



**CITY OF NORTH AUGUSTA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year Ended December 31, 2009

CITY OF NORTH AUGUSTA

SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED

DECEMBER 31, 2009



Prepared by
Department of Finance

John P. Potter, Jr.
Director of Finance

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2009

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North
Augusta 
South Carolina's Riverfront

INTRODUCTORY SECTION

HISTORY OF NORTH AUGUSTA, SOUTH CAROLINA

The City of North Augusta, South Carolina was officially incorporated on April 11, 1906.

The City of North Augusta is strategically centered in the Augusta-Aiken metropolitan area and conveniently located along the South Carolina bank of the Savannah River. The City is approximately 70 miles west of the South Carolina capital, Columbia, and 150 miles east of the Georgia capital, Atlanta. The City's nearest neighbor is Augusta, Georgia, located just across the Savannah River. North Augusta offers the best of both worlds - an idyllic, small-town lifestyle amid all the benefits of big city living.

North Augusta was preceded by three other towns that were located in the general area of North Augusta. The first, Savannah Town, also known as Fort Moore, was among the earliest white settlements at the head of navigation on the Savannah River. Savannah Town was located on a bluff overlooking the river near the present site of the Fifth Street Bridge. In 1716 it was one of the most important trading centers in South Carolina. It flourished as a trading post until the founding of Augusta in 1735, just across the river on the Georgia side.

Campbell Town, was founded by John Hammond over 200 years ago. It was established as a trading center for furs, tobacco, and other goods. In addition to the Indian and tobacco trade, there were, between Campbell Town and the nearby mouth of Steven's Creek, extensive and profitable shad fisheries which added to the commercial importance of the town. Campbell Town prospered for about 60 years before the lucrative tobacco market started to slip to the Georgia side of the river due to increasing competition between tobacco warehouse owners.

Hamburg, South Carolina was founded by Henry Shultz in the early 1800's when the cotton and tobacco trade was booming. Hamburg soon became the home dock of a thriving steamboat business shipping goods to Charleston. This success led to the development of the Charleston and Hamburg Railroad in 1833, which, at 136 miles, was then the longest railroad in America. Hamburg continued to thrive as the railroad's western terminus until the construction of a trestle bridge over the Savannah River into Augusta in 1853.

In 1890, Augusta native James U. Jackson organized the North Augusta Land Company and purchased more than 5,000 acres of rolling farm and woodland across the Savannah River from Augusta, Georgia. In 1891, a bridge was built from Augusta, followed closely by a trolley line. Then, in 1902, Jackson and his associates built the Hampton Terrace, a world-class, five-story hotel 540 feet above sea level overlooking the Savannah River, Augusta, and the surrounding countryside. The Hampton Terrace raised North Augusta to the rank of one of the leading winter resorts in the country and played gracious host to many of the country's elite including President William Howard Taft, John D. Rockefeller, Harvey Firestone, and Marshal Field. Unfortunately, the hotel was destroyed by fire in 1916.

The Hampton Terrace was never rebuilt and North Augusta remained a small residential town until the 1950s, when the Savannah River Plant was built by the Atomic Energy Commission. The town tripled in size and, over the next half century, grew into today's thriving community of over 17,000.

While breathtaking ante-bellum mansions such as Jackson's Rosemary Hall and her sister icon Lookaway Hall are eloquent reminders of the past, these historic treasures gracefully co-exist with picturesque, well-manicured homes in friendly, affordable neighborhoods. North Augusta offers a variety of housing options from the typical subdivision home to patio and townhomes and, more recently, the traditional neighborhood development. Housing types, styles, sizes and prices vary greatly but quality design and construction, public and private maintenance, and a strong sense of community enhance the value of property and make North Augusta an attractive place to call home. Large residential projects currently in development promise to add several thousand new housing units in the coming decade.

Business, slowed somewhat by a sluggish economy, continues to grow. A recently completed streetscape project along Georgia Avenue has revitalized the downtown and led to the development of many new shops and offices. A second phase of downtown streetscape along West Avenue including the side streets between Georgia Avenue and West Avenue is currently in the works. Anchoring the downtown area is the City's new 70,000 square foot Municipal Center. The Municipal Center, opened in June 2009, is the new home for the City's administrative offices as well as the heritage and cultural arts councils.

