



CITY OF NORTH AUGUSTA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Year Ended December 31, 2021

CITY OF NORTH AUGUSTA

SOUTH CAROLINA

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

YEAR ENDED

DECEMBER 31, 2021



Prepared by
Department of Finance

Cammie T. Hayes,
Chief Financial Officer

**CITY OF NORTH AUGUSTA, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021**

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INTRODUCTORY SECTION

May 17, 2022

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, 2021.

This report consists of management's representation concerning the finances of the City. 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 Mauldin and Jenkins, 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, 2021, 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, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it.

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 22 square miles. The 2020 population of the City is estimated to be 24,379 with a total of approximately 168,808 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, presides at all meetings of City Council, and is the recognized head of the City. 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 and City Council appoint the City Administrator for an authorized term. The City Administrator is responsible to the Mayor for the proper administration of all affairs placed in their charge. 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 General 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.

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. Because of the varying terrain in and around North Augusta, the distribution system for the City's water supply is divided into three service levels to control pressure. Our current maximum pumping capacity is 12 MGD (million gallons per day).

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 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 service 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. The system is so designed that it can be enlarged into a 40 MGD facility. It has undergone improvements, of which the City of North Augusta is paying a proportional amount.

Aiken County Public Service Authority 20.0 MGD Facility
Capacities by User
As of June 30, 2021

	<u>Present Allocation (MGD)</u>	<u>Present Use (MGD)</u>
City of North Augusta	8.672	5.22112
City of Aiken	7.134	5.65525
Aiken County	1.030	0.00000
Allnex,Inc	.900	0.06002
Bath	.070	0.02915
Breezy Hill	1.407	0.52502
Beech Island Water & Sewer	.060	0.00715
Clearwater	.050	0.04048
Langley	.060	0.03145
Valley Public Service Authority	.417	0.40381
PACTIV Advanced Packaging Solutions	.050	0.01436
Kimberly Clark	.150	0.04352
Uncommitted	<u>.000</u>	<u>0.00000</u>
Total	<u>20.000</u>	<u>12.03133</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 Leadership Team members of the City are required to submit requests for appropriation to the City Administrator by 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 during 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 and is fortunate to have moved forward despite the impacts of the COVID-19 pandemic. 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 2020 Decennial Census showed that North Augusta had grown to a population of 24,379 from 21,348 in 2010, an increase of more than 14 percent and an average annual increase of approximately 1.5 percent. The City estimates the City population to be 24,745 for 2021.

During the past ten years, Aiken County's unemployment rate has fluctuated from 9.1 percent in 2011, decreasing to 2.8 percent during 2019, and then increasing to 3.4 percent for 2021. The 2021 rate is slightly lower than South Carolina's 2021 unemployment rate of 4.0 percent and less than the 2021 national rate of 5.3 percent. The increases in unemployment rates since 2019 reflect the impacts of the COVID-19 pandemic.

Median household incomes within the City of North Augusta continue to be higher than for the state as a whole. According to the United States Census Bureau (USCB), the City's median family income is \$63,795, Aiken County's is \$53,385, and the State's is \$54,864. Housing prices in the City continue to remain strong. Per the USCB, the median price of a single family home in the City is \$170,000.

The City continues to experience significant economic growth and investment. Residential building activity in North Augusta continues with subdivision infrastructure and single-family construction in Bergen West, Wando Woodlands, Gregory Landing, Rushing Waters, Walnut Village, River North, Austin Heights, and Hammond's Ferry. We continue to see development plans and growth at interstate access points and surrounding areas leading into our city including commercial construction for food service establishments and professional services.

The City has continued 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 third season in the 4,500 seat SRP Park during 2021 and became the new Low-A affiliate for the Atlanta Braves to begin a new era of GreenJackets baseball. In addition, 314 apartments, a hotel and conference center, as well as several restaurants and the stadium parking deck have been completed at Riverside Village. To date, the City has constructed the stadium, two

parking decks, the public infrastructure and contribution of funds toward the conference center, and completion of a riverfront park known as the Sharon Jones Amphitheater. 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

During the year, City Council and Staff have met in planning sessions. 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 2021 reflecting recovery from the impacts of COVID-19. 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 began in 2020. These funds have been earmarked for a variety of projects as mentioned above.

During the year, the City received its first tranche of funding in Coronavirus State and Local Fiscal Recovery Funds in excess of \$5,000,000 with the second tranche expected in the fall of 2022. The City has since elected to use the standard allowance of \$10,000,000 for revenue loss and obligate to fund general government services as well as an additional \$1,800,000 obligated towards investment in water and sewer infrastructure.

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 12/31/2021 is \$2,834,351.

Awards and Acknowledgements

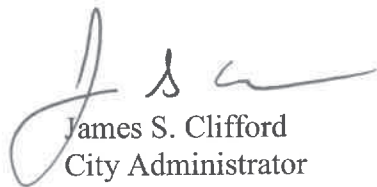
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Augusta

for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2020. This was the thirty-ninth 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 comprehensive annual financial report 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 comprehensive annual financial report 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 also must be given to the Mayor and City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of North Augusta and its finances.

Respectfully submitted,



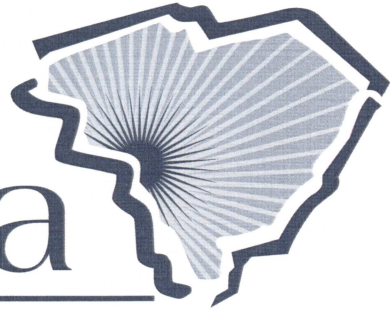
James S. Clifford
City Administrator

Respectfully submitted,



Cammie T. Hayes
Chief Financial Officer

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**

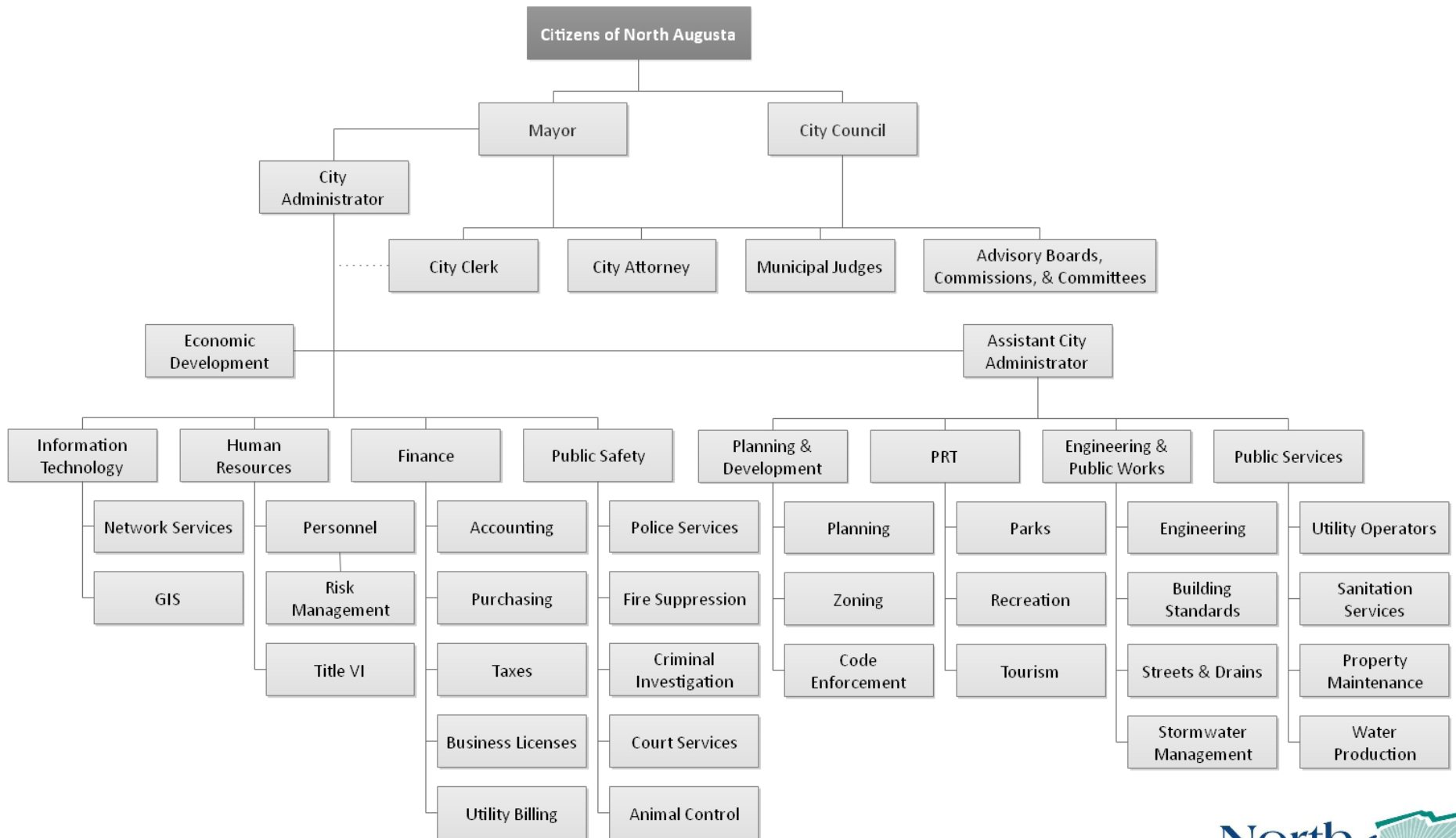
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

Organizational Chart - 2021



CITY OF NORTH AUGUSTA, SOUTH CAROLINA

LIST OF ELECTED AND APPOINTED OFFICIALS

December 31, 2021

ELECTED OFFICIALS

Briton S. Williams, Mayor

J. Robert Brooks, Councilman, Mayor Pro Tempore

Pat C. Carpenter, Councilwoman

Jenafer F. McCauley, Councilwoman

David W. McGhee, Councilman

Eric H. Presnell, Councilman

Kevin W. Toole, Councilman

APPOINTED OFFICIALS

James S. Clifford, City Administrator

Rachelle M. Moody, Assistant City Administrator

Kelly F. Zier, City Attorney

Sharon Lamar, City Clerk

Cammie T. Hayes, Chief Financial Officer

Richard L. Meyer, Director of Parks, Recreation & Tourism

Thomas L. Paradise, Interim Director of Planning & Development

James E. Sutton, Director of Public Services

John C. Thomas, Director of Public Safety

Thomas C. Zeaser, Director of Engineering & Public Works

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**FINANCIAL
SECTION**



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 of North Augusta, South Carolina, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 14), the Schedule of Proportionate Share of the Net Pension Liability – South Carolina Retirement System (page 61), the Schedule of Proportionate Share of the Net Pension Liability – Police Officers Retirement System (page 61), the Schedule of Contributions – South Carolina Retirement System (pages 62 and 63) and the Schedule of Contributions – Police Officers Retirement System (pages 62 and 63) be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) is presented for purposes of additional analysis as required by the State of South Carolina and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining and individual nonmajor fund financial statements, the General Fund budget and actual schedule, the enterprise fund budget and actual schedules, and the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2022, 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 solely 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 the effectiveness of the City's 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.

Mauldin & Jenkins, LLC

Columbia, South Carolina
May 17, 2022

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, 2021. 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 \$141,089,614 (net position). Of this amount, (\$3,886,721), represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. This number is negative following the implementation of Governmental Accounting Standards Board ("GASB") Statement No. 68, which required the City to recognize as a long-term liability, its proportionate share of the net pension liability of the South Carolina Retirement System and the Police Officer Retirement System.
- The City's total net position increased by \$6,164,921.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$29,150,879 an increase of \$4,622,137 in comparison with the prior year. The majority of the increase is reflective of the release of COVID-19 related restrictions from the prior year. The City experienced the return of large athletic tournaments, recreation sports programs, and rentals of City facilities for other events during 2021. Both residential and commercial construction activity continues to rise in the City, resulting in increases to both business license and permit revenue streams. Approximately 10.72 percent of the governmental funds combined fund balance, \$3,125,000, 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 \$5,959,351 or 31.24 percent of total general fund expenditures.
- The City's outstanding debt decreased by (\$650,079) 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 in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

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

The City maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund which is considered a major fund. Information is also presented separately for the Capital Projects Sales Tax IV Fund, Capital Projects Fund, Tax Increment Fund, North Augusta Public Facilities Corporation Fund, and American Rescue Plan Act Fund (ARPA) which the City elects to present as major funds. Information from the other eight governmental funds are

combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report.

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$141,089,614 at the close of the most recent fiscal year.

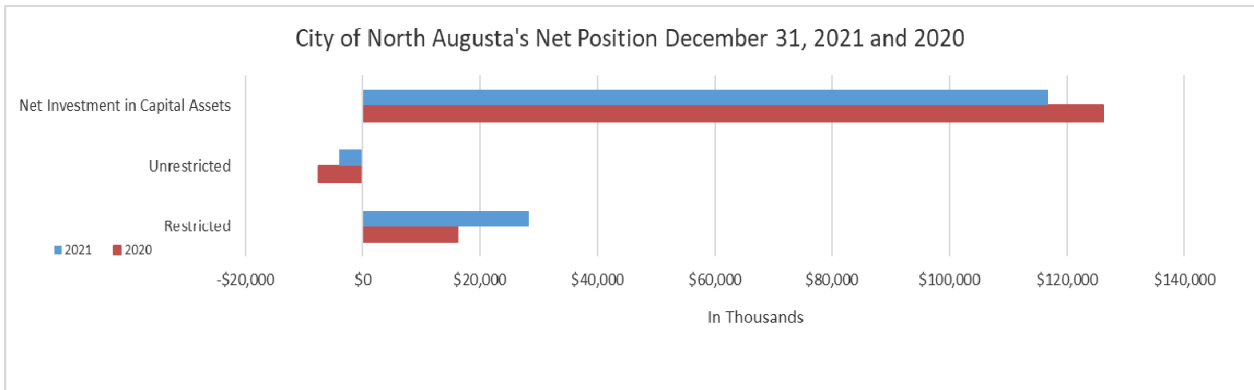
City of North Augusta's Net Position	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 37,635,953	\$ 27,287,517	\$ 22,587,891	\$ 21,181,824	\$ 60,223,844	\$ 48,469,341
Capital assets	134,843,278	134,760,030	81,240,116	81,310,306	216,083,394	216,070,336
Total Assets	172,479,231	162,047,547	103,828,007	102,492,130	276,307,238	264,539,677
Deferred outflows of resources	2,205,652	2,666,507	1,182,727	1,180,716	3,388,379	3,847,223
Long-term liabilities outstanding	95,413,586	98,835,358	27,717,045	29,348,843	123,130,631	128,184,201
Other liabilities outstanding	8,908,079	2,299,780	1,791,518	1,823,994	10,699,597	4,123,774
Total Liabilities	104,321,665	101,135,138	29,508,563	31,172,837	133,830,228	132,307,975
Deferred inflow of resources	3,489,930	799,007	1,285,845	355,225	4,775,775	1,154,232
Net position:						
Net investment in capital assets	54,204,071	64,277,060	62,504,303	61,930,753	116,708,374	126,207,813
Restricted	19,786,412	7,848,687	8,481,549	8,358,324	28,267,961	16,207,011
Unrestricted	(7,117,195)	(9,345,838)	3,230,474	1,855,707	(3,886,721)	(7,490,131)
Total Net Position	\$ 66,873,288	\$ 62,779,909	\$ 74,216,326	\$ 72,144,784	\$ 141,089,614	\$ 134,924,693

By far, the largest portion of the City's net position, 82.72 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, 20.04 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$3,886,721) 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.

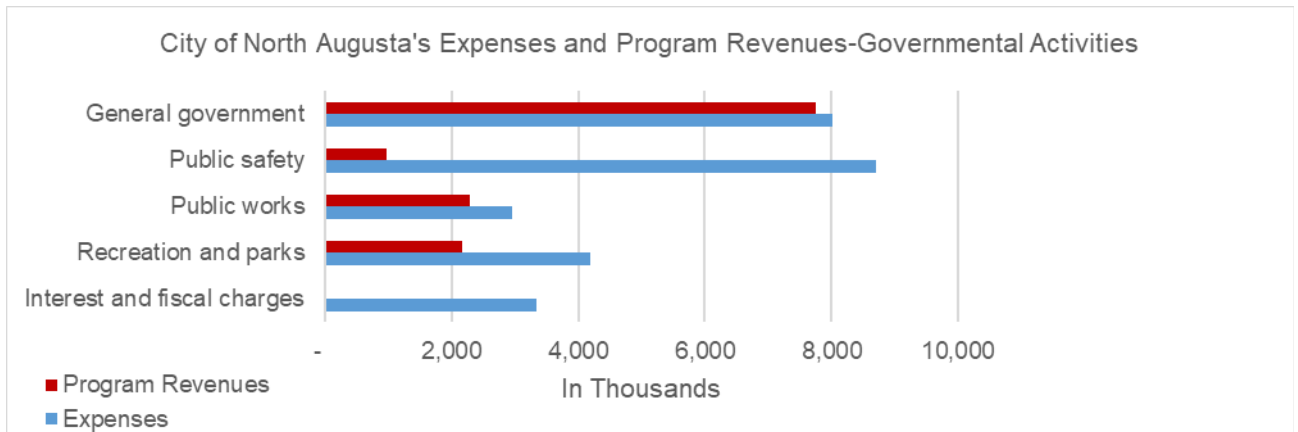


Governmental Activities

During 2021, governmental activities increased the City's net position by \$4,093,379. Governmental activities revenues increased \$4,616,520 from 2020 to 2021 primarily due to an increase in charges for services as well as an increase in other taxes. Property taxes represent 37.81 percent of total revenues for governmental activities and increased \$749,764 from 2020 due to increased development in the City. Charges for services include: business license revenues, franchise fees, construction permits, recreational programs, rentals and tournaments, and public safety fines. These revenues represent 33.27 percent of total revenues for governmental activities and are predominantly elastic in nature and vary with economic trends. Charges for services increased \$1,506,076 related to continued increases in construction activity along with the return of large athletic tournaments and other recreational programs. The release of COVID-19 restrictions also increased rentals of City facilities. Other tax revenue increased 107.00 percent compared to the prior year as a result of the release of COVID-19 restrictions related to overnight travelers and restaurant dining. Aiken County also implemented new revenue distribution procedures for the fourth round of capital projects sales tax.

Also, during 2021, governmental activities expenses increased by \$78,424. General government expenses increased slightly by \$150,142. Parks, Recreation, and Tourism expenses increased \$826,175, or 24.51 percent, due to the return of large athletic tournaments and other recreational programs and the related expenses. Public Works expenses were consistent with the prior year. Public Safety expenses reflected a decrease of (8.66) percent over the prior year due to a reduction in expenses related to large construction projects.

City of North Augusta's Changes in Net Position	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 10,016,051	\$ 8,509,975	\$ 16,788,234	\$ 16,349,563	\$ 26,804,285	\$ 24,859,538
Operating grants and contributions	960,878	1,287,442	-	-	960,878	1,287,442
Capital grants and contributions	2,199,191	1,788,037	1,332,381	1,325,388	3,531,572	3,113,425
General revenues:						
Property taxes	11,382,532	10,632,768	-	-	11,382,532	10,632,768
Other taxes	4,155,328	2,007,435	-	-	4,155,328	2,007,435
Other	1,392,279	1,264,082	830,698	1,129,857	2,222,977	2,393,939
Total Revenues	30,106,259	25,489,739	18,951,313	18,804,808	49,057,572	44,294,547
Expenses:						
General government	8,020,594	7,870,452	-	-	8,020,594	7,870,452
Public safety	8,713,621	9,539,596	-	-	8,713,621	9,539,596
Public works	2,952,922	2,924,751	-	-	2,952,922	2,924,751
Parks, recreation, and tourism	4,197,184	3,371,009	-	-	4,197,184	3,371,009
Interest and fiscal charges on debt service	3,347,376	3,447,465	-	-	3,347,376	3,447,465
Water and wastewater	-	-	10,164,461	10,410,462	10,164,461	10,410,462
Sanitation	-	-	4,479,166	4,626,296	4,479,166	4,626,296
Stormwater	-	-	883,357	840,358	883,357	840,358
Savannah Bluff Lock and Dam	-	-	133,970	192,673	133,970	192,673
Total Expenses	27,231,697	27,153,273	15,660,954	16,069,789	42,892,651	43,223,062
Increase (decrease) in net position before transfers	2,874,562	(1,663,534)	3,290,359	2,735,019	6,164,921	1,071,485
Transfers	1,218,817	1,158,234	(1,218,817)	(1,158,234)	-	-
Increase in net position	4,093,379	(505,300)	2,071,542	1,576,785	6,164,921	1,071,485
Net position-beginning of year	62,779,909	63,285,209	72,144,784	70,567,999	134,924,693	133,853,208
Net position-end of year	\$ 66,873,288	\$ 62,779,909	\$ 74,216,326	\$ 72,144,784	\$ 141,089,614	\$ 134,924,693



Business-type Activities

Business-type activities increased the City's net position by \$2,071,542. Water, wastewater, sanitation and stormwater rates remained unchanged. Water sales increased 3.6 percent over the prior year and were over budget by approximately \$422,000 related to an increase in usage and customer base as well as a sale of 29,542,000 gallons to a service district customer. Sewer sales increased approximately \$323,000, 4.73 percent, over the prior year also related to an increase in customer base. Fees for sanitation services and recycling decreased approximately (\$83,000) from the prior year due to a decrease in commercial tipping tons coming in under budget by approximately (\$153,000). The amount of waste material being processed by the City's Materials Recovery Facility (MRF) was less than anticipated during the year due vehicle and equipment failures as well as a fire at the facility. Stormwater fees increased 2 percent as anticipated due to additional customers.

