assigned for:						
Capital projects	-	-	29,279	-	4,859	34,138
Total Fund Balances	110,719	635,326	621,125	39,408	95,202	1,501,780
Total Liabilities and Fund Balances	\$ 110,719	\$ 635,369	\$ 647,175	\$ 39,408	\$ 178,974	\$ 1,611,645

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

DECEMBER 31, 2019

	Accommodations Fund	Recreation Fund	Fireman's Fund	Riverfront/ Central Core Redevelopment Fund	Total
ASSETS					
Equity in pooled cash	\$ 148	\$ 12,943	\$ -	\$ 422,434	\$ 435,525
Investments	136,042	-	-	735,828	871,870
Accounts receivable	-	-	62,133	-	62,133
Restricted cash and investments	-	-	76,400	-	76,400
Total Assets	\$ 136,190	\$ 12,943	\$ 138,533	\$ 1,158,262	\$ 1,445,928
LIABILITIES					
Accounts payable	\$ -	\$ 576	\$ 1,069	\$ 32,834	\$ 34,479
Accrued salary and wages	-	-	-	845	845
Total Liabilities	-	576	1,069	33,679	35,324
FUND BALANCES					
Fund balances:					
Restricted for:					
Public safety (Fire Division)	-	-	137,464	-	137,464
Special projects	136,190	-	-	1,124,583	1,260,773
Committed for:					
Parks, recreation and tourism	-	12,367	-	-	12,367
Total Fund Balances	136,190	12,367	137,464	1,124,583	1,410,604
Total Liabilities and Fund Balances	\$ 136,190	\$ 12,943	\$ 138,533	\$ 1,158,262	\$ 1,445,928

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

YEAR ENDED DECEMBER 31, 2019

	Capital Projects Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
Revenues:			
Ad valorem property taxes	\$ 804,992	\$ -	\$ 804,992
Local hospitality and accommodations taxes	-	2,017,221	2,017,221
Intergovernmental	282,789	174,098	456,887
Interest earnings	55,402	18,622	74,024
Miscellaneous	-	2,630	2,630
Total Revenues	<u>1,143,183</u>	<u>2,212,571</u>	<u>3,355,754</u>
Expenditures:			
Current:			
General government	896	-	896
Public safety	-	57,844	57,844
Public works	20,198	-	20,198
Recreation and parks	-	376,511	376,511
Capital outlay	<u>1,828,449</u>	<u>427,004</u>	<u>2,255,453</u>
Total Expenditures	<u>1,849,543</u>	<u>861,359</u>	<u>2,710,902</u>
Other Financing Sources (Uses):			
Transfers in	-	23,725	23,725
Transfers out	<u>(804,991)</u>	<u>(976,538)</u>	<u>(1,781,529)</u>
Total Other Financing Sources (Uses)	<u>(804,991)</u>	<u>(952,813)</u>	<u>(1,757,804)</u>
Net change in fund balance	(1,511,351)	398,399	(1,112,952)
Fund balance, beginning of year	<u>3,013,131</u>	<u>1,012,205</u>	<u>4,025,336</u>
Fund balance, end of year	<u>\$ 1,501,780</u>	<u>\$ 1,410,604</u>	<u>\$ 2,912,384</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, 2019

	Sales Tax Fund	Sales Tax II Fund	Street Improvements Fund	Tax Increment Fund	Transportation Improvement Fund	Total
Revenues:						
Ad valorem property taxes	\$ -	\$ -	\$ -	\$ 804,992	\$ -	\$ 804,992
Intergovernmental	-	-	282,789	-	-	282,789
Interest earnings	2,492	18,750	12,629	2,479	19,052	55,402
Total Revenues	<u>2,492</u>	<u>18,750</u>	<u>295,418</u>	<u>807,471</u>	<u>19,052</u>	<u>1,143,183</u>
Expenditures:						
Current:						
General government	-	-	-	896	-	896
Public works	-	-	20,198	-	-	20,198
Capital outlay	-	732,116	366,074	-	730,259	1,828,449
Total Expenditures	<u>-</u>	<u>732,116</u>	<u>386,272</u>	<u>896</u>	<u>730,259</u>	<u>1,849,543</u>
Other Financing Sources (Uses):						
Transfers out	-	-	-	(804,991)	-	(804,991)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(804,991)</u>	<u>-</u>	<u>(804,991)</u>
Net change in fund balance	2,492	(713,366)	(90,854)	1,584	(711,207)	(1,511,351)
Fund balance, beginning of year	108,227	1,348,692	711,979	37,824	806,409	3,013,131
Fund balance, end of year	<u>\$ 110,719</u>	<u>\$ 635,326</u>	<u>\$ 621,125</u>	<u>\$ 39,408</u>	<u>\$ 95,202</u>	<u>\$ 1,501,780</u>

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

YEAR ENDED DECEMBER 31, 2019

	Accommodations Fund	Recreation Fund	Fireman's Fund	Riverfront/ Central Core Redevelopment Fund	Total
Revenues:					
Local hospitality and accommodations taxes	\$ -	\$ -	\$ -	\$ 2,017,221	\$ 2,017,221
Intergovernmental	111,308	-	62,790	-	174,098
Interest earnings	1,157	40	978	16,447	18,622
Miscellaneous	-	2,630	-	-	2,630
Total Revenues	112,465	2,670	63,768	2,033,668	2,212,571
Expenditures:					
Current:					
Public safety	-	-	57,844	-	57,844
Recreation and parks	-	-	-	376,511	376,511
Capital outlay	-	-	-	427,004	427,004
Total Expenditures	-	-	57,844	803,515	861,359
Other Financing Sources (Uses):					
Transfers in	23,725	-	-	-	23,725
Transfers out	-	-	-	(976,538)	(976,538)
Total Other Financing Sources (Uses)	23,725	-	-	(976,538)	(952,813)
Net change in fund balance	136,190	2,670	5,924	253,615	398,399
Fund balance, beginning of year	-	9,697	131,540	870,968	1,012,205
Fund balance, end of year	\$ 136,190	\$ 12,367	\$ 137,464	\$ 1,124,583	\$ 1,410,604

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Operating Revenues:			
Water sales	\$ 3,269,029	\$ 3,563,223	\$ 294,194
Sewer sales	6,296,027	6,387,334	91,307
Water tap fees	108,824	58,375	(50,449)
Sewer tap fees	166,176	128,148	(38,028)
Fire protection fees	11,841	14,706	2,865
Other	436,875	519,965	83,090
Total Operating Revenues	10,288,772	10,671,751	382,979
Operating Expenses:			
Utilities Finance	557,923	615,040	57,117
Utilities Administration	521,060	503,994	(17,066)
Water Operations and Maintenance	903,663	817,673	(85,990)
Water Production and Treatment	1,609,557	1,548,867	(60,690)
Wastewater Operations and Maintenance	4,277,817	4,480,910	203,093
Depreciation and amortization	-	1,715,817	1,715,817
Total Operating Expenses	7,870,020	9,682,301	1,812,281
Nonoperating Revenues (Expenses):			
Intergovernmental	-	23,516	23,516
Interest earnings	20,000	235,489	215,489
Interest expense and fiscal charges	-	(394,989)	(394,989)
Loss on sale of capital assets	-	(3,855)	(3,855)
Total Nonoperating Revenues (Expenses):	20,000	(139,839)	(159,839)
Income before contributions and operating transfers	2,438,752	849,611	(1,589,141)
Capital contributions	-	243,629	243,629
Transfers in	28,820	28,820	-
Transfers out	(2,175,173)	(740,173)	1,435,000
Change in net position	\$ 292,399	\$ 381,887	\$ 89,488