North Augusta is well-known for outstanding recreational facilities. North Augusta's Greenway is an award winning paved multi-purpose trail created out of an abandoned railroad right of way. The trail meanders for approximately ten miles through natural terrain, neighborhoods and, more recently, along the Savannah riverfront. Once completed, North Augusta's Greenway will extend almost sixteen miles. Riverview Park, located on the south side of the City, is a 149-acre recreational wonderland with athletic fields, tennis courts, a disc-golf course, playgrounds, and trails. The park is anchored by a 90,000 square foot, state-of-the-art indoor facility known as Riverview Park Activities Center. Riverview Park Activities Center houses four gymnasiums, two racquetball courts, a suspended indoor track, fitness rooms and administrative offices for the Department of Parks, Recreation and Leisure Services. During 2006, the City purchased 152 acres just north of the City limits to construct a second major outdoor recreation facility. During 2008, 28 acres of additional land was purchased adjacent to the proposed park. Development of this regional park, to be known as Northview Park, should begin in 2010.

Community involvement is an important component of life in North Augusta. The City is home to a thriving cultural arts program, heritage council, chamber of commerce, and many other agencies and organizations designed to enhance the community for its residents and visitors now and in the future. In 2000, a group of community and civic-minded citizens founded North Augusta 2000, a non-profit foundation to promote community improvement in North Augusta in the areas of economic development, education, quality of life, and parks and recreation. This group implemented numerous successful initiatives in its first five years and is actively working to meet its goals for the next five years.

A century of excellence, superb location, progressive government, quality growth, quaint neighborhoods, friendly, involved residents, and a growing business environment make North Augusta a great place to live, play, work and do business.

PROFILE OF THE CITY

Description of the City

The City of North Augusta is located in Aiken County in the southwestern portion of South Carolina. The Savannah River forms the State line between South Carolina and Georgia. The City of North Augusta is 67 miles west of the South Carolina capital, Columbia, and 145 miles east of the Georgia capital, Atlanta. The City's nearest neighbor is Augusta, Georgia, located just across the Savannah River.

The City of North Augusta was incorporated in 1906. In 1950, the United States Atomic Energy Commission built the Savannah River Plant in Aiken County, 15 miles from the City of North Augusta. The billion-dollar plant and its allied industries brought tremendous growth to the area.

The citizens of North Augusta are justly proud of its quality residential character and its aesthetically pleasing natural environment with variety in its terrain and an abundance of wooded, undeveloped areas.

North Augusta enjoys many of the advantages of big city living while maintaining a strong sense of history, tradition, family, and community. The best part of the past remains in North Augusta today, blended with a modern outlook to create a community that has pride in its commitment to be independent and self-reliant with a deep sense of togetherness and achievement.

Demographic Characteristics

The United States Census Bureau has recorded the population of the City of North Augusta and Aiken County in the decennial years 1950 through 2000 as follows. The population estimates for years 2001 through 2009 are provided by the City of North Augusta Planning and Economic Development Department.

<u>Year</u>	<u>City of North Augusta</u>	<u>Aiken County</u>
1950	3,659	53,137
1960	10,348	81,038
1970	12,883	91,023
1980	13,593	105,625
1990	15,684	120,940
2000	17,574	142,780
2001	17,756	143,378
2002	17,992	144,653
2003	18,222	145,866
2004	18,502	147,488
2005	18,712	148,528
2006	18,992	150,125
2007	19,322	152,333
2008	19,866	154,071
2009	20,025	156,017

Government Structure

The City of North Augusta has a Mayor-Council form of government. The City Council is composed of seven members elected at large on a partisan basis. The Mayor is elected to a four-year term, and the six Council members are elected every two years to serve four-year staggered terms.

The City Council is the legally constituted law-making and policy-making body for the City of North Augusta. The major duties of the City Council include: adoption of an annual budget; establishing the annual property tax rate; enactment of policies concerning the operation of the City; enacting local ordinances; and the appointment of the City Administrator and members of the various boards. The City Council also has the authority to call bond referendums in the City and enter into contracts.

The City Administrator is the chief executive of the City, appointed by the Mayor as authorized by the City Council for an indefinite term. The major duties of the City Administrator include: supervising and coordinating the activities of the City departments; attending Council meetings and making recommendations on appropriate matters of business; ascertaining that all orders and policies of the City Council are implemented; recommending the annual budget; keeping the City Council advised on the financial condition of the City; and representing the City in business with other agencies.

