

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
ANNUAL FINANCIAL STATEMENTS  
DECEMBER 31, 2006



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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**SEROTTA**

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**MADDOCKS**

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**EVANS & CO., CPA'S**

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*A Professional Corporation*

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

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, as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of North Augusta's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Augusta, South Carolina, as of December 31, 2006, 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 conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 12 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of North Augusta's basic financial statements. The introductory section, combining and individual fund financial statements, capital asset schedules, and statistical tables listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and capital asset schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads 'Serotta Maddocks Evans & Co.'.

SEROTTA MADDOCKS EVANS & CO.  
May 23, 2007

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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This section of the City of North Augusta, South Carolina's (the "City") annual financial report presents our discussion and analysis of the City's financial performance for the fiscal year ended December 31, 2006. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our Letter of Transmittal at the front of this report and the City's financial statements, which follow this section.

### Financial Highlights

Per the Government-Wide Statement of Net Assets, the assets of the City at the close of the most recent fiscal year exceeded its liabilities by \$86,597,692 (*net assets*). Of this amount, \$12,571,368 was unrestricted and available for spending at the government's discretion.

Per the Government-Wide Statement of Activities, the City's total net assets increased by \$5,930,326 for the year ended December 31, 2006. The governmental activities contributed \$3,481,127 and the business-type activities contributed \$2,449,199 of the net change in net assets.

During 2006, the City issued \$4,710,000 in General Obligation Bonds, Series 2006. This was the City's first issuance of General Obligation Bonds. The proceeds from these bonds are in the Capital Projects Fund and will be used for the construction of the Municipal Center. The bonds have rates of 3.75% to 4.00% and mature April 1, 2021.

Design is complete on the City's new Municipal Center. During 2006, the City selected the general contractor for the project. The estimated cost of the project is \$20,000,000. The approximately 70,000 square foot facility will be constructed on Georgia Avenue in the downtown area and will house the City administrative offices and Council Chambers. Additionally, approximately 40% of the center will also be used as a cultural and historical display area and special events space. The center is scheduled for completion in late 2008.

In 2006, the City initiated phase 2 at a cost of \$200,000 of its electronic document management system, a system intended to move the City to a near paperless environment. The system is designed along two avenues: 1) the electronic storage and retrieval of documents in a searchable format (completed in 2005); and 2) the automation of business processes known as workflow.

### Overview of the Financial Statements

Management's Discussion and Analysis (MD&A) serves as an introduction to the City's basic financial statements. Those financial statements comprise three components: (1) Government-Wide financial statements, (2) Fund financial statements, and (3) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Letter of Transmittal and the Statistical Section of the Comprehensive Annual Financial Report (CAFR), of which this discussion is a component thereof, contains much of the data and analysis usually included in a MD&A and therefore it is not duplicated herein.

## Government-Wide Financial Statements

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

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

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

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

The government-wide financial statements can be found immediately following this Management's 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 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 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 nine 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 Sales Tax Fund, Sales Tax II Fund, and Capital Projects Fund, which also meet the criteria for a major fund. Information from the other five governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements on pages 75-79 of 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 on pages 16-17 of this report.

**Proprietary funds** – *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 and sewer, sanitation, and stormwater enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found immediately following the “Governmental Fund” financial statements.

The City adopts an annual appropriated budget for each enterprise fund. A budgetary comparison statement has been provided for each enterprise fund to demonstrate compliance with the budget.

The basic proprietary fund financial statements can be found on pages 20-24 of this report.

**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 on pages 25-43 of this report.

**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.

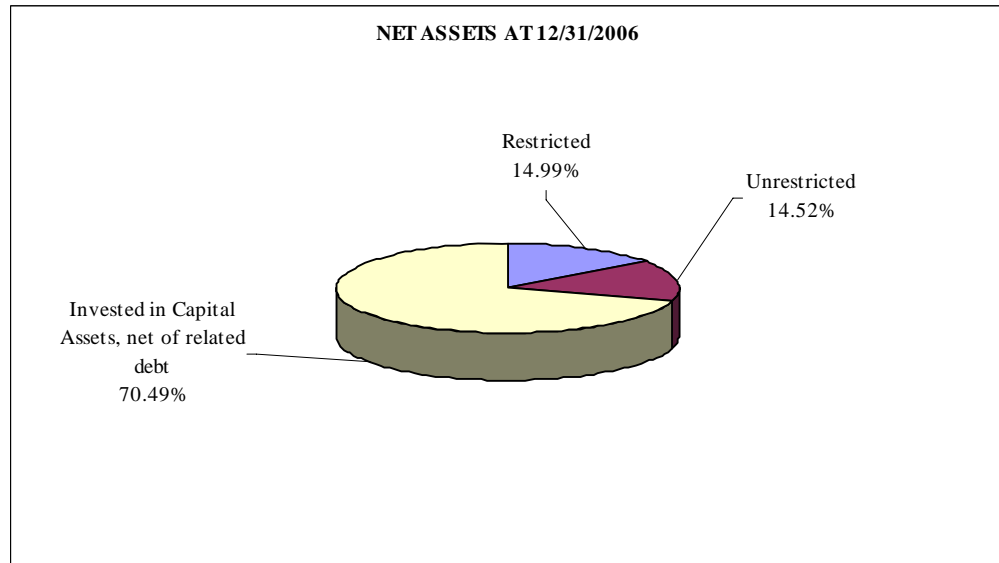
## Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$86,597,692 at the close of the most recent fiscal year.

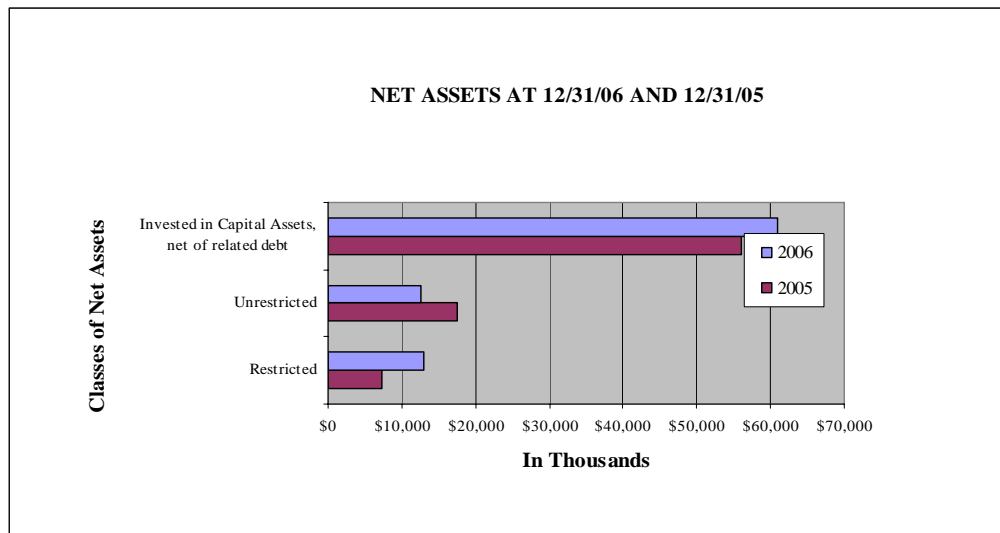
By far, the largest portion of the City's net assets (\$61,046,290, or 70.49%) reflects its investment in capital assets (e.g., land, land improvements, right-of-way and easements, buildings, machinery and equipment, furniture and fixtures, vehicles, infrastructure, system improvements, PSA capital, and construction in progress), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently these assets are *not* available for future spending. Although the City's investments in its 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.

CITY OF NORTH AUGUSTA'S NET ASSETS						
	Governmental activities		Business-type activities		Total	
	2005	2006	2005	2006	2005	2006
<b>Assets:</b>						
Cash/Investments-Unrestricted	\$10,867,640	\$10,083,110	\$6,340,425	\$7,507,606	\$17,208,065	\$17,590,716
Other Current Assets	99,213	90,124	1,831,075	1,625,895	1,930,288	1,716,019
Cash/Investments-Restricted	0	4,716,068	7,644,329	8,682,947	7,644,329	13,399,015
Capital assets, net of accumulated depreciation	25,381,658	29,802,196	38,557,484	38,809,638	63,939,142	68,611,834
Service rights, net of accumulated depreciation	0	0	56,007	53,507	56,007	53,507
Deferred charges, net of accumulated depreciation	0	0	83,912	77,274	83,912	77,274
<b>TOTAL ASSETS</b>	<b>\$36,348,511</b>	<b>\$44,691,498</b>	<b>\$54,513,232</b>	<b>\$56,756,867</b>	<b>\$90,861,743</b>	<b>\$101,448,365</b>
<b>Liabilities:</b>						
Current liabilities	\$597,035	\$641,608	\$958,296	\$914,995	\$1,555,331	\$1,556,603
Noncurrent liabilities	1,150,204	5,967,491	7,488,842	7,326,579	8,639,046	13,294,070
<b>TOTAL LIABILITIES</b>	<b>\$1,747,239</b>	<b>\$6,609,099</b>	<b>\$8,447,138</b>	<b>\$8,241,574</b>	<b>\$10,194,377</b>	<b>\$14,850,673</b>
<b>Net Assets:</b>						
Net invested in capital assets	\$24,475,710	\$28,977,233	\$31,498,851	\$32,069,057	\$55,974,561	\$61,046,290
Restricted	0	4,716,068	7,265,318	8,263,966	7,265,318	12,980,034
Unrestricted	10,125,562	4,389,098	7,301,925	8,182,270	17,427,487	12,571,368
<b>TOTAL NET ASSETS</b>	<b>\$34,601,272</b>	<b>\$38,082,399</b>	<b>\$46,066,094</b>	<b>\$48,515,293</b>	<b>\$80,667,366</b>	<b>\$86,597,692</b>

An additional portion of the City's net assets (\$12,980,034 or 14.99%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$12,571,368 or 14.52%) may be used to meet the government's ongoing obligations to citizens and creditors.



At the end of the current fiscal year, the City is able to report “positive” balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.





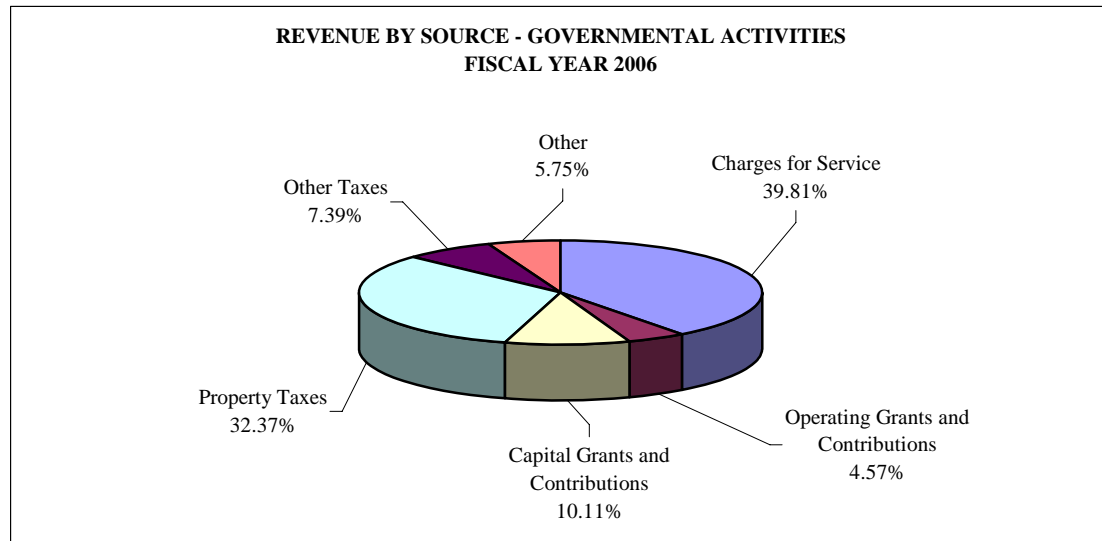
## Governmental Activities

Governmental activities increased the City's net assets by \$3,481,127, thereby accounting for 58.70% of the total growth in net assets. Governmental expenditures are funded by fees for services, grants and contributions, and general revenues. The Statement of Activities details this activity for the City. The following chart summarizes this data for governmental and business-type activities.

CITY OF NORTH AUGUSTA'S CHANGES IN NET ASSETS						
	Governmental activities		Business-type activities		Total	
	2005	2006	2005	2006	2005	2006
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$5,672,828	\$6,018,149	\$9,950,780	\$10,347,907	\$15,623,608	\$16,366,056
Operating grants and contributions	642,309	690,426	0	0	642,309	690,426
Capital grants and contributions	1,156,232	1,528,331	173,409	687,953	1,329,641	2,216,284
General revenues:						
Property taxes	4,683,989	4,893,615	0	0	4,683,989	4,893,615
Other taxes	464,701	1,117,328	0	0	464,701	1,117,328
Other	809,214	869,109	658,597	932,490	1,467,811	1,801,599
<b>TOTAL REVENUES</b>	<b>\$13,429,273</b>	<b>\$15,116,958</b>	<b>\$10,782,786</b>	<b>\$11,968,350</b>	<b>\$24,212,059</b>	<b>\$27,085,308</b>
<b>Expenses:</b>						
General government	\$3,256,036	\$2,858,015	\$0	\$0	\$3,256,036	\$2,858,015
Public safety	4,294,245	4,624,981	0	0	4,294,245	4,624,981
Public works	2,151,023	1,516,253	0	0	2,151,023	1,516,253
Recreation and parks	2,488,095	2,928,875	0	0	2,488,095	2,928,875
Interest and bank fees on COPs	18,258	23,700	0	0	18,258	23,700
Water and sewer	0	0	5,676,796	6,080,671	5,676,796	6,080,671
Sanitation	0	0	2,619,149	2,845,766	2,619,149	2,845,766
Stormwater	0	0	244,115	276,721	244,115	276,721
<b>TOTAL EXPENSES</b>	<b>\$12,207,657</b>	<b>\$11,951,824</b>	<b>\$8,540,060</b>	<b>\$9,203,158</b>	<b>\$20,747,717</b>	<b>\$21,154,982</b>
Increase in net assets before transfers	\$1,221,616	\$3,165,134	\$2,242,726	\$2,765,192	\$3,464,342	\$5,930,326
Transfers	293,231	315,993	-293,231	-315,993	0	0
Increase in net assets	1,514,847	3,481,127	1,949,495	2,449,199	3,464,342	5,930,326
Net assets - Beginning of year	33,086,425	34,601,272	44,116,599	46,066,094	77,203,024	80,667,366
Net assets - End of year	\$34,601,272	\$38,082,399	\$46,066,094	\$48,515,293	\$80,667,366	\$86,597,692

Governmental activities revenues increased from \$13,429,273 to \$15,116,958 in 2006. Charges for services (\$6,018,149) include business license revenues, franchise fees, construction permits and public safety fines and represent 39.81% of total governmental revenues. These revenues are predominantly elastic in nature and vary with economic trends and are evidence of North Augusta's vibrant economy, growing by 6.09% in 2006. Operating grants and contributions and capital grants and contributions increased by \$48,117 and \$372,099, respectively in 2006. Property taxes increased by \$209,682 (4.48%) during the year. Other taxes consisting of the

One-cent Capital Projects Sales Tax II and the City's Local Hospitality and Accommodations Tax increased by \$652,627. Fiscal year 2006 was the first year of the One-cent Capital Projects Sales Tax revenue (Sales Tax II) from the sales tax program adopted in November of 2004.



In 2006, governmental activities expenditures decreased from \$12,207,657 to \$11,951,824. Fuel cost increases City-wide and implementation of a new compensation plan accounted for much of the increase. General government expenditures decreased by \$398,021 or 12.22%. The majority of this decrease was attributed to the fulfillment, in 2005, of an agreement to reimburse a developer for the extension of a public road known as Crystal Lake terminating in the public riverfront area along the Savannah River. Expenditures in public safety for 2006 increased from \$4,294,245 to \$4,624,981 or 7.70%. Public works expenditures decreased by \$634,770 or 29.51% in 2006, primarily due to an increase in road resurfacing and reconstruction during the year. Expenditures in recreation and parks for 2006 increased by \$440,780 or 17.72%.

### **Business-type Activities**

The City operates three enterprises that comprise its business-type activities. The Water and Sewer System and Sanitation Services Funds are classified as major funds. The Stormwater Utility Fund, a nonmajor fund, was initiated in July of 2002 and is beginning to reach its full potential. Fiscal year 2006 represents the fourth full year of operation of the Stormwater Utility Fund.

Business-type activities increased the City's net assets by \$2,449,199, accounting for 41.30% of the total growth in net assets. Charges for services increased by \$397,127 or 3.99%, from \$9,950,780 in 2005 to \$10,347,907 in 2006. The majority of this increase, \$284,006 or 71.52% is attributed to an approximate 13% increase in the sanitation service fees effective January 1, 2006. Additionally, the Aiken County Public Service Authority increased the treatment cost by \$.10 per 1,000 gallons effective July 1, 2006 that was passed on to the City's sewer customers.

The stormwater management fee of \$4.00 per month for single-family residential units was in place for its fourth full year, generating \$522,304 in 2006 as compared to \$511,239 in 2005.

Expenses for the Water and Sewer System increased from \$5,676,796 in 2005 to \$6,080,671 or \$403,875 in 2006. The majority of this increase, \$146,112 or 36.18% was attributed to increased sewerage treatment cost resulting from a redistribution of flow at the Horse Creek Basin Wastewater Treatment Facility. The increase in the City's treatment cost can be attributed to a large extent to the closing of several textile mills in the region, causing a shift of expenses from the industrial customers to the governmental customers.

In 2006 the expenses for the Sanitation Services Fund increased \$226,617 (from \$2,619,149 to \$2,845,766). The increase is a direct result of close to full staffing in the Sanitation Department and the Material Recovery Center and an increase in operating expenses, primarily fuel oil products, which increased drastically during 2006.

The expenses in the Stormwater Utility Fund increased by \$32,606, (from \$244,115 in 2005 to \$276,721 in 2006). The increase is a result of full staffing in the department.