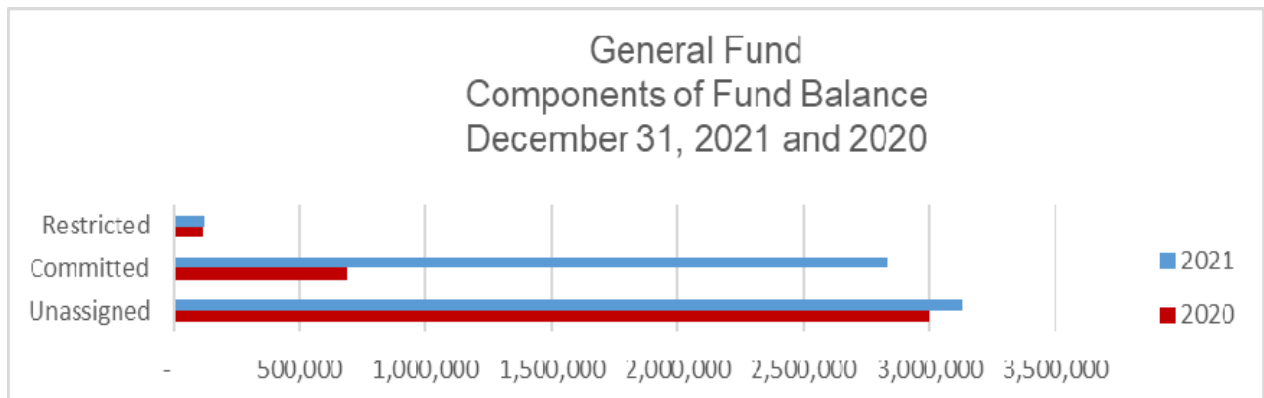
Expenses for the Water and Wastewater System decreased by (\$364,520) from the prior year primarily due to decreased expenses from Aiken County Public Service Authority for wastewater treatment as well as fewer capital project expenses in the water and wastewater divisions. In 2021, the expenses for the Sanitation Services Fund showed a decrease from the prior year of (\$164,309) due to decreased personnel costs related to vacant positions in the sanitation division. Increased expenses in the Stormwater Utility Fund were \$43,434 due to increased depreciation of capital assets. A total of \$133,970 was expended from the Savannah Bluff Lock and Dam Fund. This expense for professional 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 discretionary use as they represent the portion of fund balance that has not been limited for use by any of: an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

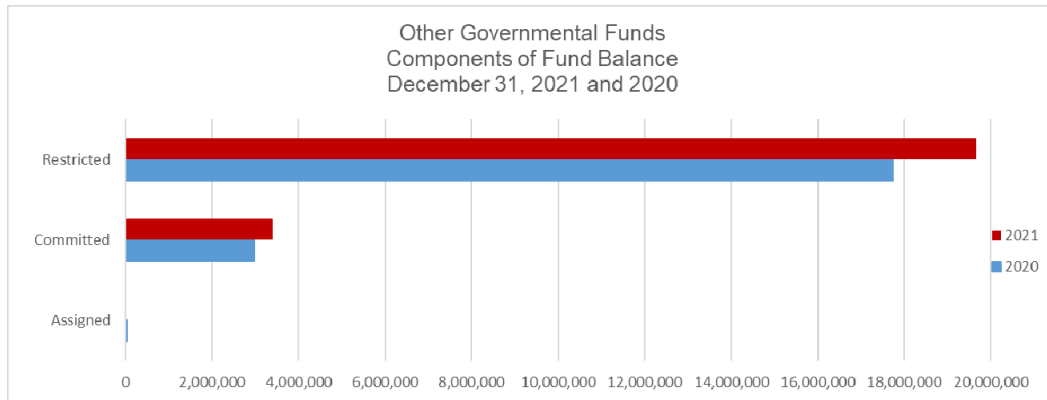
At December 31, 2021, the City’s governmental funds reported combined fund balances of \$29,150,879 an increase of \$4,622,137 from the prior year. The majority of this increase is attributable to the collection of all outstanding taxes, special assessments, penalties, and interest for several parcels in Riverside Village along with the release of COVID-19 related restrictions prompting the return of large athletic tournaments, recreation programs, and facility rentals. Also, as mentioned previously, both residential and commercial construction continued to increase throughout 2021. Approximately 10.72 percent of this amount constitutes unassigned fund balance, which is available for spending at the City’s discretion as described above. Unassigned fund balance increased by \$125,000 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 remainder of fund balance is restricted, committed, or assigned to indicate that it is not available for new spending because of its use for state victim’s assistance, fire division of public safety, capital projects to include those funded by capital projects sales taxes, and special projects to include Riverside Village.



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 \$3,125,000, while total fund balance was \$6,082,682. 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 16.38 percent of total General Fund expenditures, while total fund balance represents 31.88 percent of those same expenditures.

The total fund balance of the City's general fund increased by \$2,273,917 during the current fiscal year. The most significant factor in this net increase is related to the return of programming, events and facility rentals in response to released COVID-19 restrictions.

The ARPA Fund was added as a major fund in 2021 due to receipt of the first tranche of funding as awarded to the City as part of the Act. These funds are to be used to respond to COVID-19 related impacts to include replacement of lost revenue. The Capital Projects Sales Tax IV Fund had an increase of \$1,322,499 related to receipt of sales tax funds to be used for debt service payments in 2022. The Capital Projects Fund had a fund balance of \$2,854,806, an increase of 18.57 percent, due to the issuance of a capital lease to fund new radios for the Public Safety Department. The Tax Increment Fund had an increase in fund balance of \$317,709 due to increased collection of ad valorem property taxes resulting from growth in the tax increment district. These revenues are dedicated towards debt service and are transferred to the North Augusta Public Facilities Corporation Fund. Fund balance for the North Augusta Public Facilities Corporation Fund increased 114.54 percent from the prior year due to the collection of all outstanding taxes, special assessments, penalties, and interest for several parcels in Riverside Village.



Fund balance for the City's nonmajor governmental funds totaled \$5,751,874 for 2021, a decrease of (\$1,048,328) primarily related to increased capital outlay expenditures for public safety construction projects as well as tourism capital projects as compared to the prior year. Also, the nonmajor governmental revenues that are dedicated towards debt service were transferred to the North Augusta Public Facilities Corporation Fund.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the water and wastewater system, sanitation services, and stormwater utility at the end of the fiscal year totaled \$3,230,474. Total growth in net position was \$2,204,742. Other factors concerning the finances of these funds have already 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 budget for the fiscal year ending December 31, 2021.

Current property tax revenues exceeded budget by approximately \$357,000 due to a higher tax base than originally estimated by Aiken and Edgefield Counties. Additionally, revenues for licenses and building permits exceeded budgeted revenues by approximately \$657,000. This is reflective of a continued increase in residential and commercial construction activity across the City. Charges for services reflected a positive variance with budgeted revenues primarily due to release of COVID-19 restrictions not projected during preparation of the budget. Miscellaneous revenues exceeded budget by approximately \$194,000 reflective of receipt of unbudgeted other income items to include sales of City assets. Intergovernmental revenues were in line with expectations. Fines and forfeitures did not meet budgeted expectations, however, were offset by under expenditure of remittances to the state for fees and fines.

The over-expenditures for Public Works and Parks, Recreation, and Tourism were primarily due to the purchase of vehicles and equipment with capital lease proceeds as well as the return of large athletic tournaments. General Government and Public Safety expenditures were under budget due to savings resulting from vacant positions and postponement of non-critical projects.

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, 2021, amounts to \$216,083,394 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, rights-of-way and easements, buildings, machinery and equipment, furniture and fixtures, infrastructure, system improvements, PSA capital, and construction in progress. The total increase in capital assets for the current fiscal year was approximately \$13,000. Additional information on the City's capital assets can be found in Note 5 of this report.

City of North Augusta's Capital Assets (net of depreciation)	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 10,330,391	\$ 10,330,391	\$ 824,058	\$ 824,058	\$ 11,154,449	\$ 11,154,449
Land improvements	11,133,771	11,556,192	85,085	88,631	11,218,856	11,644,823
Right-of-way and easements	4,055,316	3,734,521	62,760	62,760	4,118,076	3,797,281
Buildings	86,707,183	89,222,891	18,803,391	19,488,632	105,510,574	108,711,523
Machinery and equipment	1,358,609	1,231,042	1,161,698	1,130,870	2,520,307	2,361,912
Furniture and fixtures	29,469	57,639	-	-	29,469	57,639
Vehicles	3,070,044	3,390,922	1,412,801	1,045,635	4,482,845	4,436,557
Infrastructure	15,335,129	14,517,866	-	-	15,335,129	14,517,866
System improvements	-	-	57,281,584	56,999,000	57,281,584	56,999,000
PSA capital	-	-	1,608,739	1,670,720	1,608,739	1,670,720
Construction in progress	2,823,366	718,566	-	-	2,823,366	718,566
Total Capital Assets	\$ 134,843,278	\$ 134,760,030	\$ 81,240,116	\$ 81,310,306	\$ 216,083,394	\$ 216,070,336

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

- Various projects related to streets, sidewalks, and storm drainage totaling \$2,807,424.
- Over \$530,000 of water and sewer capital assets were added by developers and contributed to the City.
- Completed design and commenced construction on Public Safety Station I and continued design of Public Safety Headquarters totaling \$1,850,381.
- Purchase of various vehicles, machinery, and equipment for all departments totaling \$1,698,719 with a portion financed from capital lease proceeds.
- Water and sewer related infrastructure improvements totaling \$95,388.

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$95,453,000. The City's debt represents bonds secured solely by specified revenue sources.

City of North Augusta's Outstanding Debt	Governmental Activities		Buisness-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue bonds	\$ 68,085,000	\$ 68,825,000	\$ 17,118,000	\$ 18,091,831	\$ 85,203,000	\$ 86,916,831
General obligation bonds	10,250,000	10,250,000	-	-	10,250,000	10,250,000
Capital leases	2,145,743	1,412,082	1,617,813	1,287,722	3,763,556	2,699,804
Total Outstanding Debt	\$ 80,480,743	\$ 80,487,082	\$ 18,735,813	\$ 19,379,553	\$ 99,216,556	\$ 99,866,635

The City's total debt outstanding decreased by (\$650,079) during the current fiscal year. This net decrease was attributed to due to scheduled debt service payments during 2021.

The City maintains an "A1" 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 ratio increased to 2.80 in 2021. The City issued a refunding bond in April 2021 for the Water and Wastewater Systems. These proceeds were used to refund two SC Drinking Water Revolving Loans. 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 \$3,763,556 in capital leases for equipment and vehicles and other long-term liabilities related to compensated absences as well as net pension liability totaled \$23,914,075 (not presented in the table above).

Additional information regarding the City's capitalized lease obligations and long-term debt and other long-term liabilities can be found in Notes 6 and 7 of this report.

State statutes limit the amount of general obligation debt a governmental entity may issue, without a referendum, to 8 percent of its total assessed valuation. The current debt limitation for the City is \$12,373,671. Additional information is available on the City's legal debt margin in the statistical section of this report.

Economic Factors and Next Year's Budgets and Rates

2021 has been a year of recovery both nationwide and for North Augusta. The outbreak of COVID-19 that previously impacted City revenue streams, specifically in the areas of parks, recreation, and tourism, has begun to rebound as mandates and restrictions were removed and people have become comfortable returning to normal activities.

The following economic factors currently affect the City and were considered in developing the 2022 fiscal year budget:

- During the past ten years, Aiken County's unemployment rate has fluctuated from 9.1 percent in 2011, decreasing to 2.8 percent during 2019, and then increasing to 3.4 percent for 2021.
- The value of a mill has increased over 60 percent during the past ten years reflective of the growth in the City's tax digest. The millage rate for the 2021 budget was 73.50 with 1.50 mills dedicated for the Capital Projects Fund. The millage rate included for preparing the 2022 budget is 73.50 with 3.30 mills dedicated for the Capital Projects Fund as part of a bond rating improvement initiative.
- Implementation of 4 percent cost of living increases as well as fund all positions on-grade adjustments.
- Increases are expected in health insurance premiums, as well as pension and other employee benefit costs.
- Income producing activities to include recreational sports, facility rentals, and tournaments to be included with minimal budget impact.

- Rates to increase for commercial sanitation services to pass through cost increases from Aiken County. Rates remain stable for other business type activities.

All of these factors were considered in preparing the City's general fund budget for the 2022 fiscal year. Amounts available for appropriation are \$20.73 million, an increase of 7.59 percent, over the final fiscal year budget of \$19.26 million.

The City's budgetary balance is expected to remain relatively stable during 2022 with opportunities to bring non-critical projects online.

As for the City's business type activities, we expect future results to remain stable in 2022. Good business practices require these services to charge fees that sufficiently recover costs associated with providing the service. The City continues to maintain a competitive rate structure.

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 the government's 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.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 34,600,823	\$ 12,250,017	\$ 46,850,840
Taxes receivable	177,001	-	177,001
Accounts receivable, net of allowances	1,009,898	1,529,283	2,539,181
Due from other governments	15,944	-	15,944
Inventories	-	253,163	253,163
Restricted cash and cash equivalents	1,832,287	8,539,447	10,371,734
Capacity rights, net of accumulated amortization	-	15,981	15,981
Capital assets:			
Non-depreciable	17,209,073	886,818	18,095,891
Depreciable, net of accumulated depreciation	117,634,205	80,353,298	197,987,503
Total assets	172,479,231	103,828,007	276,307,238
DEFERRED OUTFLOWS OF RESOURCES			
Pension	2,205,652	1,182,727	3,388,379
Total deferred outflows of resources	2,205,652	1,182,727	3,388,379
LIABILITIES			
Accounts payable	1,614,206	638,555	2,252,761
Retainage payable	158,464	-	158,464
Accrued liabilities	516,584	96,880	613,464
Unearned revenues	5,957,216	385,672	6,342,888
Accrued interest payable	591,392	-	591,392
Other liabilities	70,217	-	70,217
Payable from restricted resources:			
Accrued interest payable	-	70,721	70,721
Customer deposits	-	599,690	599,690
Long-term liabilities:			
Due within one year	3,651,856	1,979,316	5,631,172
Due in more than one year	77,610,996	17,071,922	94,682,918
Other long-term liabilities due in more than one year:			
Net pension liability	14,150,734	8,665,807	22,816,541
Total liabilities	104,321,665	29,508,563	133,830,228
DEFERRED INFLOWS OF RESOURCES			
Pension	3,489,930	1,285,845	4,775,775
Total deferred inflows of resources	3,489,930	1,285,845	4,775,775
NET POSITION			
Net investment in capital assets	54,204,071	62,504,303	116,708,374
Restricted for:			
Victims assistance	123,331	-	123,331
Public safety - fire division	137,432	-	137,432
Operations - Savannah Bluff Lock and Dam	-	541,792	541,792
Capital projects	14,157,523	-	14,157,523
Special projects	5,368,126	-	5,368,126
Debt service	-	7,939,757	7,939,757
Unrestricted	(7,117,195)	3,230,474	(3,886,721)
Total net position	\$ 66,873,288	\$ 74,216,326	\$ 141,089,614

The accompanying notes are an integral part of these financial statements.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 8,020,594	\$ 6,868,596	\$ 885,032	\$ -	\$ (266,966)	\$ -	\$ (266,966)
Public safety	8,713,621	895,682	75,846	-	(7,742,093)	-	(7,742,093)
Public works	2,952,922	93,392	-	2,199,191	(660,339)	-	(660,339)
Parks, recreation and tourism	4,197,184	2,158,381	-	-	(2,038,803)	-	(2,038,803)
Interest and fiscal charges on long-term debt	3,347,376	-	-	-	(3,347,376)	-	(3,347,376)
Total governmental activities	<u>27,231,697</u>	<u>10,016,051</u>	<u>960,878</u>	<u>2,199,191</u>	<u>(14,055,577)</u>	<u>-</u>	<u>(14,055,577)</u>
Business-type activities:							
Water and wastewater	10,164,461	11,159,227	-	537,983	-	1,532,749	1,532,749
Sanitation	4,479,166	4,791,306	-	668	-	312,808	312,808
Stormwater utility	883,357	837,701	-	793,730	-	748,074	748,074
Savannah Bluff Lock and Dam	133,970	-	-	-	-	(133,970)	(133,970)
Total business-type activities	<u>15,660,954</u>	<u>16,788,234</u>	<u>-</u>	<u>1,332,381</u>	<u>-</u>	<u>2,459,661</u>	<u>2,459,661</u>
Total primary government	<u>\$ 42,892,651</u>	<u>\$ 26,804,285</u>	<u>\$ 960,878</u>	<u>\$ 3,531,572</u>	<u>(14,055,577)</u>	<u>2,459,661</u>	<u>(11,595,916)</u>
General revenues:							
Ad valorem property taxes					11,382,532	-	11,382,532
Capital projects sales tax					1,770,110	-	1,770,110
Local hospitality and accommodation tax					2,385,218	-	2,385,218
Interest earned					62,950	35,498	98,448
Gain on sale of capital assets					-	95,281	95,281
Miscellaneous					1,329,329	699,919	2,029,248
Transfers					1,218,817	(1,218,817)	-
Total general revenues and transfers					<u>18,148,956</u>	<u>(388,119)</u>	<u>17,760,837</u>
Change in net position					4,093,379	2,071,542	6,164,921
Net position, beginning of year					62,779,909	72,144,784	134,924,693
Net position, end of year					<u>\$ 66,873,288</u>	<u>\$ 74,216,326</u>	<u>\$ 141,089,614</u>

The accompanying notes are an integral part of these financial statements.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General Fund	Capital Projects Sales Tax IV Fund	Capital Projects Fund	Tax Increment Fund	North Augusta Public Facilities Corporation Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 7,648,463	\$ 9,819,379	\$ 2,228,061	\$ 359,431	\$ 2,457,527	\$ 5,937,190	\$ 6,150,772	\$ 34,600,823
Taxes receivable, net of allowances	177,001	-	-	-	-	-	-	177,001
Accounts receivable	343,700	-	642,000	-	24,198	-	-	1,009,898
Intergovernmental receivables	11,191	-	-	-	-	-	4,753	15,944
Restricted cash and cash equivalents	-	1,832,287	-	-	-	-	-	1,832,287
Total assets	\$ 8,180,355	\$ 11,651,666	\$ 2,870,061	\$ 359,431	\$ 2,481,725	\$ 5,937,190	\$ 6,155,525	\$ 37,635,953
LIABILITIES								
Accounts payable	\$ 1,320,814	\$ 493	\$ 15,255	\$ -	\$ 32,457	\$ -	\$ 245,187	\$ 1,614,206
Retainage payable	-	-	-	-	-	-	158,464	158,464
Accrued liabilities	516,584	-	-	-	-	-	-	516,584
Unearned revenues	21,671	-	-	-	-	5,935,545	-	5,957,216
Other accrued liabilities	70,217	-	-	-	-	-	-	70,217
Total liabilities	1,929,286	493	15,255	-	32,457	5,935,545	403,651	8,316,687
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	168,387	-	-	-	-	-	-	168,387
Total deferred inflows of resources	168,387	-	-	-	-	-	-	168,387
FUND BALANCES								
Restricted:								
Capital projects	-	11,651,173	-	-	-	-	2,506,350	14,157,523
Victim's assistance	123,331	-	-	-	-	-	-	123,331
Public safety - fire division	-	-	-	-	-	-	137,432	137,432
Special projects	-	-	-	359,431	2,449,268	1,645	2,557,782	5,368,126
Committed:								
Capital projects	2,834,351	-	2,746,392	-	-	-	544,155	6,124,898
Parks, recreation and tourism	-	-	12,994	-	-	-	-	12,994
Housing and development	-	-	95,420	-	-	-	-	95,420
Assigned:								
Capital projects	-	-	-	-	-	-	6,155	6,155
Unassigned	3,125,000	-	-	-	-	-	-	3,125,000
Total fund balances	6,082,682	11,651,173	2,854,806	359,431	2,449,268	1,645	5,751,874	29,150,879
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,180,355	\$ 11,651,666	\$ 2,870,061	\$ 359,431	\$ 2,481,725	\$ 5,937,190	\$ 6,155,525	\$ 37,635,953

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2021

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances, end of year	\$	29,150,879
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		134,843,278
Other long term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. These amounts are:		168,387
Deferred outflows of resources related to the recording of the net pension liability are recognized as expense over time and, therefore, are not reported in the funds.		2,205,652
Deferred inflows of resources related to the recording of the net pension liability are not due and payable in the current period and, therefore, are not reported in the funds.		(3,489,930)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences	\$	(782,109)
Installment purchase revenue bonds		(78,335,000)
Capital leases		(2,145,743)
Net pension liability		(14,150,734)
Total long-term liabilities		(95,413,586)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(591,392)
Net position of governmental activities, end of year	\$	66,873,288

The accompanying notes are an integral part of these financial statements.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Capital Projects Sales Tax IV Fund	Capital Projects Fund	Tax Increment Fund	North Augusta Public Facilities Corporation Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:								
Ad valorem property taxes	\$ 8,153,505	\$ -	\$ 187,939	\$ 3,878,726	\$ -	\$ -	\$ -	\$ 12,220,170
Sales taxes	-	1,770,110	-	-	-	-	-	1,770,110
Local hospitality and accommodations taxes	-	-	-	-	-	-	2,385,218	2,385,218
Licenses and permits	6,868,596	-	-	-	-	-	-	6,868,596
Intergovernmental	796,928	-	-	-	154,334	-	216,946	1,168,208
Charges for services	1,660,961	-	-	-	632,060	-	-	2,293,021
Fines and forfeitures	854,434	-	-	-	-	-	-	854,434
Interest earnings	22,350	12,608	4,498	5,221	3,254	1,645	13,374	62,950
Miscellaneous	1,005,451	-	44,759	-	-	-	124,785	1,174,995
Total revenues	<u>19,362,225</u>	<u>1,782,718</u>	<u>237,196</u>	<u>3,883,947</u>	<u>789,648</u>	<u>1,645</u>	<u>2,740,323</u>	<u>28,797,702</u>
Expenditures:								
Current:								
General government	5,423,652	-	170,601	-	254,892	-	-	5,849,145
Public safety	7,937,565	-	1,221	-	-	-	47,392	7,986,178
Public works	1,551,787	-	-	-	-	-	1,690	1,553,477
Parks, recreation and tourism	2,962,103	-	-	-	-	-	391,150	3,353,253
Capital outlay	600,448	338,244	211,546	-	-	-	2,137,409	3,287,647
Debt service:								
Capital lease payments	602,220	-	99,918	-	-	-	-	702,138
Principal retirement	-	-	-	-	739,968	-	-	739,968
Interest and fiscal charges	-	121,975	-	-	3,203,394	-	-	3,325,369
Total expenditures	<u>19,077,775</u>	<u>460,219</u>	<u>483,286</u>	<u>-</u>	<u>4,198,254</u>	<u>-</u>	<u>2,577,641</u>	<u>26,797,175</u>
Excess (deficiency) of revenues over (under) expenditures	<u>284,450</u>	<u>1,322,499</u>	<u>(246,090)</u>	<u>3,883,947</u>	<u>(3,408,606)</u>	<u>1,645</u>	<u>162,682</u>	<u>2,000,527</u>
Other financing sources (uses):								
Issuance of capital lease	601,860	-	803,266	-	-	-	-	1,405,126
Transfers in	1,387,607	-	-	-	4,716,238	-	-	6,103,845
Transfers out	-	-	(110,113)	(3,566,238)	-	-	(1,211,010)	(4,887,361)
Total other financing sources (uses)	<u>1,989,467</u>	<u>-</u>	<u>693,153</u>	<u>(3,566,238)</u>	<u>4,716,238</u>	<u>-</u>	<u>(1,211,010)</u>	<u>2,621,610</u>
Net change in fund balances	<u>2,273,917</u>	<u>1,322,499</u>	<u>447,063</u>	<u>317,709</u>	<u>1,307,632</u>	<u>1,645</u>	<u>(1,048,328)</u>	<u>4,622,137</u>
Fund balances, beginning of year	<u>3,808,765</u>	<u>10,328,674</u>	<u>2,407,743</u>	<u>41,722</u>	<u>1,141,636</u>	<u>-</u>	<u>6,800,202</u>	<u>24,528,742</u>
Fund balances, end of year	<u>\$ 6,082,682</u>	<u>\$ 11,651,173</u>	<u>\$ 2,854,806</u>	<u>\$ 359,431</u>	<u>\$ 2,449,268</u>	<u>\$ 1,645</u>	<u>\$ 5,751,874</u>	<u>\$ 29,150,879</u>

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
FOR THE YEAR ENDED DECEMBER 31, 2021**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 4,622,137

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays	\$ 3,287,647	
Depreciation expense	<u>(5,405,923)</u>	(2,118,276)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, transfers, and donations) is to increase net position. 2,201,524

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (890,634)

The issuance of long-term debt 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 position. Also, governmental funds report the effect of premiums, discounts, 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 items.