Public Service Enterprises

The City of North Augusta furnishes water, wastewater, stormwater management and garbage collection to residents of the City. The City also provides water, wastewater, garbage collection, and fire protection to some customers located outside the City limits but within the City's service area. The City has also entered into agreements with the Valley Public Service Authority and the Edgefield County Water and Sewer Authority to provide water and/or wastewater service to certain customers within their service areas. The City Council sets rates and service charges for these services. See Tables XXII and XXIII on pages 141 and 142 respectively for current rates and charges and a ten year history of changes to the rates and charges.

Electricity and gas services are provided by South Carolina Electric and Gas Company, a utility regulated by the South Carolina Public Service Commission, and Aiken Electric Cooperative, Inc., a utility regulated by the Rural Electrification Administration, an agency of the United States Department of Agriculture.

Basic telephone service is provided by American Telephone and Telegraph (AT&T). Telephone service rates are regulated by the South Carolina Public Service Commission. There are over 300 long distance/cell phone companies licensed to conduct business in North Augusta.

Cable service is provided by Comcast Communications. Some of the cable rates are regulated by the Federal Communications Commission.

Water Supply and Distribution

At the time of the town charter in 1906, the waterworks system was owned and operated by a private company that continued this service until 1918. In that year, the town issued bonds in the amount of \$50,000 with which to make extensions and repairs, and a waterworks committee was appointed to handle the affairs of the department. The original water system which served a population of 1,500 in 1918 utilized springs as the source of water supply.

By the early 1950's with the coming of the Savannah River Plant, the City Council recognized the inadequacy of this spring supply of only 235 gallons per minute and authorized the construction of a 2,000,000 gallons per day filtration plant with attendant improvements of the distribution and storage system. However, due to funding problems, the plant was reduced to a filtration capacity of one MGD (million gallons per day) but incorporated most of the two MGD design.

The new facilities completed in early 1954 consisted of the filtration plant, a raw water intake and pumping station, extensive water main additions, a 250,000 gallon elevated storage tank, and a pumping station to serve the upper level system. The plant, located adjacent to the Savannah River approximately 1 1/2 miles upstream from the Thirteenth Street Bridge (Georgia Avenue), receives raw water pumped from the Savannah River through a combination intake and pumping station located about 1,500 feet upstream from the plant. The initial capacity of this typical rapid sand filtration plant soon proved to be inadequate for the fast-growing city such that an addition was required in 1959 to increase the capacity to two MGD. The system demands continued with the City's growth and required another plant addition in 1969 which doubled the production capability to four MGD. During this same construction, the pumping capacity at the raw water station was increased accordingly. The raw water from the unlimited supply from the Savannah River is treated with chemicals to induce coagulation and settling in basins prior to filtration. Chlorine is added for disinfecting purposes, and fluoride is added to the finished water to reduce dental decay.

In February, 1982, the City purchased from Water Distributors, Incorporated, a South Carolina corporation, a water system serving an unincorporated area of Aiken County adjacent to the City limits. This water system, originally known as the "ground water system" because its water supply was four deep wells, consisted of a 125,000 gallon elevated tank, a 300,000 gallon ground reservoir, and accompanying distribution lines. The wells are no longer in service, and the two systems are completely integrated with all water supplied from the North Augusta water treatment plant.

In 1988, the water treatment plant was again expanded from four MGD capacity to eight MGD. This expansion consisted of increasing the filtration rate, installing two additional pumps, and upgrading the chemical feed system.

In 1998, the City contracted for the design of a six MGD expansion to the water treatment plant and major distribution improvements primarily in the northeastern portion of the City's water system. Construction of these improvements began in July, 1999, and was completed in April, 2001.

Because of the varying terrain in and around North Augusta, the distribution system is divided into two service levels to control pressure. The lower level, which serves the older portion of town as well as the developed area outside the eastern boundary, has a storage capacity of 1,250,000 gallons for water pumped directly from the existing 150,000 gallon clearwell and the newly constructed 500,000 clearwell located at the filter plant. A 1,000,000 gallon underground storage tank is centrally located on Hampton Avenue. A 250,000 gallon elevated storage tank located on State Route 125 provides storage for the water main on that same highway which serves the industrial park located near the intersection of SR125 and U. S. Highway 1.

The upper level system receives its supply from a pumping station located adjacent to the 1,000,000 gallon underground tank on the lower level system and the older pumping station on Butler Avenue. The 1,000,000 gallon storage for the upper level system consists of a 500,000 gallon elevated storage tank located at Interstate 20 and Five Notch Road, and two 250,000 gallon elevated storage tanks, one centrally located on Sidereal Avenue and the other located in the northern section in the Smithfield Subdivision on Wells Road.