### **General Fund Budgetary Highlights**

For the fiscal year 2006 the City adopted a balanced budget in the General Fund. The General Fund budgeted revenues amounted to \$11,014,190 including operating transfers in of \$315,993 from the major enterprise funds. The City does not budget proceeds from capital lease obligations, which amounted to \$313,677 in 2006. For 2006 actual General Fund revenues exceeded budgeted revenues by \$696,456. Current taxes in the General Fund grew by \$163,897 or 4.06%. This growth is attributed to new development in the City, both residential and commercial. Given that the State has adopted legislation decreasing the personal property assessment from 10.5% to 6.0% over a six year period beginning in 2002 and ending in 2007, this is an excellent growth rate. Revenues from business licenses and construction permits increased from \$3,816,068 in 2005 to \$4,177,540 in 2006 or \$361,472, which is indicative of a continued strong local economy. Revenue from public safety fines decreased by \$33,048 from \$862,680 in 2005 to \$829,632 in 2006. Charges for services, primarily recreation fees, grew modestly \$5,002 from \$980,478 in 2005 to \$985,480 in 2006. Intergovernmental revenue increased slightly by \$49,143 while interest income was up by \$24,282. Actual expenditures in the General Fund exceeded budget at the Public Safety and Recreation and Parks functional levels due to the purchase of equipment with capital lease proceeds; however, overall actual General Fund expenditures for 2006 were within budget.

**Budget Amendments** – There were no budget amendments in any fund for fiscal year 2006.

### **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, 2006, amounts to \$68,611,832 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, right-of-

way and easements, buildings, machinery and equipment, furniture and fixtures, infrastructure, system improvements, PSA capital, and construction in progress.

<b>CITY OF NORTH AUGUSTA'S CAPITAL ASSETS (net of depreciation)</b>						
	Governmental activities		Business-type activities		Total	
	2005	2006	2005	2006	2005	2006
Land	\$4,070,548	\$6,299,578	\$768,516	\$768,516	\$4,839,064	\$7,068,094
Land Improvements	3,168,128	3,075,234	0	0	3,168,128	3,075,234
Right-of-way and easements	1,706,332	1,838,350	62,760	62,760	1,769,092	1,901,110
Buildings	5,775,181	5,559,851	1,954,031	1,859,847	7,729,212	7,419,698
Machinery and equipment	407,668	447,060	544,934	823,302	952,602	1,270,362
Furniture and fixtures	217,775	179,230	0	0	217,775	179,230
Vehicles	1,282,637	1,270,595	1,175,261	1,163,669	2,457,898	2,434,264
Infrastructure	7,590,822	8,156,021	0	0	7,590,822	8,156,021
System Improvements	0	0	32,564,244	32,675,251	32,564,244	32,675,251
PSA Capital	0	0	1,186,089	1,115,786	1,186,089	1,115,786
Construction in progress	1,162,567	2,976,277	301,649	340,505	1,464,216	3,316,782
<b>TOTAL CAPITAL ASSETS</b>	<b>\$25,381,658</b>	<b>\$29,802,196</b>	<b>\$38,557,484</b>	<b>\$38,809,636</b>	<b>\$63,939,142</b>	<b>\$68,611,832</b>

The City has committed \$5,000,000 to the ongoing Mims Branch sewer line extension project which should be completed in 2007. The City has also committed \$2,145,049 to drainage and road construction upgrades of East Buena Vista Avenue also scheduled for completion in 2007. In addition, the City has committed \$2,301,014 to the West Avenue Streetscape project, \$1,755,000 to Hammonds Ferry Soccer Complex and \$675,000 to a Greenway extension (Pisgah to Bergen). These projects should be completed in 2007 and will require no future financing. Finally, the City has committed approximately \$20,000,000 to the construction of a new Municipal Center. The Municipal Center project, scheduled for completion in late 2008, will require additional financing of \$6,322,800. Additional information on the City's capital assets can be found in *Note 4* on pages 33-35 of this report.

**Long-Term Debt** – At the end of the current fiscal year, the City had total bonded debt outstanding of \$10,669,474. Revenue bonds outstanding (net of deferred refunding) comprise 55.83% of the total amount of the City's outstanding bonded debt. A newly issued General Obligation Bond comprises the remaining outstanding bonded debt.

<b>CITY OF NORTH AUGUSTA'S BONDED DEBT OUTSTANDING DEBT</b>						
	Governmental activities		Business-type activities		Total	
	2005	2006	2005	2006	2005	2006
General Obligation Bonds (GOB)	\$0	\$4,716,068	\$0	\$0	\$0	\$4,716,068
Revenue bonds, net of deferred refunding	0	0	6,391,710	5,953,406	6,391,710	5,953,406
<b>TOTAL REVENUES</b>	<b>\$0</b>	<b>\$4,716,068</b>	<b>\$6,391,710</b>	<b>\$5,953,406</b>	<b>\$6,391,710</b>	<b>\$10,669,474</b>

The City's total bonded debt outstanding (net of deferred refunding of a 1998 revenue bond) increased by \$4,271,696 during the current fiscal year. This increase was attributed to the issuance of the City's first General Obligation Bond, Series 2006 amounting to \$4,716,608.

The City's last rated revenue bond issued in 1998 in the amount of \$4,603,000 was rated **Aaa insured** by Moody's Investors Service, Inc., and **AAA insured** by Standard and Poor's Corporation. The City's debt coverage requirement, remaining very strong, decreased slightly from 3.56 to 3.00. The City's bond covenants require coverage of 1.25 to issue additional bonds.

The City's General Obligation Bond, Series 2006 in the amount of \$4,710,000 was rated **A2** by Moody's Investor's Service, Inc. and **A** by Standard & Poor's Corporation.

Other long-term debt at the end of the current fiscal year included \$1,612,138 in capitalized leases and \$386,053 in compensated absences.

Additional information of the City's long-term debt can be found in *Notes 5* and *6* on pages 36-40 of this report.

### **Request for Information**

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

## BASIC FINANCIAL STATEMENTS

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2006

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
Equity in pooled cash	\$ 1,711,051	\$ 1,808,057	\$ 3,519,108
Investments	8,372,059	5,699,549	14,071,608
Receivables:			
Taxes	80,504	-	80,504
Loans	7,187	62,400	69,587
Customers, net	-	1,340,548	1,340,548
Inventory	2,433	222,947	225,380
Current restricted assets (cash and investments)	4,716,068	994,355	5,710,423
Noncurrent assets:			
Restricted assets (cash and investments)	-	7,688,592	7,688,592
Capital assets, net:			
Non-depreciable	11,114,205	1,171,782	12,285,987
Depreciable	18,687,991	37,637,856	56,325,847
Service rights, net	-	53,507	53,507
Deferred charges	-	77,274	77,274
TOTAL ASSETS	<u>\$ 44,691,498</u>	<u>\$ 56,756,867</u>	<u>\$ 101,448,365</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 241,877	\$ 455,760	\$ 697,637
Accrued salaries, wages, and employee benefits	364,759	30,175	394,934
Municipal court liability	34,972	-	34,972
Accrued interest payable	-	10,079	10,079
Payable from restricted resources:			
Accounts payable	-	21,753	21,753
Accrued bond interest	-	24,014	24,014
Customer deposits	-	373,214	373,214
Noncurrent liabilities:			
Due within one year:			
Capital leases	298,150	288,575	586,725
Unearned revenue	40,407	14,105	54,512
Revenue bonds	-	400,604	400,604
Accrued vacation	203,053	169,894	372,947
Due in more than one year:			
Capital leases	526,813	498,600	1,025,413
Unearned revenue	-	401,999	401,999
General obligation bonds	4,716,068	-	4,716,068
Revenue bonds	-	5,552,802	5,552,802
Long-term portion of accrued vacation	183,000	-	183,000
TOTAL LIABILITIES	<u>6,609,099</u>	<u>8,241,574</u>	<u>14,850,673</u>
<u>NET ASSETS</u>			
Invested in capital assets net of related debt	28,977,233	32,069,057	61,046,290
Restricted per bond indentures	4,716,068	8,263,966	12,980,034
Unrestricted	4,389,098	8,182,270	12,571,368
TOTAL NET ASSETS	<u>38,082,399</u>	<u>48,515,293</u>	<u>86,597,692</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 44,691,498</u>	<u>\$ 56,756,867</u>	<u>\$ 101,448,365</u>

See notes to financial statements

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2006

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental activities:							
General government	\$ 2,858,015	\$ 4,177,540	\$ 631,997	\$ 86,876	\$ 2,038,398	\$ -	\$ 2,038,398
Public safety	4,624,981	925,170	31,599	-	(3,668,212)	-	(3,668,212)
Public works	1,516,253	-	26,830	1,186,339	(303,084)	-	(303,084)
Recreation and parks	2,928,875	915,439	-	255,116	(1,758,320)	-	(1,758,320)
Interest and fiscal charges on debt service	23,700	-	-	-	(23,700)	-	(23,700)
Total governmental activities	11,951,824	6,018,149	690,426	1,528,331	(3,714,918)	-	(3,714,918)
Business-type activities:							
Water and sewer	6,080,671	6,799,406	-	501,864	-	1,220,599	1,220,599
Sanitation	2,845,766	3,026,197	-	-	-	180,431	180,431
Stormwater utility	276,721	522,304	-	186,089	-	431,672	431,672
Total business-type activities	9,203,158	10,347,907	-	687,953	-	1,832,702	1,832,702
Total	\$ 21,154,982	\$ 16,366,056	\$ 690,426	\$ 2,216,284	(3,714,918)	1,832,702	(1,882,216)
General revenues:							
					4,893,615	-	4,893,615
					499,739	-	499,739
					617,589	-	617,589
					591,214	681,580	1,272,794
					277,895	250,910	528,805
					315,993	(315,993)	-
					7,196,045	616,497	7,812,542
					3,481,127	2,449,199	5,930,326
					34,601,272	46,066,094	80,667,366
					\$ 38,082,399	\$ 48,515,293	\$ 86,597,692

(continued)



CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2006

	GENERAL FUND	SALES TAX FUND	SALES TAX II FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>						
Equity in pooled cash	\$ 342,803	\$ 275,762	65,875	\$ 4,139,522	\$ 1,603,157	\$ 6,427,119
Investments	1,405,412	2,543,262	-	2,267,884	2,155,501	8,372,059
Receivables:						
Taxes	80,504	-	-	-	-	80,504
Loans	-	-	-	-	7,187	7,187
Inventory	2,433	-	-	-	-	2,433
Due from other funds	-	-	-	1,200,000	3,658	1,203,658
<b>TOTAL ASSETS</b>	<u>\$ 1,831,152</u>	<u>\$ 2,819,024</u>	<u>\$ 65,875</u>	<u>\$ 7,607,406</u>	<u>\$ 3,769,503</u>	<u>\$ 16,092,960</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 90,407	\$ 35,910	\$ -	\$ 88,930	\$ 26,630	\$ 241,877
Due to other funds	3,658	-	1,200,000	-	-	1,203,658
Accrued salaries, wages, and employee benefits	364,759	-	-	-	-	364,759
Unearned revenue	40,407	-	-	-	-	40,407
Municipal court liability	34,972	-	-	-	-	34,972
<b>TOTAL LIABILITIES</b>	<u>\$ 534,203</u>	<u>\$ 35,910</u>	<u>\$ 1,200,000</u>	<u>\$ 88,930</u>	<u>\$ 26,630</u>	<u>\$ 1,885,673</u>
<b>FUND BALANCES</b>						
Reserved for inventory	2,433	-	-	-	-	2,433
Reserved for bond indenture	-	-	-	4,716,068	-	4,716,068
Reserved for non-current loans receivable	-	-	-	-	7,187	7,187
Unreserved reported in:						
General fund	1,294,516	-	-	-	-	1,294,516
Special revenue funds	-	2,783,114	(1,134,125)	-	3,735,686	5,384,675
Capital projects fund	-	-	-	2,802,408	-	2,802,408
<b>TOTAL FUND BALANCES</b>	<u>1,296,949</u>	<u>2,783,114</u>	<u>(1,134,125)</u>	<u>7,518,476</u>	<u>3,742,873</u>	<u>14,207,287</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,831,152</u>	<u>\$ 2,819,024</u>	<u>\$ 65,875</u>	<u>\$ 7,607,406</u>	<u>\$ 3,769,503</u>	
Amounts reported for governmental activities in the statement of net assets are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.						
Bonds payable						29,802,196
Capital leases						(4,716,068)
Accrued vacation						(824,963)
<b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>						<u>\$ 38,082,399</u>

See notes to financial statements

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2006

REVENUES	GENERAL FUND	SALES TAX FUND	SALES TAX II FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Ad valorem property taxes	\$ 4,276,657	\$ -	\$ -	\$ 521,079	\$ 95,879	\$ 4,893,615
Local hospitality and accommodation taxes	-	-	-	-	499,739	499,739
Capital projects sales taxes	-	-	617,589	-	-	617,589
Licenses and permits	4,177,540	-	-	-	-	4,177,540
Fines and forfeitures	855,129	-	-	-	-	855,129
Charges for services	985,480	-	-	-	-	985,480
Intergovernmental	658,827	-	-	250,000	333,735	1,242,562
Miscellaneous/interest earnings	441,020	150,114	-	146,144	175,212	912,490
TOTAL REVENUES	11,394,653	150,114	617,589	917,223	1,104,565	14,184,144
EXPENDITURES						
Current:						
General government	2,382,241	-	-	168,871	188,837	2,739,949
Public safety	4,342,133	-	-	-	23,050	4,365,183
Public works	812,420	-	-	-	-	812,420
Recreation and parks	2,476,894	-	-	8,400	2,004	2,487,298
Capital outlay:						
General government	64,714	-	-	1,398,468	-	1,463,182
Public safety	208,478	-	-	-	-	208,478
Public works	52,654	28,999	-	-	382,508	464,161
Recreation and parks	187,739	452,128	1,751,714	494,582	-	2,886,163
Debt service:						
Principal	394,662	-	-	-	-	394,662
Interest and fiscal charges	23,700	-	-	-	-	23,700
TOTAL EXPENDITURES	10,945,635	481,127	1,751,714	2,070,321	596,399	15,845,196
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	449,018	(331,013)	(1,134,125)	(1,153,098)	508,166	(1,661,052)
OTHER FINANCING SOURCES (USES)						
Proceeds from capital lease obligations	313,677	-	-	-	-	313,677
Proceeds from bond issuance	-	-	-	4,716,068	-	4,716,068
Transfers in	315,993	-	-	1,409,691	-	1,725,684
Transfers out	(1,409,691)	-	-	-	-	(1,409,691)
TOTAL OTHER FINANCING SOURCES	(780,021)	-	-	6,125,759	-	5,345,738
NET CHANGE IN FUND BALANCES	(331,003)	(331,013)	(1,134,125)	4,972,661	508,166	3,684,686
FUND BALANCE - BEGINNING OF YEAR	1,627,952	3,114,127	-	2,545,815	3,234,707	10,522,601
FUND BALANCE - END OF YEAR	\$ 1,296,949	\$ 2,783,114	\$ (1,134,125)	\$ 7,518,476	\$ 3,742,873	\$ 14,207,287

See notes to financial statements

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2006

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

Net change in fund balances - total governmental funds	\$ 3,684,686
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Governmental fund reports capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This and the net effect of various other transactions involving capital assets increase net assets

Capital outlay	4,923,902	
Depreciation on general government assets	(1,436,178)	
Contributions of assets to general government	976,195	
Loss on the disposal of fixed assets	<u>(43,382)</u>	
		4,420,537

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related accounts.

Proceeds from bond issuance	(4,710,000)	
Premium on bond	(6,068)	
Compensated absences	10,986	
Principal payments on capital leases	394,662	
Proceeds from capital lease	<u>(313,677)</u>	
		<u>(4,624,097)</u>

Change in net assets of governmental activities	<u>\$ 3,481,126</u>
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See notes to financial statements

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGETED AND ACTUAL  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2006

	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET
<u>REVENUES</u>			
Ad valorem property taxes	\$ 4,184,198	\$ 4,276,657	\$ 92,459
Licenses and permits	3,760,189	4,177,540	417,351
Fines and forfeitures	852,000	855,129	3,129
Charges for services	976,110	985,480	9,370
Intergovernmental	587,700	658,827	71,127
Miscellaneous	338,000	441,020	103,020
TOTAL REVENUES	<u>10,698,197</u>	<u>11,394,653</u>	<u>696,456</u>
<u>EXPENDITURES</u>			
Current:			
General government	2,474,409	2,382,241	(92,168)
Public safety	4,466,584	4,342,133	(124,451)
Public works	916,013	812,420	(103,593)
Recreation and parks	2,496,695	2,476,894	(19,801)
Capital outlay:			
General government	71,105	64,714	(6,391)
Public safety	1,700	208,478	206,778
Public works	-	52,654	52,654
Recreation and parks	163,800	187,739	23,939
Capital lease payments	423,884	418,362	(5,522)
TOTAL EXPENDITURES	<u>11,014,190</u>	<u>10,945,635</u>	<u>(68,555)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(315,993)</u>	<u>449,018</u>	<u>765,011</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds from capital lease obligations	-	313,677	313,677
Transfers in	315,993	315,993	-
Transfers out	-	(1,409,691)	(1,409,691)
TOTAL OTHER FINANCING SOURCES (USES)	<u>315,993</u>	<u>(780,021)</u>	<u>(1,096,014)</u>
NET CHANGE IN FUND BALANCES	-	(331,003)	(331,003)
FUND BALANCE - BEGINNING OF YEAR	-	1,627,952	1,627,952
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 1,296,949</u>	<u>\$ 1,296,949</u>

See notes to financial statements

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2006

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	MAJOR FUNDS		NONMAJOR FUND		TOTAL ENTERPRISE FUNDS
	WATER AND SEWER SYSTEM	SANITATION SERVICES	STORMWATER UTILITY FUND		
<u>ASSETS</u>					
<u>CURRENT ASSETS</u>					
Equity in pooled cash	\$ 778,080	\$ 314,906	\$ 715,071	\$ 1,808,057	
Investments	3,468,291	1,376,405	854,853	5,699,549	
Customer accounts receivable (net of allowance for doubtful accounts of \$26,000 in 2006 and 2005)	1,260,968	79,580	-	1,340,548	
Inventory	222,947	-	-	222,947	
Loan receivable	62,400	-	-	62,400	
TOTAL CURRENT ASSETS	5,792,686	1,770,891	1,569,924	9,133,501	
<u>CURRENT RESTRICTED ASSETS (cash and investments)</u>					
With fiscal agents	621,141	-	-	621,141	
Customer deposits	373,214	-	-	373,214	
TOTAL CURRENT RESTRICTED ASSETS	994,355	-	-	994,355	
TOTAL CURRENT ASSETS	6,787,041	1,770,891	1,569,924	10,127,856	
<u>NON-CURRENT RESTRICTED ASSETS (cash and investments)</u>					
Revenue bond improvement and extension account	929,869	-	-	929,869	
Revenue bond depreciated or obsolete item account	439,091	-	-	439,091	
Revenue bond construction account	6,319,632	-	-	6,319,632	
TOTAL NON-CURRENT RESTRICTED ASSETS	7,688,592	-	-	7,688,592	
<u>CAPITAL ASSETS, NET</u>					
Non-depreciable	1,080,547	91,235	-	1,171,782	
Depreciable	35,265,691	2,299,832	72,333	37,637,856	
TOTAL CAPITAL ASSETS	36,346,238	2,391,067	72,333	38,809,638	
<u>SERVICE RIGHTS (net of accumulated amortization of \$46,493 for 2006 and \$43,993 for 2005)</u>	53,507	-	-	53,507	
<u>BOND ISSUANCE EXPENSE (net of accumulated amortization of \$43,596 for 2006 and \$36,958 for 2005)</u>	77,274	-	-	77,274	
TOTAL NON-CURRENT ASSETS	44,165,611	2,391,067	72,333	46,629,011	
TOTAL ASSETS	\$ 50,952,652	\$ 4,161,958	\$ 1,642,257	\$ 56,756,867	