Issuance of capital lease	\$ (1,405,126)	
Repayment of the principal of long-term debt	<u>1,411,465</u>	6,339

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	\$ (65,194)	
Accrued interest on long-term debt	8,634	
Net pension liability	<u>328,849</u>	<u>272,289</u>

Change in net position of governmental activities \$ 4,093,379

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Ad valorem property taxes	\$ 7,796,050	\$ 7,796,050	\$ 8,153,505	\$ 357,455
Licenses and permits	6,211,481	6,211,481	6,868,596	657,115
Fines and forfeitures	1,120,000	1,120,000	854,434	(265,566)
Charges for services	1,105,915	1,105,915	1,660,961	555,046
Intergovernmental	799,758	799,758	796,928	(2,830)
Interest earnings	51,962	51,962	22,350	(29,612)
Miscellaneous	811,260	811,260	1,005,451	194,191
Total revenues	<u>17,896,426</u>	<u>17,896,426</u>	<u>19,362,225</u>	<u>1,465,799</u>
Expenditures:				
Current:				
General government	5,848,778	5,848,778	5,423,652	425,126
Public safety	8,365,246	8,365,246	7,937,565	427,681
Public works	1,591,721	1,591,721	1,551,787	39,934
Parks, recreation and tourism	2,744,580	2,744,580	2,962,103	(217,523)
Capital outlay	66,450	66,450	600,448	(533,998)
Capital lease payments	646,323	646,323	602,220	44,103
Total expenditures	<u>19,263,098</u>	<u>19,263,098</u>	<u>19,077,775</u>	<u>185,323</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,366,672)</u>	<u>(1,366,672)</u>	<u>284,450</u>	<u>1,651,122</u>
Other financing sources:				
Issuance of capital lease	-	-	601,860	601,860
Transfers in	1,366,672	1,366,672	1,387,607	20,935
Total other financing sources	<u>1,366,672</u>	<u>1,366,672</u>	<u>1,989,467</u>	<u>622,795</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>2,273,917</u>	<u>2,273,917</u>
Fund balances, beginning of year	<u>3,808,765</u>	<u>3,808,765</u>	<u>3,808,765</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,808,765</u>	<u>\$ 3,808,765</u>	<u>\$ 6,082,682</u>	<u>\$ 2,273,917</u>

The accompanying notes are an integral part of these financial statements.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021**

	Water and Wastewater System	Sanitation Services Fund	Stormwater Utility Fund	Nonmajor Enterprise Fund Savannah Bluff Lock and Dam	Total Enterprise Funds
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 6,531,413	\$ 4,117,994	\$ 1,056,818	\$ 543,792	\$ 12,250,017
Accounts receivable, net of allowances	1,517,500	11,783	-	-	1,529,283
Inventory	253,163	-	-	-	253,163
Restricted cash and cash equivalents	8,539,447	-	-	-	8,539,447
Total current assets	<u>16,841,523</u>	<u>4,129,777</u>	<u>1,056,818</u>	<u>543,792</u>	<u>22,571,910</u>
NONCURRENT ASSETS					
Service rights, net of accumulated amortization	15,981	-	-	-	15,981
Capital assets:					
Non-depreciable	610,607	91,235	184,976	-	886,818
Depreciable, net of accumulated depreciation	71,282,615	2,392,677	6,678,006	-	80,353,298
Total noncurrent assets	<u>71,909,203</u>	<u>2,483,912</u>	<u>6,862,982</u>	<u>-</u>	<u>81,256,097</u>
Total assets	<u>88,750,726</u>	<u>6,613,689</u>	<u>7,919,800</u>	<u>543,792</u>	<u>103,828,007</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pensions	590,156	495,193	97,378	-	1,182,727
Total deferred outflows of resources	<u>590,156</u>	<u>495,193</u>	<u>97,378</u>	<u>-</u>	<u>1,182,727</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	528,251	103,304	5,000	2,000	638,555
Accrued liabilities	48,576	37,884	10,420	-	96,880
Customer deposits	599,690	-	-	-	599,690
Accrued vacation	157,979	120,745	36,701	-	315,425
Accrued interest payable	59,030	10,876	815	-	70,721
Current portion of revenue bonds payable	1,085,000	-	-	-	1,085,000
Current portion of capital leases payable	210,672	342,547	25,672	-	578,891
Total current liabilities	<u>2,689,198</u>	<u>615,356</u>	<u>78,608</u>	<u>2,000</u>	<u>3,385,162</u>
NONCURRENT LIABILITIES					
Revenue bonds payable, net of current portion	16,033,000	-	-	-	16,033,000
Capital leases payable, net of current portion	350,589	659,101	29,232	-	1,038,922
Net pension liability	4,494,313	3,523,395	648,099	-	8,665,807
Unearned revenue	385,672	-	-	-	385,672
Total noncurrent liabilities	<u>21,263,574</u>	<u>4,182,496</u>	<u>677,331</u>	<u>-</u>	<u>26,123,401</u>
Total liabilities	<u>23,952,772</u>	<u>4,797,852</u>	<u>755,939</u>	<u>2,000</u>	<u>29,508,563</u>
DEFERRED INFLOWS OF RESOURCES					
Pensions	637,633	510,166	138,046	-	1,285,845
Total deferred inflows of resources	<u>637,633</u>	<u>510,166</u>	<u>138,046</u>	<u>-</u>	<u>1,285,845</u>
NET POSITION					
Net investment in capital assets	54,213,961	1,482,264	6,808,078	-	62,504,303
Restricted for debt service	7,939,757	-	-	-	7,939,757
Restricted for operations	-	-	-	541,792	541,792
Unrestricted	2,596,759	318,600	315,115	-	3,230,474
Total net position	<u>\$ 64,750,477</u>	<u>\$ 1,800,864</u>	<u>\$ 7,123,193</u>	<u>\$ 541,792</u>	<u>\$ 74,216,326</u>

The accompanying notes are an integral part of these financial statements.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Water and Wastewater System	Sanitation Services Fund	Stormwater Utility Fund	Nonmajor Enterprise Fund Savannah Bluff Lock and Dam	Total Enterprise Funds
OPERATING REVENUES					
Charges for services and fees	\$ 11,135,712	\$ 4,654,908	\$ 837,701	\$ -	\$ 16,628,321
Sale of recyclables	-	136,398	-	-	136,398
Miscellaneous	589,789	89,212	20,918	-	699,919
Total operating revenues	11,725,501	4,880,518	858,619	-	17,464,638
OPERATING EXPENSES					
Finance	655,961	-	-	-	655,961
Administration	466,167	-	-	-	466,167
Operations and maintenance	5,446,576	2,340,874	594,041	133,970	8,515,461
Production and treatment	1,541,516	-	-	-	1,541,516
Material recovery facility	-	1,530,433	-	-	1,530,433
Depreciation and amortization	1,622,712	564,405	286,988	-	2,474,105
Total operating expenses	9,732,932	4,435,712	881,029	133,970	15,183,643
Operating income (loss)	1,992,569	444,806	(22,410)	(133,970)	2,280,995
NONOPERATING REVENUES (EXPENSES)					
Interest income	25,822	6,978	1,928	770	35,498
Gain (loss) on sale of property	(420)	95,701	-	-	95,281
Interest expense and fiscal charges	(349,250)	(43,454)	(2,328)	-	(395,032)
Bond Issuance	(84,612)	-	-	-	(84,612)
Intergovernmental	23,515	-	-	-	23,515
Total nonoperating revenues (expenses), net	(384,945)	59,225	(400)	770	(325,350)
Income (loss) before capital contributions and transfers	1,607,624	504,031	(22,810)	(133,200)	1,955,645
CAPITAL CONTRIBUTIONS	537,983	668	793,730	-	1,332,381
TRANSFERS					
Transfers in	22,805	8,095	1,993	-	32,893
Transfers out	(835,547)	(386,506)	(27,324)	-	(1,249,377)
Total transfers	(812,742)	(378,411)	(25,331)	-	(1,216,484)
Change in net position	1,332,865	126,288	745,589	(133,200)	2,071,542
Total net position, beginning of year	63,417,612	1,674,576	6,377,604	674,992	72,144,784
Total net position, end of year	\$ 64,750,477	\$ 1,800,864	\$ 7,123,193	\$ 541,792	\$ 74,216,326

The accompanying notes are an integral part of these financial statements.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Water and Wastewater System	Sanitation Services Fund	Stormwater Utility Fund	Nonmajor Enterprise Fund Savannah Bluff Lock and Dam	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 11,671,209	\$ 5,254,509	\$ 858,619	\$ -	\$ 17,784,337
Payments to suppliers	(5,541,360)	(1,826,538)	(214,036)	(131,970)	(7,713,904)
Payments to employees	(2,550,322)	(2,093,046)	(460,346)	-	(5,103,714)
Net cash provided by (used in) operating activities	<u>3,579,527</u>	<u>1,334,925</u>	<u>184,237</u>	<u>(131,970)</u>	<u>4,966,719</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	22,805	8,095	1,993	-	32,893
Transfers out	(835,547)	(386,506)	(27,324)	-	(1,249,377)
Net cash used in noncapital financing activities	<u>(812,742)</u>	<u>(378,411)</u>	<u>(25,331)</u>	<u>-</u>	<u>(1,216,484)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(310,123)	(692,275)	(75,657)	-	(1,078,055)
Proceeds from the sale of capital assets	8,601	95,701	-	-	104,302
Proceeds from the issuance of revenue bonds	17,689,000	-	-	-	17,689,000
Proceeds from the issuance of capital leases	216,865	716,953	31,275	-	965,093
Principal paid on revenue bonds	(18,662,831)	-	-	-	(18,662,831)
Principal paid on capital leases	(215,789)	(394,186)	(25,027)	-	(635,002)
Bond issuance costs	(84,612)	-	-	-	(84,612)
Capital grants received	23,515	-	-	-	23,515
Interest and agent fees paid	(346,185)	(43,454)	(2,573)	-	(392,212)
Net cash used in capital and related financing activities	<u>(1,681,559)</u>	<u>(317,261)</u>	<u>(71,982)</u>	<u>-</u>	<u>(2,070,802)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	25,822	6,978	1,928	770	35,498
Net cash provided by investing activities	<u>25,822</u>	<u>6,978</u>	<u>1,928</u>	<u>770</u>	<u>35,498</u>
Net change in cash and cash equivalents	1,111,048	646,231	88,852	(131,200)	1,714,931
Cash and cash equivalents, beginning of year	13,959,812	3,471,763	967,966	674,992	19,074,533
Cash and cash equivalents, end of year	<u>\$ 15,070,860</u>	<u>\$ 4,117,994</u>	<u>\$ 1,056,818</u>	<u>\$ 543,792</u>	<u>\$ 20,789,464</u>
Classified as:					
Cash and cash equivalents	\$ 6,531,413	\$ 4,117,994	1,056,818	\$ 543,792	\$ 12,250,017
Restricted assets, cash	8,539,447	-	-	-	8,539,447
	<u>\$ 15,070,860</u>	<u>\$ 4,117,994</u>	<u>\$ 1,056,818</u>	<u>\$ 543,792</u>	<u>\$ 20,789,464</u>

(Continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Water and Wastewater System</u>	<u>Sanitation Services Fund</u>	<u>Stormwater Utility Fund</u>	<u>Nonmajor Enterprise Fund Savannah Bluff Lock and Dam</u>	<u>Total Enterprise Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 1,992,569	\$ 444,806	\$ (22,410)	\$ (133,970)	\$ 2,280,995
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	1,622,712	564,405	286,988	-	2,474,105
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(30,777)	373,991	-	-	343,214
Increase in inventory	(36,850)	-	-	-	(36,850)
Increase in deferred outflow of resources	(1,006)	(781)	(224)	-	(2,011)
Increase (decrease) in accounts payable	67,696	(17,248)	(77,681)	2,000	(25,233)
Increase in accrued liabilities	19,627	244	6,301	-	26,172
Increase in customer deposits	8,299	-	-	-	8,299
Decrease in unearned revenue	(23,515)	-	-	-	(23,515)
Decrease in net pension liability	(504,538)	(392,165)	(112,374)	-	(1,009,077)
Increase in deferred inflows or resources	465,310	361,673	103,637	-	930,620
Net cash provided by (used in) operating activities	<u>\$ 3,579,527</u>	<u>\$ 1,334,925</u>	<u>\$ 184,237</u>	<u>\$ (131,970)</u>	<u>\$ 4,966,719</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Contributions of capital assets	\$ 537,983	\$ 668	\$ 793,730	\$ -	\$ 1,332,381
Contributions of capital assets to other funds	(3,001)	-	-	-	(3,001)
	<u>\$ 534,982</u>	<u>\$ 668</u>	<u>\$ 793,730</u>	<u>\$ -</u>	<u>\$ 1,329,380</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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.

Capital Projects Sales Tax IV 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.

TIF Fund – This fund is used to account for the receipt of property taxes assessed and levied in the tax increment financing district.

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.

ARPA Fund – This fund is used to account for the receipt of the Coronavirus State and Local Fiscal Recovery Fund (SLFRF) allocation from the State of South Carolina as appropriated by the American Rescue Plan Act of 2021 as well as to account for the disbursement of funds for general government services and infrastructure projects as allowed under the U.S. Department of Treasury's Final Rule.

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 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
- 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

Excess of Expenditures over Appropriations – For the year ended December 31, 2021, expenditures exceeded budget in the General Fund for the following functions:

Function	Final Budget	Actual	(Over) Under Budget
Current - Public Works	\$ 1,591,721	\$ 1,551,787	\$ 39,934
Capital Lease Payments - Public Works	54,085	50,705	3,380
Capital Outlay - Public Works	-	45,679	(45,679)
Total Public Works	1,645,806	1,648,171	(2,365)
Current - Parks, Recreation and Tourism	\$ 2,744,580	\$ 2,962,103	\$ (217,523)
Capital Lease Payments - Parks, Recreation and Tourism	12,100	10,463	1,637
Capital Outlay - Parks, Recreation and Tourism	3,000	11,169	(8,169)
Total Parks, Recreation and Tourism	2,759,680	2,983,735	(224,055)

The over-expenditures for Public Works were due to the purchase of vehicles and equipment with capital lease proceeds. The over-expenditures for Parks, Recreation & Tourism were due to the return of large athletic tournaments as well as the purchase of vehicles and equipment with capital lease proceeds.

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 cost (first-in, first-out) using the consumption method 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources, and Net Position and Fund Balance (Continued)

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources, and Net Position and Fund Balance (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.

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* in a prior year 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 7 for disclosures.

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position reports 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 9.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance 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. The item *Unavailable revenue* is reported under the modified accrual basis of accounting, is reported in the Governmental Funds Balance Sheet as a deferred inflow of resources. 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 9, are also classified as deferred inflows of resources and are reported on the Statement of Net Position.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources, and Net Position and Fund Balance (Continued)

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 positions represents 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 position represents net position that does not meet the definitions of the other classifications.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources, and Net Position and Fund Balance (Continued)

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND CASH EQUIVALENTS AND DEPOSITS

As of December 31, 2021, the City's cash and cash equivalents consisted of the following:

Statement of Net Position:

Cash	\$	46,850,840
Restricted cash		10,371,734
	\$	<u>57,222,574</u>
Cash deposited with financial institutions	\$	18,334,255
South Carolina Local Governmental Investment Pool		38,888,319
	\$	<u>57,222,574</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.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND CASH EQUIVALENTS AND DEPOSITS (CONTINUED)

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;
- 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 South Carolina 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, 2020, the underlying security ratings of the City's investment in the LGIP 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

NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND CASH EQUIVALENTS AND DEPOSITS (CONTINUED)

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 68% 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, 2021, the carrying amount of the City’s deposits was \$18,334,255 and the bank balance was \$19,027,499. The entire bank balance was covered by federal depository insurance or by collateral held by the City’s agent in the City’s name.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. FAIR VALUE MEASUREMENTS (CONTINUED)

The City's recurring fair value measurements as of December 31, 2021, for its \$38,888,319 investment in the LGIP are valued at the net asset value and is thus not reported in the fair value hierarchy. 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.

NOTE 4. RECEIVABLES

Receivables as of December 31, 2021, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds				Enterprise Funds	
	General Fund	Capital Projects Fund	North Augusta Public Facilities Corporation	Nonmajor Governmental Funds	Water and Wastewater System	Sanitation Services
Receivables:						
Taxes	\$ 350,341	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts	343,700	642,000	24,198	-	1,548,500	11,783
Intergovernmental	11,191	-	-	4,753	-	-
			-			
Gross receivables	705,232	642,000	24,198	4,753	1,548,500	11,783
Less allowance for uncollectibles:						
Taxes	(173,340)	-	-	-	-	-
Accounts	-	-	-	-	(31,000)	-
Total allowance	(173,340)	-	-	-	(31,000)	-
Net receivables	\$ 531,892	\$ 642,000	\$ 24,198	\$ 4,753	\$ 1,517,500	\$ 11,783

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended December 31, 2021, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 10,330,391	\$ -	\$ -	\$ -	\$ 10,330,391
Construction in progress	718,566	2,104,800	-	-	2,823,366
Right-of-way	3,734,521	320,795	-	-	4,055,316
Total	<u>14,783,478</u>	<u>2,425,595</u>	<u>-</u>	<u>-</u>	<u>17,209,073</u>
Capital assets, being depreciated:					
Land improvements	22,372,005	427,398	-	-	22,799,403
Buildings	106,293,056	31,619	-	-	106,324,675
Machinery and equipment	3,235,048	347,223	(143,241)	4,808	3,443,838
Furniture and fixtures	1,545,725	-	-	-	1,545,725
Vehicles	8,591,260	414,491	(75,617)	(18,479)	8,911,655
Infrastructure	29,803,825	1,840,512	-	-	31,644,337
Total	<u>171,840,919</u>	<u>3,061,243</u>	<u>(218,858)</u>	<u>(13,671)</u>	<u>174,669,633</u>
Less accumulated depreciation for:					
Land improvements	(10,815,813)	(849,819)	-	-	(11,665,632)
Buildings	(17,070,165)	(2,547,327)	-	-	(19,617,492)
Machinery and equipment	(2,004,006)	(221,989)	143,241	(2,475)	(2,085,229)
Furniture and fixtures	(1,488,086)	(28,170)	-	-	(1,516,256)
Vehicles	(5,200,338)	(735,369)	75,617	18,479	(5,841,611)
Infrastructure	(15,285,959)	(1,023,249)	-	-	(16,309,208)
Total	<u>(51,864,367)</u>	<u>(5,405,923)</u>	<u>218,858</u>	<u>16,004</u>	<u>(57,035,428)</u>
Total capital assets, being depreciated, net	<u>119,976,552</u>	<u>(2,344,680)</u>	<u>-</u>	<u>2,333</u>	<u>117,634,205</u>
Governmental activities capital assets, net	<u>\$ 134,760,030</u>	<u>\$ 80,915</u>	<u>\$ -</u>	<u>\$ 2,333</u>	<u>\$ 134,843,278</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the business-type activities for the year ended December 31, 2021, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 824,058	\$ -	\$ -	\$ -	\$ 824,058
Easements	62,760	-	-	-	62,760
Total	<u>886,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>886,818</u>
Capital assets, being depreciated:					
Land improvements	88,650	-	-	-	88,650
Buildings	24,178,306	-	-	-	24,178,306
Machinery and equipment	3,573,675	203,475	(294,395)	(4,808)	3,477,947
Vehicles	5,026,069	733,530	(819,078)	-	4,940,521
System improvements	77,000,306	1,472,763	-	18,479	78,491,548
PSA Capital	4,667,405	-	-	-	4,667,405
Total	<u>114,534,411</u>	<u>2,409,768</u>	<u>(1,113,473)</u>	<u>13,671</u>	<u>115,844,377</u>
Less accumulated depreciation for:					
Land improvements	(19)	(3,546)	-	-	(3,565)
Buildings	(4,689,674)	(685,241)	-	-	(5,374,915)
Machinery and equipment	(2,442,805)	(164,294)	288,375	2,475	(2,316,249)
Vehicles	(3,980,434)	(347,885)	819,078	(18,479)	(3,527,720)
System improvements	(20,001,306)	(1,208,658)	-	-	(21,209,964)
PSA Capital	(2,996,685)	(61,981)	-	-	(3,058,666)
Total	<u>(34,110,923)</u>	<u>(2,471,605)</u>	<u>1,107,453</u>	<u>(16,004)</u>	<u>(35,491,079)</u>
Total capital assets, being depreciated, net	<u>80,423,488</u>	<u>(61,837)</u>	<u>(6,020)</u>	<u>(2,333)</u>	<u>80,353,298</u>
Business-type activities capital assets, net	<u>\$ 81,310,306</u>	<u>\$ (61,837)</u>	<u>\$ (6,020)</u>	<u>\$ (2,333)</u>	<u>\$ 81,240,116</u>