Wastewater System

The City of North Augusta provides for the collection of wastewater to all areas within the City limits and some areas outside the City limits. Wastewater treatment for the City of North Augusta is provided by the Horse Creek Wastewater Treatment Facility owned by Aiken County, of which the City of North Augusta is a major customer. The Horse Creek Wastewater Treatment Facility has major interceptor lines to which the City's collection system discharges. Charges to the City are based on the actual flow delivered to the regional facility.

Collection System: The main collection system of the City consists of more than 225 miles of sewer pipe varying in size from 6 inches to 36 inches, and 18 pumping stations. Pumping stations have been constructed in parts of the City which are beyond the limits of the gravity system.

Major collection system expansions were constructed in the 1960's, 1970's and 1980's with continuing improvements made in intervening years. The City has no combined wastewater and storm sewers in its wastewater system. The wastewater collection system is maintained by the Public Utilities Department and is presently in good condition. Due to its age the system does experience moderate infiltration and inflow during periods of high rainfall.

Horse Creek Wastewater Treatment Facility: The City of North Augusta, together with the City of Aiken, South Carolina, Graniteville Manufacturing Company, and United Merchants and Manufacturing Company contracted with the Aiken County Public Service Authority (the "Authority"), an agency of Aiken County, to construct and operate the wastewater treatment facility known as the Horse Creek Wastewater Treatment Facility. The Horse Creek Facility is a 20 MGD regional wastewater treatment facility located at the confluence of Horse Creek and the Savannah River. The primary purpose of the facility is to provide wastewater treatment for the Horse Creek Basin in Aiken County. In June of 1976 and February of 1977, the City sold revenue bonds for water and wastewater improvements which included the City's proportionate

share of the Authority’s wastewater treatment plant. The Horse Creek Wastewater Treatment Facility was placed into full operation in 1979.

The Horse Creek Wastewater Treatment Facility provides wastewater treatment for its customers on a wholesale basis only; it has no retail customers. The Authority collects and treats wastewater discharged by its customers as per the terms of the respective service contracts between each customer and the Authority. Each customer pays its pro rata share of the operation and maintenance costs based on volume of flow. Currently the City of North Augusta’s present allocation of capacity is 4.844 MGD. The Horse Creek Wastewater Treatment Facility has adequate reserve and expansion capacity.

The City of North Augusta pays for the use, maintenance and depreciation of the regional facility based on the total cost of the facility’s operational and debt retirement divided among all users on the basis of total gallons contributed. As the table indicates, the City of North Augusta has ample reserve capacity at the present time. If future needs dictate, the City of North Augusta may draw on the unallocated reserve as needed. The sewer trunk lines of the Authority are sized to accommodate anticipated wastewater flows from the service area in the year 2025. Additionally, the treatment facility is designed so that it can be expanded to a 40 MGD facility.

Horse Creek Valley 20.0 MGD Facility - Capacities by User
As of June 30, 2009

	Present Allocation	Present Use
City of North Augusta	4.844 MGD	4.11377 MGD
City of Aiken	4.413 MGD	4.56761 MGD
Avondale Mills, Inc.	5.320 MGD	0.02006 MGD
Cytec Industries, Inc.	.900 MGD	0.05535 MGD
Bath	.070 MGD	0.04501 MGD
Breezy Hill	.177 MGD	0.15242 MGD
Clearwater	.000 MGD	0.03427 MGD
Graniteville Village	.000 MGD	0.10033 MGD
Kimberly Clark	.150 MGD	0.15687 MGD
Langley	.060 MGD	0.03938 MGD
PACTIV	.050 MGD	0.01345 MGD
VPSA / Warrentville	.167 MGD	0.07615 MGD
Unallocated	3.849 MGD	0.00000 MGD
TOTAL	20.000 MGD	9.37467 MGD

Stormwater Management

On July 1, 2002 the City of North Augusta initiated a Stormwater Management Utility. The monthly fee is based on the Equivalent Residential Unit (ERU), which is comprised of one, one-third acre lot containing a single family residential dwelling structure with a runoff coefficient of 0.35. The Stormwater Management Utility fee billed monthly for residential customers located

in the City limits is \$4.00 per ERU. Every single family residential customer is billed one ERU. All other developed properties are classified as non-residential developed and billed according to its number of ERU's which is derived from its primary use classification and parcel size.

The stormwater utility fee is used only for activities relating to stormwater management. The benefits of the stormwater management program include improved water quality, better maintenance of drainage facilities resulting in less yard waste and street flooding, reduction in soil erosion and higher property values.