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Utilities Finance:			
Personal services:			
Salaries and wages	\$ 202,739	\$ 211,605	\$ 8,866
FICA	15,510	14,931	(579)
Employee retirement	30,533	55,514	24,981
Employee insurance	39,500	39,737	237
Workers' compensation	6,146	5,170	(976)
Operating expenses:			
General supplies/postage	84,000	95,737	11,737
Dues/training/travel	3,800	2,420	(1,380)
Data processing	85,114	105,350	20,236
Contracts and repairs	26,500	24,668	(1,832)
Professional services	22,225	16,652	(5,573)
Special department supplies	500	497	(3)
Insurance	10,356	9,718	(638)
Bad debts	31,000	33,041	2,041
Total Utilities Finance	557,923	615,040	57,117
Utilities Administration:			
Personal services:			
Salaries and wages	312,123	284,841	(27,282)
Overtime pay	9,900	4,592	(5,308)
FICA	24,566	22,264	(2,302)
Employee retirement	48,361	80,691	32,330
Employee insurance	51,350	51,094	(256)
Workers' compensation	11,056	9,301	(1,755)
Operating expenses:			
General supplies/postage	3,464	4,260	796
Dues/training/travel	6,057	6,239	182
Auto operating	11,788	11,699	(89)
Utility services	11,642	10,725	(917)
Contracts and repairs	10,936	10,295	(641)
Building material	400	403	3
Uniforms and clothing	2,506	2,268	(238)
Professional services	2,779	546	(2,233)
Special department supplies	200	415	215
Lease purchase	9,285	-	(9,285)
Insurance	4,647	4,361	(286)
Total Utilities Administration	521,060	503,994	(17,066)

(continued)

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Water Operations and Maintenance:			
Personal services:			
Salaries and wages	384,629	359,534	(25,095)
Overtime pay	13,924	13,483	(441)
FICA	30,489	27,471	(3,018)
Employee retirement	60,022	96,102	36,080
Employee insurance	71,100	71,527	427
Workers' compensation	10,539	8,866	(1,673)
Operating expenses:			
Dues/training	2,105	2,484	379
Auto operating	31,236	32,875	1,639
Contracts and repairs	19,295	11,950	(7,345)
Building material	10,910	9,066	(1,844)
Uniforms and clothing	4,680	5,493	813
Special department supplies	98,780	92,315	(6,465)
Judgments/settlements	-	1,129	1,129
Insurance	12,405	11,640	(765)
Line upgrades	82,300	73,738	(8,562)
Leases	53,171	-	(53,171)
Small equipment	18,078	-	(18,078)
Total Water Operations and Maintenance	903,663	817,673	(85,990)
Water Production and Treatment:			
Personal services:			
Salaries and wages	451,117	437,038	(14,079)
Overtime pay	28,500	32,062	3,562
FICA	36,691	34,042	(2,649)
Employee retirement	72,230	125,379	53,149
Employee insurance	63,200	63,580	380
Workers' compensation	13,664	11,494	(2,170)
Operating expenses:			
General supplies	3,375	632	(2,743)
Dues/training	5,425	5,957	532
Auto operating	5,194	2,872	(2,322)
Utility services	433,431	430,763	(2,668)
Contracts and repairs	136,990	163,196	26,206
Building material	1,850	1,471	(379)

(continued)

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Water Production and Treatment (continued):			
Operating expenses (continued):			
Uniforms and clothing	3,420	3,685	265
Professional services	74,550	48,481	(26,069)
ACPSA treatment charges	4,500	2,856	(1,644)
Special department supplies	193,250	145,174	(48,076)
Insurance	42,825	40,185	(2,640)
Leases	26,545	-	(26,545)
Small equipment	12,800	-	(12,800)
Total Water Production and Treatment	<u>1,609,557</u>	<u>1,548,867</u>	<u>(60,690)</u>
Wastewater Operations and Maintenance:			
Personal services:			
Salaries and wages	474,808	452,470	(22,338)
Overtime pay	17,142	15,141	(2,001)
FICA	37,634	33,556	(4,078)
Employee retirement	74,088	126,595	52,507
Employee insurance	86,900	87,422	522
Workers' compensation	13,614	11,686	(1,928)
Operating expenses:			
Dues/training	700	419	(281)
Auto operating	30,257	31,252	995
Utility services	67,037	62,040	(4,997)
Contracts and repairs	79,980	54,047	(25,933)
Building material	12,580	12,869	289
Uniforms and clothing	5,150	5,583	433
ACPSA treatment charges	3,276,622	3,552,408	275,786
Special department supplies	18,200	17,924	(276)
Insurance	14,522	17,498	2,976
Leases	60,583	-	(60,583)
Small equipment	8,000	-	(8,000)
Total Wastewater Operations and Maintenance	<u>4,277,817</u>	<u>4,480,910</u>	<u>203,093</u>
Depreciation and amortization	-	1,715,817	1,715,817
Total Operating Expenses	<u>\$ 7,870,020</u>	<u>\$ 9,682,301</u>	<u>\$ 1,812,281</u>

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Operating Revenues:			
Sanitation service fees	\$ 3,381,732	\$ 3,427,570	\$ 45,838
Recycling fees	760,130	917,212	157,082
Sale of recyclables	214,660	142,782	(71,878)
Other	86,544	69,119	(17,425)
Total Operating Revenues	<u>4,443,066</u>	<u>4,556,683</u>	<u>113,617</u>
Operating Expenses:			
Sanitation operations	2,538,077	2,477,033	(61,044)
Material recovery facility	1,573,817	1,690,829	117,012
Depreciation	-	552,325	552,325
Total Operating Expenses	<u>4,111,894</u>	<u>4,720,187</u>	<u>608,293</u>
Nonoperating Revenues (Expenses):			
Interest earnings	18,000	53,098	35,098
Interest expense and fiscal charges	-	(12,959)	(12,959)
Total Nonoperating Revenues	<u>18,000</u>	<u>40,139</u>	<u>22,139</u>
Income before transfers	349,172	(123,365)	(472,537)
Transfers:			
Transfers in	13,278	13,278	-
Transfers out	(362,450)	(362,450)	-
Change in net position	<u>\$ -</u>	<u>\$ (472,537)</u>	<u>\$ (472,537)</u>

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Sanitation Operations:			
Personal services:			
Salaries and wages	\$ 1,099,059	\$ 1,059,689	\$ (39,370)
Overtime pay	14,710	16,753	2,043
FICA	85,203	79,798	(5,405)
Employee retirement	167,734	282,678	114,944
Employee insurance	201,450	203,305	1,855
Workers' compensation	33,585	29,231	(4,354)
Operating expenses:			
General supplies	3,727	3,445	(282)
Dues/training	3,907	2,711	(1,196)
Auto operating	335,819	357,329	21,510
Utility services	24,932	30,175	5,243
Data processing	10,000	15,094	5,094
Contracts and repairs	12,150	14,224	2,074
Uniforms and clothing	9,770	11,378	1,608
Professional services	5,941	49,162	43,221
Special department supplies	259,380	280,749	21,369
Leases	226,685	-	(226,685)
Insurance	44,025	41,312	(2,713)
Total Sanitation Operations	<u>2,538,077</u>	<u>2,477,033</u>	<u>(61,044)</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Material Recovery Facility:			
Personal services:			
Salaries and wages	379,947	330,359	(49,588)
Overtime pay	17,220	5,534	(11,686)
FICA	30,383	26,397	(3,986)
Employee retirement	59,813	94,639	34,826
Employee insurance	67,150	67,553	403
Workers' compensation	11,531	10,120	(1,411)
Operating expenses:			
General supplies	700	737	37
Dues/training	940	18	(922)
Auto operating	94,838	95,995	1,157
Utility services	16,790	15,964	(826)
Contracts and repairs	97,660	316,096	218,436
Building material	900	305	(595)
Recycling expenses	46,784	20,860	(25,924)
Uniforms and clothing	4,620	4,802	182
Professional services	190,700	197,933	7,233
Special department supplies	414,344	460,721	46,377
Leases	93,890	-	(93,890)
Insurance	45,607	42,796	(2,811)
Total Material Recovery Facility	<u>1,573,817</u>	<u>1,690,829</u>	<u>117,012</u>
Depreciation	<u>-</u>	<u>552,325</u>	<u>552,325</u>
Total Operating Expenses	<u>\$ 4,111,894</u>	<u>\$ 4,720,187</u>	<u>\$ 608,293</u>