Included in current year additions are contributed systems in the amount of \$537,983 for the water and wastewater system and \$793,730 for the stormwater utility.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 2,240,541
Public safety	836,309
Public works	1,419,831
Parks, recreation and tourism	909,242
Total depreciation expense - governmental activities	\$ 5,405,923
Business-type activities	
Water and Wastewater System	\$ 1,620,212
Sanitation Services	564,405
Stormwater Utility	286,988
Total depreciation expense - business-type activities	\$ 2,471,605

NOTE 6. 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, 2021:

	Governmental Activities	Water and Wastewater	Sanitation Services	Stormwater Utility	Total
Machinery and equipment	\$ 1,004,477	\$ 913,370	\$ 144,407	\$ 45,412	\$ 2,107,666
Vehicles	1,752,935	122,846	1,525,219	79,927	3,480,927
	2,757,412	1,036,216	1,669,626	125,339	5,588,593
Accumulated depreciation	(690,228)	(165,708)	(427,980)	(27,285)	(1,311,201)
Net book value	\$ 2,067,184	\$ 870,508	\$ 1,241,646	\$ 98,054	\$ 4,277,392

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL LEASE OBLIGATIONS (CONTINUED)

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, 2021:

Year ending December 31,	Governmental Activities	Business-type Activities			Total
		Water and Wastewater	Sanitation Services	Stormwater Utility	
2022	\$ 706,860	\$ 213,909	\$ 380,064	\$ 20,885	\$ 1,321,718
2023	602,478	174,912	310,779	17,077	1,105,246
2024	471,978	126,160	224,157	12,317	834,612
2025	303,577	63,248	112,379	6,175	485,379
2026	134,275	-	-	-	134,275
Total minimum lease payments	2,219,168	578,229	1,027,379	56,454	3,881,230
Amount representing interest	(73,425)	(16,968)	(25,731)	(1,550)	(117,674)
Present value of minimum lease future payments	<u>\$ 2,145,743</u>	<u>\$ 561,261</u>	<u>\$ 1,001,648</u>	<u>\$ 54,904</u>	<u>\$ 3,763,556</u>

NOTE 7. 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, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities					
Revenue bonds:					
North Augusta Public					
Facility Corporation bonds	\$ 68,800,000	\$ -	\$ (715,000)	\$ 68,085,000	\$ 710,000
Direct placement -					
Tax increment bonds	25,000	-	(25,000)	-	-
Total revenue bonds	68,825,000	-	(740,000)	68,085,000	710,000
General obligation bonds	10,250,000	-	-	10,250,000	1,658,000
Capital leases payable	1,412,082	1,405,126	(671,465)	2,145,743	685,749
Compensated absences	716,915	534,735	(469,541)	782,109	598,107
Net pension liability	17,631,361	-	(3,480,627)	14,150,734	-
Total long-term liabilities	<u>\$ 98,835,358</u>	<u>\$ 1,939,861</u>	<u>\$ (5,361,633)</u>	<u>\$ 95,413,586</u>	<u>\$ 3,651,856</u>

For governmental activities, compensated absences and the net pension liability are generally liquidated by the General Fund and special revenue funds, while capital leases are liquidated by the General Fund and the Capital Projects Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds Payable – Revenue bonds payable (recorded as a liability for governmental activities) at December 31, 2021 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.

The 2017B bonds mature 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.

<u>Year ending December 31,</u>	<u>2017B Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	980,000	3,107,443	4,087,443
2026	1,070,000	3,073,701	4,143,701
2027 - 2031	8,080,000	14,595,606	22,675,606
2032 - 2036	10,955,000	12,539,883	23,494,883
2037 - 2041	13,450,000	9,862,269	23,312,269
2042 - 2046	20,425,000	5,884,660	26,309,660
2047 - 2048	10,780,000	815,125	11,595,125
Total	<u>\$ 68,085,000</u>	<u>\$ 59,358,200</u>	<u>\$ 127,443,200</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds Payable (Continued)

In December 2016, the City issued a Tax Increment Revenue Bond, Series 2016A, in the amount of \$25,000. The bond is secured by the special tax allocation created by the Amended Redevelopment Plan Ordinance adopted by City Council. The proceeds were used to defray a portion of the costs incurred by the City in carrying out the projects described in the Amended Redevelopment Plan Ordinance. The bond was paid off on December 2, 2021.

General Obligation Bonds – General Obligation bonds payable (recorded as a liability for governmental activities) at December 31, 2021, is comprised of the following:

In March 2020, the City issued General Obligation Bonds, Series 2020, in the amount of \$10,250,000. The bonds were issued pursuant to an ordinance adopted by City Council subject to an affirmative voter referendum for the purposes of (1) defraying the costs incurred in connection with all or a portion of the designing, developing, and construction of a new Department of Public Safety headquarters and related fire apparatus; and (2) issuance costs thereof. Section 14 of Article X of the Constitution of the State of South Carolina provides that municipalities of the State may issue bonded indebtedness in an amount not exceeding 8% of the assessed value of all taxable property therein, unless approved at referendum. Bonded indebtedness approved at referendum may be incurred without regard to the City's Debt Limit and as a result of the aforementioned affirmative referendum, the principal amount of the bonds do not count against the debt limit. The full faith, credit, and taxing power of the City are irrevocably pledged as security for the bonds. The bonds are payable in semiannual installments beginning on September 1, 2020 through March 1, 2027. Interest is payable on March 1 and September 1 each year through maturity. Principal is payable on March 1 annually through maturity. The bonds bear interest at 1.19%.

<u>Year ending December 31,</u>	<u>2020 General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,658,000	\$ 112,110	\$ 1,770,110
2023	1,678,000	92,261	1,770,261
2024	1,698,000	72,174	1,770,174
2025	1,718,000	51,848	1,769,848
2026	1,739,000	31,279	1,770,279
2027	1,759,000	10,466	1,769,466
Total	<u>\$ 10,250,000</u>	<u>\$ 370,138</u>	<u>\$ 10,620,138</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES (CONTINUED)

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Business-type activities					
Revenue bonds payable	\$ 18,091,831	\$ 17,689,000	\$ (18,662,831)	\$ 17,118,000	\$ 1,085,000
Capital leases payable	1,287,722	965,093	(635,002)	1,617,813	578,891
Compensated absences	294,406	221,684	(200,665)	315,425	315,425
Net pension liability	9,674,884	-	(1,009,077)	8,665,807	-
Total long-term liabilities	<u>\$ 29,348,843</u>	<u>\$ 18,875,777</u>	<u>\$ (20,507,575)</u>	<u>\$ 27,717,045</u>	<u>\$ 1,979,316</u>

For business-type activities, compensated absences, capital leases, and the net pension liability are liquidated by the related Proprietary Fund.

Revenue Bonds Payable – Revenue bonds payable (recorded as a liability in the Water and Wastewater System Fund) at December 31, 2021, are comprised of the following:

The Waterworks and Sewer System Refunding Revenue Bond, “the Series 2021 Bond” was issued in April 2021. The proceeds of this bond was used to refund the Series 2014 A and 2015 A SC Drinking Water Revolving Loans and to pay certain costs and expenses relating to the issuance of the Series 2021 Bond. Interest of 1.8% is payable semiannually on May 1 and November 1 of each year with a single principal payment on November 1, 2021. The remaining principal is paid annually beginning May 1, 2022 and ranging from \$600,000 to \$1,346,000. The current refunding resulted in cash flow savings of \$235,185 and an economic gain of \$167,037.

<u>Year ending December 31,</u>	<u>2021 Refunding</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,085,000	\$ 298,359	\$ 1,383,359
2023	1,104,000	278,658	1,382,658
2024	1,125,000	258,597	1,383,597
2025	1,144,000	238,176	1,382,176
2026	1,165,000	217,395	1,382,395
2027 - 2031	6,153,000	761,715	6,914,715
2032 - 2036	5,342,000	205,434	5,547,434
Total	<u>\$ 17,118,000</u>	<u>\$ 2,258,334</u>	<u>\$ 19,376,334</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds Payable (Continued)

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

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 ensure the timely payment of the principal and interest on the bonds, and to provide for the redemption of bonds prior to their stated maturity.

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 2021 totaled \$2,137,268. Total net charges for services for the year were \$11,135,712

NOTES TO FINANCIAL STATEMENTS

NOTE 8. 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 9. DEFINED BENEFIT PENSION PLAN

Overview:

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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 position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Overview (Continued):

PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through 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 ACFR of the state.

Plan Description:

The City contributes to the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan that was established 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.

In addition to the SCRS pension plan, the City has also contributed to the South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan that was established 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 described as follows.

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the SCRS as a condition of employment. This plan covers general employees, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Membership (Continued):

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

Benefits:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits (Continued):

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:

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions (Continued):

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. 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 percent, then the Board, effective on the following July 1, 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 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, 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 percent. For the year ended December 31, 2021, the City contributed \$1,356,172 and \$724,678, to the SCRS and PORS plans, respectively.

Required employee contribution rates for the year ended December 31, 2021, are as follows:

South Carolina Retirement System

9.00% of earnable compensation

South Carolina Police Officers Retirement System

9.75% of earnable compensation

Required employer contribution rates for the year ended December 31, 2021, are as follows:

South Carolina Retirement System

15.41% of earnable compensation from January 1st through June 30th

16.41% of earnable compensation from July 1st through December 31st

Employer incidental death benefit: 0.15% of earnable compensation

South Carolina Police Officers Retirement System

17.84% of earnable compensation from January 1st through June 30th

18.84% of earnable compensation from July 1st through December 31st

Employer incidental death benefit: 0.20% of earnable compensation

Net Pension Liability:

The June 30, 2021, (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS), and are based on the July 1, 2021 actuarial valuation. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2021, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability (Continued):

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position. As of December 31, 2021, (measurement date of June 30, 2021), the net pension liability amounts for the City's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employer's Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>	<u>City's Proportionate Share of the Collective Net Pension Liability</u>
SCRS	\$ 41,852,036	\$ 25,423,524	\$ 16,428,512	60.7%	0.075913%
PORS	\$ 21,562,091	\$ 15,174,062	\$ 6,388,029	70.4%	0.248280%

Actuarial Assumptions and Methods:

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2021, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2021, using generally accepted actuarial principles. There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions for any of the systems. In fiscal year 2021, the Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021, to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in South Carolina State Code.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions and Methods (Continued):

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2020, valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Investment rate of return	7.00%	7.00%
Projected salary increases	3.5% to 11%	3.5% to 10.5%
	(varies by service)	(varies by service)
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Former Job Class	Males	Females
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The 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 2021 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 on the following page.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Long-term Expected Rate of Return (Continued)

For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component, which is summarized below.

<u>Allocation / Exposure</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Public Equity	46.0%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private Equity	9.0%	9.68%	0.87%
Private Debt	7.0%	5.47%	0.39%
Real Assets	12.0%		
Real Estate	9.0%	6.01%	0.54%
Infrastructure	3.00%	5.08%	0.15%
Total expected real return	100%		
Inflation for actuarial purposes			5.18%
			2.25%
			<u>7.43%</u>

Discount Rate:

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity Analysis:

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

Sensitivity of the Net Position Liability to Changes in the Discount Rate				
	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)	
SCRS	\$ 21,519,303	\$ 16,428,512	\$ 12,197,009	
PORS	\$ 9,268,212	\$ 6,388,029	\$ 4,028,717	

Deferred Outflows and Inflows of Resources Related to Pensions:

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 279,841	\$ 22,172
Changes of assumptions	899,243	-
Net difference between projected and actual earnings on pension plan investments	-	2,386,458
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	469,852	442,010
Employer contributions subsequent to the measurement date	679,229	-
Total	\$ 2,328,165	\$ 2,850,640

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Deferred Outflows and Inflows of Resources Related to Pensions (Continued):

PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 217,315	\$ 19,895
Changes of assumptions	455,624	-
Net difference between projected and actual earnings on pension plan investments	-	1,432,168
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	1,080	473,072
Employer contributions subsequent to the measurement date	386,195	-
Total	\$ 1,060,214	\$ 1,925,135

City contributions subsequent to the measurement date of \$679,229 and \$386,195 for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	SCRS	PORS
2022	\$ (142,402)	\$ (288,749)
2023	(103,395)	(233,474)
2024	(62,928)	(212,586)
2025	(892,979)	(516,307)

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense:

For the year ended December 31, 2021 (measurement period ended June 30, 2021), the City recognized its proportionate share of collective pension expense of \$1,199,631 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of (\$25,056) for a total of \$1,174,575 for the SCRS plan. Additionally, for the year ended December 31, 2021 (measurement period ended June 30, 2021), the City recognized its proportionate share of collective pension expense of \$698,852 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of (\$202,275) for a total of \$496,577 for the PORS plan. Total pension expense for both the SCRS plan and the PORS plan amounted to \$1,671,152 for the year ended December 31, 2021 (measurement period ended June 30, 2021).

NOTE 10. INTERFUND TRANSFERS

The following interfund transfers are reflected in the fund financial statements at December 31, 2021:

	Transfers In	Transfers Out
Governmental Funds		
General Fund	\$ 1,387,607	\$ -
Capital Projects	-	110,113
Tax Increment Financing	-	3,566,238
North Augusta Public Facilities Corporation	4,716,238	-
Nonmajor	-	1,211,010
Total Governmental Funds	6,103,845	4,887,361
Enterprise Funds		
Water and Wastewater System	22,805	835,547
Sanitation Services	8,095	386,506
Stormwater Utility	1,993	27,324
Total Enterprise Funds	32,893	1,249,377
Total Transfers	\$ 6,136,738	\$ 6,136,738

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT

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

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

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

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

NOTE 12. COMMITMENTS

Significant commitments at December 31, 2021, are composed of the following:

	Project Authorization	Expended through December 31, 2021	Commitment
Public Safety Station I	\$ 3,800,000	\$ 1,836,425	\$ 1,963,575

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 County, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. CONTINGENCIES

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

NOTE 14. TAX ABATEMENTS

As of December 31, 2021, 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, 2021, the City's taxes were reduced as a part of the FILOT agreement previously disclosed in the amount of \$6,341.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED DECEMBER 31,

SOUTH CAROLINA RETIREMENT SYSTEM

Plan Year Ended June 30	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's 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
2021	0.08%	\$ 16,428,512	\$ 8,573,011	191.6%	60.75%
2020	0.07%	18,721,872	8,173,809	229.0%	50.71%
2019	0.08%	17,638,284	8,150,277	216.4%	54.40%
2018	0.08%	17,272,206	7,983,849	216.3%	54.10%
2017	0.08%	17,231,285	7,723,042	223.1%	53.30%
2016	0.08%	16,062,609	7,282,122	220.6%	52.90%
2015	0.08%	14,301,301	7,070,316	202.3%	57.00%

POLICE OFFICERS RETIREMENT SYSTEM

Plan Year Ended June 30	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's 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
2021	0.25%	\$ 6,388,029	\$ 3,742,475	170.7%	70.37%
2020	0.26%	8,584,373	3,910,474	219.5%	58.79%
2019	0.27%	7,744,895	3,919,711	197.6%	62.70%
2018	0.28%	7,977,432	3,896,877	204.7%	61.70%
2017	0.28%	7,696,742	3,783,451	203.4%	60.90%
2016	0.28%	7,039,605	3,538,195	199.0%	60.40%
2015	0.27%	5,956,041	3,385,504	175.9%	64.60%

Note: Each year the City will add an additional year of data until a total of ten years is presented.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS FOR THE YEAR ENDED DECEMBER 31,

SOUTH CAROLINA RETIREMENT SYSTEM

Year Ended December 31	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2021	\$ 1,356,172	\$ 1,356,172	\$ -	\$ 8,452,161	16.05%
2020	1,292,391	1,292,391	-	8,305,853	15.56%
2019	1,235,059	1,235,059	-	8,201,611	15.06%
2018	1,128,580	1,128,580	-	8,024,995	14.06%
2017	975,309	975,309	-	7,745,243	12.59%
2016	835,163	835,163	-	7,371,464	11.33%
2015	818,535	818,535	-	7,452,451	10.98%
2014	752,690	752,690	-	7,001,673	10.75%
2013	700,473	700,473	-	6,608,240	10.60%
2012	656,333	656,333	-	6,518,085	10.07%

POLICE OFFICERS RETIREMENT SYSTEM

Year Ended December 31	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2021	\$ 724,678	\$ 724,678	\$ -	\$ 3,862,966	18.76%
2020	694,889	694,889	-	3,809,697	18.24%
2019	702,156	702,156	-	3,957,543	17.74%
2018	655,814	655,814	-	3,918,206	16.74%
2017	575,300	575,300	-	3,769,186	15.26%
2016	504,306	504,306	-	3,599,658	14.01%
2015	492,613	492,613	-	3,627,182	13.58%
2014	432,698	432,698	-	3,297,144	13.12%
2013	394,235	394,235	-	3,136,039	12.57%
2012	374,823	374,823	-	3,116,056	12.03%

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS FOR THE YEAR ENDED DECEMBER 31,

Note: The actuarial assumptions used to determine the required contributions to the plans as noted on the previous page are as follows:

System	SCRS	PORS
Calculation date	July 1, 2019	July 1, 2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year Smoothed	5-year Smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	28 years maximum, closed period	28 years maximum, closed period
Investment return	7.25%	7.25%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service	3.50% plus step-rate increases for members with less than 15 years of service
Mortality	2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates are multiplied by 100% for non-educators and 92% for educators. Female rates multiplied by 111% for non-educators and 98% for educators.	2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates are multiplied by 125% and females rates are multiplied by 111%.

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OTHER SUPPLEMENTARY INFORMATION

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes				
Current	\$ 7,721,050	\$ 7,721,050	\$ 8,038,426	\$ 317,376
Delinquent	10,000	10,000	9,145	(855)
Penalties	65,000	65,000	105,934	40,934
Total taxes	<u>7,796,050</u>	<u>7,796,050</u>	<u>8,153,505</u>	<u>357,455</u>
Licenses and permits				
Business licenses	5,790,481	5,790,481	6,216,232	425,751
Building permits	350,000	350,000	535,235	185,235
Electrical permits	22,000	22,000	41,214	19,214
Mechanical permits	20,000	20,000	35,948	15,948
Plumbing permits	14,000	14,000	23,364	9,364
Grading permits	15,000	15,000	16,603	1,603
Total licenses and permits	<u>6,211,481</u>	<u>6,211,481</u>	<u>6,868,596</u>	<u>657,115</u>
Intergovernmental				
State of South Carolina:				
State shared revenue	551,457	551,457	572,628	21,171
Accommodations tax	31,000	31,000	1,718	(29,282)
Merchants' inventory tax	54,700	54,700	54,790	90
Local option sales tax	20,000	20,000	51,654	31,654
Law enforcement net grant	10,000	10,000	1,426	(8,574)
Department of Justice grant	5,000	5,000	-	(5,000)
Highway safety grant	69,601	69,601	61,716	(7,885)
Aiken County FILOT	58,000	58,000	52,996	(5,004)
Total intergovernmental	<u>799,758</u>	<u>799,758</u>	<u>796,928</u>	<u>(2,830)</u>
Charges for services				
Fire protection fees	42,480	42,480	41,248	(1,232)
Customer street light fees	88,020	88,020	93,392	5,372
Municipal Center rentals	40,400	40,400	74,470	34,070
Recreation fees:				
Special programs	32,100	32,100	25,633	(6,467)
Volleyball	5,700	5,700	8,985	3,285
Soccer	58,470	58,470	66,735	8,265
Miscellaneous	125,000	125,000	33,450	(91,550)
Basketball	42,830	42,830	54,579	11,749
Softball	25,480	25,480	26,301	821
Football	35,455	35,455	49,497	14,042
Baseball	53,370	53,370	68,837	15,467
Concession stand	150,000	150,000	203,087	53,087
Community Center fees	34,100	34,100	77,916	43,816
Activities Center fees	139,010	139,010	165,393	26,383
Recreation facilities rentals	54,000	54,000	58,772	4,772
Activities Center tournaments	179,500	179,500	612,666	433,166
Total charges for services	<u>1,105,915</u>	<u>1,105,915</u>	<u>1,660,961</u>	<u>555,046</u>
Fines and forfeitures				
Public safety fines	1,100,000	1,100,000	847,406	(252,594)
Drug related fines	15,000	15,000	7,028	(7,972)
Court costs	5,000	5,000	-	(5,000)
Total fines and forfeitures	<u>1,120,000</u>	<u>1,120,000</u>	<u>854,434</u>	<u>(265,566)</u>
Miscellaneous				
Other	549,205	549,205	753,396	204,191
Communication tower rental	262,055	262,055	252,055	(10,000)
Interest earnings	51,962	51,962	22,350	(29,612)
Total miscellaneous	<u>863,222</u>	<u>863,222</u>	<u>1,027,801</u>	<u>164,579</u>
Total revenues	<u>\$ 17,896,426</u>	<u>\$ 17,896,426</u>	<u>\$ 19,362,225</u>	<u>\$ 1,465,799</u>

(Continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures:				
General Government				
City Council:				
Personal services:				
Salaries and wages	\$ 107,086	\$ 107,086	\$ 106,783	\$ 303
FICA	8,192	8,192	7,600	592
Employee retirement	13,916	13,916	13,989	(73)
Employee insurance	32,920	32,920	29,435	3,485
Workers' compensation	3,300	3,300	2,345	955
Operating expenditures:				
General supplies/postage	9,900	9,900	5,400	4,500
Dues/training/travel	9,985	9,985	3,031	6,954
Advertising	1,400	1,400	1,702	(302)
Professional services	6,600	6,600	6,266	334
Special department supplies	2,850	2,850	2,435	415
Insurance	1,076	1,076	1,103	(27)
Contingencies	2,000	2,000	500	1,500
Total city council	199,225	199,225	180,589	18,636
City Administration				
Personal services:				
Salaries and wages	305,693	305,693	306,397	(704)
FICA	23,386	23,386	22,090	1,296
Employee retirement	49,094	49,094	49,019	75
Employee insurance	16,460	16,460	13,843	2,617
Workers' compensation	9,865	9,865	7,009	2,856
Unemployment insurance				
Operating expenditures:				
General supplies/postage	1,850	1,850	1,214	636
Dues/training/travel	15,000	15,000	15,432	(432)
Contracts/repairs	4,800	4,800	2,912	1,888
Professional services	30,000	30,000	18,086	11,914
Insurance	4,773	4,773	25,056	(20,283)
Contingencies	50,000	50,000	2,000	48,000
Capital outlay:				
Office machines	9,700	9,700	9,353	347
Total city administration	520,621	520,621	472,411	48,210
Justice and Law				
Personal services:				
Salaries and wages	127,460	127,460	133,655	(6,195)
FICA	9,751	9,751	9,804	(53)
Employee retirement	18,102	18,102	17,672	430
Employee insurance	8,230	8,230	7,527	703
Workers' compensation	3,990	3,990	2,835	1,155
Operating expenditures:				
General supplies/postage	3,400	3,400	704	2,696
State fees/fines	570,615	570,615	454,714	115,901
Dues/training/travel	5,550	5,550	2,061	3,489
Contracts/repairs	15,000	15,000	10,698	4,302
Jury services	3,000	3,000	-	3,000
Professional services	25,000	25,000	24,614	386
Juvenile detention	3,000	3,000	2,200	800
Insurance	32,111	32,111	32,921	(810)
Total justice and law	825,209	825,209	699,405	125,804

(Continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued):				
General Government (Continued)				
Community Promotion				
Operating expenditures:				
Contributions	\$ 30,550	\$ 30,550	\$ 17,162	\$ 13,388
Dues/training/travel	5,931	5,931	5,931	-
Special department supplies	18,300	18,300	17,628	672
Insurance	3,275	3,275	3,358	(83)
Total community promotion	<u>58,056</u>	<u>58,056</u>	<u>44,079</u>	<u>13,977</u>
Finance				
Personal services:				
Salaries and wages	292,380	292,380	296,165	(3,785)
FICA	22,367	22,367	21,575	792
Employee retirement	46,956	46,956	46,724	232
Employee insurance	32,920	32,920	30,107	2,813
Workers' compensation	8,817	8,817	6,264	2,553
Operating expenditures:				
General supplies/postage	10,000	10,000	11,815	(1,815)
Dues/training/travel	2,525	2,525	1,935	590
Data processing	23,200	23,200	25,944	(2,744)
Contracts/repairs	18,190	18,190	19,850	(1,660)
Advertising	850	850	-	850
Professional services	18,428	18,428	18,428	-
Insurance	3,412	3,412	3,498	(86)
Total finance	<u>480,045</u>	<u>480,045</u>	<u>482,305</u>	<u>(2,260)</u>
City Buildings				
Operating expenditures:				
General supplies/postage	19,000	19,000	21,246	(2,246)
Auto operating	2,500	2,500	732	1,768
Utility services	187,000	187,000	310,160	(123,160)
Contracts/repairs	90,500	90,500	91,255	(755)
Professional services	6,700	6,700	6,108	592
Special department supplies	-	-	289	(289)
Insurance	15,361	15,361	38,065	(22,704)
Total city buildings	<u>321,061</u>	<u>321,061</u>	<u>467,855</u>	<u>(146,794)</u>
Building Standards				
Personal services:				
Salaries and wages	277,784	277,784	259,227	18,557
FICA	21,250	21,250	18,717	2,533
Employee retirement	44,612	44,612	39,765	4,847
Employee insurance	37,035	37,035	33,870	3,165
Workers' compensation	9,026	9,026	6,413	2,613
Operating expenditures:				
General supplies/postage	3,000	3,000	2,779	221
Dues/training/travel	3,925	3,925	3,321	604
Auto operating	6,150	6,150	5,067	1,083
Data processing	18,100	18,100	20,455	(2,355)
Contracts/repairs	3,550	3,550	3,924	(374)
Uniforms/clothing	1,550	1,550	1,134	416
Professional services	-	-	8,107	(8,107)
Special department supplies	2,600	2,600	6,008	(3,408)
Insurance	2,405	2,405	2,466	(61)
Capital lease payments	14,499	14,499	13,730	769
Capital outlay:				
Automotive equipment				
Machines/equipment	6,500	6,500	-	6,500
Vehicles	-	-	24,572	(24,572)
Total building standards	<u>451,986</u>	<u>451,986</u>	<u>449,555</u>	<u>2,431</u>

(Continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued):				
General Government (Continued)				
Human Resources				
Personal services:				
Salaries and wages	\$ 134,834	\$ 134,834	\$ 135,102	\$ (268)
FICA	10,315	10,315	9,919	396
Employee retirement	21,654	21,654	21,554	100
Employee insurance	16,460	16,460	15,053	1,407
Workers' compensation	4,084	4,084	2,902	1,182
Operating expenditures:				
General supplies/postage	4,930	4,930	3,933	997
Dues/training/travel	5,000	5,000	5,861	(861)
Contracts/repairs	650	650	1,062	(412)
Advertising	5,000	5,000	6,090	(1,090)
Professional services	55,988	55,988	41,936	14,052
Special department supplies	12,810	12,810	10,893	1,917
Insurance	3,759	3,759	4,731	(972)
Total human resources	275,484	275,484	259,036	16,448
Planning and Development				
Personal services:				
Salaries and wages	272,472	272,472	257,630	14,842
FICA	20,844	20,844	18,894	1,950
Employee retirement	43,759	43,759	32,453	11,306
Employee insurance	32,920	32,920	31,115	1,805
Workers' compensation	7,616	7,616	5,411	2,205
Operating expenditures:				
General supplies/postage	3,000	3,000	3,238	(238)
Dues/training/travel	8,000	8,000	2,453	5,547
Auto operating	5,500	5,500	2,473	3,027
Data processing	8,575	8,575	8,815	(240)
Contracts/repairs	2,500	2,500	2,554	(54)
Advertising	2,000	2,000	2,237	(237)
Professional services	215,000	215,000	5,442	209,558
Special department supplies	6,300	6,300	2,820	3,480
Insurance	6,269	6,269	6,427	(158)
Capital lease payments	12,672	12,672	12,378	294
Capital outlay:				
Office machines	-	-	38,299	(38,299)
Total planning and development	647,427	647,427	432,639	214,788
Property Maintenance				
Personal services:				
Salaries and wages	745,136	745,136	659,155	85,981
Overtime pay	19,253	19,253	18,442	811
FICA	58,476	58,476	49,655	8,821
Employee retirement	122,761	122,761	107,824	14,937
Employee insurance	148,140	148,140	135,359	12,781
Workers' compensation	23,881	23,881	37,072	(13,191)
Operating expenditures:				
General supplies/postage	2,040	2,040	777	1,263
Dues/training/travel	1,880	1,880	1,821	59
Auto operating	29,157	29,157	46,517	(17,360)
Utility services	16,465	16,465	15,900	565
Contracts/repairs	34,110	34,110	55,848	(21,738)
Building materials/supplies	2,210	2,210	2,334	(124)
Uniforms/clothing	16,190	16,190	12,481	3,709
Professional services	46,822	46,822	49,246	(2,424)
Special department supplies	177,880	177,880	178,440	(560)
Insurance	18,260	18,260	25,942	(7,682)
Capital lease payments	52,714	52,714	47,130	5,584
Capital outlay:				
Automotive equipment	-	-	28,499	(28,499)
Machines/equipment	11,250	11,250	53,417	(42,167)
Total property maintenance	1,526,625	1,526,625	1,525,859	766

(Continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued):				
General Government (Continued)				
Information Technology				
Personal services:				
Salaries and wages	\$ 236,271	\$ 236,271	\$ 225,652	\$ 10,619
FICA	18,075	18,075	16,714	1,361
Employee retirement	37,945	37,945	35,965	1,980
Employee insurance	24,690	24,690	23,252	1,438
Workers' compensation	8,093	8,093	5,750	2,343
Operating expenditures:				
General supplies/postage	4,900	4,900	3,728	1,172
Dues/training/travel	12,350	12,350	5,978	6,372
Auto operating	2,213	2,213	376	1,837
Utility services	113,650	113,650	134,108	(20,458)
Data processing	63,120	63,120	65,808	(2,688)
Contracts/repairs	109,700	109,700	100,111	9,589
Insurance	19,367	19,367	19,855	(488)
Capital lease payments	21,450	21,450	21,233	217
Capital outlay:				
Office machines	36,000	36,000	28,009	7,991
Total information technology	707,824	707,824	686,539	21,285
Total current general government	5,848,778	5,848,778	5,423,652	431,973
Total capital lease payments general government	101,335	101,335	94,471	6,864
Total capital outlay general government	63,450	63,450	182,149	(125,546)
Total general government	6,013,563	6,013,563	5,700,272	313,291
Public Safety				
Personal services:				
Salaries and wages	4,845,333	4,845,333	4,669,314	176,019
Overtime pay	172,686	172,686	206,104	(33,418)
FICA	383,878	383,878	358,815	25,063
Employee retirement	920,064	920,064	863,444	56,620
Employee insurance	757,160	757,160	693,092	64,068
Workers' compensation	160,068	160,068	116,575	43,493
Operating expenditures:				
General supplies/postage	26,800	26,800	25,660	1,140
Dues/training/travel	50,000	50,000	37,236	12,764
Auto operating	207,325	207,325	261,450	(54,125)
Data processing	125,830	125,830	112,795	13,035
Contracts/repairs	265,000	265,000	221,950	43,050
Uniforms/clothing	106,100	106,100	88,221	17,879
CVA expenditures	36,320	36,320	28,618	7,702
LEN grant	10,000	10,000	1,426	8,574
Community policing	34,400	34,400	17,938	16,462
NAPS drug related	20,000	20,000	7,028	12,972
Professional services	26,700	26,700	24,868	1,832
Animal control services	36,800	36,800	5,063	31,737
Special department supplies	100,000	100,000	92,829	7,171
Insurance	80,782	80,782	105,139	(24,357)
Capital lease payments	478,803	478,803	446,581	32,222
Capital outlay:				
Vehicles	-	-	361,451	(361,451)
Total current public safety	8,365,246	8,365,246	7,937,565	427,681
Total capital lease payments public safety	478,803	478,803	446,581	32,222
Total capital outlay public safety	-	-	361,451	(361,451)
Total public safety	8,844,049	8,844,049	8,745,597	98,452

(Continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued):				
Public Works				
Engineering				
Personal services:				
Salaries and wages	\$ 165,636	\$ 165,636	\$ 148,255	\$ 17,381
FICA	12,671	12,671	11,017	1,654
Employee retirement	26,601	26,601	23,354	3,247
Employee insurance	24,690	24,690	22,412	2,278
Workers' compensation	5,130	5,130	3,645	1,485
Operating expenditures:				
General supplies/postage	500	500	414	86
Dues/training/travel	2,835	2,835	1,749	1,086
Auto operating	3,075	3,075	2,871	204
Data processing	6,775	6,775	6,157	618
Contracts/repairs	2,480	2,480	2,230	250
Uniforms/clothing	1,000	1,000	472	528
Advertising	100	100	-	100
Professional services	1,000	1,000	-	1,000
Special department supplies	1,500	1,500	1,136	364
Insurance	1,211	1,211	1,242	(31)
Capital lease payments	5,544	5,544	5,218	326
Total engineering	260,748	260,748	230,172	30,576
Street Lighting and Traffic Signals				
Operating expenditures:				
Dues/training/travel	1,350	1,350	-	1,350
Utility services	432,000	432,000	443,161	(11,161)
Contracts/repairs	3,000	3,000	2,445	555
Special department supplies	16,000	16,000	14,187	1,813
Insurance	23,524	23,524	24,117	(593)
Total street lighting and traffic signals	475,874	475,874	483,910	(8,036)
Streets and Drains				
Personal services:				
Salaries and wages	460,266	460,266	454,424	5,842
Overtime pay	7,650	7,650	5,030	2,620
FICA	35,796	35,796	33,812	1,984
Employee retirement	75,147	75,147	73,085	2,062
Employee insurance	82,300	82,300	75,939	6,361
Workers' compensation	15,064	15,064	14,039	1,025
Operating expenditures:				
General supplies/postage	800	800	711	89
Dues/training/travel	2,900	2,900	894	2,006
Auto operating	30,625	30,625	33,647	(3,022)
Contracts/repairs	19,860	19,860	21,510	(1,650)
Building materials/supplies	70,000	70,000	73,874	(3,874)
Uniforms/clothing	7,645	7,645	8,098	(453)
Professional services	19,270	19,270	13,043	6,227
Special department supplies	21,200	21,200	21,569	(369)
Insurance	12,120	12,120	13,248	(1,128)
Capital lease payments	48,541	48,541	45,487	3,054
Capital outlay:				
Machines/equipment	-	-	45,679	(45,679)
Total streets and drains	909,184	909,184	934,089	(24,905)
Total current public works	1,591,721	1,591,721	1,551,787	39,934
Total capital lease payments public works	54,085	54,085	50,705	3,380
Total capital outlay public works	-	-	45,679	(45,679)
Total public works	1,645,806	1,645,806	1,648,171	(2,365)

(Continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued):				
Parks, Recreation, and Tourism				
Recreation				
Personal services:				
Salaries and wages	\$ 438,110	\$ 438,110	\$ 429,297	\$ 8,813
Overtime pay	10,200	10,200	14,063	(3,863)
FICA	34,296	34,296	32,786	1,510
Employee retirement	71,999	71,999	70,068	1,931
Employee insurance	57,610	57,610	53,359	4,251
Workers' compensation	10,589	10,589	7,523	3,066
Operating expenditures:				
General supplies/postage	2,400	2,400	5,432	(3,032)
Dues/training/travel	6,395	6,395	7,020	(625)
Auto operating	2,425	2,425	1,310	1,115
Contracts/repairs	9,500	9,500	4,939	4,561
Uniforms/clothing	900	900	524	376
Advertising	1,300	1,300	785	515
Professional services	150,900	150,900	180,249	(29,349)
Special department supplies	6,000	6,000	3,344	2,656
Basketball program	21,500	21,500	25,346	(3,846)
Softball program	11,400	11,400	14,123	(2,723)
Football program	21,500	21,500	40,179	(18,679)
Baseball program	32,000	32,000	48,276	(16,276)
Soccer program	36,000	36,000	39,929	(3,929)
Volleyball program	3,000	3,000	3,289	(289)
Concession stand supplies	76,000	76,000	134,013	(58,013)
Insurance	21,790	21,790	22,339	(549)
Capital lease payments	8,800	8,800	8,359	441
Capital outlay:				
Furniture/fixtures	1,500	1,500	-	1,500
Total recreation	1,036,114	1,036,114	1,146,552	(110,438)
Parks				
Personal services:				
Salaries and wages	235,647	235,647	241,470	(5,823)
Overtime pay	14,280	14,280	11,441	2,839
FICA	19,119	19,119	18,174	945
Employee retirement	40,138	40,138	40,166	(28)
Employee insurance	45,265	45,265	42,405	2,860
Workers' compensation	7,214	7,214	5,125	2,089
Operating expenditures:				
General supplies/postage	1,500	1,500	336	1,164
Dues/training/travel	1,450	1,450	-	1,450
Auto operating	10,150	10,150	9,295	855
Utility services	20,500	20,500	27,316	(6,816)
Contracts/repairs	35,000	35,000	42,502	(7,502)
Building materials/supplies	13,500	13,500	8,486	5,014
Uniforms/clothing	3,250	3,250	1,553	1,697
Professional services	6,000	6,000	8,298	(2,298)
Special department supplies	15,000	15,000	6,576	8,424
Insurance	5,886	5,886	6,034	(148)
Capital lease payments	3,300	3,300	2,104	1,196
Capital outlay:				
Machines/equipment	-	-	11,169	(11,169)
Total parks	477,199	477,199	482,450	(5,251)

(Continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued):				
Parks, Recreation, and Tourism (Continued)				
Community Center				
Personal services:				
Salaries and wages	\$ 41,645	\$ 41,645	\$ 41,361	\$ 284
Overtime pay	2,040	2,040	3,132	(1,092)
FICA	3,342	3,342	3,479	(137)
Employee retirement	7,016	7,016	7,271	(255)
Employee insurance	8,230	8,230	7,527	703
Workers' compensation	2,592	2,592	1,842	750
Operating expenditures:				
General supplies/postage	2,800	2,800	3,440	(640)
Auto operating	275	275	-	275
Utility services	23,000	23,000	20,450	2,550
Contracts/repairs	35,000	35,000	39,089	(4,089)
Uniforms/clothing	500	500	-	500
Advertising	1,000	1,000	1,000	-
Professional services	-	-	1,836	(1,836)
Special department supplies	5,000	5,000	1,225	3,775
Insurance	2,487	2,487	2,550	(63)
Total community center	134,927	134,927	134,202	725
RVP Activities Center				
Personal services:				
Salaries and wages	291,011	291,011	277,330	13,681
Overtime pay	6,120	6,120	4,966	1,154
FICA	22,730	22,730	20,960	1,770
Employee retirement	47,719	47,719	44,722	2,997
Employee insurance	41,150	41,150	37,633	3,517
Workers' compensation	11,635	11,635	8,266	3,369
Operating expenditures:				
General supplies/postage	15,500	15,500	17,521	(2,021)
Dues/training/travel	1,400	1,400	884	516
Auto operating	1,525	1,525	307	1,218
Contracts/repairs	90,620	90,620	56,088	34,532
Uniforms/clothing	1,400	1,400	108	1,292
Advertising	2,300	2,300	1,080	1,220
Tournaments/special events	170,000	170,000	495,069	(325,069)
Special department supplies	19,500	19,500	20,493	(993)
Insurance	15,766	15,766	16,163	(397)
Capital outlay:				
Furniture/fixtures	1,500	1,500	-	1,500
Total RVP activities center	739,876	739,876	1,001,590	(261,714)

(Continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued):				
Parks, Recreation, and Tourism (Continued)				
Tourism				
Personal services:				
Salaries and wages	\$ 127,588	\$ 127,588	\$ 103,260	\$ 24,328
Overtime pay	5,100	5,100	3,157	1,943
FICA	10,151	10,151	7,908	2,243
Employee retirement	21,310	21,310	16,552	4,758
Employee insurance	24,690	24,690	22,580	2,110
Workers' compensation	4,220	4,220	2,998	1,222
Operating expenditures:				
General supplies/postage	8,000	8,000	11,306	(3,306)
Auto operating	700	700	4,237	(3,537)
Data processing	1,100	1,100	-	1,100
Uniforms/clothing	1,000	1,000	476	524
Professional services	2,000	2,000	10,968	(8,968)
Tourism events/festivals/supplies	130,000	130,000	1,499	128,501
Special department supplies	25,000	25,000	23,025	1,975
Insurance	10,705	10,705	10,975	(270)
Total tourism	<u>371,564</u>	<u>371,564</u>	<u>218,941</u>	<u>152,623</u>
Total current parks, recreation, and tourism	2,744,580	2,744,580	2,962,103	(217,523)
Total capital lease payments parks, recreation, and tourism	12,100	12,100	10,463	1,637
Total capital outlay parks, recreation, and tourism	3,000	3,000	11,169	(8,169)
Total parks, recreation, and tourism	<u>2,759,680</u>	<u>2,759,680</u>	<u>2,983,735</u>	<u>(224,055)</u>
Total expenditures	<u>\$ 19,263,098</u>	<u>\$ 19,263,098</u>	<u>\$ 19,077,775</u>	<u>\$ 185,323</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

ASSETS	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Cash and cash equivalents	\$ 2,734,097	\$ 3,416,675	\$ 6,150,772
Intergovernmental receivables	4,753	-	4,753
Total assets	\$ 2,738,850	\$ 3,416,675	\$ 6,155,525
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 43,636	\$ 201,551	\$ 245,187
Retainage payable	-	158,464	158,464
Total liabilities	43,636	360,015	403,651
 FUND BALANCES			
Restricted:			
Public safety - fire division	137,432	-	137,432
Special projects	2,557,782	-	2,557,782
Capital projects	-	2,506,350	2,506,350
Committed:			
Capital projects	-	544,155	544,155
Assigned:			
Capital projects	-	6,155	6,155
Total fund balances	2,695,214	3,056,660	5,751,874
 Total liabilities, deferred inflows of resources and fund balances	 \$ 2,738,850	 \$ 3,416,675	 \$ 6,155,525

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 216,946	\$ -	\$ 216,946
Local hospitality and accommodations taxes	2,385,218	-	2,385,218
Interest earnings	6,549	6,825	13,374
Miscellaneous	100,000	24,785	124,785
Total revenues	<u>2,708,713</u>	<u>31,610</u>	<u>2,740,323</u>
Expenditures:			
Current:			
Public safety	47,392	-	47,392
Public works	-	1,690	1,690
Parks, recreation & tourism	391,150	-	391,150
Capital outlay	257,100	1,880,309	2,137,409
Total expenditures	<u>695,642</u>	<u>1,881,999</u>	<u>2,577,641</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,013,071</u>	<u>(1,850,389)</u>	<u>162,682</u>
Other financing uses:			
Transfers out	<u>(1,211,010)</u>	-	<u>(1,211,010)</u>
Total other financing uses	<u>(1,211,010)</u>	-	<u>(1,211,010)</u>
Net change in fund balances	802,061	(1,850,389)	(1,048,328)
Fund balances, beginning of year	<u>1,893,153</u>	<u>4,907,049</u>	<u>6,800,202</u>
Fund balances, end of year	<u>\$ 2,695,214</u>	<u>\$ 3,056,660</u>	<u>\$ 5,751,874</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2021**