Education

The State of South Carolina provides a basic minimal education program for each county within the State. The School District of Aiken County is the administrative unit serving the County of Aiken and the City of North Augusta. The School District of Aiken County is governed by the Aiken County Board of Education, which is composed of nine members elected to four-year terms. State regulations and policies must be followed by the County School Board.

The City of North Augusta is served by four elementary schools, two middle schools, and one high school. North Augusta High School, North Augusta Middle School, and Paul Knox Middle School are members of and accredited by the Southern Association of Secondary Schools and Colleges.

The City of North Augusta has no financial responsibility for any part of the school district. The funding for the school district consists of State of South Carolina, federal government, and Aiken County funds.

Private schooling is available at Our Lady of Peace School, Victory Baptist School, and Walden Hall Christian Montessori School in North Augusta, and at Augusta Preparatory School, Augusta Christian Day School, Episcopal Day School, and Aquinas High School in Augusta, Georgia.

Higher education facilities are provided in the area by the Aiken Technical Education Center, the Aiken Regional Campus of the University of South Carolina, 20 miles away, and by Augusta State University, Paine College, and the Medical College of Georgia, located in Augusta, Georgia.

Transportation

The City is served by four federal highways and six state highways with Interstate 20 passing through the City limits. The widening of the Thirteenth Street Bridge, completed in the fall of 1991, provides four-lane access from North Augusta on Georgia Avenue from Buena Vista Avenue to downtown Augusta, Georgia.

In 2001, the South Carolina Transportation Infrastructure Bank Board (SCTIB) approved initial funding for the completion of the "Palmetto Parkway", the South Carolina portion of the I-520 Interstate loop around the Augusta metropolitan area. Construction of Phase 1, 2½ miles from

Sand Bar Ferry Road in Augusta, Georgia, to US 1 in North Augusta, was completed in June 2004 at a cost of approximately \$43,000,000. Phase 2 extends another 6 miles to the north, from US 1 to Interstate 20 at US 25. Construction of Phase 2 began in late 2006. Additional funding made available in 2007 for improvements to the US 25 and Interstate 20 interchange area increased the scope of the project. The Palmetto Parkway was completed and opened to traffic in December 2009. The total cost of the Palmetto Parkway, including the Georgia DOT share of the Savannah River Bridge, was approximately \$247 million.

Air service is provided at two airports located in Augusta, Georgia. Augusta Regional Airport at Bush Field is serviced by USAirways Express, and Delta Connection Carrier, Atlantic Southeast Airlines. Major renovations to the airport terminal, including state of the art technology, were completed in 2007. In 2009, 399,077 passengers were served on jet and turbo-prop aircraft. Located on 1,410 acres, the airport is equipped with all FAA navigational facilities, including one 8,000-foot runway and one 6,000-foot runway, with supporting taxiways and aprons.

Daniel Field is a general aviation type airport located in West Augusta. It contains two 4,000 foot runways providing for complete fixed base operations including charter, student training, sales, service, and UNICOM, available during daylight hours.

Rail freight service to the Augusta metropolitan area is provided by Norfolk Southern Railway and CSX Transportation.

Bus line service to and from the area is provided by Greyhound Lines, Inc., and Southeastern Stages, Inc. Local bus transportation is provided by the Best Friend Express, a transportation system owned and operated by Aiken County.

Industrial Profile

There are approximately seventy manufacturing firms in Aiken County of which three are located in North Augusta. Principal manufactured products include materials for nuclear power, glass fibers, cotton and yarn goods, concrete products, fabricated steel pipes and tanks, tissue products, disposable diapers, automobile parts, wood fixtures, printing and publishing products, electrical wiring devices, clothing products, specialty and industrial chemicals. Details of the major employers are provided in Table XVIII on page 137.

North
Augusta 
South Carolina's Riverfront

May 20, 2010

Honorable Mayor,
Members of City Council, and
Citizens of North Augusta
North Augusta, South Carolina 29841

Ladies and Gentlemen:

We are pleased to submit the Comprehensive Annual Financial Report of the City of North Augusta, South Carolina for the fiscal year ended December 31, 2009. The report contains a comprehensive analysis of the City's financial position and activities for the fiscal year ended December 31, 2009 and other pertinent financial and demographic information, generally presented on a multi-year basis.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City of North Augusta. To the best of our knowledge and belief, the enclosed data are accurate in all material respects, and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City in accordance with generally accepted accounting principles (GAAP); and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. Management has established and maintains a system of internal controls to provide for this assurance. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

In accordance with Section 5-13-30 of the South Carolina Code of Laws, an annual audit was performed by Serotta Maddocks Evans & Company, CPA's, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurances the Financial Statements are free of material misstatement. The independent auditor has rendered an unqualified opinion that the City of North Augusta's financial statements for the fiscal year ended December 31, 2009, are fairly presented in accordance with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement MD&A and should be read in



conjunction with it. The City of North Augusta's MD&A can be found immediately following the report of the independent auditors.