(continued)

See notes to financial statements

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2006

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	MAJOR FUNDS		NONMAJOR FUND	
	WATER AND SEWER SYSTEM	SANITATION SERVICES	STORMWATER UTILITY FUND	TOTAL ENTERPRISE FUNDS
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES</u>				
Accounts payable	\$ 413,662	\$ 38,510	\$ 3,588	\$ 455,760
Accrued salaries, wages and employee benefits	15,651	12,965	1,559	30,175
Accrued vacation	105,172	57,691	7,031	169,894
Current portion of capital leases payable	64,006	211,548	13,021	288,575
Accrued interest payable	3,545	6,534	-	10,079
Unearned revenue	14,105	-	-	14,105
Payable from restricted assets:				
Accounts payable	21,753	-	-	21,753
Accrued bond interest	24,014	-	-	24,014
Current portion of revenue bonds payable	400,604	-	-	400,604
Customer deposits	373,214	-	-	373,214
TOTAL CURRENT LIABILITIES	1,435,726	327,248	25,199	1,788,173
<u>NON-CURRENT LIABILITIES</u>				
Capital leases payable	83,765	376,188	38,647	498,600
Revenue bonds payable, net of deferred refunding	5,552,802	-	-	5,552,802
Unearned revenue	401,999	-	-	401,999
TOTAL NON-CURRENT LIABILITIES	6,038,566	376,188	38,647	6,453,401
TOTAL LIABILITIES	7,474,292	703,436	63,846	8,241,574
<u>FUND EQUITY</u>				
<u>NET ASSETS</u>				
Invested in capital assets net of related debt	30,245,061	1,803,331	20,665	32,069,057
Restricted per revenue bond indentures	8,263,966	-	-	8,263,966
Unrestricted	4,969,333	1,655,191	1,557,746	8,182,270
TOTAL NET ASSETS	43,478,360	3,458,522	1,578,411	48,515,293
TOTAL LIABILITIES AND FUND EQUITY	\$ 50,952,652	\$ 4,161,958	\$ 1,642,257	\$ 56,756,867

See notes to financial statements

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2006

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTAL ENTERPRISE FUNDS	
	MAJOR FUNDS		NONMAJOR FUND			
	WATER AND SEWER SYSTEM	SANITATION SERVICES	STORMWATER UTILITY FUND			
OPERATING REVENUES	\$	2,874,816	\$	-	\$	2,874,816
Metered water sales - net		3,681,898	-	-	-	3,681,898
Sewer service charges		76,604	-	-	-	76,604
Water tap fees		155,940	-	-	-	155,940
Sewer tap fees		10,148	-	-	-	10,148
Fire protection fees		-	2,150,923	-	-	2,150,923
Sanitation service fees		-	437,005	-	-	437,005
Recycling fees		-	438,269	-	-	438,269
Sale of recyclables		-	-	522,304	-	522,304
Stormwater utility fees		-	-	184,162	-	184,162
Grant revenue		-	-	16,551	-	16,551
Other		178,338	56,021			250,910
TOTAL OPERATING REVENUES		6,977,744	3,082,218	723,017		10,782,979
OPERATING EXPENSES						
Utilities Finance		410,526	-	-	-	410,526
Utilities Administration		474,543	-	-	-	474,543
Water Operations and Maintenance		572,471	-	-	-	572,471
Water Production and Treatment		1,233,914	-	-	-	1,233,914
Wastewater Operations and Maintenance		2,233,081	-	-	-	2,233,081
Sanitation Operations		-	1,832,016	-	-	1,832,016
Material Recovery Facility		-	651,544	-	-	651,544
Stormwater Utility Operations		-	-	240,798	-	240,798
Drainage Projects		-	-	22,112	-	22,112
Depreciation and amortization		800,930	350,318	13,451	-	1,164,699
TOTAL OPERATING EXPENSES		5,725,465	2,833,878	276,361	-	8,835,704
OPERATING INCOME		1,252,279	248,340	446,656	-	1,947,275
NONOPERATING REVENUES (EXPENSES)						
Interest revenue		555,954	69,130	56,496	-	681,580
Interest expense and fiscal charges		(308,795)	(11,888)	(360)	-	(321,043)
Amortization of bond issuance costs and deferred refunding		(43,509)	-	-	-	(43,509)
Loss on sale/disposal of property, plant and equipment		(2,902)	-	-	-	(2,902)
TOTAL NONOPERATING REVENUES (EXPENSES)		200,748	57,242	56,136	-	314,126
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS		1,453,027	305,582	502,792	-	2,261,401
CONTRIBUTIONS						
TRANSFERS IN		501,864	-	1,927	-	503,791
TRANSFERS OUT		7,302,363	-	-	-	7,302,363
CHANGE IN NET ASSETS		(7,523,507)	(94,849)	-	-	(7,618,356)
NET ASSETS - BEGINNING OF YEAR		1,733,747	210,733	504,719	-	2,449,199
NET ASSETS - END OF YEAR		41,744,613	3,247,789	1,073,692	-	46,066,094
	\$	43,478,360	\$ 3,458,522	\$ 1,578,411	\$	\$ 48,515,293

See notes to financial statements

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2006

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTAL ENTERPRISE FUNDS
	MAJOR FUNDS		NONMAJOR FUND		
	WATER AND SEWER SYSTEM	SANITATION SERVICES	STORMWATER UTILITY FUND		
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>					
Cash received from customers	\$ 6,911,914	\$ 2,984,166	\$ 706,466		\$ 10,602,546
Customer deposits	35,054	-	-		35,054
Cash paid to suppliers	(2,951,492)	(1,000,050)	(94,787)		(4,046,329)
Cash paid to employees for services	(1,891,932)	(1,467,426)	(176,676)		(3,536,034)
Other operating cash receipts	164,233	56,021	16,551		236,805
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,267,777</u>	<u>572,711</u>	<u>451,554</u>		<u>3,292,042</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>					
Net transfers to other funds	(221,144)	(94,849)	-		(315,993)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>					
Purchase and construction of capital assets	(316,600)	(155,370)	(14,464)		(486,434)
Principal paid on revenue bonds	(475,175)	-	-		(475,175)
Principal paid on capitalized leases	(83,266)	(223,513)	-		(306,779)
Interest paid	(308,794)	(11,888)	(360)		(321,042)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,183,835)</u>	<u>(390,771)</u>	<u>(14,824)</u>		<u>(1,589,430)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>					
Payments received on loan extended to developer	137,600	-	-		137,600
Interest on investments	555,954	69,130	56,496		681,580
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>693,554</u>	<u>69,130</u>	<u>56,496</u>		<u>819,180</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 1,556,352	 156,221	 493,226		 2,205,799
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	11,372,966	1,535,090	1,076,698		13,984,754
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 12,929,318</u>	<u>\$ 1,691,311</u>	<u>\$ 1,569,924</u>		<u>\$ 16,190,553</u>

See notes to financial statements

(continued)



CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2006

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	MAJOR FUNDS		NONMAJOR FUND	
	WATER AND SEWER SYSTEM	SANITATION SERVICES	STORMWATER UTILITY FUND	TOTAL ENTERPRISE FUNDS
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>				
OPERATING INCOME	\$ 1,252,279	\$ 248,340	\$ 446,656	\$ 1,947,275
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	800,930	350,318	13,451	1,164,699
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	112,508	(42,031)	-	70,477
Increase in inventory	(2,897)	-	-	(2,897)
Increase (decrease) in accounts payable	62,607	9,480	(14,792)	57,295
Increase in customer deposits	35,054	-	-	35,054
Increase in accrued salaries, wages and employee benefits	53	206	495	754
Increase in accrued vacation	21,348	6,398	5,744	33,490
Decrease in unearned revenue	(14,105)	-	-	(14,105)
TOTAL ADJUSTMENTS	1,015,498	324,371	4,898	1,344,767
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 2,267,777	\$ 572,711	\$ 451,554	\$ 3,292,042
<u>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>				
Capital assets purchased with proceeds from a capital lease	\$ 48,905	\$ 338,294	\$ 54,295	\$ 441,494
Capital assets contributed by subdividers/developers	\$ 501,864	\$ -	\$ 1,927	\$ 503,791
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS</u>				
Equity in pooled cash	\$ 778,080	\$ 314,906	\$ 715,071	\$ 1,808,057
Investments	3,468,291	1,376,405	854,853	5,699,549
Current restricted assets	994,355	-	-	994,355
Non-current restricted assets	7,688,592	-	-	7,688,592
CASH AND CASH EQUIVALENTS	\$ 12,929,318	\$ 1,691,311	\$ 1,569,924	\$ 16,190,553

See notes to financial statements

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of North Augusta, South Carolina (the City) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles. The City has implemented GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and related standards. These standards provide for significant changes in terminology and presentation and for the inclusion of Management’s Discussion and Analysis as required supplementary information. The following is a summary of significant policies:

A. Financial Reporting Entity

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 primary government). 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. Based on the foregoing criteria, the City of North Augusta has no component units.

B. 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 Assets and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The City reports the following major governmental funds:

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

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

Sales Tax II Fund This fund is used to account for the receipt and disbursement of money from the countywide 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.

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 Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitations. The City has elected to apply only applicable Financial Accounting Standards Board (FASB) Statements and Interpretations issued before December 1, 1989, in its accounting and reporting practices for its proprietary fund operations.

The City reports the following major proprietary funds:

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

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 – where 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.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All due to/due from balances have been eliminated in the preparation of the Statement of Net Assets.

C. Budgets and Budgetary Accounting

1. The City follows these procedures in establishing the budgetary data reflected in the financial statements.
  - a. 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.
  - b. Public hearings are conducted to obtain taxpayer comments.
  - c. Prior to January 1, the budget is legally enacted through passage of an ordinance.
  - d. 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.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- e. Formal budgetary integration is employed as a management control device. A budget is legally adopted annually for the General Fund on a basis consistent with generally accepted accounting principles. Annual budgets are not adopted for the Special Revenue Funds or the Capital Projects Fund. These funds budget on a project or activity basis instead of an annual operating cycle basis. Budgets for the enterprise funds are legally adopted annually on a basis consistent with generally accepted accounting principles except that depreciation is not a budgeted item.
  - f. 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.
  - g. The City employs the use of encumbrance accounting during the year. All encumbrances lapse at the end of the year.
  - h. 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 are held available for the following year.
2. For the year ended December 31, 2006, expenditures exceeded budget at the functional level in General Fund – Public Safety by approximately \$78,000 and Parks and Recreation by approximately \$3,500. The over expenditure was due to the purchase of equipment with capital lease proceeds.

D. 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.

E. Receivables

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

F. Inventory

Inventory is valued at cost (first-in, first-out). Inventory in the General Fund consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed by the various departments. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute “available resources” even though they are a component of net current assets.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

G. Restricted Assets

Certain resources set aside for the City's debt repayment (revenue bonds) are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants.

H. 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 fair market value on the date received. The City's policy is to record all assets over \$5,000. Interest costs are expensed as incurred and therefore, not capitalized.

The costs of normal maintenance and repairs that do not add to the value of the asset 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.

Assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities.

Estimated useful lives for asset types are as follows:

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

I. 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 the governmental activities, compensated absences are generally liquidated by the General Fund.

J. Long-Term Obligations

The City reports long-term debt of governmental funds at face value. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For governmental fund types, premiums and discounts for bonds and certificates of participation, as well as issuance costs, are recognized during the current period. Proceeds are reported as an "other financing source" net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

K. Fund Equity

Reservations of fund equity represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund equity represent tentative management plans that are subject to change.

L. 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".

M. Comparative Data

Comparative total data for the prior year has been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the government's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

N. Estimates

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

O. New Accounting Pronouncements

In August 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for the City's calendar year 2008. Statement No. 45 requires accrual-based measurement, recognition and disclosure of other postemployment benefits (OPEB) expense, such as retiree medical and dental costs, over the employees' years of service, along with the related liability, net of any plan assets. During 2006, the City evaluated its OPEB and determined that all OPEB expenses, including implicit and explicit subsidies, are passed through to the retiree. The City will not incur future costs for retiree expenses and therefore, no liability is required to be recorded.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 2 - EQUITY IN POOLED CASH AND INVESTMENTS, DEPOSITS AND INVESTMENTS

As of December 31, 2006, the City had the following investments:

	<u>MATURITIES</u>	<u>FAIR VALUE</u>
State Treasurer's Investment Pool	Daily	\$ 16,673,299
Money Market Accounts	Daily	13,812,100
Columbia Funds Series Trust - Treasury Mutual Funds	Daily	<u>621,141</u>
 Total Investments		 <u><u>\$ 31,106,540</u></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:

1. Obligations of the United States and agencies thereof;
2. General obligations of the State of South Carolina or any of its political units;
3. Savings and Loan Associations to the extent that the same are insured by an agency of the federal government;
4. Certificates of deposit where the certificates are collaterally secured by securities of the type described in 1 and 2 above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
5. Repurchase agreements when collateralized by securities as set forth in this section.
6. 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 county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items 1, 2, and 5 of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

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

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



CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 2 - EQUITY IN POOLED CASH AND INVESTMENTS, DEPOSITS AND INVESTMENTS  
(continued)

Credit Risk (continued)

4. 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;
5. 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
6. 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.

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. GASB Statement 40 requires disclosure when the percent is 5% or more in any one issuer. The City's investments held in the State Treasurer's Investment Pool comprise 54% of total investments and the Money Market Accounts comprise 44% of total 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, 2006, the carrying amount of the City's deposits was approximately \$10,084,000 and the bank balance was approximately \$13,812,000. The entire bank balance was covered by federal depository insurance or by collateral held by the City's agent in the City's name. Cash on hand at December 31, 2006, was approximately \$2,300.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2006, all of the City's investments held by the State Treasurer's Office, except those in securities lending transactions, are fully insured or collateralized; the investments held in Money Market Accounts are fully insured or collateralized; and the Columbia Treasury Reserve Mutual Funds are comprised of U.S. Government securities which do not require collateralization and are not rated.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2006 was as follows:

Governmental activities - Net Assets Invested in Capital Assets Net of Related Debt

	BALANCE 12/31/05	ADDITIONS	DISPOSALS	BALANCE 12/31/06
Capital assets, not being depreciated:				
Land	\$ 4,070,548	\$ 2,229,030	\$ -	\$ 6,299,578
Construction in progress	1,162,567	1,871,496	(57,786)	2,976,277
Right-of-way	1,706,332	147,463	(15,445)	1,838,350
Total capital assets, not being depreciated	6,939,447	4,247,989	(73,231)	11,114,205
Capital assets, being depreciated:				
Land improvements	5,067,296	249,321	(27,959)	5,288,658
Buildings	9,512,332	25,365	-	9,537,697
Machinery and equipment	788,097	132,312	-	920,409
Furniture and fixtures	477,702	-	-	477,702
Vehicles	2,779,152	259,551	(121,421)	2,917,282
Infrastructure	11,377,181	1,043,346	(72,333)	12,348,194
Total capital assets, being depreciated	30,001,760	1,709,895	(221,713)	31,489,942
Less accumulated depreciation for:				
Land improvements	(1,899,168)	(323,318)	9,062	(2,213,424)
Buildings	(3,737,151)	(240,695)	-	(3,977,846)
Machinery and equipment	(380,429)	(92,920)	-	(473,349)
Furniture and fixtures	(259,927)	(38,545)	-	(298,472)
Vehicles	(1,496,515)	(264,376)	114,204	(1,646,687)
Infrastructure	(3,786,359)	(476,324)	70,510	(4,192,173)
Total accumulated depreciation	(11,559,549)	(1,436,178)	193,776	(12,801,951)
Total capital assets being depreciated, net	18,442,211	273,717	(27,937)	18,687,991
Governmental activities capital assets, net	25,381,658	4,521,706	(101,168)	29,802,196
Related debt	(905,948)	(313,677)	394,662	(824,963)
Capital assets, net of related debt	\$ 24,475,710	\$ 4,208,029	\$ 293,494	\$ 28,977,233

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 3 - CAPITAL ASSETS (continued)

Current year increases in the accumulated depreciation of the capital assets were allocated to the governmental functional activities as follows:

General Government	
City Council	\$ 18,742
City Administration	2,744
Finance	12,162
Economic and Community Development	4,044
Building Standards	9,374
City Buildings	10,757
Public Safety	252,458
Public Works	
Engineering	2,077
Street Light/Traffic	50,680
Streets and Drains	483,512
Recreation and Parks	540,614
Property Maintenance	49,014
	<u>\$ 1,436,178</u>

Business-type activities - Net Assets Invested in Capital Assets Net of Related Debt:

	BALANCE 12/31/05	ADDITIONS	DISPOSALS	BALANCE 12/31/06
Capital assets, not being depreciated:				
Land	\$ 768,516	\$ -	\$ -	\$ 768,516
Construction in progress	301,649	38,856	-	340,505
Easements	62,760	-	-	62,760
Total capital assets, not being depreciated	<u>1,132,925</u>	<u>38,856</u>	<u>-</u>	<u>1,171,781</u>
Capital assets, being depreciated:				
Buildings	3,526,453	-	-	3,526,453
Machinery and equipment	1,721,538	448,485	(72,982)	2,097,042
Furniture and fixtures	11,920	-	-	11,920
Vehicles	2,645,655	256,871	(167,916)	2,734,609
System improvements	41,007,780	671,116	-	41,678,896
PSA capital	2,812,128	-	-	2,812,128
Total capital assets, being depreciated	<u>51,725,474</u>	<u>1,376,472</u>	<u>(240,898)</u>	<u>52,861,048</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 3 - CAPITAL ASSETS (continued)