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Operating Revenues:			
Stormwater utility fees	\$ 783,000	\$ 804,213	\$ 21,213
Other	9,663	42,384	32,721
Total Operating Revenues	<u>792,663</u>	<u>846,597</u>	<u>53,934</u>
Operating Expenses:			
Stormwater operations	774,254	598,696	(175,558)
Depreciation	-	189,626	189,626
Total Operating Expenses	<u>774,254</u>	<u>788,322</u>	<u>14,068</u>
Nonoperating Revenues (Expenses):			
Interest earnings	6,000	19,397	13,397
Interest expense and fiscal charges	-	(990)	(990)
Gain (loss) on disposal of capital assets	-	4,320	4,320
Total Nonoperating Revenues	<u>6,000</u>	<u>22,727</u>	<u>16,727</u>
Income before contributions and transfers	24,409	81,002	56,593
Capital contributions	-	709,788	709,788
Transfers in	3,320	3,320	-
Transfers out	<u>(27,729)</u>	<u>(27,729)</u>	<u>-</u>
Change in net position	<u>\$ -</u>	<u>\$ 766,381</u>	<u>\$ 766,381</u>

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

YEAR ENDED DECEMBER 31, 2019

	2019		
	Original and Final Budget	Actual	Over (Under) Budget
Stormwater Operations:			
Personal services:			
Salaries and wages	\$ 351,369	\$ 358,208	\$ 6,839
Overtime pay	1,800	884	(916)
FICA	27,017	25,868	(1,149)
Employee retirement	53,187	93,752	40,565
Employee insurance	43,450	44,034	584
Workers' compensation	9,902	11,533	1,631
Operating expenses:			
General supplies	700	720	20
Dues/training	4,400	4,053	(347)
Auto operating	8,100	4,465	(3,635)
Data processing	9,000	10,449	1,449
Contracts and repairs	8,240	6,235	(2,005)
Uniforms and clothing	2,200	1,596	(604)
Advertising	3,800	3,032	(768)
Professional services	22,200	17,297	(4,903)
Special department supplies	8,900	8,153	(747)
Insurance	3,641	8,417	4,776
Leases	21,010	-	(21,010)
Drainage projects	188,838	-	(188,838)
Machines and equipment	6,500	-	(6,500)
Total Stormwater Operations	<u>774,254</u>	<u>598,696</u>	<u>(175,558)</u>
Depreciation	-	189,626	189,626
Total Operating Expenses	<u>\$ 774,254</u>	<u>\$ 788,322</u>	<u>\$ 14,068</u>

SCHEDULE REQUIRED BY STATE LAW

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

YEAR ENDED DECEMBER 31, 2019

Court Fines:	
Court fines collected	\$ 393,842
Court fines retained by City	393,842
Court fines remitted to State Treasurer	<u>\$ -</u>
Court Assessments:	
Court assessments collected	\$ 380,777
Court assessments retained by City	42,407
Court assessments remitted to State Treasurer	<u>\$ 338,370</u>
Court Surcharges:	
Court surcharges collected	\$ 197,791
Court surcharges retained by City	18,390
Court surcharges and assessments retained for Victim Services	<u>\$ 179,401</u>
Victim Services:	
Court assessments allocated to Victim Services	\$ 42,407
Court surcharges allocated to Victim Services	6,923
Funds allocated to Victim Services	<u>49,330</u>
Victim Services Expenditures	<u>45,154</u>
Funds Allocated to Victim Services in Excess of Victim Services Expenditures	4,176
Funds available for carryforward - beginning of year	<u>111,049</u>
Funds available for carryforward - end of year	<u>\$ 115,225</u>

**STATISTICAL
SECTION**

STATISTICAL SECTION

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

CONTENTS	PAGE
FINANCIAL TRENDS <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	89 – 93
REVENUE CAPACITY <i>These schedules contain information to help the reader assess the factors affecting the government's ability to generate its property taxes and other major sources of revenue.</i>	94 – 100
DEBT CAPACITY <i>These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	101 – 105
DEMOGRAPHIC AND ECONOMIC INFORMATION <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.</i>	106 – 107
OPERATING INFORMATION <i>These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities the City performs. A history of rates and charges is also presented.</i>	108 – 112

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.*

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

	Year Ending December 31				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities					
Net investment in capital assets	\$ 44,780,462	\$ 48,387,572	\$ 51,180,628	\$ 53,791,597	\$ 57,779,457
Restricted	5,461	9,158,402	7,210,998	7,810,702	7,536,710
Unrestricted	<u>15,028,645</u>	<u>6,382,049</u>	<u>7,342,802</u>	<u>5,466,773</u>	<u>4,267,933</u>
Total governmental activities net position	<u>\$ 59,814,568</u>	<u>\$ 63,928,023</u>	<u>\$ 65,734,428</u>	<u>\$ 67,069,072</u>	<u>\$ 69,584,100</u>
Business-type activities					
Net investment in capital assets	\$ 41,186,486	\$ 44,889,398	\$ 46,022,914	\$ 47,734,609	\$ 51,802,542
Restricted	10,537,438	9,422,871	10,116,845	10,104,431	9,883,717
Unrestricted	<u>9,417,349</u>	<u>8,342,254</u>	<u>8,233,390</u>	<u>7,777,449</u>	<u>6,767,765</u>
Total business-type activities net position	<u>\$ 61,141,273</u>	<u>\$ 62,654,523</u>	<u>\$ 64,373,149</u>	<u>\$ 65,616,489</u>	<u>\$ 68,454,024</u>
Primary Government					
Net investment in capital assets	\$ 85,966,948	\$ 93,276,970	\$ 97,203,542	\$ 101,526,206	\$ 109,581,999
Restricted	10,542,899	18,581,273	17,327,843	17,915,133	17,420,427
Unrestricted	<u>24,445,994</u>	<u>14,724,303</u>	<u>15,576,192</u>	<u>13,244,222</u>	<u>11,035,698</u>
Total primary government net position	<u>\$ 120,955,841</u>	<u>\$ 126,582,546</u>	<u>\$ 130,107,577</u>	<u>\$ 132,685,561</u>	<u>\$ 138,038,124</u>

	Year Ending December 31				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities					
Net investment in capital assets	\$ 59,649,524	\$ 60,261,553	\$ 46,115,747	\$ 65,640,358	\$ 64,540,113
Restricted	6,964,338	7,616,189	23,744,254	6,574,221	8,729,598
Unrestricted	<u>(6,848,500)</u>	<u>(5,705,943)</u>	<u>(5,641,833)</u>	<u>(7,354,106)</u>	<u>(9,984,502)</u>
Total governmental activities net position	<u>\$ 59,765,362</u>	<u>\$ 62,171,799</u>	<u>\$ 64,218,168</u>	<u>\$ 64,860,473</u>	<u>\$ 63,285,209</u>
Business-type activities					
Net investment in capital assets	\$ 53,610,839	\$ 53,203,765	\$ 55,927,179	\$ 58,580,045	\$ 60,703,383
Restricted	10,248,230	11,374,284	9,618,737	7,977,008	8,433,456
Unrestricted	<u>(1,175,007)</u>	<u>(387,763)</u>	<u>492,016</u>	<u>1,215,467</u>	<u>1,431,160</u>
Total business-type activities net position	<u>\$ 62,684,062</u>	<u>\$ 64,190,286</u>	<u>\$ 66,037,932</u>	<u>\$ 67,772,520</u>	<u>\$ 70,567,999</u>
Primary Government					
Net investment in capital assets	\$ 113,260,363	\$ 113,465,318	\$ 102,042,926	\$ 124,220,403	\$ 125,243,496
Restricted	17,212,568	18,990,473	33,362,991	14,551,229	17,163,054
Unrestricted	<u>(8,023,507)</u>	<u>(6,093,706)</u>	<u>(5,149,817)</u>	<u>(6,138,639)</u>	<u>(8,553,342)</u>
Total primary government net position	<u>\$ 122,449,424</u>	<u>\$ 126,362,085</u>	<u>\$ 130,256,100</u>	<u>\$ 132,632,993</u>	<u>\$ 133,853,208</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. A prior period adjustment to capital assets of \$3,098,350 required a restatement of beginning net position for Fiscal Year 2019.