		Accommodations Tax Fund	Fireman's Fund	Riverfront/ Central Core Redevelopment Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and cash equivalents		\$ 312,962	\$ 146,256	\$ 2,274,879	\$ 2,734,097
Intergovernmental receivable		4,753	-	-	4,753
Total assets		<u>\$ 317,715</u>	<u>\$ 146,256</u>	<u>\$ 2,274,879</u>	<u>\$ 2,738,850</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable		\$ 12,800	\$ 8,824	\$ 22,012	\$ 43,636
Total liabilities		<u>12,800</u>	<u>8,824</u>	<u>22,012</u>	<u>43,636</u>
FUND BALANCES					
Restricted:					
Public safety - fire division		-	137,432	-	137,432
Special projects		304,915	-	2,252,867	2,557,782
Total fund balances		<u>304,915</u>	<u>137,432</u>	<u>2,252,867</u>	<u>2,695,214</u>
Total liabilities and fund balances		<u>\$ 317,715</u>	<u>\$ 146,256</u>	<u>\$ 2,274,879</u>	<u>\$ 2,738,850</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2021**

	<u>Sales Tax Fund</u>	<u>Sales Tax II Fund</u>	<u>Sales Tax III Fund</u>	<u>Street Improvements Fund</u>	<u>Transportation Improvement Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS						
Cash and cash equivalents	\$ 108,089	\$ 442,021	\$ 2,216,255	\$ 553,813	\$ 96,497	\$ 3,416,675
Total assets	<u>\$ 108,089</u>	<u>\$ 442,021</u>	<u>\$ 2,216,255</u>	<u>\$ 553,813</u>	<u>\$ 96,497</u>	<u>\$ 3,416,675</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 201,551	\$ -	\$ -	\$ 201,551
Retainage payable	<u>-</u>	<u>-</u>	<u>158,464</u>	<u>-</u>	<u>-</u>	<u>158,464</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>360,015</u>	<u>-</u>	<u>-</u>	<u>360,015</u>
FUND BALANCES						
Restricted:						
Capital projects	108,089	442,021	1,856,240	100,000	-	2,506,350
Committed:						
Capital projects	-	-	-	453,813	90,342	544,155
Assigned:						
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,155</u>	<u>6,155</u>
Total fund balances	<u>108,089</u>	<u>442,021</u>	<u>1,856,240</u>	<u>553,813</u>	<u>96,497</u>	<u>3,056,660</u>
Total liabilities and fund balances	<u>\$ 108,089</u>	<u>\$ 442,021</u>	<u>\$ 2,216,255</u>	<u>\$ 553,813</u>	<u>\$ 96,497</u>	<u>\$ 3,416,675</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Accommodations Tax Fund	Fireman's Fund	Riverfront/ Central Core Redevelopment Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Local hospitality and accommodations taxes	\$ -	\$ -	\$ 2,385,218	\$ 2,385,218
Intergovernmental	142,526	74,420	-	216,946
Interest earnings	506	357	5,686	6,549
Miscellaneous	-	-	100,000	100,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	143,032	74,777	2,490,904	2,708,713
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Public safety	-	47,392	-	47,392
Parks, recreation and tourism	47,450	-	343,700	391,150
Capital outlay	-	-	257,100	257,100
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	47,450	47,392	600,800	695,642
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	95,582	27,385	1,890,104	2,013,071
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing uses				
Transfers out	(20,935)	-	(1,190,075)	(1,211,010)
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Total other financing uses	(20,935)	-	(1,190,075)	(1,211,010)
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Net change in fund balances	74,647	27,385	700,029	802,061
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	230,268	110,047	1,552,838	1,893,153
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ 304,915	\$ 137,432	\$ 2,252,867	\$ 2,695,214
	<hr/>	<hr/>	<hr/>	<hr/>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Sales Tax Fund	Sales Tax II Fund	Sales Tax III Fund	Street Improvements Fund	Transportation Improvement Fund	Total Nonmajor Capital Projects Funds
Revenues:						
Interest earnings	\$ 177	\$ 741	\$ 3,896	\$ 1,693	\$ 318	\$ 6,825
Miscellaneous	-	-	-	24,785	-	24,785
Total revenues	<u>177</u>	<u>741</u>	<u>3,896</u>	<u>26,478</u>	<u>318</u>	<u>31,610</u>
Expenditures:						
Current:						
Public works	-	-	-	1,690	-	1,690
Capital outlay	-	127,519	1,699,465	53,325	-	1,880,309
Total expenditures	<u>-</u>	<u>127,519</u>	<u>1,699,465</u>	<u>55,015</u>	<u>-</u>	<u>1,881,999</u>
Net change in fund balances	177	(126,778)	(1,695,569)	(28,537)	318	(1,850,389)
Fund balances, beginning of year	<u>107,912</u>	<u>568,799</u>	<u>3,551,809</u>	<u>582,350</u>	<u>96,179</u>	<u>4,907,049</u>
Fund balances, end of year	<u><u>\$ 108,089</u></u>	<u><u>\$ 442,021</u></u>	<u><u>\$ 1,856,240</u></u>	<u><u>\$ 553,813</u></u>	<u><u>\$ 96,497</u></u>	<u><u>\$ 3,056,660</u></u>

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CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**WATER AND WASTEWATER SYSTEM FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>
OPERATING REVENUES			
Water sales	\$ 3,284,616	\$ 3,706,445	\$ 421,829
Sewer sales	6,759,357	7,140,208	380,851
Water tap fees	70,000	83,548	13,548
Sewer tap fees	147,120	191,640	44,520
Fire protection fees	13,664	13,871	207
Other	497,074	589,789	92,715
Total operating revenues	<u>10,771,831</u>	<u>11,725,501</u>	<u>953,670</u>
OPERATING EXPENSES			
Utilities finance	625,361	655,961	(30,600)
Utilities administration	520,354	466,167	54,187
Water operations and maintenance	874,965	705,876	169,089
Water production and treatment	1,606,696	1,541,516	65,180
Wastewater operations and maintenance	4,892,567	4,740,700	151,867
Depreciation and amortization	-	1,622,712	(1,622,712)
Total operating expenses	<u>8,519,943</u>	<u>9,732,932</u>	<u>(1,212,989)</u>
Operating income	<u>2,251,888</u>	<u>1,992,569</u>	<u>(259,319)</u>
NONOPERATING REVENUE (EXPENSE)			
Interest income	25,000	25,822	822
Loss on sale of capital assets	-	(420)	(420)
Interest expense	-	(349,250)	(349,250)
Bond Issuance	-	(84,612)	(84,612)
Intergovernmental	-	23,515	23,515
Total nonoperating revenues (expenses), net	<u>25,000</u>	<u>(384,945)</u>	<u>(409,945)</u>
Income before capital contributions and transfers	<u>2,276,888</u>	<u>1,607,624</u>	<u>(669,264)</u>
CAPITAL CONTRIBUTIONS	<u>-</u>	<u>537,983</u>	<u>537,983</u>
TRANSFERS			
Transfers in	22,805	22,805	-
Transfers out	(2,225,547)	(835,547)	1,390,000
Total transfers	<u>(2,202,742)</u>	<u>(812,742)</u>	<u>1,390,000</u>
Change in net position	74,146	1,332,865	1,258,719
Total net position, beginning of year	<u>63,417,612</u>	<u>63,417,612</u>	<u>-</u>
Total net position, end of year	<u>\$ 63,491,758</u>	<u>\$ 64,750,477</u>	<u>\$ 1,258,719</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**WATER AND WASTEWATER SYSTEM FUND
SCHEDULE OF OPERATING EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>
OPERATING EXPENSES			
Utilities Finance			
Personal services:			
Salaries and wages	\$ 225,781	\$ 217,276	\$ 8,505
FICA	17,272	15,860	1,412
Employee retirement	36,260	29,102	7,158
Employee insurance	41,150	37,633	3,517
Workers' compensation	6,956	4,942	2,014
Other operating expenses:			
General supplies/postage	95,000	105,311	(10,311)
Dues/training/travel	3,200	3,656	(456)
Data processing	109,400	160,089	(50,689)
Contracts and repairs	26,500	25,435	1,065
Professional services	19,759	12,716	7,043
Special departmental supplies	500	41	459
Insurance	12,583	12,900	(317)
Bad debts	31,000	31,000	-
Total utilities finance	<u>625,361</u>	<u>655,961</u>	<u>(30,600)</u>
Utilities Administration:			
Personal services:			
Salaries and wages	305,909	279,110	26,799
Overtime pay	7,644	7,495	149
FICA	23,987	20,991	2,996
Employee retirement	50,357	39,342	11,015
Employee insurance	53,495	48,924	4,571
Workers' compensation	10,570	7,581	2,989
Other operating expenses:			
General supplies	3,840	1,062	2,778
Dues/training	3,050	2,621	429
Auto operating	9,476	13,774	(4,298)
Utility services	10,977	12,530	(1,553)
Contracts and repairs	20,200	25,133	(4,933)
Building materials	350	-	350
Uniforms and clothing	4,150	2,122	2,028
Professional services	5,962	1,650	4,312
Special departmental supplies	150	103	47
Insurance	3,637	3,729	(92)
Lease purchase	6,600	-	6,600
Total utilities administration	<u>520,354</u>	<u>466,167</u>	<u>54,187</u>
Water Operations and Maintenance:			
Personal services:			
Salaries and wages	385,301	344,862	40,439
Overtime pay	13,742	12,036	1,706
FICA	30,527	25,781	4,746
Employee retirement	64,086	47,498	16,588
Employee insurance	74,070	67,740	6,330
Workers' compensation	12,952	11,148	1,804
Other operating expenses:			
Dues/training	2,180	2,154	26
Auto operating	25,975	29,120	(3,145)
Contracts and repairs	18,685	19,164	(479)
Building materials	10,685	9,589	1,096
Uniforms and clothing	7,470	3,811	3,659
Special departmental supplies	162,345	123,743	38,602
Insurance	9,003	9,230	(227)
Lease purchase	39,444	-	39,444
Buildings/fixed equipment	10,000	-	10,000
Clay pump station improvements	8,500	-	8,500
Total water operations and maintenance	<u>874,965</u>	<u>705,876</u>	<u>169,089</u>

(Continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**WATER AND WASTEWATER SYSTEM FUND
SCHEDULE OF OPERATING EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>
OPERATING EXPENSES (Continued)			
Water Production and Treatment:			
Personal services:			
Salaries and wages	\$ 445,359	\$ 456,951	\$ (11,592)
Overtime pay	29,296	28,347	949
FICA	36,311	34,040	2,271
Employee retirement	76,230	64,957	11,273
Employee insurance	65,840	60,214	5,626
Workers' compensation	15,314	10,880	4,434
Other operating expenses:			
General supplies	3,440	969	2,471
Dues/training/travel	4,250	4,484	(234)
Auto operating	3,153	5,725	(2,572)
Utility services	356,385	407,721	(51,336)
Contracts and repairs	151,309	151,159	150
Building materials	950	1,026	(76)
Uniforms and clothing	6,640	3,200	3,440
Professional services	89,741	86,390	3,351
Special departmental supplies	207,386	175,974	31,412
ACPSA treatment charges	2,975	2,523	452
Insurance	45,801	46,956	(1,155)
Lease purchase	58,116	-	58,116
Machines/equipment	8,200	-	8,200
Total water production and treatment	<u>1,606,696</u>	<u>1,541,516</u>	<u>65,180</u>
Wastewater Operations and Maintenance:			
Personal services:			
Salaries and wages	489,453	441,962	47,491
Overtime pay	18,205	20,393	(2,188)
FICA	38,836	32,827	6,009
Employee retirement	81,530	63,989	17,541
Employee insurance	90,530	82,794	7,736
Workers' compensation	15,646	15,040	606
Other operating expenses:			
Dues/training/travel	700	666	34
Auto operating	23,493	28,661	(5,168)
Utility services	65,539	76,804	(11,265)
Contracts and repairs	80,250	68,538	11,712
Building materials	12,300	8,463	3,837
Uniforms and clothing	8,600	4,677	3,923
Special departmental supplies	21,400	(3,894)	25,294
ACPSA treatment charges	3,785,110	3,876,963	(91,853)
Lease purchase	137,094	-	137,094
Buildings/fixed equipment	8,000	-	8,000
Insurance	15,881	22,817	(6,936)
Total wastewater operations and maintenance	<u>4,892,567</u>	<u>4,740,700</u>	<u>151,867</u>
Depreciation and amortization	-	1,622,712	(1,622,712)
Total operating expenses	<u>\$ 8,519,943</u>	<u>\$ 9,732,932</u>	<u>\$ (1,212,989)</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**STORMWATER UTILITY FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>
OPERATING REVENUES			
Stormwater utility fees	\$ 822,500	\$ 837,701	\$ 15,201
Other	8,212	20,918	12,706
Total operating revenues	<u>830,712</u>	<u>858,619</u>	<u>27,907</u>
OPERATING EXPENSES			
Stormwater operations	811,381	594,041	217,340
Depreciation	-	286,988	(286,988)
Total operating expenses	<u>811,381</u>	<u>881,029</u>	<u>(69,648)</u>
Operating income (loss)	<u>19,331</u>	<u>(22,410)</u>	<u>(41,741)</u>
NONOPERATING REVENUE (EXPENSES)			
Interest income	6,000	1,928	(4,072)
Interest expense and fiscal charges	-	(2,328)	(2,328)
Total nonoperating revenues, net	<u>6,000</u>	<u>(400)</u>	<u>(6,400)</u>
Income (loss) before capital contributions and transfers	<u>25,331</u>	<u>(22,810)</u>	<u>(48,141)</u>
CAPITAL CONTRIBUTIONS	<u>-</u>	<u>793,730</u>	<u>793,730</u>
TRANSFERS			
Transfers in	1,993	1,993	-
Transfers out	(27,324)	(27,324)	-
Total transfers	<u>(25,331)</u>	<u>(25,331)</u>	<u>-</u>
Change in net position	-	745,589	745,589
Total net position, beginning of year	<u>6,377,604</u>	<u>6,377,604</u>	<u>-</u>
Total net position, end of year	<u>\$ 6,377,604</u>	<u>\$ 7,123,193</u>	<u>\$ 745,589</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**STORMWATER UTILITY FUND
SCHEDULE OF OPERATING EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>
OPERATING EXPENSES			
Personal services:			
Salaries and wages	\$ 398,720	\$ 377,653	\$ 21,067
Overtime pay	2,886	1,560	1,326
FICA	30,723	27,654	3,069
Employee retirement	64,498	50,819	13,679
Employee insurance	53,495	48,756	4,739
Workers' compensation	12,039	8,553	3,486
Other operating expenses:			
General supplies	3,300	423	2,877
Dues/training	4,475	3,191	1,284
Auto operating	8,750	6,708	2,042
Data processing	12,000	16,919	(4,919)
Contracts and repairs	8,240	4,108	4,132
Uniforms and clothing	3,150	2,742	408
Advertising	3,800	3,544	256
Professional services	22,233	25,741	(3,508)
Special departmental supplies	10,300	11,036	(736)
Insurance	4,520	4,634	(114)
Leases	27,610	-	27,610
Drainage projects	140,642	-	140,642
Total stormwater operations	<u>811,381</u>	<u>594,041</u>	<u>217,340</u>
Depreciation	<u>-</u>	<u>286,988</u>	<u>(286,988)</u>
Total operating expenses	<u>\$ 811,381</u>	<u>\$ 881,029</u>	<u>\$ (69,648)</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**SANITATION SERVICES FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>
OPERATING REVENUES			
Sanitation service fees	\$ 3,506,892	\$ 3,577,468	\$ 70,576
Recycling fees	1,229,954	1,077,440	(152,514)
Sale of recyclables	102,064	136,398	34,334
Other	53,784	89,212	35,428
Total operating revenues	<u>4,892,694</u>	<u>4,880,518</u>	<u>(12,176)</u>
OPERATING EXPENSES			
Sanitation operations	2,782,107	2,340,874	441,233
Material recovery facility	1,654,413	1,530,433	123,980
Depreciation	95,763	564,405	(468,642)
Total operating expenses	<u>4,532,283</u>	<u>4,435,712</u>	<u>96,571</u>
Operating income	<u>360,411</u>	<u>444,806</u>	<u>84,395</u>
NONOPERATING REVENUE (EXPENSES)			
Interest income	18,000	6,978	(11,022)
Gain on sale of property	-	95,701	95,701
Interest expense	-	(43,454)	(43,454)
Total nonoperating revenues, net	<u>18,000</u>	<u>59,225</u>	<u>41,225</u>
Income before capital contributions and transfers	<u>378,411</u>	<u>504,031</u>	<u>125,620</u>
CAPITAL CONTRIBUTIONS	<u>-</u>	<u>668</u>	<u>668</u>
TRANSFERS			
Transfers in	8,095	8,095	-
Transfers out	(386,506)	(386,506)	-
Total transfers	<u>(378,411)</u>	<u>(378,411)</u>	<u>-</u>
Change in net position	-	126,288	126,288
Total net position, beginning of year	<u>1,674,576</u>	<u>1,674,576</u>	<u>-</u>
Total net position, end of year	<u>\$ 1,674,576</u>	<u>\$ 1,800,864</u>	<u>\$ 126,288</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

**SANITATION SERVICES FUND
SCHEDULE OF OPERATING EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>
OPERATING EXPENSES			
Sanitation Operations			
Personal services:			
Salaries and wages	\$ 1,167,372	\$ 1,033,708	\$ 133,664
Overtime pay	15,032	18,773	(3,741)
FICA	90,454	77,421	13,033
Employee retirement	189,894	145,467	44,427
Employee insurance	218,095	199,458	18,637
Workers' compensation	37,305	26,504	10,801
Other operating expenses:			
General supplies	1,520	1,519	1
Dues/training	900	840	60
Auto operating	311,765	377,329	(65,564)
Utility services	22,800	28,688	(5,888)
Data processing	17,000	24,439	(7,439)
Contracts and repairs	11,615	13,133	(1,518)
Uniforms and clothing	21,562	8,965	12,597
Professional services	7,807	8,301	(494)
Special departmental supplies	248,224	287,219	(38,995)
Insurance	47,469	89,110	(41,641)
Leases	373,293	-	373,293
Total sanitation operations	<u>2,782,107</u>	<u>2,340,874</u>	<u>441,233</u>
Material Recovery Facility			
Personal services:			
Salaries and wages	395,850	381,792	14,058
Overtime pay	12,395	10,173	2,222
FICA	31,231	28,895	2,336
Employee retirement	65,564	53,423	12,141
Employee insurance	69,955	64,190	5,765
Workers' compensation	12,560	22,213	(9,653)
Other operating expenses:			
General supplies	400	428	(28)
Dues/training	655	649	6
Auto operating	82,298	93,527	(11,229)
Utility services	14,380	15,599	(1,219)
Contracts and repairs	162,000	176,300	(14,300)
Building material	500	-	500
Recycling expenses	500	-	500
Uniforms and clothing	6,840	3,440	3,400
Professional services	185,544	145,323	40,221
Special departmental supplies	492,294	478,909	13,385
Insurance	51,767	55,572	(3,805)
Leases	69,680	-	69,680
Total material recovery facility	<u>1,654,413</u>	<u>1,530,433</u>	<u>123,980</u>
Depreciation	<u>95,763</u>	<u>564,405</u>	<u>(468,642)</u>
Total operating expenses	<u>\$ 4,532,283</u>	<u>\$ 4,435,712</u>	<u>\$ 96,571</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended December 31, 2021

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected	N/A	N/A	\$ 846,666	\$ 846,666
Court fines and assessments remitted to State Treasurer	N/A	N/A	457,174	457,174
Total Court Fines and Assessments retained	N/A	N/A	\$ 389,492	\$ 389,492
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	N/A	N/A	\$ 4,465	\$ 4,465
Assessments retained	N/A	N/A	38,752	38,752
Total Surcharges and Assessments retained for victim services	N/A	N/A	\$ 43,217	\$ 43,217

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	\$ 119,094	N/A	\$ 119,094
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	-	N/A	-
Victim Service Assessments Retained by City/County Treasurer	38,752	N/A	38,752
Victim Service Surcharges Retained by City/County Treasurer	4,465	N/A	4,465
Interest Earned	-	N/A	-
Grant Funds Received			
Grant from:	-	N/A	-
General Funds Transferred to Victim Service Fund	-	N/A	-
Contribution Received from Victim Service Contracts:			
(1) Town of	-	N/A	-
(2) Town of	-	N/A	-
(3) City of	-	N/A	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 162,311	N/A	\$ 162,311

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended December 31, 2021

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$ 10,362	N/A	\$ 10,362
Operating Expenditures	4,618	N/A	4,618
Victim Service Contract(s):			
(1) Entity's Name	-	N/A	-
(2) Entity's Name	-	N/A	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter: Cumbie Center	12,000	N/A	12,000
(2) Rape Crisis Center:	-	N/A	-
(3) Other local direct crime victims service agency: Child Advocacy Center of Aiken County	12,000	N/A	12,000
Transferred to General Fund	-	N/A	-
Total Expenditures from Victim Service Fund/Program (B)	38,980	N/A	38,980
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	123,331	N/A	123,331
Less: Prior Year Fund Deficit Repayment	-	N/A	-
Carryforward Funds – End of Year	\$ 123,331	N/A	\$ 123,331

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**STATISTICAL
SECTION**

STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

Contents

	<u>Page</u>
Financial Trends	88 - 92
<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>	
Revenue Capacity	93 - 99
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	100 - 104
<i>These schedules present 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>	
Demographic and Economic Information	105 - 107
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	108 - 111
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

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

	Year Ending December 31				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities					
Net investment in capital assets	\$ 46,115,747	\$ 65,640,358	\$ 64,540,113	\$ 64,277,060	\$ 54,204,071
Restricted	23,744,254	6,574,221	8,729,598	7,848,687	19,786,412
Unrestricted	<u>(5,641,833)</u>	<u>(7,354,106)</u>	<u>(9,984,502)</u>	<u>(9,345,838)</u>	<u>(7,117,195)</u>
Total governmental activities net position	<u>\$ 64,218,168</u>	<u>\$ 64,860,473</u>	<u>\$ 63,285,209</u>	<u>\$ 62,779,909</u>	<u>\$ 66,873,288</u>
Business-type activities					
Net investment in capital assets	\$ 55,927,179	\$ 58,580,045	\$ 60,703,383	\$ 61,930,753	\$ 62,504,303
Restricted	9,618,737	7,977,008	8,433,456	8,358,324	8,481,549
Unrestricted	<u>492,016</u>	<u>1,215,467</u>	<u>1,431,160</u>	<u>1,855,707</u>	<u>3,230,474</u>
Total business-type activities net position	<u>\$ 66,037,932</u>	<u>\$ 67,772,520</u>	<u>\$ 70,567,999</u>	<u>\$ 72,144,784</u>	<u>\$ 74,216,326</u>
Primary Government					
Net investment in capital assets	\$ 102,042,926	\$ 124,220,403	\$ 125,243,496	\$ 126,207,813	\$ 116,708,374
Restricted	33,362,991	14,551,229	17,163,054	16,207,011	28,267,961
Unrestricted	<u>(5,149,817)</u>	<u>(6,138,639)</u>	<u>(8,553,342)</u>	<u>(7,490,131)</u>	<u>(3,886,721)</u>
Total primary government net position	<u>\$ 130,256,100</u>	<u>\$ 132,632,993</u>	<u>\$ 133,853,208</u>	<u>\$ 134,924,693</u>	<u>\$ 141,089,614</u>