Less accumulated depreciation  
for:

Buildings	(1,572,422)	(94,184)	-	(1,666,606)
Machinery and equipment	(1,176,605)	(170,117)	72,982	(1,273,740)
Furniture and fixtures	(11,920)	-	-	(11,920)
Vehicles	(1,470,394)	(267,486)	166,940	(1,570,940)
System improvements	(8,443,536)	(560,109)	-	(9,003,645)
PSA capital	(1,626,039)	(70,303)	-	(1,696,342)
Total accumulated depreciation	(14,300,916)	(1,162,199)	239,922	(15,223,193)
Total capital assets being depreciated, net	37,424,558	214,273	(976)	37,637,855
Business-type activities capital assets, net	38,557,483	253,129	(976)	38,809,636
Related debt	(7,058,633)	(441,494)	759,546	(6,740,581)
Capital assets, net of related debt	<u>\$ 31,498,850</u>	<u>\$ (188,365)</u>	<u>\$ 758,570</u>	<u>\$ 32,069,055</u>

Current year increases in the accumulated depreciation of the capital assets were allocated to the business-type activities as follows:

Water and Sewer	\$ 798,430
Sanitation	350,318
Stormwater	<u>13,451</u>
	<u>\$ 1,162,199</u>

NOTE 4 - COMMITMENTS

Significant commitments are composed of the following:

	Project Authorization	Expended to December 31, 2006	Commitments	Required Future Financing
Municipal Center	\$20,000,000	\$921,152	\$19,078,848	\$6,322,800
Sewer line extension - Little Horse Creek	5,000,000	304,681	4,695,319	-
West Avenue Streetscape	2,301,014	19,959	2,281,055	-
East Buena Vista Drainage improvements	2,145,049	144,944	2,000,105	-
Riverview Park - Hammonds Ferry soccer field upgrade	1,755,000	1,751,204	3,796	-
Greeneway - Pisgah to Bergen	675,000	85,349	589,651	-

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 5 - CAPITALIZED 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 Statement of Financial Accounting Standards No. 13 "Accounting for Leases" and the National Council on Governmental Accounting Statement No. 5 "Accounting and Financial Reporting Principles for Lease Agreements of State and Local Governments". The following is an analysis of the capital assets leased under capital leases as of December 31, 2006:

	GOVERN- MENTAL FUNDS	WATER AND SEWER	SANI- TATION	STORM- WATER	TOTAL
Machinery and equipment	\$ 270,511	\$ 147,530	\$ 175,456	\$ 54,295	\$ 647,792
Vehicles	1,060,719	145,573	908,885	15,013	2,130,190
	<u>1,331,230</u>	<u>293,103</u>	<u>1,084,341</u>	<u>69,308</u>	<u>2,777,982</u>
Accumulated depreciation	(307,147)	(94,311)	(266,071)	(6,507)	(674,036)
Carrying value	<u>\$ 1,024,083</u>	<u>\$ 198,792</u>	<u>\$ 818,270</u>	<u>\$ 62,801</u>	<u>\$ 2,103,946</u>

The following is a schedule of the future minimum lease payments under capital leases and the present value of the net minimum lease payments as of December 31, 2006:

	BUSINESS-TYPE FUNDS				
YEAR ENDING DECEMBER 31	GOVERN- MENTAL FUNDS	WATER AND SEWER	SANI- TATION	STORM- WATER	TOTAL
2007	\$ 325,912	\$ 57,919	\$ 232,327	\$ 20,797	\$ 636,955
2008	277,885	49,384	198,091	17,732	543,092
2009	192,808	34,265	137,444	12,303	376,820
2010	<u>82,757</u>	<u>14,707</u>	<u>58,994</u>	<u>5,281</u>	<u>161,739</u>
Total minimum lease payments	879,362	156,275	626,856	56,113	1,718,606
Amount representing interest	<u>(54,399)</u>	<u>(8,504)</u>	<u>(39,120)</u>	<u>(4,445)</u>	<u>(106,468)</u>
Present value of minimum lease payments	<u>\$ 824,963</u>	<u>\$ 147,771</u>	<u>\$ 587,736</u>	<u>\$ 51,668</u>	<u>\$ 1,612,138</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

**NOTE 6 - LONG-TERM DEBT**

**Changes in Long-Term Debt**

Long-term liability activity for the year ended December 31, 2006 was as follows:

	Balance 01/01/06	Additions	Payments	Balance 12/31/06	Due Within One Year
<b><u>Governmental</u></b>					
<b><u>Activities</u></b>					
General Obligation					
Bonds	\$ -	\$ 4,716,068	\$ -	\$ 4,716,068	\$ -
Capitalized Leases	905,948	313,677	(394,662)	824,963	298,150
Compensated Absences	397,039	310,993	(321,979)	386,053	203,053
Total	\$ 1,302,987	\$ 5,340,738	\$ (716,641)	\$ 5,927,084	\$ 501,203
<b><u>Business-Type</u></b>					
<b><u>Activities</u></b>					
Revenue Bonds	\$ 6,871,037	\$ -	\$ (475,175)	\$ 6,395,862	\$ 400,604
Deferred Refunding	(479,327)	-	36,871	(442,456)	(36,871)
Revenue Bonds, Net of Deferred Refunding	6,391,710	-	(438,304)	5,953,406	363,733
Capitalized Leases	666,924	441,494	(321,243)	787,175	288,575
Total	\$ 7,058,634	\$ 441,494	\$ (759,547)	\$ 6,740,581	\$ 652,308

**General Obligation Bonds**

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

The annual requirements to amortize the City's outstanding general obligation bonds as of December 31, 2006, are as follows:

	PRINCIPAL	INTEREST	TOTAL
2007	\$ -	\$ 148,719	\$ 148,719
2008	225,000	174,244	399,244
2009	250,000	165,337	415,337
2010	275,000	155,494	430,494
2011	280,000	145,087	425,087
2012-2016	1,655,000	549,956	2,204,956
2017-2021	2,025,000	196,688	2,221,688
	\$ 4,710,000	\$ 1,535,525	\$ 6,245,525
Premium on bonds	6,068		
	\$ 4,716,068		

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 6 - LONG-TERM DEBT (continued)

Tax Increment Revenue Obligation

The City's General Fund is obligated to pay to the Riverfront/Central Core Redevelopment Fund the principal sum of \$5,000 for amounts advanced on December 5, 2001 with the issue of a Tax Increment Revenue Obligation. The obligation bears interest at the rate of 4% per annum and is payable in fifteen equal installments on December 5<sup>th</sup> of each year commencing December 5, 2002 and ending December 5, 2016. At December 31, 2006, the balance due on the obligation was \$3,658.

The obligation constitutes an issue of \$5,000 Tax Increment Revenue Obligation, Series 2001, issued by the City of North Augusta, pursuant to the authorization of the Tax Increment Financing Act codified as Sections 31-6-120, Code of Laws of South Carolina, 1976, and an ordinance enacted by the City Council of the City of North Augusta on November 19, 2001. Principal and interest payments are to be paid from incremental tax revenues generated from the Redevelopment Project Area.

Revenue Bonds Payable

Revenue bonds payable (recorded as a liability in the Water and Sewer System Fund) at December 31, 2006, are comprised of the following individual issues:

Nonrefunded \$1,195,000 of \$6,100,000 Water and Sewer (Series 1992) serial bonds due in annual installments of \$125,000 through June 1, 2007; interest at 6%.	\$ 125,000
\$4,603,000 (less deferred refunding of \$442,456) Water and Sewer (Series 1998) serial bonds due in annual installments of \$85,000 to \$397,000 through June 1, 2018; interest at 4.45%.	3,173,544
\$3,336,266 Water and Sewer (Series 2002) serial bonds due in annual installments of \$191,000 to \$300,000 through June 1, 2017; interest at 4.46%.	2,654,862
	<hr/>
	\$ 5,953,406
	<hr/>

During 1998, the City issued \$4,603,000 in Series 1998 Water and Sewer Revenue Bonds. The proceeds from the sale of these bonds were used to advance refund the Series 1976, 1977 and a portion of 1992 Water and Sewer Revenue Bonds. Proceeds of approximately \$4.5 million plus an additional \$805,000 of sinking fund monies from the called/defeased issues were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust fund with an escrow agent to provide for all future debt service payments on the above-mentioned bonds. As a result, the bonds are considered to be called (Series 1976 and 1977) or defeased (refunded portion of Series 1992) and the liabilities for those bonds have been removed from the Water and Sewer Fund. As of December 31, 2006, the amount of the defeased debt outstanding but removed from the Water and Sewer Fund is \$4,330,000.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 6 - LONG-TERM DEBT (continued)

The annual requirements to amortize each of the City's outstanding revenue bonds as of December 31, 2006, are as follows:

YEAR ENDING DECEMBER 31,	1992 REVENUE BOND ISSUE		
	PRINCIPAL	INTEREST	TOTAL
2007	\$ 125,000	\$ 3,750	\$ 128,750
	<u>\$ 125,000</u>	<u>\$ 3,750</u>	<u>\$ 128,750</u>
	1998 REVENUE BOND ISSUE		
	PRINCIPAL	INTEREST	TOTAL
2007	\$ 85,000	\$ 159,021	\$ 244,021
2008	253,000	151,500	404,500
2009	264,000	139,996	403,996
2010	279,000	127,915	406,915
2011	289,000	115,277	404,277
2012-2016	1,670,000	365,256	2,035,256
2017-2018	776,000	34,933	810,933
	<u>3,616,000</u>	<u>\$ 1,093,898</u>	<u>\$ 4,709,898</u>
Deferred refunding	(442,456)		
Principal portion, net of deferred refunding	<u>\$ 3,173,544</u>		
	2002 REVENUE BOND ISSUE		
	PRINCIPAL	INTEREST	TOTAL
2007	\$ 190,604	\$ 115,730	\$ 306,334
2008	199,111	107,224	306,335
2009	208,635	97,699	306,334
2010	218,289	88,045	306,334
2011	228,388	77,946	306,334
2012-2016	1,310,256	221,414	1,531,670
2017	299,579	6,755	306,334
	<u>\$ 2,654,862</u>	<u>\$ 714,813</u>	<u>\$ 3,369,675</u>



CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 6 - LONG-TERM DEBT (continued)

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

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

NOTE 7 - PROPERTY TAXES

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

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 8 - PENSION PLAN

All full-time employees of the City of North Augusta are covered under one of the two different pension plans summarized below.

A. South Carolina Retirement System

1. Plan Description

The City of North Augusta contributes to the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of South Carolina Budget and Control Board. Pursuant to the provisions of Section 9-1-20 of the 1976 South Carolina Code of Laws, SCRS provides retirement allowances and other benefits to all full-time employees, excluding public safety officers. The Budget and Control Board issues a publicly available financial report that includes financial statements and required supplementary information for SCRS. That report may be obtained by writing to the Budget and Control Board, Fontaine Business Center, 202 Arbor Lake Drive, Columbia, South Carolina 29223.

2. Funding Policy

Plan members are required to contribute 6.25% of their gross earnings before July 1, 2006 and 6.50% for the remainder of 2006. The City of North Augusta is required to contribute at an actuarially determined rate. The rate was 7.55% of gross earnings before July 1, 2006 and 8.05% of gross earnings for the remainder of 2006. The City's contributions to SCRS for the years ending December 2006, 2005 and 2004 were approximately \$438,000, \$366,000, and \$318,000, respectively, equal to the required contributions for each year.

B. South Carolina Police Officers Retirement System

1. Plan Description

The City of North Augusta contributes to the South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of South Carolina Budget and Control Board. Pursuant to the provisions of Section 9-11-20 of the Code of Laws, PORS provides retirement allowances and other benefits to all public safety officers. The Budget and Control Board issues a publicly available financial report that includes financial statements and required supplementary information for PORS. That report may be obtained by writing to the Budget and Control Board, Fontaine Business Center, 202 Arbor Lake Drive, Columbia, South Carolina 29223.

2. Funding Policy

Plan members are required to contribute 6.5% of their gross earnings and the City of North Augusta is required to contribute at an actuarially determined rate. The current rate is 10.3% of gross earnings. The City's contributions to PORS for the years ending December 2006, 2005 and 2004, were approximately \$259,000, \$238,000, and \$229,000, respectively, equal to the required contributions for each year.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 9 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivable and payable balances at December 31, 2006 are as follows:

Receivable Fund	Payable Fund	Amount	Purpose
Capital Projects Fund	Sales Tax II Fund	\$ 1,200,000	To expedite projects approved in the Sales Tax II referendum, specifically purchasing 152 acres for a major outdoor recreational facility.
Riverfront/ Central Core Redevelopment	General Fund	3,658	Tax Increment Revenue Obligation (refer to Note 6)
		<u>\$ 1,203,658</u>	

The following interfund transfers are reflected in the fund financial statements at December 31, 2006:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$ 315,993	\$1,409,691
Capital Projects Fund	1,409,691	-
Total Governmental Funds	<u>1,725,684</u>	<u>1,409,691</u>
Enterprise Funds:		
Water and Sewer Fund	7,302,363	7,523,507
Sanitation Fund	-	94,849
Total Enterprise Funds	<u>7,302,363</u>	<u>7,618,356</u>
Total	<u>\$9,028,047</u>	<u>\$9,028,047</u>

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

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 10 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Through the South Carolina Municipal Association, the City participates with other local governments in the State to form a public entity risk pool, which operates as a common risk management and insurance program. Specifically, the City participates in the following programs:

Name	Number of local government participants	Type of insurance	Reinsurance
SC Municipal Insurance Trust	101	Workers' compensation	\$300,000
SC Local Government Assurance Group	98	Health, life, dental	225,000
SC Municipal Insurance/Risk Financing Fund	80	Property and casualty/ general liability	200,000/300,000

The City pays annual premiums for each type of insurance coverage. The Municipal Association provides that the above programs will be self-sustaining through member premiums and are reinsured, as noted above, through commercial companies for excessive claims.



OTHER SUPPLEMENTARY INFORMATION

FINANCIAL STATEMENTS

OF

INDIVIDUAL FUNDS

## MAJOR GOVERNMENTAL FUNDS

### GENERAL FUND

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

### SALES TAX FUND

The Sales Tax Fund is used to account for the receipt and disbursement of money from the countywide capital project sales tax.

### SALES TAX II FUND

The Sales Tax II Fund is used to account for the receipt and disbursement of money from the countywide capital project sales tax.

### CAPITAL PROJECTS FUND

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

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE BALANCE SHEETS  
GENERAL FUND  
DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
Equity in pooled cash	\$ 342,803	\$ 620,027
Investments	1,405,412	1,338,173
Taxes receivable	80,504	83,943
Inventory	<u>2,433</u>	<u>4,222</u>
 TOTAL ASSETS	 <u><u>\$ 1,831,152</u></u>	 <u><u>\$ 2,046,365</u></u>
 <u>LIABILITIES</u>		
Accounts payable	\$ 90,407	\$ 83,755
Due to other funds	3,658	3,950
Accrued salaries, wages and employee benefits	364,759	235,911
Unearned revenue	40,407	61,256
Municipal Court liability	<u>34,972</u>	<u>33,541</u>
 TOTAL LIABILITIES	 <u>534,203</u>	 <u>418,413</u>
 <u>FUND BALANCE</u>		
Fund balance:		
Reserved for inventory	2,433	4,222
Unreserved	<u>1,294,516</u>	<u>1,623,730</u>
 TOTAL FUND BALANCE	 <u>1,296,949</u>	 <u>1,627,952</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 1,831,152</u></u>	 <u><u>\$ 2,046,365</u></u>



CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGETED AND ACTUAL  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2006  
With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<b>REVENUES</b>				
Ad valorem property taxes	\$ 4,184,198	\$ 4,276,657	\$ 92,459	\$ 4,107,357
Licenses and permits	3,760,189	4,177,540	417,351	3,816,068
Fines and forfeitures	852,000	855,129	3,129	876,282
Charges for services	976,110	985,480	9,370	980,478
Intergovernmental	587,700	658,827	71,127	609,684
Miscellaneous	338,000	441,020	103,020	478,012
<b>TOTAL REVENUES</b>	<b>10,698,197</b>	<b>11,394,653</b>	<b>696,456</b>	<b>10,867,881</b>
<b>EXPENDITURES</b>				
Current:				
General government	2,474,409	2,382,241	(92,168)	2,309,529
Public safety	4,466,584	4,342,133	(124,451)	3,974,948
Public works	916,013	812,420	(103,593)	760,827
Recreation and parks	2,496,695	2,476,894	(19,801)	2,154,955
Capital outlay:				
General government	71,105	64,714	(6,391)	62,990
Public safety	1,700	208,478	206,778	511,900
Public works	-	52,654	52,654	102,263
Recreation and parks	163,800	187,739	23,939	170,947
Capital lease payments	423,884	418,362	(5,522)	394,679
<b>TOTAL EXPENDITURES</b>	<b>11,014,190</b>	<b>10,945,635</b>	<b>(68,555)</b>	<b>10,443,038</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES - forward</b>	<b>\$ (315,993)</b>	<b>\$ 449,018</b>	<b>\$ 765,011</b>	<b>\$ 424,843</b>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGETED AND ACTUAL  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2006  
With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>EXPENDITURES</u> - Continued				
EXCESS (DEFICIENCY) OF REVENUES OVER				
EXPENDITURES - forwarded	\$ (315,993)	\$ 449,018	\$ 765,011	\$ 424,843
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from capital lease obligations	-	313,677	313,677	693,313
Transfers in	315,993	315,993	-	293,231
Transfers out	-	(1,409,691)	(1,409,691)	(882,068)
TOTAL OTHER FINANCING SOURCES (USES)	315,993	(780,021)	(1,096,014)	104,476
NET CHANGE IN FUND BALANCES	-	(331,003)	(331,003)	529,319
FUND BALANCE - BEGINNING OF YEAR	-	1,627,952	1,627,952	884,594
PRIOR PERIOD ADJUSTMENT	-	-	-	214,039
FUND BALANCE - END OF YEAR	\$ -	\$ 1,296,949	\$ 1,296,949	\$ 1,627,952