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				
	2010	2011	2012	2013	2014
Expenses					
Governmental activities:					
General government	\$ 3,798,574	\$ 3,416,002	\$ 3,574,637	\$ 3,893,288	\$ 4,181,576
Public safety	5,898,849	6,546,364	6,975,047	6,615,699	7,232,466
Public works	1,796,722	2,796,708	2,980,032	2,609,477	2,348,897
Parks, recreation, and tourism	3,994,496	3,792,045	4,053,013	4,212,673	4,501,259
Debt service - interest and fees	380,060	358,055	340,610	313,866	163,147
Loss on debt defeasance	-	-	-	277,682	-
Total governmental activities expenses	<u>\$ 15,868,701</u>	<u>\$ 16,909,174</u>	<u>\$ 17,923,339</u>	<u>\$ 17,645,003</u>	<u>\$ 18,427,345</u>
Business-type activities:					
Water and wastewater	\$ 6,994,927	\$ 7,220,770	\$ 6,958,202	\$ 7,491,321	\$ 7,420,051
Sanitation	3,054,296	3,168,553	3,160,647	3,376,614	3,958,515
Stormwater utility	519,481	542,919	568,984	826,121	507,555
Savannah Bluff Lock and Dam	23,275	22,000	24,000	24,000	24,000
Total business-type activities expenses	<u>\$ 10,591,979</u>	<u>\$ 10,954,242</u>	<u>\$ 10,711,833</u>	<u>\$ 11,718,056</u>	<u>\$ 11,910,121</u>
Total primary government expenses	<u>\$ 26,460,680</u>	<u>\$ 27,863,416</u>	<u>\$ 28,635,172</u>	<u>\$ 29,363,059</u>	<u>\$ 30,337,466</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 4,386,190	\$ 4,605,180	\$ 4,711,699	\$ 4,892,172	\$ 5,272,149
Public safety	1,082,900	1,177,117	1,092,699	1,055,155	1,109,022
Public Works	42,894	40,512	46,970	60,381	62,664
Parks, recreation, and tourism	1,110,505	1,060,317	1,019,548	1,058,841	1,090,469
Operating grants and contributions	850,731	1,334,520	801,328	811,914	1,433,764
Capital grants and contributions	489,270	1,569,830	1,619,796	1,357,083	468,934
Total governmental activities program revenues	<u>\$ 7,962,490</u>	<u>\$ 9,787,476</u>	<u>\$ 9,292,040</u>	<u>\$ 9,235,546</u>	<u>\$ 9,437,002</u>
Business-type activities:					
Charges for services:					
Water and wastewater	\$ 8,148,497	\$ 8,450,349	\$ 8,388,987	\$ 8,564,524	\$ 8,800,125
Sanitation	3,384,930	3,400,975	3,388,623	3,647,518	4,163,934
Stormwater utility	563,305	572,288	573,660	575,233	584,566
Operating grants and contributions	-	-	-	-	264,747
Capital grants and contributions	511,472	245,500	206,463	220,936	618,036
Total business-type activities program revenues	<u>\$ 12,608,204</u>	<u>\$ 12,669,112</u>	<u>\$ 12,557,733</u>	<u>\$ 13,008,211</u>	<u>\$ 14,431,408</u>
Total primary government program revenues	<u>\$ 20,570,694</u>	<u>\$ 22,456,588</u>	<u>\$ 21,849,773</u>	<u>\$ 22,243,757</u>	<u>\$ 23,868,410</u>
Net (expense) / revenue	<u>\$ (7,906,211)</u>	<u>\$ (7,121,698)</u>	<u>\$ (8,631,299)</u>	<u>\$ (8,409,457)</u>	<u>\$ (8,990,343)</u>
Governmental activities	2,016,225	1,714,870	1,845,900	1,290,155	2,521,287
Business-type activities	<u>\$ (5,889,986)</u>	<u>\$ (5,406,828)</u>	<u>\$ (6,785,399)</u>	<u>\$ (7,119,302)</u>	<u>\$ (6,469,056)</u>
Total primary government net expense	<u>\$ (5,889,986)</u>	<u>\$ (5,406,828)</u>	<u>\$ (6,785,399)</u>	<u>\$ (7,119,302)</u>	<u>\$ (6,469,056)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Ad valorem property taxes	\$ 6,142,064	\$ 6,294,172	\$ 6,780,783	\$ 6,858,860	\$ 6,993,684
Capital projects sales taxes	3,354,214	3,474,959	1,861,677	1,180,511	2,733,613
Local hospitality and accommodations taxes	555,230	559,853	584,227	622,971	661,531
Interest on investments	54,755	33,350	77,894	70,768	69,440
Gain(loss) on disposal of capital assets	-	-	-	-	-
Miscellaneous	577,187	336,245	590,882	631,662	696,936
Transfers	559,153	536,574	542,241	657,011	378,848
Total governmental activities	<u>\$ 11,242,603</u>	<u>\$ 11,235,153</u>	<u>\$ 10,437,704</u>	<u>\$ 10,021,783</u>	<u>\$ 11,534,052</u>
Business-type activities:					
Interest on investments	\$ 63,562	\$ 42,216	\$ 56,203	\$ 48,450	\$ 50,735
Gain(loss) on disposal of capital assets	-	-	-	-	-
Miscellaneous	263,345	292,738	358,764	561,746	644,361
Transfers	(559,153)	(536,574)	(542,241)	(657,011)	(378,848)
Total business-type activities	<u>\$ (232,246)</u>	<u>\$ (201,620)</u>	<u>\$ (127,274)</u>	<u>\$ (46,815)</u>	<u>\$ 316,248</u>
Total primary government	<u>\$ 11,010,357</u>	<u>\$ 11,033,533</u>	<u>\$ 10,310,430</u>	<u>\$ 9,974,968</u>	<u>\$ 11,850,300</u>
Change in Net Position					
Governmental activities	\$ 3,336,392	\$ 4,113,455	\$ 1,806,405	\$ 1,612,326	\$ 2,543,709
Business-type activities	1,783,979	1,513,250	1,718,626	1,243,340	2,837,535
Total primary government	<u>\$ 5,120,371</u>	<u>\$ 5,626,705</u>	<u>\$ 3,525,031</u>	<u>\$ 2,855,666</u>	<u>\$ 5,381,244</u>

**Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)**

	Year Ending December 31				
	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 4,573,665	\$ 4,519,094	\$ 7,474,923	\$ 8,855,053	\$ 11,607,797
Public safety	7,517,589	8,473,548	8,736,202	9,253,259	9,079,791
Public works	2,051,542	580,327	2,695,126	2,736,631	2,936,592
Parks, recreation, and tourism	4,723,035	5,061,480	4,913,582	3,785,041	4,212,339
Debt service - interest and fees	168,583	155,047	338,132	1,568	276,699
Loss on debt defeasance	-	-	-	-	-
Total governmental activities expenses	<u>\$ 19,034,414</u>	<u>\$ 18,789,496</u>	<u>\$ 24,157,965</u>	<u>\$ 24,631,552</u>	<u>\$ 28,113,218</u>
Business-type activities:					
Water and sewer	\$ 8,081,456	\$ 7,745,232	\$ 8,359,555	\$ 8,896,535	\$ 10,077,290
Sanitation	4,316,548	4,594,016	4,536,142	4,624,936	4,733,146
Stormwater utility	494,179	541,495	638,634	661,987	789,312
Savannah Bluff Lock and Dam utility	24,000	24,000	24,000	23,999	24,000
Total business-type activities expenses	<u>\$ 12,916,183</u>	<u>\$ 12,904,743</u>	<u>\$ 13,558,331</u>	<u>\$ 14,207,457</u>	<u>\$ 15,623,748</u>
Total primary government expenses	<u>\$ 31,950,597</u>	<u>\$ 31,694,239</u>	<u>\$ 37,716,296</u>	<u>\$ 38,839,009</u>	<u>\$ 43,736,966</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 5,621,613	\$ 5,885,657	\$ 6,229,497	\$ 6,361,953	\$ 6,256,452
Public safety	1,195,544	1,060,102	1,041,202	892,138	1,044,181
Public Works	65,907	78,018	158,147	167,961	108,726
Parks, recreation, and tourism	1,162,485	1,260,024	1,148,108	1,829,789	2,096,008
Operating grants and contributions	872,652	791,316	1,083,944	1,377,317	1,265,522
Capital grants and contributions	-	-	207,768	-	759,852
Total governmental activities program revenues	<u>\$ 8,918,201</u>	<u>\$ 9,075,117</u>	<u>\$ 9,868,666</u>	<u>\$ 10,629,158</u>	<u>\$ 11,530,741</u>
Business-type activities:					
Charges for services:					
Water and sewer	\$ 8,664,457	\$ 9,155,898	\$ 9,459,054	\$ 9,746,927	\$ 10,151,786
Sanitation	4,168,309	4,246,959	4,472,281	4,355,688	4,487,564
Stormwater utility	746,814	759,131	770,135	782,958	804,213
Operating grants and contributions	2,449	-	10,161	80,636	23,516
Capital grants and contributions	396,837	124,408	103,591	23,514	616,830
Total business-type activities program revenues	<u>\$ 13,978,866</u>	<u>\$ 14,286,396</u>	<u>\$ 14,815,222</u>	<u>\$ 14,989,723</u>	<u>\$ 16,083,909</u>
Total primary government program revenues	<u>\$ 22,897,067</u>	<u>\$ 23,361,513</u>	<u>\$ 24,683,888</u>	<u>\$ 25,618,881</u>	<u>\$ 27,614,650</u>
Net (expense) / revenue					
Governmental activities	\$ (10,116,213)	\$ (9,714,379)	\$ (14,289,299)	\$ (14,002,394)	\$ (16,582,477)
Business-type activities	1,062,683	1,381,653	1,256,891	782,266	460,161
Total primary government net expense	<u>\$ (9,053,530)</u>	<u>\$ (8,332,726)</u>	<u>\$ (13,032,408)</u>	<u>\$ (13,220,128)</u>	<u>\$ (16,122,316)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Ad valorem property taxes	\$ 6,874,139	\$ 7,162,650	\$ 8,146,680	\$ 8,143,925	\$ 8,456,230
Capital projects sales taxes	2,828,301	2,891,291	3,109,712	3,179,463	1,443,301
Local hospitality and accommodations taxes	713,903	764,056	790,749	1,718,195	2,017,221
Interest on investments	89,791	192,906	423,369	400,007	330,669
Gain(loss) on disposal of capital assets	(3,311)	-	-	9,441	31,203
Miscellaneous	886,062	568,970	3,659,328	1,024,414	1,005,944
Transfers	514,893	540,943	205,830	169,254	748,347
Total governmental activities	<u>\$ 11,903,778</u>	<u>\$ 12,120,816</u>	<u>\$ 16,335,668</u>	<u>\$ 14,644,699</u>	<u>\$ 14,032,915</u>
Business-type activities:					
Interest on investments	\$ 69,410	\$ 120,990	\$ 145,025	\$ 281,451	\$ 327,680
Gain(loss) on disposal of capital assets	46,107	(12,606)	78,747	55,180	465
Miscellaneous	584,902	557,130	572,813	784,945	631,468
Transfers	(514,893)	(540,943)	(205,830)	(169,254)	(748,347)
Total business-type activities	<u>\$ 185,526</u>	<u>\$ 124,571</u>	<u>\$ 590,755</u>	<u>\$ 952,322</u>	<u>\$ 211,266</u>
Total primary government	<u>\$ 12,089,304</u>	<u>\$ 12,245,387</u>	<u>\$ 16,926,423</u>	<u>\$ 15,597,021</u>	<u>\$ 14,244,181</u>
Change in Net Position					
Governmental activities	\$ 1,787,565	\$ 2,406,437	\$ 2,046,369	\$ 642,305	\$ (2,549,562)
Business-type activities	1,248,209	1,506,224	1,847,646	1,734,588	671,427
Total primary government	<u>\$ 3,035,774</u>	<u>\$ 3,912,661</u>	<u>\$ 3,894,015</u>	<u>\$ 2,376,893</u>	<u>\$ (1,878,135)</u>

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				
	2010	2011	2012	2013	2014
Revenues					
Ad valorem taxes	\$ 6,142,064	\$ 6,294,172	\$ 6,780,783	\$ 6,858,860	\$ 6,993,526
Sales taxes	3,354,214	3,474,959	1,861,677	1,180,511	2,733,613
Local hospitality and accommodations taxes	555,230	559,853	584,227	622,971	661,531
Licenses and permits	4,386,190	4,605,181	4,711,699	4,892,172	5,272,149
Fines and forfeitures	1,017,029	1,113,435	1,029,126	991,039	1,044,648
Charges for services	1,176,376	1,123,999	1,083,121	1,122,957	1,154,843
Intergovernmental	1,105,430	2,050,355	1,198,831	1,141,759	1,187,485
Miscellaneous/interest earnings	513,604	369,594	675,603	697,191	747,304
Contributions	-	62,497	310,352	1,000	368,500
Grant revenue	-	17,563	4,352	-	-
Total Revenues	\$ 18,250,137	\$ 19,671,608	\$ 18,239,771	\$ 17,508,460	\$ 20,163,599
Expenditures					
General government	\$ 3,296,614	\$ 2,964,818	\$ 2,984,191	\$ 3,302,811	\$ 3,704,832
Public safety	5,547,594	6,092,949	6,502,974	6,058,506	6,630,196
Public works	1,182,030	1,117,385	1,176,290	1,157,668	1,344,015
Parks, recreation and tourism	2,947,681	2,966,513	3,154,330	3,141,942	3,391,470
Capital outlay	2,596,756	5,903,648	5,089,261	1,353,010	6,269,988
Debt service:					
Capital lease payments	883,675	974,915	1,024,075	4,117,682	747,764
Interest and fiscal charges	386,664	361,398	345,547	599,101	179,035
Principal Retirements	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Total Expenditures	\$ 16,841,014	\$ 20,381,626	\$ 20,276,668	\$ 19,730,720	\$ 22,267,300
Excess (deficiency) of revenues over (under) expenditures	\$ 1,409,123	\$ (710,018)	\$ (2,036,897)	\$ (2,222,260)	\$ (2,103,701)
Other financing sources (uses)					
Proceeds on sale of capital assets	\$ 293,749	\$ -	\$ -	\$ -	\$ 26,191
Inception of capital lease obligation	217,368	666,226	515,417	309,494	312,249
Lease issuance cost	-	-	-	-	-
Issuance of bonds	-	-	-	-	-
Transfers in	1,141,208	913,575	1,135,143	1,691,350	3,253,841
Transfers out	(595,511)	(377,001)	(592,902)	(1,045,159)	(2,874,993)
Total other financing sources (uses)	\$ 1,056,814	\$ 1,202,800	\$ 1,057,658	\$ 955,685	\$ 717,288
Net change in fund balance	\$ 2,465,937	\$ 492,782	\$ (979,239)	\$ (1,266,575)	\$ (1,386,413)
Debt service as a percentage of noncapital expenditures	8.90%	8.72%	8.42%	24.83%	5.77%