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

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

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

	Year Ending December 31				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses					
Governmental activities:					
General government	\$ 3,574,637	\$ 3,893,288	\$ 4,181,576	\$ 4,573,665	\$ 4,519,094
Public safety	6,975,047	6,615,699	7,232,466	7,517,589	8,473,548
Public works	2,980,032	2,609,477	2,348,897	2,051,542	580,327
Parks, recreation, and tourism	4,053,013	4,212,673	4,501,259	4,723,035	5,061,480
Debt service - interest and fees	340,610	313,866	163,147	168,583	155,047
Loss on debt defeasance	-	277,682	-	-	-
Total governmental activities expenses	<u>\$ 17,923,339</u>	<u>\$ 17,645,003</u>	<u>\$ 18,427,345</u>	<u>\$ 19,034,414</u>	<u>\$ 18,789,496</u>
Business-type activities:					
Water and wastewater	\$ 6,958,202	\$ 7,491,321	\$ 7,420,051	\$ 8,081,456	\$ 7,745,232
Sanitation	3,160,647	3,376,614	3,958,515	4,316,548	4,594,016
Stormwater utility	568,984	826,121	507,555	494,179	541,495
Savannah Bluff Lock and Dam	24,000	24,000	24,000	24,000	24,000
Total business-type activities expenses	<u>\$ 10,711,833</u>	<u>\$ 11,718,056</u>	<u>\$ 11,910,121</u>	<u>\$ 12,916,183</u>	<u>\$ 12,904,743</u>
Total primary government expenses	<u>\$ 28,635,172</u>	<u>\$ 29,363,059</u>	<u>\$ 30,337,466</u>	<u>\$ 31,950,597</u>	<u>\$ 31,694,239</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 4,711,699	\$ 4,892,172	\$ 5,272,149	\$ 5,621,613	\$ 5,885,657
Public safety	1,092,699	1,055,155	1,109,022	1,195,544	1,060,102
Public Works	46,970	60,381	62,664	65,907	78,018
Parks, recreation, and tourism	1,019,548	1,058,841	1,090,469	1,162,485	1,260,024
Operating grants and contributions	801,328	811,914	1,433,764	872,652	791,316
Capital grants and contributions	1,619,796	1,357,083	468,934	-	-
Total governmental activities program revenues	<u>\$ 9,292,040</u>	<u>\$ 9,235,546</u>	<u>\$ 9,437,002</u>	<u>\$ 8,918,201</u>	<u>\$ 9,075,117</u>
Business-type activities:					
Charges for services:					
Water and wastewater	\$ 8,388,987	\$ 8,564,524	\$ 8,800,125	\$ 8,664,457	\$ 9,155,898
Sanitation	3,388,623	3,647,518	4,163,934	4,168,309	4,246,959
Stormwater utility	573,660	575,233	584,566	746,814	759,131
Operating grants and contributions	-	-	264,747	2,449	-
Capital grants and contributions	206,463	220,936	618,036	396,837	124,408
Total business-type activities program revenues	<u>\$ 12,557,733</u>	<u>\$ 13,008,211</u>	<u>\$ 14,431,408</u>	<u>\$ 13,978,866</u>	<u>\$ 14,286,396</u>
Total primary government program revenues	<u>\$ 21,849,773</u>	<u>\$ 22,243,757</u>	<u>\$ 23,868,410</u>	<u>\$ 22,897,067</u>	<u>\$ 23,361,513</u>
Net (expense) / revenue					
Governmental activities	\$ (8,631,299)	\$ (8,409,457)	\$ (8,990,343)	\$ (10,116,213)	\$ (9,714,379)
Business-type activities	1,845,900	1,290,155	2,521,287	1,062,683	1,381,653
Total primary government net expense	<u>\$ (6,785,399)</u>	<u>\$ (7,119,302)</u>	<u>\$ (6,469,056)</u>	<u>\$ (9,053,530)</u>	<u>\$ (8,332,726)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Ad valorem property taxes	\$ 6,780,783	\$ 6,858,860	\$ 6,993,684	\$ 6,874,139	\$ 7,162,650
Capital projects sales taxes	1,861,677	1,180,511	2,733,613	2,828,301	2,891,291
Local hospitality and accommodations taxes	584,227	622,971	661,531	713,903	764,056
Interest on investments	77,894	70,768	69,440	89,791	192,906
Gain(loss) on disposal of capital assets	-	-	-	(3,311)	-
Miscellaneous	590,882	631,662	696,936	886,062	568,970
Transfers	542,241	657,011	378,848	514,893	540,943
Total governmental activities	<u>\$ 10,437,704</u>	<u>\$ 10,021,783</u>	<u>\$ 11,534,052</u>	<u>\$ 11,903,778</u>	<u>\$ 12,120,816</u>
Business-type activities:					
Interest on investments	\$ 56,203	\$ 48,450	\$ 50,735	\$ 69,410	\$ 120,990
Gain(loss) on disposal of capital assets	-	-	-	46,107	(12,606)
Miscellaneous	358,764	561,746	644,361	584,902	557,130
Transfers	(542,241)	(657,011)	(378,848)	(514,893)	(540,943)
Total business-type activities	<u>\$ (127,274)</u>	<u>\$ (46,815)</u>	<u>\$ 316,248</u>	<u>\$ 185,526</u>	<u>\$ 124,571</u>
Total primary government	<u>\$ 10,310,430</u>	<u>\$ 9,974,968</u>	<u>\$ 11,850,300</u>	<u>\$ 12,089,304</u>	<u>\$ 12,245,387</u>
Change in Net Position					
Governmental activities	\$ 1,806,405	\$ 1,612,326	\$ 2,543,709	\$ 1,787,565	\$ 2,406,437
Business-type activities	1,718,626	1,243,340	2,837,535	1,248,209	1,506,224
Total primary government	<u>\$ 3,525,031</u>	<u>\$ 2,855,666</u>	<u>\$ 5,381,244</u>	<u>\$ 3,035,774</u>	<u>\$ 3,912,661</u>

(continued)

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

	Year Ending December 31				
	2017	2018	2019	2020	2021
Expenses					
Governmental activities:					
General government	\$ 7,474,923	\$ 8,855,053	\$ 11,607,797	\$ 7,870,452	\$ 8,020,594
Public safety	8,736,202	9,253,259	9,079,791	9,539,596	8,713,621
Public works	2,695,126	2,736,631	2,936,592	2,924,751	2,952,922
Parks, recreation, and tourism	4,913,582	3,785,041	4,212,339	3,371,009	4,197,184
Debt service - interest and fees	338,132	1,568	276,699	3,447,465	3,347,376
Loss on debt defeasance	-	-	-	-	-
Total governmental activities expenses	<u>\$ 24,157,965</u>	<u>\$ 24,631,552</u>	<u>\$ 28,113,218</u>	<u>\$ 27,153,273</u>	<u>\$ 27,231,697</u>
Business-type activities:					
Water and wastewater	\$ 8,359,555	\$ 8,896,535	\$ 10,077,290	\$ 10,410,462	\$ 10,164,461
Sanitation	4,536,142	4,624,936	4,733,146	4,626,296	4,479,166
Stormwater utility	638,634	661,987	789,312	840,358	883,357
Savannah Bluff Lock and Dam utility	24,000	23,999	24,000	192,673	133,970
Total business-type activities expenses	<u>\$ 13,558,331</u>	<u>\$ 14,207,457</u>	<u>\$ 15,623,748</u>	<u>\$ 16,069,789</u>	<u>\$ 15,660,954</u>
Total primary government expenses	<u>\$ 37,716,296</u>	<u>\$ 38,839,009</u>	<u>\$ 43,736,966</u>	<u>\$ 43,223,062</u>	<u>\$ 42,892,651</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 6,229,497	\$ 6,361,953	\$ 6,256,452	\$ 6,420,926	\$ 6,868,596
Public safety	1,041,202	892,138	1,044,181	911,851	895,682
Public Works	158,147	167,961	108,726	85,435	93,392
Parks, recreation, and tourism	1,148,108	1,829,789	2,096,008	1,091,763	2,158,381
Operating grants and contributions	1,083,944	1,377,317	1,265,522	1,287,442	960,878
Capital grants and contributions	207,768	-	759,852	1,788,037	2,199,191
Total governmental activities program revenues	<u>\$ 9,868,666</u>	<u>\$ 10,629,158</u>	<u>\$ 11,530,741</u>	<u>\$ 11,585,454</u>	<u>\$ 13,176,120</u>
Business-type activities:					
Charges for services:					
Water and wastewater	\$ 9,459,054	\$ 9,746,927	\$ 10,151,786	\$ 10,666,159	\$ 11,159,227
Sanitation	4,472,281	4,355,688	4,487,564	4,862,277	4,791,306
Stormwater utility	770,135	782,958	804,213	821,127	837,701
Operating grants and contributions	10,161	80,636	23,516	-	-
Capital grants and contributions	103,591	23,514	616,830	1,325,388	1,332,381
Total business-type activities program revenues	<u>\$ 14,815,222</u>	<u>\$ 14,989,723</u>	<u>\$ 16,083,909</u>	<u>\$ 17,674,951</u>	<u>\$ 18,120,615</u>
Total primary government program revenues	<u>\$ 24,683,888</u>	<u>\$ 25,618,881</u>	<u>\$ 27,614,650</u>	<u>\$ 29,260,405</u>	<u>\$ 31,296,735</u>
Net (expense) / revenue					
Governmental activities	\$ (14,289,299)	\$ (14,002,394)	\$ (16,582,477)	\$ (15,567,819)	\$ (14,055,577)
Business-type activities	1,256,891	782,266	460,161	1,605,162	2,459,661
Total primary government net expense	<u>\$ (13,032,408)</u>	<u>\$ (13,220,128)</u>	<u>\$ (16,122,316)</u>	<u>\$ (13,962,657)</u>	<u>\$ (11,595,916)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Ad valorem property taxes	\$ 8,146,680	\$ 8,143,925	\$ 8,456,230	\$ 10,632,768	\$ 11,382,532
Capital projects sales taxes	3,109,712	3,179,463	1,443,301	176,864	1,770,110
Local hospitality and accommodations taxes	790,749	1,718,195	2,017,221	1,830,571	2,385,218
Interest on investments	423,369	400,007	330,669	168,087	62,950
Gain(loss) on disposal of capital assets	-	9,441	31,203	-	-
Miscellaneous	3,659,328	1,024,414	1,005,944	1,095,995	1,329,329
Transfers	205,830	169,254	748,347	1,158,234	1,218,817
Total governmental activities	<u>\$ 16,335,668</u>	<u>\$ 14,644,699</u>	<u>\$ 14,032,915</u>	<u>\$ 15,062,519</u>	<u>\$ 18,148,956</u>
Business-type activities:					
Interest on investments	\$ 145,025	\$ 281,451	\$ 327,680	\$ 127,876	\$ 35,498
Gain(loss) on disposal of capital assets	78,747	55,180	465	56,065	95,281
Miscellaneous	572,813	784,945	631,468	945,916	699,919
Transfers	(205,830)	(169,254)	(748,347)	(1,158,234)	(1,218,817)
Total business-type activities	<u>\$ 590,755</u>	<u>\$ 952,322</u>	<u>\$ 211,266</u>	<u>\$ (28,377)</u>	<u>\$ (388,119)</u>
Total primary government	<u>\$ 16,926,423</u>	<u>\$ 15,597,021</u>	<u>\$ 14,244,181</u>	<u>\$ 15,034,142</u>	<u>\$ 17,760,837</u>
Change in Net Position					
Governmental activities	\$ 2,046,369	\$ 642,305	\$ (2,549,562)	\$ (505,300)	\$ 4,093,379
Business-type activities	1,847,646	1,734,588	671,427	1,576,785	2,071,542
Total primary government	<u>\$ 3,894,015</u>	<u>\$ 2,376,893</u>	<u>\$ (1,878,135)</u>	<u>\$ 1,071,485</u>	<u>\$ 6,164,921</u>

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

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

	Year Ending December 31				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	107,443	111,049	115,225	119,094	123,331
Committed	1,121,426	937,499	433,393	689,671	2,834,351
Unassigned	2,625,000	2,825,000	2,875,000	3,000,000	3,125,000
Total General Fund	<u>\$ 3,853,869</u>	<u>\$ 3,873,548</u>	<u>\$ 3,423,618</u>	<u>\$ 3,808,765</u>	<u>\$ 6,082,682</u>
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	23,636,811	10,531,546	9,423,502	17,733,705	19,663,081
Committed	3,731,713	2,669,258	2,737,813	2,980,435	3,398,961
Assigned	367,043	344,403	34,138	5,837	6,155
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 27,735,567</u>	<u>\$ 13,545,207</u>	<u>\$ 12,195,453</u>	<u>\$ 20,719,977</u>	<u>\$ 23,068,197</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				
	2012	2013	2014	2015	2016
Revenues					
Ad valorem taxes	\$ 6,780,783	\$ 6,858,860	\$ 6,993,526	\$ 6,871,821	\$ 7,163,429
Sales taxes	1,861,677	1,180,511	2,733,613	2,828,301	2,891,291
Local hospitality and accommodations taxes	584,227	622,971	661,531	713,903	764,056
Licenses and permits	4,711,699	4,892,172	5,272,149	5,621,613	5,885,657
Fines and forfeitures	1,029,126	991,039	1,044,648	1,138,891	996,799
Charges for services	1,083,121	1,122,957	1,154,843	1,285,045	1,401,345
Intergovernmental	1,198,831	1,141,759	1,187,485	872,652	791,316
Miscellaneous/interest earnings	675,603	697,191	747,304	977,123	781,035
Contributions	310,352	1,000	368,500	-	-
Grant revenue	4,352	-	-	-	-
Total Revenues	<u>\$ 18,239,771</u>	<u>\$ 17,508,460</u>	<u>\$ 20,163,599</u>	<u>\$ 20,309,349</u>	<u>\$ 20,674,928</u>
Expenditures					
General government	\$ 2,984,191	\$ 3,302,811	\$ 3,704,832	\$ 4,028,393	\$ 3,712,733
Public safety	6,502,974	6,058,506	6,630,196	7,833,279	7,990,705
Public works	1,176,290	1,157,668	1,344,015	1,487,619	1,394,286
Parks, recreation and tourism	3,154,330	3,141,942	3,391,470	3,647,665	4,022,934
Capital outlay	5,089,261	1,353,010	6,269,988	13,260,678	1,790,360
Debt service:					
Capital lease payments	1,024,075	4,117,682	747,764	897,952	929,907
Interest and fiscal charges	345,547	599,101	179,035	164,947	155,047
Principal Retirements	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Total Expenditures	<u>\$ 20,276,668</u>	<u>\$ 19,730,720</u>	<u>\$ 22,267,300</u>	<u>\$ 31,320,533</u>	<u>\$ 19,995,972</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (2,036,897)	\$ (2,222,260)	\$ (2,103,701)	\$ (11,011,184)	\$ 678,956
Other financing sources (uses)					
Proceeds on sale of capital assets	\$ -	\$ -	\$ 26,191	\$ -	\$ -
Issuance of capital lease	515,417	309,494	312,249	887,594	880,655
Lease issuance cost	-	-	-	9,738,217	428,120
Issuance of bonds	-	-	-	-	-
Transfers in	1,135,143	1,691,350	3,253,841	23,350,453	1,397,258
Transfers out	(592,902)	(1,045,159)	(2,874,993)	(22,835,560)	(856,315)
Total other financing sources (uses)	<u>\$ 1,057,658</u>	<u>\$ 955,685</u>	<u>\$ 717,288</u>	<u>\$ 11,140,704</u>	<u>\$ 1,849,718</u>
Net change in fund balance	<u>\$ (979,239)</u>	<u>\$ (1,266,575)</u>	<u>\$ (1,386,413)</u>	<u>\$ 129,520</u>	<u>\$ 2,528,674</u>
Debt service as a percentage of noncapital expenditures	8.42%	24.83%	5.77%	6.42%	7.03%

	Year Ending December 31				
	2017	2018	2019	2020	2021
Revenues					
Ad valorem taxes	\$ 7,446,013	\$ 8,018,222	\$ 8,404,331	\$ 9,655,624	\$ 12,220,170
Sales taxes	3,109,712	3,179,463	2,235,581	176,864	1,770,110
Local hospitality and accommodations taxes	790,749	1,718,195	2,017,221	1,830,571	2,385,218
Licenses and permits	6,229,497	6,361,953	6,256,452	6,420,926	6,868,596
Fines and forfeitures	978,626	834,200	1,006,060	872,727	854,434
Charges for services	1,291,321	1,974,016	2,226,219	1,216,322	2,293,021
Intergovernmental	4,179,592	1,899,080	1,569,665	1,452,465	1,168,208
Miscellaneous/interest earnings	1,000,276	1,068,804	1,111,636	1,157,925	1,237,945
Contributions	-	-	-	-	-
Grant revenue	-	-	-	-	-
Total Revenues	<u>\$ 25,025,786</u>	<u>\$ 25,053,933</u>	<u>\$ 24,827,165</u>	<u>\$ 22,783,424</u>	<u>\$ 28,797,702</u>
Expenditures					
General government	\$ 3,406,445	\$ 4,759,360	\$ 5,751,630	\$ 5,503,855	\$ 5,849,145
Public safety	7,921,809	8,379,644	8,932,323	8,058,484	7,986,178
Public works	1,515,323	1,594,271	1,728,518	1,520,495	1,553,477
Parks, recreation and tourism	4,085,589	3,043,122	3,278,290	2,500,187	3,353,253
Capital outlay	45,762,352	18,736,157	4,909,427	3,747,567	3,287,647
Debt service:					
Capital lease payments	3,991,122	619,864	731,955	711,865	702,138
Interest and fiscal charges	1,712,670	3,217,755	3,217,751	3,273,533	3,325,369
Principal Retirements	12,573,657 (b)	-	-	650,000	739,968
Bond Issuance Costs	1,495,554	-	-	88,947	-
Total Expenditures	<u>\$ 82,464,521</u>	<u>\$ 40,350,173</u>	<u>\$ 28,549,894</u>	<u>\$ 26,054,933</u>	<u>\$ 26,797,175</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (57,438,735)	\$ (15,296,240)	\$ (3,722,729)	\$ (3,271,509)	\$ 2,000,527
Other financing sources (uses)					
Proceeds on sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of capital lease	473,983	432,308	838,111	772,946	1,405,126
Issuance of bonds	71,882,320 (a)	-	-	10,250,000 (c)	-
Insurance proceeds	178,260	-	-	-	-
Transfers in	10,699,613	4,538,136	3,825,974	4,380,329	6,103,845
Transfers out	(9,161,045)	(3,844,885)	(2,741,040)	(3,222,095)	(4,887,361)
Total other financing sources (uses)	<u>\$ 74,073,131</u>	<u>\$ 1,125,559</u>	<u>\$ 1,923,045</u>	<u>\$ 12,181,180</u>	<u>\$ 2,621,610</u>
Net change in fund balance	<u>\$ 16,634,396</u>	<u>\$ (14,170,681)</u>	<u>\$ (1,799,684)</u>	<u>\$ 8,909,671</u>	<u>\$ 4,622,137</u>
Debt service as a percentage of noncapital expenditures	54.73% (b)	18.18%	18.09%	20.78%	20.28%

(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.

(c) In March 2020, the City issued Series 2020 General Obligation Bonds in the amount of \$10,250,000 for the purposes of defraying the costs incurred in connection with all or a portion of designing, developing, and construction of a new Public Safety Headquarters and related fire apparatus.

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	
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
2020	2019	111,102,458	(c) 2,267,143,519	33,204,209	251,368,769	144,306,667	2,518,512,288	73.50
2021	2020	114,076,665	(c) 2,327,834,832	40,594,219	307,314,023	154,670,884	2,635,148,856	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

(c) Includes real, merchants inventory, merchants furniture and fixtures, personal property taxes, and special assessments for parcels in the City's Municipal Improvement District (MID). Assessed value of real property less the special assessments in the MID totals \$100,762,532.

**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										Total Direct & Overlapping Rates
		City of North Augusta			County of Aiken			Aiken County School District				
		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		
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	
2020	2019	73.50	-	73.50	65.20	3.30	68.50	137.30	33.70	171.00	313.00	
2021	2020	73.50	-	73.50	64.30	3.00	67.30	134.20	33.70	167.90	308.70	

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, 2021

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

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

Taxpayer	2021			2012		
	Assessed Valuation (b)	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
S. C. Electric & Gas Co.	\$ 3,291,010	1	2.13%	\$ 2,444,140	1	2.84%
Graybul Ironwood LLC	2,356,900	2	1.52%			
Wal-Mart, Inc.	2,331,510	3	1.51%	1,219,960	4	1.42%
Allnex Industries, Inc. (a)	2,132,490	4	1.38%	1,499,750	2	1.75%
Ackerman Greenstone North Augusta	1,995,647	5	1.29%			
SUSO 3 Augusta, LP	1,126,870	6	0.73%			
Halocarbon Chemicals, Inc.	1,119,760	7	0.72%	1,082,650	6	1.26%
SRP Federal Credit Union	1,086,060	8	0.70%	1,333,890	3	1.55%
CVS SC Distribution, Inc.	858,340	9	0.55%	628,490	9	0.73%
NHC Healthcare	712,260	10	0.46%	492,810	10	0.57%
North Augusta Plaza SC, LLC				1,087,920	5	1.27%
The Kroger Company				835,260	7	0.97%
Bell South Telecommunications				683,120	8	0.79%
TOTAL Taxable Assessed	\$ 17,010,847		11.00%	\$ 11,307,990		13.15%

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 2020 (tax year 2019) 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

(b) Does not include special assessments for parcels in the City's Municipal Improvement District (MID) that do not have a building assessed valuation.