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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>TAXES</u>				
Current	\$ 4,139,198	\$ 4,199,482	\$ 60,284	\$ 4,035,585
Delinquent	10,000	30,294	20,294	14,508
Penalties	35,000	46,881	11,881	57,264
TOTAL	4,184,198	4,276,657	92,459	4,107,357
<u>LICENSES AND PERMITS</u>				
Business licenses	3,564,189	3,943,147	378,958	3,646,500
Building permits	160,000	183,594	23,594	130,452
Electrical permits	12,000	17,851	5,851	13,627
Mechanical permits	10,000	14,202	4,202	11,314
Plumbing permits	14,000	18,746	4,746	14,175
TOTAL	3,760,189	4,177,540	417,351	3,816,068
<u>FINES AND FORFEITURES</u>				
Public safety fines	830,500	829,632	(868)	862,680
Drug related fines	21,500	25,497	3,997	13,602
TOTAL	852,000	855,129	3,129	876,282
<u>CHARGES FOR SERVICES</u>				
Fire protection fees	71,520	70,041	(1,479)	69,441
Rec. fees - skateboard	-	-	-	411
Rec. fees - special programs	16,600	9,423	(7,177)	16,080
Rec. fees - racquetball	-	-	-	65
Rec. fees - volleyball	3,330	4,490	1,160	4,040
Rec. fees - soccer	55,960	51,184	(4,776)	53,251
Rec. fees - miscellaneous	13,000	34,384	21,384	20,212
Rec. fees - basketball	45,040	39,805	(5,235)	52,687
Rec. fees - softball	30,380	32,188	1,808	32,688
Rec. fees - football	41,120	42,226	1,106	35,376
Rec. fees - baseball	70,895	69,660	(1,235)	71,702
Concession stand	119,000	121,528	2,528	118,058
Community Center fees	125,165	112,417	(12,748)	127,469
Activities Center fees	237,600	236,856	(744)	234,413
Recreation facilities rentals	12,400	12,720	320	13,595
Activities Center tournaments	134,100	148,558	14,458	130,990
TOTAL	\$ 976,110	\$ 985,480	\$ 9,370	\$ 980,478

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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>INTERGOVERNMENTAL</u>				
State of South Carolina:				
State shared revenue	\$ 488,000	\$ 524,373	\$ 36,373	\$ 510,673
Accommodations tax	9,500	10,401	901	9,665
Merchants' inventory tax	54,700	54,790	90	54,790
Local option sales tax	9,500	13,496	3,996	8,926
SCDOT traffic signals	26,000	26,830	830	25,630
Highway safety grant	-	28,937	28,937	-
TOTAL	587,700	658,827	71,127	609,684
<u>MISCELLANEOUS</u>				
Other	105,500	124,427	18,927	193,046
Communication tower rental	177,500	181,075	3,575	173,730
Interest earnings	55,000	135,518	80,518	111,236
TOTAL	338,000	441,020	103,020	478,012
TOTAL REVENUES	\$ 10,698,197	\$ 11,394,653	\$ 696,456	\$ 10,867,881

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2006  
With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>GENERAL GOVERNMENT -</u>				
City Council -				
Personal services:				
Salaries and wages	\$ 90,110	\$ 90,223	\$ 113	\$ 77,025
FICA	6,893	5,794	(1,099)	5,378
Employee retirement	3,717	5,428	1,711	4,378
Employee insurance	4,188	3,879	(309)	3,765
Workers' compensation	148	95	(53)	87
Operating expenditures:				
General supplies/postage	3,100	3,271	171	2,913
Dues/training/travel	9,780	5,200	(4,580)	4,703
Advertising	600	210	(390)	277
Professional services	50	40	(10)	2,945
Special department supplies	600	488	(112)	117
Insurance	2,072	1,520	(552)	1,606
Contingencies	10,000	-	(10,000)	100
Capital outlay:				
Furniture and fixtures	1,000	-	(1,000)	-
 TOTAL	 \$ 132,258	 \$ 116,148	 \$ (16,110)	 \$ 103,294

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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>GENERAL GOVERNMENT -</u>				
Continued				
City Administration -				
Personal services:				
Salaries and wages	\$ 165,522	\$ 181,618	\$ 16,096	\$ 158,806
FICA	12,686	11,766	(920)	10,887
Employee retirement	18,683	18,659	(24)	16,685
Employee insurance	8,596	7,961	(635)	7,708
Workers' compensation	616	396	(220)	361
Unemployment insurance	25	-	(25)	-
Operating expenditures:				
General supplies/postage	3,150	3,159	9	3,328
Dues/training/travel	10,670	10,252	(418)	8,398
Contracts/repairs	1,850	1,737	(113)	222
Professional services	-	471	471	-
Insurance	1,614	1,184	(430)	1,251
Capital outlay:				
Furniture and fixtures	3,500	-	(3,500)	-
Office machines	1,000	-	(1,000)	132
 TOTAL	 \$ 227,912	 \$ 237,203	 \$ 9,291	 \$ 207,778

(continued)

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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>GENERAL GOVERNMENT -</u>				
Continued				
Justice and Law -				
Personal services:				
Salaries and wages	\$ 94,440	\$ 93,896	\$ (544)	\$ 90,609
FICA	7,225	6,463	(762)	6,252
Employee retirement	7,508	7,027	(481)	6,207
Workers' compensation	268	172	(96)	157
Operating expenditures:				
General supplies/postage	100	1	(99)	-
State fees/fines	445,000	433,958	(11,042)	461,636
Dues/training/travel	2,500	1,681	(819)	2,091
Contracts and repairs	150	150	-	143
Jury services	3,000	2,330	(670)	2,900
Professional services	3,800	5,299	1,499	4,051
Juvenile detention	1,000	275	(725)	750
Judgments/settlements	250	398	148	-
Insurance	892	654	(238)	691
TOTAL	566,133	552,304	(13,829)	575,487
Community Promotion -				
Contributions	62,800	62,800	-	61,500
Dues/training/travel	5,704	5,704	-	5,704
Special department supplies	21,575	14,923	(6,652)	14,858
TOTAL	\$ 90,079	\$ 83,427	\$ (6,652)	\$ 82,062

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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>GENERAL GOVERNMENT -</u>				
Continued				
Finance -				
Personal services:				
Salaries and wages	\$ 262,413	\$ 267,913	\$ 5,500	\$ 253,080
FICA	20,098	19,612	(486)	18,145
Employee retirement	20,886	21,147	261	17,691
Employee insurance	22,289	20,655	(1,634)	20,002
Workers' compensation	696	447	(249)	407
Unemployment insurance	50	-	(50)	-
Operating expenditures:				
General supplies/postage	8,200	7,852	(348)	6,268
Dues/training/travel	7,895	8,438	543	4,484
Auto operating	4,150	3,279	(871)	1,288
Data processing	27,000	24,186	(2,814)	29,607
Contracts/repairs	15,930	15,917	(13)	10,719
Advertising	1,500	1,100	(400)	1,018
Professional services	19,000	18,723	(277)	20,339
Insurance	2,184	1,602	(582)	1,693
Capital outlay:				
Office machines	64,605	64,714	109	62,858
 TOTAL	 \$ 476,896	 \$ 475,585	 \$ (1,311)	 \$ 447,599

(continued)



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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>GENERAL GOVERNMENT -</u>				
Continued				
Building Standards -				
Personal services:				
Salaries and wages	\$ 194,896	\$ 196,629	\$ 1,733	\$ 181,199
FICA	14,910	14,324	(586)	13,216
Employee retirement	15,494	15,559	65	13,007
Employee insurance	20,108	18,624	(1,484)	18,041
Workers' compensation	6,484	4,168	(2,316)	3,796
Unemployment insurance	50	-	(50)	3,705
Operating expenditures:				
General supplies/postage	3,250	3,230	(20)	3,189
Dues/training/travel	2,385	2,296	(89)	2,123
Auto operating	7,600	6,306	(1,294)	5,548
Contracts/repairs	2,150	2,105	(45)	1,471
Uniforms/clothing	1,120	1,148	28	1,098
Advertising	-	-	-	-
Special department supplies	2,800	2,782	(18)	2,774
Insurance	7,422	5,444	(1,978)	5,753
Capital lease payments	6,705	6,704	(1)	6,704
TOTAL	\$ 285,374	\$ 279,319	\$ (6,055)	\$ 261,624

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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>GENERAL GOVERNMENT -</u>				
Continued				
Economic and Community Development -				
Personal services:				
Salaries and wages	\$ 316,123	\$ 307,950	\$ (8,173)	\$ 299,861
FICA	24,184	21,092	(3,092)	21,382
Employee retirement	25,132	24,353	(779)	21,463
Employee insurance	29,814	27,614	(2,200)	25,736
Workers' compensation	3,892	2,502	(1,390)	2,278
Unemployment insurance	50	-	(50)	-
Operating expenditures:				
General supplies/postage	4,000	4,982	982	5,036
Dues/training/travel	15,000	11,360	(3,640)	10,027
Auto operating	7,325	4,939	(2,386)	6,433
Data processing	9,500	8,724	(776)	8,574
Contracts/repairs	3,650	3,025	(625)	1,515
Advertising	2,000	2,441	441	1,496
Professional services	70,000	29,707	(40,293)	48,451
Special department supplies	4,000	2,966	(1,034)	4,239
Insurance	8,568	11,285	2,717	11,641
Capital lease payments	4,534	4,533	(1)	4,533
Capital outlay:				
Furniture/fixtures	1,000	-	(1,000)	-
TOTAL	\$ 528,772	\$ 467,473	\$ (61,299)	\$ 472,665

(continued)

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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>GENERAL GOVERNMENT -</u>				
Continued				
City Buildings -				
Personal services:				
Salaries and wages	\$ 28,933	\$ 29,278	\$ 345	\$ 26,807
Overtime pay	500	209	(291)	429
FICA	2,252	1,851	(401)	1,734
Employee retirement	2,340	2,324	(16)	1,977
Employee insurance	5,781	5,354	(427)	5,190
Workers' compensation	300	193	(107)	176
Unemployment insurance	50	-	(50)	-
Operating expenditures:				
General supplies/postage	29,700	23,804	(5,896)	26,594
Utility services	112,850	128,256	15,406	115,286
Contracts/repairs	36,050	31,442	(4,608)	33,067
Professional services	4,200	1,775	(2,425)	1,400
Special department supplies	19,895	17,495	(2,400)	15,572
Insurance	6,478	4,752	(1,726)	5,015
Capital lease payments	18,136	18,134	(2)	18,134
 TOTAL	 \$ 267,465	 \$ 264,867	 \$ (2,598)	 \$ 251,381
 TOTAL GENERAL GOVERNMENT	 \$ 2,574,889	 \$ 2,476,326	 \$ (98,563)	 \$ 2,401,890

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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<b><u>PUBLIC SAFETY -</u></b>				
Police and Fire -				
Personal services:				
Salaries and wages	\$ 2,882,070	\$ 2,854,163	\$ (27,907)	\$ 2,646,754
Overtime pay	96,150	91,933	(4,217)	112,084
FICA	227,834	217,704	(10,130)	202,868
Employee retirement	304,769	301,020	(3,749)	275,012
Employee insurance	306,336	287,653	(18,683)	259,542
Workers' compensation	81,624	72,112	(9,512)	55,561
Unemployment insurance	2,200	5,743	3,543	198
Operating expenditures:				
General supplies/postage	17,650	19,026	1,376	14,466
Dues/training/travel	41,010	35,341	(5,669)	34,102
Auto operating	148,534	133,950	(14,584)	117,587
Data processing	11,200	18,169	6,969	-
Contracts/repairs	107,050	88,514	(18,536)	84,910
Uniforms/clothing	66,300	60,436	(5,864)	50,525
NAPS drug related account	21,500	25,497	3,997	13,610
Advertising	1,500	1,707	207	1,224
Professional services	13,400	15,385	1,985	9,761
Special department supplies	52,587	51,527	(1,060)	32,814
Insurance	84,870	62,253	(22,617)	63,930
Capital lease payments	237,708	233,627	(4,081)	226,438
Capital outlay:				
Buildings/fixed equipment	-	-	-	3,169
Furniture/fixtures	-	-	-	2,172
Automotive equipment	-	195,553	195,553	500,276
Machines/equipment	1,700	12,925	11,225	6,283
<b>TOTAL PUBLIC SAFETY</b>	<b>\$ 4,705,992</b>	<b>\$ 4,784,238</b>	<b>\$ 78,246</b>	<b>\$ 4,713,286</b>

(continued)

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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>PUBLIC WORKS -</u>				
Engineering -				
Personal services:				
Salaries and wages	\$ 133,909	\$ 87,354	\$ (46,555)	\$ 87,016
FICA	10,244	5,990	(4,254)	6,490
Employee retirement	10,646	6,905	(3,741)	6,414
Employee insurance	13,734	12,720	(1,014)	7,511
Workers' compensation	6,520	4,191	(2,329)	2,988
Unemployment insurance	50	-	(50)	-
Operating expenditures:				
General supplies/postage	1,500	1,160	(340)	1,414
Dues/training/travel	855	877	22	843
Auto operating	1,550	2,004	454	1,325
Data processing	4,650	4,026	(624)	1,340
Contracts/repairs	1,150	1,766	616	655
Uniforms/clothing	370	295	(75)	584
Advertising	100	3,360	3,260	-
Professional services	2,000	143	(1,857)	-
Special department supplies	2,200	1,736	(464)	1,492
Insurance	2,661	1,952	(709)	1,435
 TOTAL	 \$ 192,139	 \$ 134,479	 \$ (57,660)	 \$ 119,507

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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>PUBLIC WORKS -</u>				
Continued				
Street Lighting and Traffic Signals -				
Personal services:				
Workers' compensation	\$ 100	\$ 64	\$ (36)	\$ 59
Operating expenditures:				
Dues/training/travel	1,100	960	(140)	-
Utility services	230,000	190,647	(39,353)	169,634
Contracts/repairs	1,000	1,679	679	1,155
Special department supplies	10,000	10,596	596	10,400
TOTAL	242,200	203,946	(38,254)	181,248
Streets and Drains -				
Personal services:				
Salaries and wages	262,796	254,469	(8,327)	243,091
Overtime pay	5,000	7,280	2,280	8,915
FICA	20,486	19,704	(782)	18,684
Employee retirement	21,290	20,820	(470)	18,081
Employee insurance	33,350	30,889	(2,461)	34,886
Workers' compensation	17,272	11,178	(6,094)	11,078
Unemployment insurance	1,400	176	(1,224)	1,746
Operating expenditures:				
General supplies/postage	500	560	60	511
Dues/training/travel	1,300	414	(886)	716
Auto operating	25,980	28,851	2,871	27,235
Contracts/repairs	7,150	7,814	664	17,647
Building materials/supplies	57,000	64,370	7,370	51,194
Uniforms/clothing	4,700	4,062	(638)	3,740
Streets and Drains - forward	\$ 458,224	\$ 450,587	\$ (7,637)	\$ 437,524

(continued)

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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>PUBLIC WORKS -</u>				
Continued				
Streets and Drains - forwarded	\$ 458,224	\$ 450,587	\$ (7,637)	\$ 437,524
Operating expenditures:				
Continued				
Advertising	500	437	(63)	475
Professional services	360	250	(110)	426
Special department supplies	14,000	15,505	1,505	14,398
Judgments/settlements	500	1,282	782	-
Insurance	8,090	5,934	(2,156)	7,249
Capital lease payments	83,933	83,110	(823)	74,157
Capital outlay:				
Automotive equipment	-	25,523	25,523	48,766
Machines/equipment	-	27,131	27,131	53,497
TOTAL	565,607	609,759	44,152	636,492
TOTAL PUBLIC WORKS	\$ 999,946	\$ 948,184	\$ (51,762)	\$ 937,247

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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>RECREATION AND PARKS -</u>				
Recreation -				
Personal services:				
Salaries and wages	\$ 302,069	\$ 288,522	\$ (13,547)	\$ 276,107
Overtime pay	7,700	10,813	3,113	6,117
FICA	23,720	21,816	(1,904)	20,541
Employee retirement	24,651	23,735	(916)	20,201
Employee insurance	28,801	26,675	(2,126)	25,888
Workers' compensation	4,900	3,150	(1,750)	2,868
Unemployment insurance	150	-	(150)	-
Operating expenditures:				
General supplies/postage	2,400	2,072	(328)	2,100
Dues/training/travel	7,850	7,924	74	5,905
Auto operating	2,400	1,885	(515)	2,470
Contract/repairs	6,400	6,163	(237)	6,089
Uniforms/clothing	800	814	14	767
Advertising	1,200	1,851	651	928
Rent	300	-	(300)	-
Professional services	12,000	4,857	(7,143)	4,669
Special department supplies	45,200	71,003	25,803	28,356
Basketball program	44,000	35,218	(8,782)	41,442
Softball program	34,500	31,929	(2,571)	31,254
Football program	40,500	35,136	(5,364)	25,329
Baseball program	70,500	72,082	1,582	71,296
Soccer program	52,500	41,497	(11,003)	36,749
Volleyball program	3,000	2,356	(644)	4,118
Concession stand supplies	88,600	99,382	10,782	97,027
Insurance	12,520	14,184	1,664	16,292
Capital lease payments	7,896	7,895	(1)	7,895
Capital outlay:				
Furniture/fixtures	4,000	1,202	(2,798)	3,457
Machines/equipment	-	26,995	26,995	-
TOTAL	\$ 828,557	\$ 839,156	\$ 10,599	\$ 737,865

(continued)



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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>RECREATION AND PARKS -</u>				
Continued				
Parks -				
Personal services:				
Salaries and wages	\$ 103,369	\$ 91,001	\$ (12,368)	\$ 92,094
Overtime pay	4,100	4,082	(18)	4,142
FICA	8,221	6,881	(1,340)	6,881
Employee retirement	8,544	7,646	(898)	7,168
Employee insurance	16,587	15,363	(1,224)	14,891
Workers' compensation	2,056	1,322	(734)	1,204
Unemployment insurance	1,200	-	(1,200)	-
Operating expenditures:				
General supplies/postage	1,400	1,295	(105)	408
Dues/training/travel	1,150	1,124	(26)	1,265
Auto operating	3,690	4,626	936	2,770
Utility services	32,000	38,843	6,843	29,132
Contracts/repairs	44,000	46,098	2,098	45,557
Building materials/supplies	15,100	15,303	203	9,524
Uniforms/clothing	1,500	1,438	(62)	1,345
Advertising	300	150	(150)	-
Professional services	360	-	(360)	143
Special department supplies	45,500	45,418	(82)	33,529
Insurance	6,772	4,967	(1,805)	5,249
Capital lease payments	17,340	17,540	200	11,814
Capital outlay:				
Furniture/fixtures	15,000	14,421	(579)	13,865
Machines/equipment	22,000	20,092	(1,908)	9,270
Park improvements	25,000	5,000	(20,000)	5,000
 TOTAL	 \$ 375,189	 \$ 342,610	 \$ (32,579)	 \$ 295,251