	Year Ending December 31				
	2015	2016	2017	2018	2019
Revenues					
Ad valorem taxes	\$ 6,871,821	\$ 7,163,429	\$ 7,446,013	\$ 8,018,222	\$ 8,404,331
Sales taxes	2,828,301	2,891,291	3,109,712	3,179,463	2,235,581
Local hospitality and accommodations taxes	713,903	764,056	790,749	1,718,195	2,017,221
Licenses and permits	5,621,613	5,885,657	6,229,497	6,361,953	6,256,452
Fines and forfeitures	1,138,891	996,799	978,626	834,200	1,006,060
Charges for services	1,285,045	1,401,345	1,291,321	1,974,016	2,226,219
Intergovernmental	872,652	791,316	4,179,592	1,899,080	1,569,665
Miscellaneous/interest earnings	977,123	781,035	1,000,276	1,068,804	1,111,636
Contributions	-	-	-	-	-
Grant revenue	-	-	-	-	-
Total Revenues	\$ 20,309,349	\$ 20,674,928	\$ 25,025,786	\$ 25,053,933	\$ 24,827,165
Expenditures					
General government	\$ 4,028,393	\$ 3,712,733	\$ 3,406,445	\$ 4,759,360	\$ 5,751,630
Public safety	7,833,279	7,990,705	7,921,809	8,379,644	8,932,323
Public works	1,487,619	1,394,286	1,515,323	1,594,271	1,728,518
Parks, recreation and tourism	3,647,665	4,022,934	4,085,589	3,043,122	3,278,290
Capital outlay	13,260,678	1,790,360	45,762,352	18,736,157	4,909,427
Debt service:					
Capital lease payments	897,952	929,907	3,991,122	619,864	731,955
Interest and fiscal charges	164,947	155,047	1,712,670	3,217,755	3,217,751
Principal Retirements	-	-	12,573,657 (b)	-	-
Bond Issuance Costs	-	-	1,495,554	-	-
Total Expenditures	\$ 31,320,533	\$ 19,995,972	\$ 82,464,521	\$ 40,350,173	\$ 28,549,894
Excess (deficiency) of revenues over (under) expenditures	\$ (11,011,184)	\$ 678,956	\$ (57,438,735)	\$ (15,296,240)	\$ (3,722,729)
Other financing sources (uses)					
Proceeds on sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -
Inception of capital lease obligation	887,594	880,655	473,983	432,308	838,111
Issuance of bonds	9,738,217	428,120	71,882,320 (a)	-	-
Insurance proceeds	-	-	178,260	-	-
Transfers in	23,350,453	1,397,258	10,699,613	4,538,136	3,825,974
Transfers out	(22,835,560)	(856,315)	(9,161,045)	(3,844,885)	(2,741,040)
Total other financing sources (uses)	\$ 11,140,704	\$ 1,849,718	\$ 74,073,131	\$ 1,125,559	\$ 1,923,045
Net change in fund balance	\$ 129,520	\$ 2,528,674	\$ 16,634,396	\$ (14,170,681)	\$ (1,799,684)
Debt service as a percentage of noncapital expenditures	6.42%	7.03%	54.73% (b)	18.18%	18.09%

(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.

(b) In May 2017, the North Augusta Public Facilities Corporation entered into an installment purchase transaction. Proceeds from this transaction were also used to refinance the municipal center lease.

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	
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
2019	2018	83,448,499	1,702,840,127	31,654,277	239,635,180	115,102,776	1,942,475,307	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	
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
2019	2018	73.50	-	73.50	65.20	3.30	68.50	137.30	33.70	171.00	313.00

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>2019</u>			<u>2010</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	\$ 3,449,210	1	3.00%	\$ 2,064,310	1	2.76%
Allnex Industries, Inc. (a)	Manufacturing	2,602,230	2	2.26%	1,408,170	2	1.88%
Wal-Mart, Inc.	Retail Shopping	2,512,010	3	2.18%	947,120	6	1.26%
SUSO 3 Augusta, LP	Real Estate	1,224,300	4	1.06%			
SRP Federal Credit Union	Banking/Credit Union	1,111,850	5	0.97%			
Halocarbon Chemicals, Inc.	Manufacturing	1,076,300	6	0.94%	1,096,450	3	1.46%
CVS SC Distribution, Inc.	Warehousing/Distribution	724,870	7	0.63%	903,200	7	1.21%
NHC Healthcare	Healthcare Facility	712,590	8	0.62%			
Lowes Home Centers, Inc.	Retail Building Supplies	580,550	9	0.50%	414,680	9	0.55%
The Kroger Company	Grocery Store	562,320	10	0.49%	495,110	8	0.66%
Bell South Telecommunications	Communication				965,160	5	1.29%
North Augusta Plaza SC, LLC	Real Estate				1,036,660	4	1.38%
Cutwater Inc & Nomad Investments	Real Estate				374,740	10	0.50%
TOTAL Taxable Assessed		<u>\$ 14,556,230</u>		<u>12.65%</u>	<u>\$ 9,705,600</u>		<u>12.95%</u>

Source: City of North Augusta tax records

This table lists the ten largest taxpayers, type of business, assessed valuation, and tax levy for the fiscal year 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 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
2010	2009	\$ 5,783,397	\$ 5,741,980	99.28%	\$ 33,267	\$ 5,775,247	99.86%
2011	2010	5,924,149	5,883,727	99.32%	29,458	5,913,185	99.81%
2012	(c) 2011	6,377,793	6,344,561	99.48%	12,683	6,357,244	99.68%
2013	2012	6,488,677	6,446,489	99.35%	21,955	6,468,444	99.69%
2014	2013	6,597,073	6,565,216	99.52%	14,030	6,579,246	99.73%
2015	2014	6,804,705	6,762,260	99.38%	21,510	6,783,770	99.69%
2016	2015	7,026,901	6,992,988	99.52%	9,980	7,002,968	99.66%
2017	(c) 2016	7,484,042	7,446,013	99.49%	8,288	7,454,301	99.60%
2018	2017	8,064,166	8,018,222	99.43%	14,731	8,032,953	99.61%
2019	2018	\$8,460,054	8,404,331	99.34%		8,404,331	99.34%

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
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 (a)	1,253,829,811	2,017
2018	6,007,529 (a)	1,355,936,169	2,420
2019	5,886,386	1,256,734,425	2,254

(a) Increase due to numerous one-time licenses for construction related to projects in Riverside Village.

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>
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
2019	9,119	765	9,884	2,927	158	3,085	12,969

<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>
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
2019	10,775	640	11,415	972	30	1,002	12,417

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>2019 Annual Consumption</u>		<u>2010 Annual Consumption</u>	
		<u>Rank</u>	<u>Water Usage</u>	<u>Rank</u>	<u>Water Usage</u>
City of North Augusta	Municipal Government	1	87,082,500	2	52,674,900
Halocarbon Chemicals, Inc.	Manufacturing	2	54,847,400	3	43,300,500
Allnex Industries, Inc.	Manufacturing	3	36,130,600	4	30,661,500 (a)
Crowne Plaza	Hotel	4	16,861,600		
Aiken County Schools	School District	5	13,061,200	6	10,555,700
JARS at Breckenridge/Plaza Terrace	Apartments	6	10,383,700	5	10,671,900
Gentry's Mobile Home Park	Mobile Home Park	7	8,120,800	8	7,126,500
Ridgeview Manor	Apartments	8	7,011,900	7	8,227,900 (c)
Ambiopharm	Pharmaceutical Manufacturer	9	6,228,200		
Lulu's Car Wash	Automated Car Wash	10	6,011,100		
Breezy Hill Water & Sewer Authority	Water District Provider			1	254,950,000
CIG Plaza Place LLC	Apartments			9	5,877,000 (b)
UniHealth Post Acute Care	Nursing Home Facility			10	5,263,700

Wastewater Customers

<u>Customer Name</u>	<u>Type of Business</u>	<u>2019 Annual Consumption</u>		<u>2010 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	789,008,667	1	557,574,000
Halocarbon Chemicals, Inc.	Manufacturing	2	54,847,400	2	43,300,500
Allnex Industries, Inc.	Manufacturing	3	35,762,306	3	17,589,100 (a)
City of North Augusta	Municipal Government	4	34,238,583	5	8,221,000
Crowne Plaza	Hotel	5	16,490,900		
JARS at Breckenridge/Plaza Terrace	Apartments	6	10,407,300	4	10,046,700
Aiken County Schools	School District	7	9,166,997	6	8,166,100
Ridgeview Manor	Apartments	8	8,348,100	7	8,106,400 (c)
Gentry's Mobile Home Park	Mobile Home Park	9	8,009,097		
National Healthcare	Nursing Home Facility	10	7,016,400		
Willow Wick Apartments	Apartments			8	5,312,800
UniHealth Post Acute Care	Nursing Home Facility			9	5,263,700
CIG Plaza Place LLC	Apartments			10	5,105,000 (b)

Note: Consumption is measured in gallons

Source: City of North Augusta utility billing records

- (a) Allnex formerly Cytec Surface Specialties
- (b) CIG Plaza Place LLC formerly Plaza Place Apartments, LLC
- (c) Ridgeview Manor formerly The Housing Authority

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			
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
2019	-	69,475,000	-	1,304,026	18,889,980	852,425	-	90,521,431	26,721	3,387.65

(a) Actual Census population from United States Census Bureau

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

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

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

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

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

Year Ended December 31	General Obligation Bonds (GOB)	Estimated Actual Taxable Value (1) of Property	% of Estimated Actual Taxable Value of Property	Population (2)	Per Capita
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
2019	-	1,942,475,307	0.00%	26,721	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 2019 at this time.