**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
2012	(c) 2011	\$ 6,377,793	\$ 6,344,561	99.48%	\$ 13,531	\$ 6,358,092	99.69%
2013	2012	6,488,677	6,446,489	99.35%	23,659	6,470,148	99.71%
2014	2013	6,597,073	6,565,216	99.52%	15,519	6,580,735	99.75%
2015	2014	6,804,705	6,762,260	99.38%	23,062	6,785,322	99.72%
2016	2015	7,026,901	6,992,988	99.52%	12,644	7,005,632	99.70%
2017	(c) 2016	7,484,042	7,446,013	99.49%	9,530	7,455,543	99.62%
2018	2017	8,064,166	8,018,222	99.43%	16,598	8,034,820	99.64%
2019	2018	8,460,054	8,404,331	99.34%	4,543	8,408,874	99.40%
2020	2019	10,606,540	9,655,624	91.03%	889,764	10,545,388	99.42%
2021	2020	11,368,310	11,326,981	99.64%	-	11,326,981	99.64%

Source: City of North Augusta tax records

(a) Includes real, merchants inventory, merchants furniture and fixtures, personal property taxes, and special assessments for parcels in the City's Municipal Improvement District (MID).

(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
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	1,849
2015	5,302,353	1,098,056,589	1,877
2016	5,514,782	1,143,626,048	2,017
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
2020	5,905,981	1,294,322,660	2,302
2021	6,216,232	1,263,252,418	2,192

(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**

Year Ended December 31	Residential Inside Water	Non-Residential Inside Water	Total Inside Water Accounts	Residential Outside Water	Non-Residential Outside Water	Total Outside Water Accounts	Total Water Accounts
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
2020	9,254	775	10,029	2,963	163	3,126	13,155
2021	9,324	786	10,110	2,942	166	3,108	13,218

Year Ended December 31	Residential Inside Sewer	Non-Residential Inside Sewer	Total Inside Sewer Accounts	Residential Outside Sewer	Non-Residential Outside Sewer	Total Outside Sewer Accounts	Total Sewer Accounts
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
2020	10,934	655	11,589	975	31	1,006	12,595
2021	11,228	666	11,894	988	33	1,021	12,915

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>2021 Annual Consumption</u>		<u>2012 Annual Consumption</u>	
		<u>Rank</u>	<u>Water Usage</u>	<u>Rank</u>	<u>Water Usage</u>
Ambiopharm	Pharmaceutical Manufacturer	1	126,689,600		
City of North Augusta	Municipal Government	2	83,051,100	2	60,844,400
Halocarbon Chemicals, Inc.	Manufacturing	3	61,625,800	3	56,466,100
Allnex Industries, Inc.	Manufacturing	4	34,567,100	4	33,567,800 (a)
Breezy Hill Water & Sewer Authority	Water District Provider	5	29,542,000	1	293,949,500
Crowne Plaza	Hotel	6	22,180,200		
Graybul Ironwood, LLC	Apartments	7	11,010,100		
Aiken County Schools	School District	8	10,687,300	6	9,534,300
JARS at Breckenridge/Plaza Terrace	Apartments	9	10,405,000	5	10,176,500
Lulu's Car Wash	Automated Car Wash	10	7,833,800		
Whispering Woods Apartments	Apartments			7	6,038,500 (c)
Gentry's Mobile Home Park	Mobile Home Park			8	5,855,500
CIG Plaza Place LLC	Apartments			9	5,752,800 (b)
Pinecrest Apartments	Apartments			10	4,406,100

Wastewater Customers

<u>Customer Name</u>	<u>Type of Business</u>	<u>2021 Annual Consumption</u>		<u>2012 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	782,559,000	1	534,654,000
Ambiopharm	Pharmaceutical Manufacturer	2	97,832,303		
Halocarbon Chemicals, Inc.	Manufacturing	3	61,625,800	2	56,466,100
City of North Augusta	Municipal Government	4	36,705,105		
Allnex Industries, Inc.	Manufacturing	5	33,890,412	3	18,248,551 (a)
Crowne Plaza	Hotel	6	17,854,800		
JARS at Breckenridge/Plaza Terrace	Apartments	7	9,765,009	5	8,524,385
Graybul Ironwood, LLC	Apartments	8	6,691,500		
Lulu's Car Wash	Automated Car Wash	9	6,334,800		
CIG Plaza Place LLC	Apartments	10	5,947,700	10	5,176,000 (b)
Aiken County Schools	School District			4	8,868,302
National Healthcare	Nursing Home Facility			6	6,960,000
Gentry's Mobile Home Park	Mobile Home Park			7	5,855,500
Whispering Woods Apartments	Apartments			8	5,507,994 (c)
Willow Wick Apartments	Apartments			9	5,370,000

Note: Consumption is measured in gallons

Source: City of North Augusta utility billing records

(a) Allnex formerly Cytec Industries, Inc

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

(c) Whispering Woods Apartments formerly The Housing Authority

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

Year Ended December 31	Governmental Activities				Business-Type Activities			Total Primary Government	Population (Estimate)	Per Capita
	General Obligation Bonds	Revenue Bonds	Municipal Center Lease	Capital Leases	Revenue Bonds	Capital Leases	PSA Capacity Payable			
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 (a)
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 (b)
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	23,584	3,838.26
2020	10,250,000	68,825,000	-	1,412,082	18,091,831	1,287,722	-	99,866,635	23,845	4,188.16 (c)
2021	10,250,000	68,085,000	-	2,145,743	17,118,000	1,617,813	-	99,216,556	24,745	4,009.56 (d)

(a) 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.

(b) 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.

(c) 2020 General Obligation Bonds in the amount of \$10,250,000 for the purposes of defraying the costs incurred in connection with all or a portion of designing, developing, and construction of a new Public Safety Headquarters and related fire apparatus.

(d) 2021 refunding bond to refund 2014 A and 2015 A SC Drinking Water Revolving Loan Fund serial bonds for the City's raw water storage facility and new water treatment plant.

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

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

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

Year Ended December 31	General Obligation Bonds (GOB)	Estimated Actual Taxable Value (1) of Property	% of Estimated Actual Taxable Value of Property	Population (2)	Per Capita
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%	23,584	0.00
2020	10,250,000 (3)	2,518,512,288	0.41%	23,845	429.86
2021	10,250,000	2,635,148,856	0.39%	24,745	414.23

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.

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

City of North Augusta, South Carolina
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021

<u>Jurisdiction</u>	<u>Debt Outstanding @ December 31, 2021</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 *	\$ 80,480,743	100.00%	\$ 80,480,743
Overlapping Debt			
County of Aiken	\$ 39,986,910	20.49%	\$ 8,193,318
Aiken County School District	<u>210,025,000</u>	<u>20.49%</u>	<u>43,034,123</u>
Sub-total - Overlapping Debt	<u>\$ 250,011,910</u>	<u>20.49%</u>	<u>\$ 51,227,441</u>
Total	<u><u>\$ 330,492,653</u></u>		<u><u>\$ 131,708,184</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				
	2012	2013	2014	2015	2016
Debt Limit	\$ 6,875,400	\$ 6,994,935	\$ 7,111,789	\$ 7,335,620	\$ 7,575,153
Total net debt applicable to limit	<u>3,393,638</u> (a)	-	-	-	-
Legal debt margin	<u>\$ 3,481,762</u>	<u>\$ 6,994,935</u>	<u>\$ 7,111,789</u>	<u>\$ 7,335,620</u>	<u>\$ 7,575,153</u>
Total net debt applicable to the limit as a percentage of debt limit	49.36%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year				
	2017	2018	2019	2020	2021
Debt Limit	\$ 8,492,530	\$ 8,777,324	\$ 9,208,222	\$ 11,544,533	\$ 12,373,671
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 8,492,530</u>	<u>\$ 8,777,324</u>	<u>\$ 9,208,222</u>	<u>\$ 11,544,533</u>	<u>\$ 12,373,671</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

(a) General Obligation Bonds issued in 2006. The 2006 General Obligation Bonds were defeased in December of 2013 removing the City's financial obligation.

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

**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	
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
2020	11,212,356	8,454,040	2,758,316	1,252,348	200,928	1,453,276	1.90
2021	11,725,501	8,110,220	3,615,281	1,141,200	150,556	1,291,756	2.80

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>
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%
2019	170,872	7,577,925	44,349	2.9%
2020	172,895	8,146,543	47,118	4.9%

Source: South Carolina Employment Security Commission

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

Note 2 - Personal Income and Per Capita Personal Income figures are not available for 2021.

The United States Census Bureau has recorded the population of the City of North Augusta and County of Aiken in the decennia years 1940 through 2020 as follows.

<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
2020	23,845	172,895

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

Employer	Location	2021			2012		
		Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Savannah River Site - see detail below (1)	Out	11,651	1	16.28%	12,836	1	19.18%
Aiken County Public Schools	In / Out	3,297	2	4.61%	3,379	2	5.05%
Bridgestone Americas (2)	Out	1,964	3	2.74%	930	5	1.39%
Kimberly-Clark Corp.	Out	1,250	4	1.75%	1,250	3	1.87%
Aiken Regional Medical Center	Out	1,167	5	1.63%	1,200	4	1.79%
Aiken County Government	Out	1012	6	1.41%	890	6	1.33%
Advanced Glassfiber Yarn	Out	662	7	0.92%	770	7	1.15%
Shaw Industries	Out	630	8	0.88%	600	9	0.90%
UPS Customhouse Brokerage	Out	600	9	0.84%	450	10	0.67%
City of Aiken	Out	452	10	0.63%	445	11	0.66%
Hubbell Power Systems	Out	450	11	0.63%	370	13	0.55%
ASCO Valve, Inc.	Out	382	12	0.53%	395	12	0.59%
The Calstar Group (a)	Out	376	13	0.53%	230	16	0.34%
Autoneum North America, Inc.	Out	362	14	0.51%			
Washington Safety Management Solutions	Out	350	15	0.49%	668	8	1.00%
PACTIV Corp.	Out	331	16	0.46%	213	18	0.32%
CVS Distribution Center	In	285	17	0.40%			
MTU America Inc.	Out	264	18	0.37%	259	14	0.39%
City of North Augusta	In	249	19	0.35%	211	19	0.32%
AmbioPharm, Inc	In	243	20	0.34%			
TTX/Hamburg Industries, Inc.	In				250	15	0.37%
Glaxo Smith Kline	Out				215	17	0.32%
Newman Technology SC, Inc	Out				205	20	0.31%

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

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

(1) SRNS/SRR, including subcontractors and temporary construction workers	9,787	(2) Bridgestone Americas Tire Operation Bridgestone Offroad	1,525 <u>439</u>
Centerra	689		<u>1,964</u>
Parsons	435		
Department of Energy	371		
US Forestry Service	77		
Savannah River Ecology Lab	125		
Other Subcontractors	<u>167</u>		
	<u>11,651</u>		

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

County	# of workers
Aiken County, South Carolina	5,511
Columbia County, Georgia	1,502
Richmond County, Georgia	1,140
Barnwell County, South Carolina	590
Edgefield County, South Carolina	357
Orangeburg County, South Carolina	102
Bamberg County, South Carolina	105
Lexington County, South Carolina	198
Other	<u>282</u>
	<u>9,787</u>

(a) Formerly Carlisle Tire and Wheel Company

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

Fund / Function / Department	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<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	3.0	3.0	3.0	3.0	1.0	1.0	1.0	2.0	2.0	2.0
Information Technology	0.0	0.0	0.0	0.0	1.5 (a)	1.5	1.5	4.0 (e)	4.0	4.0
Justice and Law	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance	4.5	4.5	5.5	5.5	4.0	4.0	4.0	4.0	4.0	4.0
Human Resources	0.0	0.0	0.0	0.0	2.0 (b)	2.0	2.0	2.0	2.0	2.0
Building Standards	3.5	3.5	3.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Planning and Development	2.0	2.0	2.0	2.0	2.0	2.5	2.5	3.5	3.5	4.5
City Buildings	3.0	3.0	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0
Property Maintenance	13.0	12.0	12.0	13.0	14.0	14.0	14.0	15.0	18.0	18.0
Public Safety	76.5	77.0	79.0	84.0	88.0	90.0	90.0	91.0	92.0	92.0
Public Works										
Engineering	1.5	1.5	1.5	1.5	2.5	2.5	2.5	3.0	3.0	3.0
Streets & Drains	9.0	9.0	9.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Parks, Recreation & Tourism										
Recreation	5.0	5.0	4.0	5.0	5.0	4.0	4.0	4.0	4.0	7.0
Parks	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0
Community Center	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Tourism	0.0	0.0	0.0	0.0	3.0 (f)	3.0	3.0	3.0	3.0	3.0
RVP Activities	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	5.0
Sub-total	135.0	135.5	138.0	146.5	152.5	155.0	155.0	162.0	166.0	168.0
<u>Stormwater Fund</u>										
Stormwater	5.5	5.5	5.0	4.5	5.5	5.0	5.0	5.5	6.0	6.5
Sub-total	5.5	5.5	5.0	4.5	5.5	5.0	5.0	5.5	6.0	6.5
<u>Riverfront Central Core Dev. Fund</u>										
Tourism	0.0	0.0	0.0	0.0	0.0	1.0 (d)	1.0	1.0	1.0	1.0
Sub-total	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0
<u>Sanitation Fund</u>										
Public Services										
Information Technology	0.0	0.0	0.0	0.0	0.5 (c)	0.5	0.5	0.0 (e)	0.0	0.0
Sanitation	25.5	26.0	26.0	26.0	25.5	26.5	26.5	25.5	26.5	26.5
Material Recovery Center	7.5	7.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Sub-total	33.0	33.5	34.5	34.5	34.5	35.5	35.5	34.0	35.0	35.0
<u>Water & Wastewater Fund</u>										
Public Utilities										
Information Technology	0.0	0.0	0.0	0.0	2.0 (a)	2.0	2.0	0.0 (e)	0.0	0.0
Utilities Finance	5.0	5.0	5.0	5.0	4.0	5.0	5.0	5.0	5.0	5.0
Utilities Administration	7.5	7.5	7.5	7.5	7.5	7.5	7.5	6.5	6.5	6.5
Water Operations	8.0	8.0	8.0	8.0	8.0	8.0	8.0	9.0	9.0	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	11.0	11.0	11.0
Sub-total	38.5	38.5	38.5	38.5	39.5	40.5	40.5	39.5	39.5	39.5
TOTAL	212.0	213.0	216.0	224.0	232.0	237.0	237.0	242.0	247.5	250.0

(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

Source: City of North Augusta Annual Budgets

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

Function / Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Size of City (square miles)	20.778	20.989	21.019	21.150	21.172	21.177	21.180	21.970	22.210	22.240
Annexations approved by City Council	7	5	5	-	2	1	1	3	11	7
Building permits issued	604	622	660	648	668	689	703	779	755	846
Plumbing permits issued	291	340	310	373	381	296	358	389	420	496
Mechanical permits issued	345	391	433	417	520	455	494	561	551	612
Electrical & Solar permits issued	349	422	431	434	482	813	618	523	582	725
Business licenses issued	1,750	1,760	1,861	1,849	1,877	2,017	2,420	2,254	2,302	2,192
Police										
Total calls for service	42,632	41,058	38,973	40,567	37,929	37,322	38,112	40,952	32,520	32,847
Criminal arrests	1,841	1,377	1,360	1,766	1,572	1,338	885	1,127	975	1,031
Incident reports (police action required)	3,557	3,377	3,399	3,627	3,888	3,966	3,797	3,356	3,035	3,105
Accident reports (collisions)	1,007	960	1,012	1,190	1,187	1,267	1,390	1,191	1,038	1,182
Traffic offenses (resulting in fine)	8,698	8,780	8,785	8,809	7,933	8,261	8,490	9,057	7,677	7,811
Drug offenses	136	203	157	177	210	372	214	154	147	153
Burglaries reported	218	117	108	97	132	93	94	76	59	67
Fire										
Actual fire calls - Inside City	105	130	145	114	105	83	377	384	86	399
Actual fire calls - Outside City	21	17	12	7	31	32	56	26	36	21
Solid Waste										
Garbage Refuse Collected (tons) - Residential	9,011	9,079	9,143	10,227	9,334	9,554	9,473	8,613	10,471	11,676
Garbage Refuse Collected (tons) - Commercial	6,874	4,992	5,037	4,723	5,502	6,082	5,647	6,108	6,412	6,362
Recyclables Collected (tons)	4,839	5,326	5,313	6,656	5,047	5,437	5,507	4,312	5,104	4,510
Property Maintenance										
Tree trimming hours	287	254	275	1,378	3,516	1,338	2,050	1,202	2,073	1,963
Mowing hours	12,970	12,960	12,976	10,944	12,892	14,036	10,368	11,025	12,651	12,032
Planting hours	5,760	5,565	4,628	1,726	1,388	1,145	1,504	754	1,542	913
Streets and Drains										
Pothole patching / asphalt tons	388	476	409	341	464	142	132	169	227	225
Curb, gutter & sidewalk repair / CY	290	285	378	472	292	400	294	402	441	414
Storm drain inlets cleaned	330	325	282	419	619	848	664	612	616	537
Street sweeping / miles	2,393	2,727	977	1,339	822	574	563	588	785	697
Parks and Recreation										
Baseball / Number of Players	788	735	789	779	687	592	576	617	466	578
Youth Softball / Number of Players	262	248	259	238	234	240	221	211	133	207
Spring Soccer / Number of Players	540	528	511	484	532	585	580	567	262	578
Fall Soccer / Number of Players	534	474	473	552	552	493	540	540	470	578
Youth Basketball / Number of Players	600	549	680	640	615	652	577	647	492	701
Youth Football / Number of Players	309	310	281	280	239	219	267	269	202	313
Youth Cheerleading / Number of Participants	115	118	96	113	117	182	164	170	142	196
Youth Volleyball / Number of Participants	61	105	83	94	73	86	82	95	105	132
Water										
New water taps	43	33	77	77	184	130	128	103	119	89
Water lines installed / L.F.	2,857	5,609	2,068	2,599	913	4,115	6,638	6,432	3,230	765
Water line leaks repaired	24	29	34	23	27	16	19	18	9	10
Average daily water pumped	4,365,000	3,853,000	3,569,000	3,576,000	3,750,000	3,380,000	3,462,000	4,083,000	3,629,000	3,879,000
Daily peak demand (gallons per day)	9,312,000	7,571,000	7,446,000	7,000,000	6,365,000	5,479,000	5,977,000	7,380,000	6,041,000	7,738,000
Peak day	7/8/2012	5/27/2013	8/22/2014	6/22/2015	7/29/2016	7/23/2017	9/7/2018	7/12/2019	7/22/2020	6/18/2021
Wastewater										
New sewer taps	97	117	135	158	212	154	197	187	208	284
Wastewater lines installed / L.F.	160	1,379	508	1,970	1,259	6,208	8,423	5,077	2,360	765
Wastewater lines repaired / L.F.	65	33	62	680	556	252	16	47	32	34
Wastewater lines cleaned / L.F.	87,648	73,232	93,859	70,610	57,320	34,516	49,432	67,416	41,057	30,273

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

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

Function / Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Number of Stations	2	2	2	3	3	3	3	3	3	3
Number of Public Safety Officers	55	55	58	61	62	64	65	65	65	66
Number of Volunteer Firemen	20	20	20	20	20	25	20	20	20	20
Insurance Rating (ISO)	Class 3	Class 3	Class 3	Class 2	Class 2	Class 2	Class 2	Class 2	Class 2	Class 2
Signalized Intersections	30	30	30	31	31	32	32	32	32	34
Number of Fire Hydrants										
Inside City	802	805	809	812	814	816	848	848	852	853
Outside City	149	149	149	149	149	149	149	149	150	150
Public Works										
Miles of Streets	140.09	140.85	141.37	141.91	143.77	144.2	144.9	145.75	147.75	149.86
Street Lights	1,789	1,789	1,800	1,817	1,841	1,859	1,980	2,000	2,040	2,075
Parks, Recreation & Tourism										
Number of Parks	22	22	22	22	22	22	22	22	23	23
Park Acreage	550	550	550	550	550	550	550	550	527	527
Miles of Paved Greeneway	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	9	9	9	9	9	9	9	9
Baseball / Softball Diamonds	10	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	11	11	11	11	11	11	11	11	15	15
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	195.27	196.01	196.08	228.68	229.07	229.84	231.09	232.3	232.74	232.88
Maximum Pumping Capacity (gallons per day)	14,000,000	14,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Sewer										
Miles of Wastewater Lines	228.03	228.54	228.57	229.20	229.57	230.74	232	232.96	233.4	235.71
Stormwater										
Miles of Storm Sewer	59.29	59.79	60.37	60.73	68.01	68.47	69.21	70.04	71.66	73.43

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, 2021**

Water Rate in effect December 31, 2021

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, 2021

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	\$0.90	\$2.40	\$3.30	\$1.52	\$2.44	\$3.96
All Additional Usage	0.73	1.93	2.66	0.73	1.93	2.66

Sanitation Service Charges in effect December 31, 2021

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

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

Stormwater Management Service Charges in effect December 31, 2021

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, 2021**

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

History of Sewer Rate Changes (past 10 years)

1/1/2020 O & M Volume Rate and Debt Service Rate increased in total by \$0.15 per 1,000 gallons inside and outside city limits (PSA)

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)

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

Stormwater Management Service Charge Changes (past 10 years)

1/1/2015 Stormwater Management Service charge increased \$1.00 per equivalent residential unit (ERU) per month.

COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S REPORT 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**

**The Honorable Mayor and Members
of the City Council
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, 2021, and the related notes to the financial statements, and the budgetary comparison for the General Fund, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 17, 2022.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

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

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Columbia, South Carolina
May 17, 2022

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

___ Yes X No

Significant deficiencies identified?

___ Yes X No

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

There was not an audit of major federal award programs as of December 31, 2021, due to the total amount expended being less than \$750,000.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

SECTION IV PRIOR YEAR FINDINGS AND RESPONSES

None reported.

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