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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>RECREATION AND PARKS -</u>				
Continued				
Property Maintenance -				
Personal services:				
Salaries and wages	\$ 315,445	\$ 295,336	\$ (20,109)	\$ 228,386
Overtime pay	4,000	5,703	1,703	2,268
FICA	24,438	22,077	(2,361)	16,355
Employee retirement	25,396	23,901	(1,495)	16,292
Employee insurance	54,121	50,127	(3,994)	39,293
Workers' compensation	21,536	20,131	(1,405)	12,484
Unemployment insurance	1,100	-	(1,100)	-
Operating expenditures:				
General supplies/postage	1,000	678	(322)	940
Dues/training/travel	1,500	1,443	(57)	-
Auto operating	16,800	22,392	5,592	15,461
Utility services	7,300	7,072	(228)	5,351
Data Processing	-	-	-	5,300
Contracts/repairs	25,900	28,694	2,794	24,744
Building materials/supplies	2,500	1,783	(717)	1,943
Uniforms/clothing	3,650	3,615	(35)	2,996
Advertising	400	2,825	2,425	329
Professional services	40,000	40,556	556	25,371
Special department supplies	34,000	41,892	7,892	35,827
Insurance	12,211	8,957	(3,254)	7,608
Capital lease payments	47,632	46,819	(813)	45,004
Capital outlay:				
Furniture/fixtures	800	-	(800)	-
Automotive equipment	-	38,475	38,475	16,803
Machines/equipment	57,500	54,313	(3,187)	92,189
 TOTAL	 \$ 697,229	 \$ 716,789	 \$ 19,560	 \$ 594,944

(continued)

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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>RECREATION AND PARKS -</u>				
Continued				
Community Center -				
Personal services:				
Salaries and wages	\$ 101,085	\$ 93,489	\$ (7,596)	\$ 96,911
Overtime pay	1,000	867	(133)	1,038
FICA	7,809	7,116	(693)	7,250
Employee retirement	8,116	7,448	(668)	6,963
Employee insurance	12,428	11,511	(917)	11,174
Workers' compensation	350	225	(125)	205
Unemployment insurance	800	-	(800)	-
Operating expenditures:				
General supplies/postage	3,000	2,591	(409)	3,083
Dues/training/travel	450	116	(334)	60
Utility services	15,600	20,904	5,304	18,260
Contracts/repairs	17,500	10,798	(6,702)	11,025
Uniforms/clothing	500	378	(122)	397
Advertising	1,500	-	(1,500)	1,367
Professional services	19,380	19,579	199	17,605
Special department supplies	21,700	23,177	1,477	10,036
Insurance	3,790	2,780	(1,010)	2,938
Capital outlay:				
Buildings/fixed equipment	-	-	-	13,193
Furniture/fixtures	8,000	7,533	(467)	4,000
Machines/equipment	-	-	-	5,256
 TOTAL	 \$ 223,008	 \$ 208,512	 \$ (14,496)	 \$ 210,761

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

YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>RECREATION AND PARKS -</u>				
Continued				
RVP Activities Center -				
Personal services:				
Salaries and wages	\$ 213,005	\$ 208,717	\$ (4,288)	\$ 197,104
Overtime pay	8,000	10,043	2,043	9,030
FICA	16,907	15,752	(1,155)	14,868
Employee retirement	17,570	17,277	(293)	14,902
Employee insurance	28,548	26,441	(2,107)	25,656
Workers' compensation	3,396	3,446	50	1,988
Unemployment insurance	1,000	-	(1,000)	-
Operating expenditures:				
General supplies/postage	16,000	15,903	(97)	13,953
Dues/training/travel	600	390	(210)	65
Auto operating	1,080	441	(639)	391
Utility services	103,200	118,192	14,992	100,678
Data processing	1,500	500	(1,000)	-
Contracts/repairs	60,100	63,371	3,271	73,401
Uniforms/clothing	1,400	821	(579)	1,355
Advertising	4,000	2,795	(1,205)	487
Professional services	180	179	(1)	852
Tournaments/special events	76,000	102,603	26,603	67,956
Special department supplies	16,000	16,351	351	13,913
Insurance	9,394	6,890	(2,504)	7,281
Capital outlay:				
Furniture/fixtures	-	-	-	1,935
Machines/equipment	31,500	19,708	(11,792)	5,979
 TOTAL	 609,380	 629,820	 20,440	 551,794
 TOTAL RECREATION AND PARKS	 2,733,363	 2,736,887	 3,524	 2,390,615
 TOTAL EXPENDITURES	 \$ 11,014,190	 \$ 10,945,635	 \$ (68,555)	 \$ 10,443,038

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE BALANCE SHEETS  
SALES TAX FUND  
DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
Equity in pooled cash	\$ 275,762	\$ 217,613
Investments	<u>2,543,262</u>	<u>2,896,518</u>
 TOTAL ASSETS	 <u><u>\$ 2,819,024</u></u>	 <u><u>\$ 3,114,131</u></u>
 <u>LIABILITIES</u>		
Accounts payable	<u>\$ 35,910</u>	<u>\$ 4</u>
 <u>FUND BALANCE</u>		
Fund balance:		
Unreserved:		
Undesignated	<u>2,783,114</u>	<u>3,114,127</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 2,819,024</u></u>	 <u><u>\$ 3,114,131</u></u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
SALES TAX FUND  
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>REVENUES</u>		
Capital projects sales taxes	\$ -	\$ -
Interest	<u>150,114</u>	<u>137,109</u>
 TOTAL REVENUES	 <u>150,114</u>	 <u>137,109</u>
<u>EXPENDITURES</u>		
Capital outlay:		
Public works	28,999	1,988,829
Recreation and parks	<u>452,128</u>	<u>1,372,058</u>
 TOTAL EXPENDITURES	 <u>481,127</u>	 <u>3,360,887</u>
 NET CHANGE IN FUND BALANCE	 (331,013)	 (3,223,778)
 FUND BALANCE - BEGINNING OF YEAR	 <u>3,114,127</u>	 <u>6,337,905</u>
 FUND BALANCE - END OF YEAR	 <u><u>\$ 2,783,114</u></u>	 <u><u>\$ 3,114,127</u></u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE BALANCE SHEETS  
SALES TAX II FUND  
DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
Equity in pooled cash	\$ 65,875	\$ -
 TOTAL ASSETS	 <u>\$ 65,875</u>	 <u>\$ -</u>
 <u>LIABILITIES</u>		
Due to other funds	\$ 1,200,000	\$ -
 <u>FUND BALANCE</u>		
Fund balance:		
Unreserved:		
Undesignated	(1,134,125)	-
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 65,875</u>	 <u>\$ -</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
SALES TAX II FUND  
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>REVENUES</u>		
Capital projects sales taxes	<u>\$ 617,589</u>	<u>\$ -</u>
TOTAL REVENUES	<u>617,589</u>	<u>-</u>
<u>EXPENDITURES</u>		
Capital outlay:		
Recreation and parks	<u>1,751,714</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,751,714</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,134,125)	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (1,134,125)</u></u>	<u><u>\$ -</u></u>



CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE BALANCE SHEETS  
CAPITAL PROJECTS FUND  
DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
Equity in pooled cash	\$ 4,139,522	\$ 387,505
Investments	2,267,884	2,158,325
Due from other funds	<u>1,200,000</u>	<u>-</u>
 TOTAL ASSETS	 <u><u>\$ 7,607,406</u></u>	 <u><u>\$ 2,545,830</u></u>
 <u>LIABILITIES</u>		
Accounts payable	<u>\$ 88,930</u>	<u>\$ 15</u>
 <u>FUND BALANCE</u>		
Fund balance:		
Reserved for bond indenture	4,716,068	-
Unreserved:		
Designated for contingencies	1,425,000	1,225,000
Undesignated	<u>1,377,408</u>	<u>1,320,815</u>
 TOTAL FUND BALANCE	 <u><u>7,518,476</u></u>	 <u><u>2,545,815</u></u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 7,607,406</u></u>	 <u><u>\$ 2,545,830</u></u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
CAPITAL PROJECTS FUND  
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>REVENUES</u>		
Ad valorem property taxes	\$ 521,079	\$ 500,742
Grant revenue	250,000	-
Interest	143,144	66,733
Miscellaneous	<u>3,000</u>	<u>12,000</u>
 TOTAL REVENUES	 <u>917,223</u>	 <u>579,475</u>
<u>EXPENDITURES</u>		
Current:		
General government	168,871	281,944
Recreation and parks	8,400	
Capital outlay:		
General government	1,398,468	20,595
Recreation and parks	494,582	264,929
Certificates of Participation payments:		
Principal	-	580,000
Interest and fiscal charges	<u>-</u>	<u>3,525</u>
 TOTAL EXPENDITURES	 <u>2,070,321</u>	 <u>1,150,993</u>
 DEFICIENCY OF REVENUES OVER EXPENDITURES	 (1,153,098)	 (571,518)
<u>OTHER FINANCING SOURCES</u>		
Proceeds from bond issuance	4,710,000	-
Premium on bond issuance	6,068	-
Transfers in	<u>1,409,691</u>	<u>882,068</u>
 NET CHANGE IN FUND BALANCE	 4,972,661	 310,550
 FUND BALANCE - BEGINNING OF YEAR	 <u>2,545,815</u>	 <u>2,235,265</u>
 FUND BALANCE - END OF YEAR	 <u><u>\$ 7,518,476</u></u>	 <u><u>\$ 2,545,815</u></u>



## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Funds of the City include:

Riverfront/Central Core Redevelopment Fund - to account for the receipt and disbursement of money designated for projects outlined in the Riverfront/Central Core Redevelopment Plan.

Community Development Block Grant Fund - to account for the receipt and disbursement of the Community Development Block Grant Funds in accordance with the guidelines of the U.S. Housing and Urban Development Agency.

Street Improvements Fund - to account for the receipt and disbursement of monies from other governmental agencies designated for use for streets and/or drainage improvements.

Recreation Fund - to account for the receipt and disbursement of monies from other governmental agencies designated for use at the City's recreational facilities. This fund also includes donations to the City for recreational purposes.

Fireman's Fund - to account for the receipt and disbursement of the State shared insurance premium rebate designated for use in the Public Safety Department.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2006  
 With Comparative Totals for December 31, 2005

	<u>RIVERFRONT/ CENTRAL CORE REDEVELOPMENT</u>	<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>
<u>ASSETS</u>		
Equity in pooled cash	\$ 1,143,393	\$ 148,045
Investments	1,493,596	-
Loans receivable, net	-	7,187
Due from other funds	<u>3,658</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 2,640,647</u>	 <u>\$ 155,232</u>
<u>LIABILITIES</u>		
Accounts payable	<u>\$ -</u>	<u>\$ 649</u>
<u>FUND BALANCES</u>		
Fund balances:		
Reserved for non-current loans receivable	-	7,187
Unreserved:		
Designated for contingencies	-	-
Undesignated	<u>2,640,647</u>	<u>147,396</u>
 TOTAL FUND BALANCES	 <u>2,640,647</u>	 <u>154,583</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,640,647</u>	<u>\$ 155,232</u>

STREET IMPROVEMENTS	RECREATION	FIREMAN'S FUND	TOTALS	
			2006	2005
\$ 191,762	\$ 59,289	\$ 60,668	\$ 1,603,157	\$ 816,919
661,905	-	-	2,155,501	2,432,560
-	-	-	7,187	11,048
-	-	-	3,658	3,950
<u>\$ 853,667</u>	<u>\$ 59,289</u>	<u>\$ 60,668</u>	<u>\$ 3,769,503</u>	<u>\$ 3,264,477</u>
<u>\$ 14,080</u>	<u>\$ 10,100</u>	<u>\$ 1,801</u>	<u>\$ 26,630</u>	<u>\$ 29,770</u>
-	-	-	7,187	11,048
100,000	-	-	100,000	100,000
<u>739,587</u>	<u>49,189</u>	<u>58,867</u>	<u>3,635,686</u>	<u>3,123,659</u>
<u>839,587</u>	<u>49,189</u>	<u>58,867</u>	<u>3,742,873</u>	<u>3,234,707</u>
<u>\$ 853,667</u>	<u>\$ 59,289</u>	<u>\$ 60,668</u>	<u>\$ 3,769,503</u>	<u>\$ 3,264,477</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED DECEMBER 31, 2006  
 With Comparative Totals for December 31, 2005

	RIVERFRONT/ CENTRAL CORE REDEVELOPMENT	COMMUNITY DEVELOPMENT BLOCK GRANT
<u>REVENUES</u>		
Ad valorem property taxes - TIF District	\$ 95,879	\$ -
Local hospitality and accommodation taxes	499,739	-
Intergovernmental	86,876	-
Interest on investments/loans	100,830	5,608
Miscellaneous	-	7,800
	<hr/>	<hr/>
TOTAL REVENUES	783,324	13,408
	<hr/>	<hr/>
<u>EXPENDITURES</u>		
Current:		
General government	2,038	14,824
Public safety	-	-
Public works	-	-
Recreation and parks	-	-
Capital outlay:		
General government	-	-
Public works	-	-
Recreation and parks	-	-
	<hr/>	<hr/>
TOTAL EXPENDITURES	2,038	14,824
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	781,286	(1,416)
FUND BALANCE - BEGINNING OF YEAR	1,859,361	155,999
	<hr/>	<hr/>
FUND BALANCE - END OF YEAR	\$ 2,640,647	\$ 154,583
	<hr/> <hr/>	<hr/> <hr/>

STREET IMPROVEMENTS	RECREATION	FIREMAN'S FUND	TOTALS	
			2006	2005
\$ -	\$ -	\$ -	\$ 95,879	\$ 75,890
-	-	-	499,739	464,701
210,144	5,116	31,599	333,735	558,923
52,326	1,924	1,749	162,437	89,516
-	4,975	-	12,775	25,843
<u>262,470</u>	<u>12,015</u>	<u>33,348</u>	<u>1,104,565</u>	<u>1,214,873</u>
171,975	-	-	188,837	7,030
-	-	23,050	23,050	54,824
-	-	-	-	24,832
-	2,004	-	2,004	5,140
-	-	-	-	542,279
382,508	-	-	382,508	163,355
-	-	-	-	88,496
<u>554,483</u>	<u>2,004</u>	<u>23,050</u>	<u>596,399</u>	<u>885,956</u>
(292,013)	10,011	10,298	508,166	328,917
<u>1,131,600</u>	<u>39,178</u>	<u>48,569</u>	<u>3,234,707</u>	<u>2,905,790</u>
<u>\$ 839,587</u>	<u>\$ 49,189</u>	<u>\$ 58,867</u>	<u>\$3,742,873</u>	<u>\$3,234,707</u>





## MAJOR ENTERPRISE FUNDS

The Water and Sewer Fund is used to account for waterworks and sewer system operations that are financed and operated in a manner similar to private business enterprises - where 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 Sanitation Services Fund is used to account for sanitation and recycling operations that are financed and operated in a manner similar to private business enterprises - where 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.

## NONMAJOR ENTERPRISE FUND

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

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE BALANCE SHEETS  
ENTERPRISE FUND - WATER AND SEWER SYSTEM  
DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Equity in pooled cash	\$ 778,080	\$ 428,344
Investments	3,468,291	3,300,293
Customer accounts receivable (net of allowance for doubtful accounts of \$26,000 for 2006 and 2005)	1,260,968	1,373,476
Inventory	222,947	220,050
Loan receivable	62,400	200,000
TOTAL CURRENT UNRESTRICTED ASSETS	<u>5,792,686</u>	<u>5,522,163</u>
<u>CURRENT RESTRICTED ASSETS</u> (cash and investments)		
With fiscal agents	621,141	631,752
Customer deposits	373,214	338,160
TOTAL CURRENT RESTRICTED ASSETS	<u>994,355</u>	<u>969,912</u>
TOTAL CURRENT ASSETS	<u>6,787,041</u>	<u>6,492,075</u>
<u>NON-CURRENT RESTRICTED ASSETS</u> (cash and investments)		
Revenue bond improvement and extension account	929,869	847,825
Revenue bond depreciation or obsolete item account	439,091	383,995
Revenue bond construction account	6,319,632	5,442,597
TOTAL NON-CURRENT RESTRICTED ASSETS	<u>7,688,592</u>	<u>6,674,417</u>
<u>CAPITAL ASSETS, NET</u>		
Non-depreciable	1,080,547	1,041,690
Depreciable	35,265,691	35,238,511
TOTAL CAPITAL ASSETS, NET	<u>36,346,238</u>	<u>36,280,201</u>
<u>SERVICE RIGHTS</u> (net of accumulated amortization of \$46,493 for 2006 and \$43,993 for 2005)	<u>53,507</u>	<u>56,007</u>
<u>DEFERRED CHARGES</u>		
Bond issuance expense (net of accumulated amortization of \$43,596 for 2006 and \$36,958 for 2005)	<u>77,274</u>	<u>83,912</u>
TOTAL ASSETS	<u>\$ 50,952,652</u>	<u>\$ 49,586,612</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE BALANCE SHEETS  
ENTERPRISE FUND - WATER AND SEWER SYSTEM  
DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u> (payable from current assets)		
Accounts payable	\$ 413,662	\$ 355,971
Accrued salaries, wages and employee benefits	15,651	15,598
Accrued vacation	105,172	83,824
Current portion of capital leases payable	64,006	72,778
Accrued interest payable	3,545	3,545
Unearned revenue	14,105	14,105
TOTAL CURRENT LIABILITIES (payable from current assets)	<u>616,141</u>	<u>545,821</u>
<u>CURRENT LIABILITIES</u> (payable from restricted assets)		
Accounts payable	21,753	16,837
Accrued bond interest	24,014	24,014
Current portion of revenue bonds payable	400,604	475,175
Customer deposits	373,214	338,160
TOTAL CURRENT LIABILITIES (payable from restricted assets)	<u>819,585</u>	<u>854,186</u>
<u>LONG-TERM LIABILITIES</u>		
Capital leases payable	83,765	109,353
Revenue bonds payable	5,552,802	5,916,535
Unearned revenue	401,999	416,104
TOTAL LONG-TERM LIABILITIES	<u>6,038,566</u>	<u>6,441,992</u>
TOTAL LIABILITIES	<u>7,474,292</u>	<u>7,841,999</u>
<u>FUND EQUITY</u>		
<u>NET ASSETS</u>		
Invested in capital assets net of related debt	30,245,061	29,706,360
Restricted per revenue bond indentures	8,263,966	7,265,318
Unrestricted	4,969,333	4,772,935
TOTAL NET ASSETS	<u>43,478,360</u>	<u>41,744,613</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 50,952,652</u>	<u>\$ 49,586,612</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
ENTERPRISE FUND - WATER AND SEWER SYSTEM  
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>OPERATING REVENUES</u>		
Metered water sales - net	\$ 2,874,816	\$ 2,807,479
Sewer service charges	3,681,898	3,705,680
Water tap fees	76,604	84,998
Sewer tap fees	155,940	155,465
Fire protection fees	10,148	9,266
Other	178,338	200,587
TOTAL OPERATING REVENUES	<u>6,977,744</u>	<u>6,963,475</u>
<u>OPERATING EXPENSES</u>		
Utilities Finance	410,526	404,109
Utilities Administration	474,543	433,315
Water Operations and Maintenance	572,471	538,819
Water Production and Treatment	1,233,914	1,103,185
Wastewater Operations and Maintenance	2,233,081	2,026,096
Depreciation	800,930	794,945
TOTAL OPERATING EXPENSES	<u>5,725,465</u>	<u>5,300,469</u>
OPERATING INCOME	<u>1,252,279</u>	<u>1,663,006</u>
<u>NONOPERATING REVENUES AND (EXPENSES)</u>		
Loss on sale/disposal of capital assets	(2,902)	-
Interest revenue	555,954	300,626
Interest expense and fiscal charges	(308,795)	(332,818)
Amortization of bond issuance costs and deferred refunding	(43,509)	(43,509)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>200,748</u>	<u>(75,701)</u>
INCOME BEFORE CONTRIBUTIONS AND OPERATING TRANSFERS	1,453,027	1,587,305
CAPITAL CONTRIBUTIONS	501,864	173,409
TRANSFERS IN	7,302,363	6,825,178
TRANSFERS OUT	<u>(7,523,507)</u>	<u>(7,031,260)</u>
NET INCOME	1,733,747	1,554,632
NET ASSETS - BEGINNING OF YEAR	<u>41,744,613</u>	<u>40,189,981</u>
NET ASSETS - END OF YEAR	<u><u>\$ 43,478,360</u></u>	<u><u>\$ 41,744,613</u></u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE STATEMENTS OF CASH FLOWS  
ENTERPRISE FUND - WATER AND SEWER SYSTEM  
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$ 6,911,914	\$ 6,667,056
Customer deposits	35,054	17,448
Cash paid to suppliers	(2,951,492)	(2,738,313)
Cash paid to employees for services	(1,891,932)	(1,731,210)
Other operating cash receipts	<u>164,233</u>	<u>186,482</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>2,267,777</u>	 <u>2,401,463</u>
 <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Net transfers to other funds	<u>(221,144)</u>	<u>(206,082)</u>
 <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Purchase and construction of capital assets	(316,600)	(220,668)
Principal paid on revenue bonds	(475,175)	(455,119)
Principal paid on capitalized leases	(83,266)	(99,301)
Interest paid on revenue bonds	(300,330)	(323,560)
Interest paid on capital leases	<u>(8,464)</u>	<u>(9,258)</u>
 NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>(1,183,835)</u>	 <u>(1,107,906)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Loan extended to developer	-	(200,000)
Payments received on loan extended to developer	137,600	-
Interest on investments	<u>555,954</u>	<u>300,626</u>
 NET CASH PROVIDED BY INVESTING ACTIVITIES	 <u>693,554</u>	 <u>100,626</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 1,556,352	 1,188,101
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	 <u>11,372,966</u>	 <u>10,184,865</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u><u>\$ 12,929,318</u></u>	 <u><u>\$ 11,372,966</u></u>