City of North Augusta, South Carolina
Direct and Overlapping Governmental Activities Debt
As of December 31, 2019

<u>Jurisdiction</u>	<u>Debt Outstanding @ December 31, 2019</u>	<u>Percent Applicable to City of North Augusta</u>	<u>Amount Applicable to City of North Augusta</u>
Direct Debt			
City of North Augusta *	\$ 70,779,026	100.00%	\$ 70,779,026
Overlapping Debt			
County of Aiken	\$ 40,104,196	16.43%	\$ 6,589,119
Aiken County School District	<u>233,180,000</u>	<u>16.43%</u>	<u>38,311,474</u>
Sub-total - Overlapping Debt	<u>\$ 273,284,196</u>	<u>16.43%</u>	<u>\$ 44,900,593</u>
Total	<u><u>\$ 344,063,222</u></u>		<u><u>\$ 115,679,619</u></u>

* Includes Revenue Bonds and Capital Leases

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

Source: Aiken County and Aiken County School District

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

	Fiscal Year				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 5,993,158	\$ 6,139,015	\$ 6,875,400	\$ 6,994,935	\$ 7,111,789
Total net debt applicable to limit	<u>3,964,448</u> *	<u>3,684,043</u> *	<u>3,393,638</u> *	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 2,028,710</u>	<u>\$ 2,454,972</u>	<u>\$ 3,481,762</u>	<u>\$ 6,994,935</u>	<u>\$ 7,111,789</u>
Total net debt applicable to the limit as a percentage of debt limit	66.15%	60.01%	49.36%	0.00%	0.00%

	Fiscal Year				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 7,335,620	\$ 7,575,153	\$ 8,492,530	\$ 8,777,324	\$ 9,208,222
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 7,335,620</u>	<u>\$ 7,575,153</u>	<u>\$ 8,492,530</u>	<u>\$ 8,777,324</u>	<u>\$ 9,208,222</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	
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	7,214,545	3,038,225	1,139,804	219,035	1,358,839	2.24
2019	10,671,751	7,966,484	2,705,267	1,223,501	205,384	1,428,885	1.89

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>
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%
2018	169,401	7,201,441	42,511	3.4%

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 2019.

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
2018	23,444	169,401

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

Employer	Location	Service or Product	2019			2010		
			Employees	Rank	% of Total County Employment ^(c)	Employees	Rank	% of Total County Employment
Savannah River Site - see detail below (1)	Out	Materials for Nuclear Defense	11,093	1	15.45%	12,367	1	18.84%
Aiken County Public Schools	In / Out	School District	3,400	2	4.73%	3,272	2	4.98%
Bridgestone Americas (2)	Out	Passenger/Light Truck Tires and Large/Ultra Large Tires	2,269	3	3.16%	930	5	1.42%
Kimberly-Clark Corp.	Out	Consumer Paper Products	1,200	4	1.67%	1,475	3	2.25%
Aiken Regional Medical Center	Out	Hospital	1,167	5	1.63%	1,002	4	1.53%
Aiken County Government	Out	County Government	975	6	1.36%	888	6	1.35%
Advanced Glassfiber Yarn	Out	Fiberglass Insulation and Circuit Boards	766	7	1.07%	770	7	1.17%
UPS Customhouse Brokerage	Out	International Customhouse Brokerage	610	8	0.85%	514	9	0.78%
University of South Carolina-Aiken	Out	Higher Education	606	9	0.84%			
Shaw Industries	Out	Fibers Manufacturing	600	10	0.84%	600	8	0.91%
Walmart-North Augusta	In	Retail	585	11	0.81%			
Crane Merchandising Systems	Out	Vending Machines	480	12	0.67%			
City of Aiken	Out	Municipal Government	404	13	0.56%	442	10	0.67%
ASCO Valve, Inc.	Out	Solenoid Valve Technology	427	14	0.59%	285	14	0.43%
Tri Development Center of Aiken	Out	Non-Profit Service Agency	370	15	0.52%			
		Supply Chain Management/Distribution Center for CVS						
CVS Distribution Center	Out	Pharmacy locations	350	16	0.49%			
Hubbell Power Systems	Out	High Voltage Insulators and Arrestors	328	17	0.46%	340	13	0.52%
Autoneum North America, Inc.	Out	Thermal & Acoustical Management	300	18	0.42%			
MTU America Inc.	Out	Off Road Diesel Engines and Components	360	19	0.50%			
City of North Augusta	In	Municipal Government	248	20	0.35%	213	17	0.32%
Westinghouse Safety Management Solutions	Out	Engineering Consulting Firm				438	11	0.67%
The Calstar Group (b)	Out	Specialty Tires and Wheels				400	12	0.61%
Glaxo Smith Kline	Out	Proprietary Drugs				245	15	0.37%
R.E. Phelon, Inc.	Out	Aluminum Die Casting				225	16	0.34%
PACTIV Corp.	Out	Plastic Food Service Plates				208	18	0.32%
Newman Technology SC, Inc	Out	Automotive/ATV Exhaust and Suspension				167	19	0.25%
BAE Systems	Out	Machine Parts - Track Vehicles				150	20	0.23%

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	9,182	(2) Bridgestone America's Tire Operations, LLC	1,884
		Bridgestone America's Off Road Radial Tires	<u>385</u>
Shaw Areva Mox Services	0		<u>2,269</u>
Centerra	674		
Parsons	598		
Department of Energy	327		
US Forestry Service	81		
Savannah River Ecology Lab	117		
Other Subcontractors	<u>114</u>		
	<u>11,093</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	5,142	56.00%
Columbia County, Georgia	1,400	15.20%
Richmond County, Georgia	1,110	12.10%
Barnwell County, South Carolina	617	6.70%
Edgefield County, South Carolina	301	3.30%
Orangeburg County, South Carolina	108	1.20%
Bamberg County, South Carolina	96	1.00%
Lexington County, South Carolina	176	1.90%
Other	<u>232</u>	<u>2.60%</u>
	<u>9,182</u>	<u>100.00%</u>

(a) Formerly Wackenhut

(b) Formerly Carlisle Tire and Wheel Company

(c) 2019 employment not available. 2018 employment used to calculate percentage.

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

Fund / Function / Department	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>General Fund</u>										
General Government										
City Council	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
City Administration	2.0	2.0	3.0	3.0	3.0	3.0	1.0	1.0	1.0	2.0
Information Technology	0.0	0.0	0.0	0.0	0.0	0.0	1.5 (a)	1.5	1.5	4.0 (e)
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	4.5	4.5	4.5	5.5	5.5	4.0	4.0	4.0	4.0
Human Resources	0.0	0.0	0.0	0.0	0.0	0.0	2.0 (b)	2.0	2.0	2.0
Building Standards	4.0	3.0	3.5	3.5	3.5	4.5	4.5	4.5	4.5	4.5
Planning and Development	4.0	3.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5	3.5
City Buildings	3.0	3.0	3.0	3.0	3.0	3.0	0.0	0.0	0.0	0.0
Property Maintenance	13.0	13.0	13.0	12.0	12.0	13.0	14.0	14.0	14.0	15.0
Public Safety	72.0	76.5	76.5	77.0	79.0	84.0	88.0	90.0	90.0	91.0
Public Works										
Engineering	2.5	1.5	1.5	1.5	1.5	1.5	2.5	2.5	2.5	3.0
Streets & Drains	9.0	9.0	9.0	9.0	9.5	10.0	10.0	10.0	10.0	10.0
Parks, Recreation & Tourism										
Recreation	5.0	5.0	5.0	5.0	4.0	5.0	5.0	4.0	4.0	4.0
Parks	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Community Center	2.0	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	3.0 (f)	3.0	3.0	3.0
RVP Activities	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0
Sub-total	133.5	134.5	135.0	135.5	138.0	146.5	152.5	155.0	155.0	162.0
<u>Stormwater Fund</u>										
Stormwater	6.0	6.0	5.5	5.5	5.0	4.5	5.5	5.0	5.0	5.5
Sub-total	6.0	6.0	5.5	5.5	5.0	4.5	5.5	5.0	5.0	5.5
<u>Riverfront Central Core Dev. Fund</u>										
Tourism	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0 (d)	1.0	1.0
Sub-total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0
<u>Sanitation Fund</u>										
Public Works										
Information Technology	0.0	0.0	0.0	0.0	0.0	0.0	0.5 (c)	0.5	0.5	0.0 (e)
Sanitation	26.0	26.0	25.5	26.0	26.0	26.0	25.5	26.5	26.5	25.5
Material Recovery Center	7.5	7.5	7.5	7.5	8.5	8.5	8.5	8.5	8.5	8.5
Sub-total	33.5	33.5	33.0	33.5	34.5	34.5	34.5	35.5	35.5	34.0
<u>Water & Wastewater Fund</u>										
Public Utilities										
Information Technology	0.0	0.0	0.0	0.0	0.0	0.0	2.0 (a)	2.0	2.0	0.0 (e)
Utilities Finance	4.0	4.0	5.0	5.0	5.0	5.0	4.0	5.0	5.0	5.0
Utilities Administration	8.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	6.5
Water Operations	9.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	9.0
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	11.0
Sub-total	39.0	37.5	38.5	38.5	38.5	38.5	39.5	40.5	40.5	39.5
TOTAL	212.0	211.5	212.0	213.0	216.0	224.0	232.0	237.0	237.0	242.0