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE STATEMENTS OF CASH FLOWS  
ENTERPRISE FUND - WATER AND SEWER SYSTEM  
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
OPERATING INCOME	\$ 1,252,279	\$ 1,663,006
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	800,930	794,945
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	112,508	(95,832)
Decrease (increase) in inventory	(2,897)	31,710
Increase (decrease) in accounts payable	62,607	(14,303)
Increase in customer deposits	35,054	17,448
Increase in accrued salaries, wages and employee benefits	53	2,237
Increase in accrued vacation	21,348	16,357
Decrease in unearned revenue	(14,105)	(14,105)
 TOTAL ADJUSTMENTS	 <u>1,015,498</u>	 <u>738,457</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u><u>\$ 2,267,777</u></u>	 <u><u>\$ 2,401,463</u></u>
<u>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>		
Capital assets purchased with proceeds from a capital lease	<u>\$ 48,905</u>	<u>\$ 77,226</u>
 Capital assets contributed by subdividers/developers	 <u>\$ 501,864</u>	 <u>\$ 173,409</u>
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS</u>		
Equity in pooled cash	\$ 778,080	\$ 428,344
Investments	3,468,291	3,300,293
Current restricted assets	994,355	969,912
Non-current restricted assets	<u>7,688,592</u>	<u>6,674,417</u>
 CASH AND CASH EQUIVALENTS	 <u><u>\$ 12,929,318</u></u>	 <u><u>\$ 11,372,966</u></u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL  
ENTERPRISE FUND - WATER AND SEWER SYSTEM  
YEAR ENDED DECEMBER 31, 2006  
With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>OPERATING REVENUES</u>				
Metered water sales - net	\$ 2,786,112	\$ 2,874,816	\$ 88,704	\$ 2,807,479
Sewer service charges	3,699,418	3,681,898	(17,520)	3,705,680
Water tap fees	65,000	76,604	11,604	84,998
Sewer tap fees	130,000	155,940	25,940	155,465
Fire protection fees	9,266	10,148	882	9,266
Other	165,400	178,338	12,938	200,587
 TOTAL OPERATING REVENUES	 6,855,196	 6,977,744	 122,548	 6,963,475
<u>OPERATING EXPENSES</u>				
Utilities Finance	427,919	410,526	(17,393)	404,109
Utilities Administration	579,744	474,543	(105,201)	433,315
Water Operations and Maintenance	554,152	572,471	18,319	538,819
Water Production and Treatment	1,203,520	1,233,914	30,394	1,103,185
Wastewater Operations and Maintenance	2,092,015	2,233,081	141,066	2,026,096
Depreciation	-	800,930	800,930	794,945
 TOTAL OPERATING EXPENSES	 4,857,350	 5,725,465	 868,115	 5,300,469
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Loss on sale/disposal of capital assets	-	(2,902)	(2,902)	-
Interest revenue	75,000	555,954	480,954	300,626
Interest expense and fiscal charges	-	(308,795)	(308,795)	(332,818)
Amortization of bond issuance costs and deferred refunding	-	(43,509)	(43,509)	(43,509)
 TOTAL NONOPERATING REVENUES (EXPENSES)	 75,000	 200,748	 125,748	 (75,701)
 INCOME BEFORE CONTRIBUTIONS AND OPERATING TRANSFERS	 2,072,846	 1,453,027	 (619,819)	 1,587,305
 CAPITAL CONTRIBUTIONS	 -	 501,864	 501,864	 173,409
TRANSFERS IN	6,894,196	7,302,363	408,167	6,825,178
TRANSFERS OUT	(7,115,340)	(7,523,507)	408,167	(7,031,260)
 NET INCOME	 \$ 1,851,702	 \$ 1,733,747	 \$ 698,379	 \$ 1,554,632



CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL  
ENTERPRISE FUND - WATER AND SEWER SYSTEM  
YEAR ENDED DECEMBER 31, 2006  
With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>UTILITIES FINANCE</u>				
Personal services:				
Salaries and wages	\$ 172,492	\$ 170,391	\$ (2,101)	\$ 163,660
Overtime pay	300	-	(300)	695
FICA	13,218	12,325	(893)	12,168
Employee retirement	15,658	15,306	(352)	14,284
Employee insurance	18,372	17,016	(1,356)	16,502
Workers' compensation	832	535	(297)	487
Unemployment insurance	50	-	(50)	-
Operating expenses:				
General supplies/postage	70,000	65,684	(4,316)	66,298
Dues/training/travel	2,550	2,631	81	2,619
Data processing	34,300	29,628	(4,672)	35,634
Contracts and repairs	42,045	41,956	(89)	38,371
Professional services	21,000	18,044	(2,956)	18,842
Insurance	1,102	808	(294)	854
Bad debts	28,000	29,305	1,305	26,630
Service rights	8,000	6,897	(1,103)	7,065
 TOTAL UTILITIES FINANCE	 \$ 427,919	 \$ 410,526	 \$ (17,393)	 \$ 404,109

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL  
ENTERPRISE FUND - WATER AND SEWER SYSTEM  
YEAR ENDED DECEMBER 31, 2006  
With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>UTILITIES ADMINISTRATION</u>				
Personal services:				
Salaries and wages	\$ 337,096	\$ 272,763	\$ (64,333)	\$ 232,836
Overtime pay	3,080	1,710	(1,370)	3,220
FICA	26,023	20,263	(5,760)	17,162
Employee retirement	27,044	21,495	(5,549)	16,793
Employee insurance	40,264	38,357	(1,907)	36,200
Workers' compensation	14,238	9,152	(5,086)	8,335
Unemployment insurance	650	-	(650)	5,824
Operating expenses:				
General supplies/postage	3,000	2,071	(929)	2,747
Dues/training/travel	3,200	1,203	(1,997)	795
Auto operating	11,110	11,174	64	10,328
Utility services	16,000	17,468	1,468	15,844
Data processing	3,000	1,429	(1,571)	3,519
Contracts and repairs	7,700	6,470	(1,230)	7,066
Building material	1,322	1,374	52	1,137
Uniforms and clothing	2,850	2,372	(478)	2,716
Advertising	300	-	(300)	-
Professional services	25,860	25,020	(840)	25,030
Special department supplies	6,179	4,939	(1,240)	4,367
Insurance	50,828	37,283	(13,545)	39,396
 TOTAL UTILITIES ADMINISTRATION	 \$ 579,744	 \$ 474,543	 \$ (105,201)	 \$ 433,315

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL  
ENTERPRISE FUND - WATER AND SEWER SYSTEM  
YEAR ENDED DECEMBER 31, 2006  
With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>WATER OPERATIONS AND MAINTENANCE</u>				
Personal services:				
Salaries and wages	\$ 262,914	\$ 296,225	\$ 33,311	\$ 262,493
Overtime pay	14,460	18,595	4,135	18,762
FICA	21,219	22,443	1,224	20,010
Employee retirement	22,051	24,638	2,587	20,064
Employee insurance	39,650	36,724	(2,926)	37,377
Workers' compensation	4,972	3,196	(1,776)	2,911
Unemployment insurance	700	-	(700)	-
Operating expenses:				
Dues/training	1,975	611	(1,364)	296
Auto operating	39,150	42,409	3,259	30,520
Contracts and repairs	15,433	16,378	945	14,292
Building material	16,524	12,591	(3,933)	18,975
Uniforms and clothing	3,350	3,462	112	3,182
Advertising	400	-	(400)	456
Professional services	360	58	(302)	417
Special department supplies	105,142	90,882	(14,260)	105,007
Judgments/settlements	1,000	700	(300)	-
Insurance	4,852	3,559	(1,293)	4,057
 TOTAL WATER OPERATIONS AND MAINTENANCE	 \$ 554,152	 \$ 572,471	 \$ 18,319	 \$ 538,819

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL  
ENTERPRISE FUND - WATER AND SEWER SYSTEM  
YEAR ENDED DECEMBER 31, 2006  
With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>WATER PRODUCTION AND TREATMENT</u>				
Personal services:				
Salaries and wages	\$ 363,318	\$ 365,220	\$ 1,902	\$ 336,450
Overtime pay	20,000	16,501	(3,499)	11,453
FICA	29,324	27,314	(2,010)	24,557
Employee retirement	30,473	29,994	(479)	24,654
Employee insurance	39,995	37,043	(2,952)	35,866
Workers' compensation	6,032	3,877	(2,155)	3,531
Unemployment insurance	500	-	(500)	-
Operating expenses:				
General supplies	4,800	3,738	(1,062)	2,556
Dues/training	5,900	2,604	(3,296)	3,567
Auto operating	7,750	3,567	(4,183)	4,027
Utility services	268,900	356,338	87,438	285,874
Contracts and repairs	169,000	150,222	(18,778)	185,779
Building material	4,500	1,211	(3,289)	2,119
Uniforms and clothing	4,500	2,333	(2,167)	2,758
Advertising	500	133	(367)	40
Professional services	57,700	44,150	(13,550)	44,887
ACPSA treatment charges	3,500	3,439	(61)	3,647
Special department supplies	182,800	183,275	475	128,298
Insurance	4,028	2,955	(1,073)	3,122
 TOTAL WATER PRODUCTION AND TREATMENT	 \$ 1,203,520	 \$ 1,233,914	 \$ 30,394	 \$ 1,103,185

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL  
ENTERPRISE FUND - WATER AND SEWER SYSTEM  
YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>WASTEWATER OPERATIONS AND MAINTENANCE</u>				
Personal services:				
Salaries and wages	\$ 325,635	\$ 322,111	\$ (3,524)	\$ 296,008
Overtime pay	22,037	21,084	(953)	28,372
FICA	26,597	24,204	(2,393)	23,532
Employee retirement	27,640	26,766	(874)	23,639
Employee insurance	43,330	40,132	(3,198)	38,883
Workers' compensation	25,404	17,953	(7,451)	18,900
Unemployment insurance	1,000	-	(1,000)	-
Operating expenses:				
Dues/training	1,950	333	(1,617)	384
Auto operating	15,525	34,394	18,869	20,214
Utility services	75,482	79,635	4,153	80,552
Contracts and repairs	112,000	110,033	(1,967)	79,398
Building material	18,428	19,653	1,225	17,669
Uniforms and clothing	3,929	3,747	(182)	4,399
Advertising	400	1,376	976	126
Professional services	860	88	(772)	170
ACPSA treatment charges	1,326,086	1,474,952	148,866	1,328,840
Special department supplies	51,512	46,148	(5,364)	54,508
Judgments/settlements	1,000	494	(506)	270
Insurance	13,200	9,978	(3,222)	10,232
 TOTAL WASTEWATER OPERATIONS AND MAINTENANCE	 2,092,015	 2,233,081	 141,066	 2,026,096
 DEPRECIATION AND AMORTIZATION	 -	 800,930	 800,930	 794,945
 TOTAL OPERATING EXPENSES	 \$ 4,857,350	 \$ 5,725,465	 \$ 868,115	 \$ 5,300,469

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE BALANCE SHEETS  
ENTERPRISE FUND - SANITATION SERVICES  
DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Equity in pooled cash	\$ 314,906	\$ 224,678
Investments	1,376,405	1,310,412
Accounts receivable	<u>79,580</u>	<u>37,549</u>
 TOTAL CURRENT ASSETS	 <u>1,770,891</u>	 <u>1,572,639</u>
 <u>CAPITAL ASSETS, NET</u>		
Non-depreciable	91,235	91,235
Depreciable	<u>2,299,832</u>	<u>2,156,486</u>
 TOTAL CAPITAL ASSETS	 <u>2,391,067</u>	 <u>2,247,721</u>
 TOTAL ASSETS	 <u><u>\$ 4,161,958</u></u>	 <u><u>\$ 3,820,360</u></u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 38,510	\$ 29,030
Accrued salaries and wages	12,965	12,759
Accrued vacation	57,691	51,293
Current portion of capital leases payable	211,548	150,969
Accrued interest payable	<u>6,534</u>	<u>6,534</u>
 TOTAL CURRENT LIABILITIES	 <u>327,248</u>	 <u>250,585</u>
 <u>LONG-TERM LIABILITIES</u>		
Capital leases payable	<u>376,188</u>	<u>321,986</u>
 TOTAL LIABILITIES	 <u>703,436</u>	 <u>572,571</u>
<u>FUND EQUITY</u>		
<u>NET ASSETS</u>		
Invested in capital assets net of related debt	1,803,331	1,774,766
Unrestricted	<u>1,655,191</u>	<u>1,473,023</u>
 TOTAL NET ASSETS	 <u>3,458,522</u>	 <u>3,247,789</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u><u>\$ 4,161,958</u></u>	 <u><u>\$ 3,820,360</u></u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
ENTERPRISE FUND - SANITATION SERVICES  
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>OPERATING REVENUES</u>		
Sanitation service fees	\$ 2,150,923	\$ 1,866,917
Recycling fees	437,005	384,459
Sale of recyclables	438,269	425,277
Other	56,021	83,962
TOTAL OPERATING REVENUES	<u>3,082,218</u>	<u>2,760,615</u>
<u>OPERATING EXPENSES</u>		
Sanitation Operations	1,832,016	1,696,186
Material Recovery Facility	651,544	580,044
Depreciation	350,318	333,695
TOTAL OPERATING EXPENSES	<u>2,833,878</u>	<u>2,609,925</u>
OPERATING INCOME	<u>248,340</u>	<u>150,690</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest revenue	69,130	37,179
Interest expense	(11,888)	(9,224)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>57,242</u>	<u>27,955</u>
INCOME BEFORE OPERATING TRANSFERS	305,582	178,645
<u>TRANSFERS</u>		
Transfers out	(94,849)	(87,149)
NET INCOME	<u>210,733</u>	<u>91,496</u>
NET ASSETS - BEGINNING OF YEAR	<u>3,247,789</u>	<u>3,156,293</u>
NET ASSETS - END OF YEAR	<u><u>\$ 3,458,522</u></u>	<u><u>\$ 3,247,789</u></u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE STATEMENTS OF CASH FLOWS  
ENTERPRISE FUND - SANITATION SERVICES  
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$ 2,984,166	\$ 2,664,741
Cash paid to suppliers	(1,000,050)	(972,712)
Cash paid to employees for services	(1,467,426)	(1,339,928)
Other operating cash receipts	<u>56,021</u>	<u>83,962</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>572,711</u>	<u>436,063</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Net transfers to other funds	<u>(94,849)</u>	<u>(87,149)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Purchase of capital assets	(155,370)	(181,480)
Principal paid on capitalized leases	(223,513)	(153,702)
Interest paid	<u>(11,888)</u>	<u>(9,224)</u>
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(390,771)</u>	<u>(344,406)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest on investments	<u>69,130</u>	<u>37,179</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	156,221	41,687
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,535,090</u>	<u>1,493,403</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,691,311</u></u>	<u><u>\$ 1,535,090</u></u>

(continued)



CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE STATEMENTS OF CASH FLOWS  
ENTERPRISE FUND - SANITATION SERVICES  
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
OPERATING INCOME	\$ 248,340	\$ 150,690
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	350,318	333,695
Change in assets and liabilities:		
Increase in accounts receivable	(42,031)	(11,912)
Increase (decrease) in accounts payable	9,480	(45,635)
Increase in accrued salaries and wages	206	2,304
Increase in accrued vacation	6,398	6,921
	<u>324,371</u>	<u>285,373</u>
TOTAL ADJUSTMENTS		
	<u>\$ 572,711</u>	<u>\$ 436,063</u>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
<u>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>		
Capital assets purchased with proceeds from a capital lease	<u>\$ 338,294</u>	<u>\$ 223,572</u>
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS</u>		
Equity in pooled cash	\$ 314,906	\$ 224,678
Investments	1,376,405	1,310,412
	<u>\$ 1,691,311</u>	<u>\$ 1,535,090</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL  
ENTERPRISE FUND - SANITATION SERVICES  
YEAR ENDED DECEMBER 31, 2006  
With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>OPERATING REVENUES</u>				
Sanitation service fees	\$ 2,155,721	\$ 2,150,923	\$ (4,798)	\$ 1,866,917
Recycling fees	350,730	437,005	86,275	384,459
Sale of recyclables	387,000	438,269	51,269	425,277
Other	54,370	56,021	1,651	83,962
 TOTAL OPERATING REVENUES	 2,947,821	 3,082,218	 134,397	 2,760,615
<u>OPERATING EXPENSES</u>				
Sanitation Operations	1,940,116	1,832,016	(108,100)	1,696,186
Material Recovery Facility	704,791	651,544	(53,247)	580,044
Depreciation	-	350,318	350,318	333,695
 TOTAL OPERATING EXPENSES	 2,644,907	 2,833,878	 188,971	 2,609,925
<u>NONOPERATING REVENUES</u> <u>(EXPENSES)</u>				
Interest revenue	27,351	69,130	41,779	37,179
Interest expense	-	(11,888)	(11,888)	(9,224)
 TOTAL NONOPERATING REVENUES (EXPENSES)	 27,351	 57,242	 29,891	 27,955
 INCOME BEFORE OPERATING TRANSFERS	 330,265	 305,582	 (24,683)	 178,645
<u>TRANSFERS</u>				
Transfers out	(94,849)	(94,849)	-	(87,149)
 NET INCOME	 \$ 235,416	 \$ 210,733	 \$ (24,683)	 \$ 91,496

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL  
ENTERPRISE FUND - SANITATION SERVICES  
YEAR ENDED DECEMBER 31, 2006  
With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>SANITATION OPERATIONS</u>				
Personal services:				
Salaries and wages	\$ 893,051	\$ 868,475	\$ (24,576)	\$ 809,113
Overtime pay	30,000	18,181	(11,819)	25,131
FICA	70,613	64,429	(6,184)	60,789
Employee retirement	73,383	69,937	(3,446)	60,233
Employee insurance	116,149	108,297	(7,852)	104,313
Workers' compensation	38,230	26,529	(11,701)	24,972
Unemployment insurance	5,000	4,588	(412)	996
Operating expenses:				
General supplies	2,000	2,136	136	1,340
Dues/training	5,100	554	(4,546)	1,299
Auto operating	202,475	191,279	(11,196)	167,802
Utility services	18,000	17,468	(532)	15,844
Data processing	3,500	2,419	(1,081)	2,633
Contracts and repairs	82,900	97,156	14,256	104,226
Building material	25,000	4,256	(20,744)	64
Uniforms and clothing	12,700	12,459	(241)	12,312
Advertising	1,400	1,064	(336)	1,465
Professional services	21,800	19,026	(2,774)	27,479
Special department supplies	299,487	295,282	(4,205)	241,645
Judgments/settlements	500	-	(500)	-
Insurance	38,828	28,481	(10,347)	34,530
 TOTAL SANITATION OPERATIONS	 \$ 1,940,116	 \$ 1,832,016	 \$ (108,100)	 \$ 1,696,186

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL  
ENTERPRISE FUND - SANITATION SERVICES  
YEAR ENDED DECEMBER 31, 2006

With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>MATERIAL RECOVERY FACILITY</u>				
Personal services:				
Salaries and wages	\$ 266,393	\$ 211,366	\$ (55,027)	\$ 182,363
Overtime pay	12,000	19,972	7,972	12,467
FICA	21,297	17,351	(3,946)	14,746
Employee retirement	22,132	18,337	(3,795)	13,908
Employee insurance	35,453	32,836	(2,617)	31,756
Workers' compensation	12,526	13,732	1,206	8,366
Unemployment insurance	1,000	-	(1,000)	-
Operating expenses:				
General supplies	1,000	1,059	59	1,448
Dues/training	1,295	590	(705)	312
Auto operating	39,100	39,352	252	35,457
Utility services	15,000	17,069	2,069	15,286
Data processing	5,900	5,705	(195)	-
Contracts and repairs	67,000	58,297	(8,703)	67,367
Building material	1,000	254	(746)	666
Recycling expenses	66,000	67,940	1,940	62,997
Uniforms and clothing	7,100	5,860	(1,240)	5,977
Advertising	1,525	2,862	1,337	362
Professional services	57,960	42,925	(15,035)	42,560
Special department supplies	50,078	80,610	30,532	67,704
Insurance	21,032	15,427	(5,605)	16,302
 TOTAL MATERIAL RECOVERY FACILITY	 704,791	 651,544	 (53,247)	 580,044
 DEPRECIATION	 -	 350,318	 350,318	 333,695
 TOTAL OPERATING EXPENSES	 \$ 2,644,907	 \$ 2,833,878	 \$ 188,971	 \$ 2,609,925

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE BALANCE SHEETS  
ENTERPRISE FUND - STORMWATER UTILITY FUND  
DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Equity in pooled cash	\$ 715,071	\$ 263,122
Investments	<u>854,853</u>	<u>813,576</u>
TOTAL CURRENT ASSETS	1,569,924	1,076,698
<u>CAPITAL ASSETS, NET</u>	<u>72,333</u>	<u>29,562</u>
TOTAL ASSETS	<u><u>\$ 1,642,257</u></u>	<u><u>\$ 1,106,260</u></u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 3,588	\$ 18,380
Accrued salaries and wages	1,559	1,064
Accrued vacation	7,031	1,287
Current portion of capital leases payable	<u>13,021</u>	<u>2,821</u>
TOTAL CURRENT LIABILITIES	<u>25,199</u>	<u>23,552</u>
<u>LONG-TERM LIABILITIES</u>		
Capital leases payable	<u>38,647</u>	<u>9,016</u>
TOTAL LIABILITIES	<u>63,846</u>	<u>32,568</u>
<u>FUND EQUITY</u>		
<u>NET ASSETS</u>		
Invested in capital assets net of related debt	20,665	17,725
Unrestricted	<u>1,557,746</u>	<u>1,055,967</u>
TOTAL NET ASSETS	<u>1,578,411</u>	<u>1,073,692</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 1,642,257</u></u>	<u><u>\$ 1,106,260</u></u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
ENTERPRISE FUND - STORMWATER UTILITY FUND  
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>OPERATING REVENUES</u>		
Stormwater utility fees	\$ 522,304	\$ 511,239
Grant revenue	184,162	-
Other	<u>16,551</u>	<u>8,794</u>
 TOTAL OPERATING REVENUES	 <u>723,017</u>	 <u>520,033</u>
 <u>OPERATING EXPENSES</u>		
Stormwater operations	240,798	157,316
Drainage projects	22,112	79,821
Depreciation	<u>13,451</u>	<u>6,959</u>
 TOTAL OPERATING EXPENSES	 <u>276,361</u>	 <u>244,096</u>
OPERATING INCOME	<u>446,656</u>	<u>275,937</u>
 <u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest revenue	56,496	27,449
Interest expense	<u>(360)</u>	<u>(19)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>56,136</u>	<u>27,430</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	502,792	303,367
 CAPITAL CONTRIBUTIONS	 <u>1,927</u>	 <u>-</u>
 NET INCOME	 504,719	 303,367
NET ASSETS - BEGINNING OF YEAR	<u>1,073,692</u>	<u>770,325</u>
 NET ASSETS - END OF YEAR	 <u><u>\$ 1,578,411</u></u>	 <u><u>\$ 1,073,692</u></u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE STATEMENTS OF CASH FLOWS  
ENTERPRISE FUND - STORMWATER UTILITY FUND  
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$ 706,466	\$ 511,239
Cash paid to suppliers	(94,787)	(110,290)
Cash paid to employees	(176,676)	(107,730)
Other operating cash receipts	<u>16,551</u>	<u>8,794</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>451,554</u>	<u>302,013</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Principal paid on capitalized leases	(14,464)	(3,176)
Interest paid on capitalized leases	<u>(360)</u>	<u>(19)</u>
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(14,824)</u>	<u>(3,195)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest on investments	<u>56,496</u>	<u>27,449</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	493,226	326,267
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,076,698</u>	<u>750,431</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,569,924</u></u>	<u><u>\$ 1,076,698</u></u>

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
COMPARATIVE STATEMENTS OF CASH FLOWS  
ENTERPRISE FUND - STORMWATER UTILITY FUND  
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
OPERATING INCOME	\$ 446,656	\$ 275,937
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	13,451	6,959
Change in assets and liabilities:		
Increase (decrease) in accounts payable	(14,792)	17,607
Increase in accrued salaries and wages	495	482
Increase in accrued vacation	5,744	1,028
TOTAL ADJUSTMENTS	<u>4,898</u>	<u>26,076</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 451,554</u>	<u>\$ 302,013</u>
<u>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>		
Capital assets purchased with proceeds from a capital lease	<u>\$ 54,295</u>	<u>\$ 15,013</u>
Capital assets transferred in from other funds	<u>\$ 1,927</u>	<u>\$ -</u>
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS</u>		
Equity in pooled cash	\$ 715,071	\$ 263,122
Investments	<u>854,853</u>	<u>813,576</u>
	<u>\$ 1,569,924</u>	<u>\$ 1,076,698</u>



CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL  
ENTERPRISE FUND - STORMWATER UTILITY FUND  
YEAR ENDED DECEMBER 31, 2006  
With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>OPERATING REVENUES</u>				
Stormwater utility fees	\$ 511,476	\$ 522,304	\$ 10,828	\$ 511,239
Grant revenue	-	184,162	184,162	-
Other	9,000	16,551	7,551	8,794
 TOTAL OPERATING REVENUES	 520,476	 723,017	 202,541	 520,033
<u>OPERATING EXPENSES</u>				
Stormwater operations	204,626	240,798	36,172	157,316
Drainage projects	165,500	22,112	(143,388)	79,821
Depreciation	-	13,451	13,451	6,959
 TOTAL OPERATING EXPENSES	 370,126	 276,361	 (93,765)	 244,096
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Interest revenue	15,000	56,496	41,496	27,449
Interest expense	-	(360)	(360)	(19)
 TOTAL NONOPERATING REVENUES (EXPENSES)	 15,000	 56,136	 41,136	 27,430
 INCOME BEFORE CAPITAL CONTRIBUTIONS	 165,350	 502,792	 337,442	 303,367
CAPITAL CONTRIBUTIONS	-	1,927	1,927	-
 NET INCOME	 \$ 165,350	 \$ 504,719	 \$ 339,369	 \$ 303,367

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL  
ENTERPRISE FUND - STORMWATER UTILITY FUND  
YEAR ENDED DECEMBER 31, 2006  
With Comparative Actual Amounts for the Year Ended December 31, 2005

	2006		2005	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>STORMWATER OPERATIONS</u>				
Personal services:				
Salaries and wages	\$ 100,156	\$ 143,395	\$ 43,239	\$ 84,789
FICA	7,662	9,854	2,192	5,886
Employee retirement	7,962	10,685	2,723	5,947
Employee insurance	17,845	16,543	(1,302)	11,245
Workers' compensation	3,790	2,438	(1,352)	1,373
Unemployment insurance	200	-	(200)	-
Operating expenses:				
General supplies	500	763	263	525
Dues/training	4,325	4,781	456	1,688
Auto operating	5,350	3,542	(1,808)	3,429
Data processing	3,400	2,625	(775)	5,433
Contracts and repairs	1,200	1,341	141	1,041
Uniforms and clothing	1,200	289	(911)	1,018
Advertising	12,500	11,073	(1,427)	8,566
Professional services	29,500	25,220	(4,280)	21,388
Special department supplies	6,426	6,335	(91)	3,556
Insurance	2,610	1,914	(696)	1,432
 TOTAL STORMWATER OPERATIONS	 204,626	 240,798	 36,172	 157,316
 DRAINAGE PROJECTS	 165,500	 22,112	 (143,388)	 79,821
DEPRECIATION	-	13,451	13,451	6,959
 TOTAL OPERATING EXPENSES	 \$ 370,126	 \$ 276,361	 \$ (93,765)	 \$ 244,096



## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

These schedules present only the capital asset balances (which include land, buildings, betterments, and equipment owned by the City) related to Governmental-type funds. Accordingly, the capital assets reported in Proprietary-type funds are excluded from these amounts. Infrastructure capital assets represent actual cost of construction and/or estimated values of deeded properties by developers.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY SOURCE  
DECEMBER 31, 2006

CAPITAL ASSETS

Land and improvements	\$ 14,564,513
Buildings	9,537,697
Machinery and equipment	920,409
Furniture and fixtures	477,702
Vehicles	2,917,282
Infrastructure	12,348,194
Right of ways	<u>1,838,350</u>
 TOTAL CAPITAL ASSETS	 <u><u>\$ 42,604,147</u></u>

INVESTMENT IN CAPITAL ASSETS FROM

General and Special Revenue Fund revenues	\$ 13,530,922
Capital Projects Fund revenues	14,368,569
State and Federal grants	1,536,727
Contributions from subdividers	12,623,410
Gifts	<u>544,519</u>
 TOTAL INVESTMENT IN CAPITAL ASSETS	 <u><u>\$ 42,604,147</u></u>

This schedule presents only the capital asset balances related to governmental funds.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
DECEMBER 31, 2006

	TOTAL	LAND AND IMPROVE- MENTS	BUILDINGS	MACHINERY AND EQUIPMENT	FURNITURE AND FIXTURES	VEHICLES	INFRA- STRUCTURE	RIGHT OF WAYS
<u>GENERAL GOVERNMENT</u>								
Control:								
City Council	\$ 4,561,446	\$ 3,825,961	\$ 735,485	\$ -	\$ -	\$ -	\$ -	\$ -
City Administration	13,718	-	-	13,718	-	-	-	-
TOTAL	4,575,164	3,825,961	735,485	13,718	-	-	-	-
Staff Agencies:								
Finance	101,052	-	-	-	84,898	16,154	-	-
Economic and								
Community Development	107,962	-	-	-	41,465	66,497	-	-
Building Standards	145,385	-	83,000	-	-	62,385	-	-
City Buildings	1,007,210	921,152	-	86,058	-	-	-	-
TOTAL	1,361,609	921,152	83,000	86,058	126,363	145,036	-	-
TOTAL GENERAL	5,936,773	4,747,113	818,485	99,776	126,363	145,036	-	-
GOVERNMENT								
PUBLIC SAFETY	3,908,664	42,407	1,449,598	-	238,434	2,178,225	-	-
<u>PUBLIC WORKS</u>								
Engineering	29,778	-	-	-	-	29,778	-	-
Street Light Traffic	918,742	-	-	-	-	-	918,742	-
Streets and Drains	14,230,490	218,260	150,000	284,428	10,297	299,703	11,429,452	1,838,350
TOTAL PUBLIC WORKS	15,179,010	218,260	150,000	284,428	10,297	329,481	12,348,194	1,838,350
RECREATION AND PARKS	17,579,700	9,556,733	7,119,614	536,205	102,608	264,540	-	-
TOTAL GENERAL	\$42,604,147	\$ 14,564,513	\$ 9,537,697	\$ 920,409	\$ 477,702	\$2,917,282	\$ 12,348,194	\$1,838,350
CAPITAL ASSETS								

This schedule presents only the capital asset balances related to governmental funds.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
YEAR ENDED DECEMBER 31, 2006

	GENERAL CAPITAL ASSETS			GENERAL CAPITAL ASSETS
	12/31/05	ADDITIONS	DELETIONS	12/31/06
<u>GENERAL GOVERNMENT</u>				
Control:				
City Council	\$ 4,084,131	\$ 477,315	\$ -	\$ 4,561,446
City Administration	13,718	-	-	13,718
	<hr/>			
TOTAL	4,097,849	477,315	-	4,575,164
	<hr/>			
Staff Agencies:				
Finance	101,052	-	-	101,052
Economic and Community				
Development	107,962	-	-	107,962
Building Standards	145,385	-	-	145,385
City Buildings	86,058	921,152	-	1,007,210
	<hr/>			
TOTAL	440,457	921,152	-	1,361,609
	<hr/>			
TOTAL GENERAL GOVERNMENT	4,538,306	1,398,467	-	5,936,773
	<hr/>			
PUBLIC SAFETY	3,812,142	195,553	(99,031)	3,908,664
	<hr/>			
<u>PUBLIC WORKS</u>				
Engineering	29,778	-	-	29,778
Street Light Traffic	727,770	190,972	-	918,742
Streets and Drains	13,259,169	1,081,489	(110,168)	14,230,490
	<hr/>			
TOTAL PUBLIC WORKS	14,016,717	1,272,461	(110,168)	15,179,010
	<hr/>			
RECREATION AND PARKS	14,574,042	3,091,403	(85,745)	17,579,700
	<hr/>			
TOTAL GENERAL CAPITAL ASSETS	\$ 36,941,207	\$ 5,957,884	\$ (294,944)	\$ 42,604,147
	<hr/>			

This schedule presents only the capital asset balances related to governmental funds.

SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES  
GENERAL FUND



CITY OF NORTH AUGUSTA, SOUTH CAROLINA  
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2006

Court Fines	
Court fines collected	\$ 341,462
Court fines retained by City	<u>341,462</u>
Court fines remitted to State Treasurer	<u>\$ -</u>
Court Assessments	
Court assessments collected	\$ 369,867
Court assessments retained by City	<u>50,280</u>
Court assessments remitted to State Treasurer	<u>\$ 319,587</u>
Court Surcharges	
Court surcharges collected	\$ 118,319
Court surcharges retained by City	<u>3,948</u>
Court surcharges remitted to State Treasurer	<u>\$ 114,371</u>
Victims Services	
Court assessments allocated to Victim Services	\$ 40,414
Court surcharges allocated to Victim Services	<u>8,741</u>
Funds allocated to Victim Services	49,155
Victim Services Expenditures	<u>34,323</u>
Funds Allocated to Victim Services in Excess of Victim Services Expenditures	14,832
Funds available for carryforward - beginning of year	<u>39,432</u>
Funds available for carryforward - end of year	<u>\$ 54,264</u>