(a) previously included under Finance

(b) previously included under Administration

(c) previously included under Sanitation

(d) previously under Parks, Recreation, and Tourism

(e) previously split among the General, Sanitation, & Water and Wastewater Funds

(f) previously included under City Buildings

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

Function / Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Size of City (square miles)	20.723	20.769	20.778	20.989	21.019	21.150	21.172	21.177	21.180	21.970
Annexations approved by City Council	4	4	7	5	5	-	2	1	1	3
Building permits issued	815	627	604	622	660	648	668	689	703	779
Plumbing permits issued	349	341	291	340	310	373	381	296	358	389
Mechanical permits issued	467	323	345	391	433	417	520	455	494	561
Electrical permits issued	443	411	349	422	431	434	482	813	618	523
Business licenses issued	1,803	1,756	1,750	1,760	1,861	1,849	1,877	2,017	2,420	2,254
Police										
Total calls for service	50,349	50,356	42,632	41,058	38,973	40,567	37,929	37,322	38,112	40,952
Criminal arrests	2,024	1,800	1,841	1,377	1,360	1,766	1,572	1,338	885	1,127
Incident reports (police action required)	3,277	3,228	3,557	3,377	3,399	3,627	3,888	3,966	3,797	3,356
Accidental reports (collisions)	1,068	1,041	1,007	960	1,012	1,190	1,187	1,267	1,390	1,191
Traffic offenses (resulting in fine)	6,590	8,652	8,698	8,780	8,785	8,809	7,933	8,261	8,490	9,057
Drug offenses	260	231	136	203	157	177	210	372	214	154
Burglaries reported	408	333	218	117	108	97	132	93	94	76
Fire										
Actual fire calls - Inside City	192	150	105	130	145	114	105	83	377	384
Actual fire calls - Outside City	13	23	21	17	12	7	31	32	56	26
Solid Waste										
Garbage Refuse Collected (tons) - Residential	10,618	10,402	9,011	9,079	9,143	10,227	9,334	9,554	9,473	8,613
Garbage Refuse Collected (tons) - Commercial	6,049	6,625	6,874	4,992	5,037	4,723	5,502	6,082	5,647	6,108
Recyclables Collected (tons)	3,055	5,617	4,839	5,326	5,313	6,656	5,047	5,437	5,507	4,312
Property Maintenance										
Tree trimming hours	198	260	287	254	275	1,378	3,516	1,338	2,050	1,202
Mowing hours	12,800	13,250	12,970	12,960	12,976	10,944	12,892	14,036	10,368	11,025
Planting hours	5,500	5,600	5,760	5,565	4,628	1,726	1,388	1,145	1,504	754
Streets and Drains										
Pothole patching / asphalt tons	191	254	388	476	409	341	464	142	132	169
Curb, gutter & sidewalk repair / CY	199	324	290	285	378	472	292	400	294	402
Storm drain inlets cleaned	224	307	330	325	282	419	619	848	664	612
Street sweeping / miles	2,168	2,670	2,393	2,727	977	1,339	822	574	563	588
Parks and Recreation										
Baseball / Number of Players	786	784	788	735	789	779	687	592	576	617
Youth Softball / Number of Players	261	270	262	248	259	238	234	240	221	211
Spring Soccer / Number of Players	513	527	540	528	511	484	532	585	580	567
Fall Soccer / Number of Players	504	511	534	474	473	552	552	493	540	540
Youth Basketball / Number of Players	581	595	600	549	680	640	615	652	577	647
Youth Football / Number of Players	346	313	309	310	281	280	239	219	267	269
Youth Cheerleading / Number of Participants	153	165	115	118	96	113	117	182	164	170
Youth Volleyball / Number of Participants	89	91	61	105	83	94	73	86	82	95
Water										
New water taps	103	101	43	33	77	77	184	130	128	103
Water lines installed / L.F.	3,766	4,662	2,857	5,609	2,068	2,599	913	4,115	6,638	6,432
Water line leaks repaired	17	12	24	29	34	23	27	16	19	18
Average daily water pumped	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	4,083,000
Daily peak demand (gallons per day)	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	7,380,000
Peak day	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	7/12/2019
Wastewater										
New sewer taps	140	122	97	117	135	158	212	154	197	187
Wastewater lines installed / L.F.	0	1,425	160	1,379	508	1,970	1,259	6,208	8,423	5,077
Wastewater lines repaired / L.F.	54	64	65	33	62	680	556	252	16	47
Wastewater lines cleaned / L.F.	67,029	57,810	87,648	73,232	93,859	70,610	57,320	34,516	49,432	67,416

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>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>	<u>2019</u>
Public Safety										
Number of Stations	2	2	2	2	2	3	3	3	3	3
Number of Public Safety Officers	55	55	55	55	58	61	62	64	65	65
Number of Volunteer Firemen	20	20	20	20	20	20	20	25	20	20
Insurance Rating (ISO)	Class 3	Class 3	Class 3	Class 3	Class 3	Class 2	Class 2	Class 2	Class 2	Class 2
Signalized Intersections	26	30	30	30	30	31	31	32	32	32
Number of Fire Hydrants										
Inside City	792	795	802	805	809	812	814	816	848	848
Outside City	149	149	149	149	149	149	149	149	149	149
Public Works										
Miles of Streets	137.77	138.81	140.09	140.85	141.37	141.91	143.77	144.2	144.9	145.75
Street Lights	1,750	1,763	1,789	1,789	1,800	1,817	1,841	1,859	1,980	2,000
Parks, Recreation & Tourism										
Number of Parks	22	22	22	22	22	22	22	22	22	22
Park Acreage	550	550	550	550	550	550	550	550	550	550
Miles of Paved Greenway	14.0	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	9	9	9	9	9	9
Baseball / Softball Diamonds	9	10	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	11	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
Water										
Miles of Water Lines	194.78	195.15	195.27	196.01	196.08	228.68	229.07	229.84	231.09	232.3
Maximum Pumping Capacity (gallons per day)	14,000,000	14,000,000	14,000,000	14,000,000	12,000,000 ^(a)	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Sewer										
Miles of Wastewater Lines	227.46	227.72	228.03	228.54	228.57	229.20	229.57	230.74	232	232.96
Stormwater										
Miles of Storm Sewer	57.77	58.22	59.29	59.79	60.37	60.73	68.01	68.47	69.21	70.04

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, 2019

Water Rate in effect December 31, 2019

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, 2019

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, 2019

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

Commercial (monthly)	Base Fee	Volume Charge (per cubic yard)	
		<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, 2019

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, 2019**

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

North
Augusta

South Carolina's Riverfront



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***

To the 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, 2019, 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 30, 2020.

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 City'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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature of Cheryl Bekant LLP in cursive script.

Augusta, Georgia
June 30, 2020