In accordance with GASB Statement 14, The Financial Reporting Entity, the reporting entity of the City of North Augusta includes all the funds relevant to the operations of the City. 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 such 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.

The Aiken County School District, the Aiken County Government, to include the Aiken County Public Service Authority, the Valley Public Service Authority, and the Edgefield County Water and Sewer Authority, are independent entities and are not included in this report. Financial statements can be obtained from the respective entities.

The City of North Augusta provides a full range of municipal services which include:

Finance and Information Services:

- Budgetary and General Accounting
- Information Technology
- Treasury Services
- Human Resources and Payroll
- Cash Collections
- Purchasing
- Utility, Tax and Business License Billing

Recreation, Parks and Leisure Services:

- Recreation Programs
- Park Maintenance
- Beautification and Property Maintenance
- Concessions
- Special Events Planning
- Athletics
- Cultural Arts

Public Safety:

- Administrative and Support Services
- Police Services
- Fire Suppression Services
- Investigations and Special Operations
- School Resource
- Safety Management

Economic and Community Development:

- Comprehensive Planning Services
- Development Regulations
- Development Review
- Zoning Administration
- Codes Enforcement
- Subdivision Services

Public Works:

- Engineering Services
- Sanitation and Recycling Services
- Animal Control
- Stormwater Management
- Building Standards
- Equipment Maintenance

Public Utilities:

- Utilities Administration
- Water Production
- Utility Operations
- Utility Construction
- Wastewater Collection
- Meter Reading

ECONOMIC CONDITION AND OUTLOOK

In spite of the national recession in 2008 and 2009 the overall economy of the greater North Augusta area is strong and getting stronger. The economic downturn has affected the Central Savannah River Area and North Augusta to a lesser degree than most major metropolitan areas in the country. However, real estate development activity and related increases in ad valorem tax values have continued at a slower pace. Additionally, the reduction in the level of commercial activity was reflected in sales tax and business license revenue for a second year.

The employment level at the Savannah River Site has increased significantly and will remain high for the next three years as a result of the increase in Department of Energy appropriations pursuant to the American Recovery and Reinvestment Act (ARRA). After the expiration of ARRA funding there will likely be periodic fluctuations in SRS employment for the next several years depending on the national economy and national defense policies. The continued development of Aiken County's Sage Mill Industrial Park and other industrial areas in Aiken and Edgefield Counties will create additional jobs with anticipated future announcements for industries locating in the area. MTU Detroit Diesel recently announced relocation from Detroit, Michigan to Sage Mill. The firm will invest \$45 million in its Aiken County facility and create 250 skilled automotive jobs over a four year period.

The Local Hospitality and Accommodations taxes levied by the City initially in 1998 continued as an excellent revenue stream in 2009. In the November 2000 election, Aiken County voters approved a One-Cent Capital Projects Sales Tax. The tax went into effect May 1, 2001. On the same day the City reduced the Local Hospitality Tax from two-cents to one-cent. The reduction in the Local Hospitality Tax revenues was more than offset by the \$7,523,000 the City received from the One-Cent Capital Projects Sales Tax. A vote on the continuation of the Aiken County One-Cent Capital Projects Sales Tax beyond 2006 was held in the November 2004 general election and passed by a significant margin. The City will receive \$19,350,000 over the seven year life of Phase II of the sales tax. A third round of the Aiken County One-Cent Capital Projects Sales Tax is scheduled for the November 2010 ballot. Preliminary estimates are that, if reauthorized as expected, the Phase III tax will generate an amount approaching \$30 million for the City over seven years beginning in 2012.

The North Augusta Riverfront and Downtown redevelopment efforts are moving forward. Phase I of the Downtown Streetscape Project, Georgia Avenue, was completed in July 2001 at a cost of approximately \$1,600,000. The project included significant sidewalk, roadway, landscaping and lighting improvements on Georgia Avenue. Phase II, presently underway and estimated to cost \$2,800,000, includes West Avenue and several side streets and was initiated in 2007 and continues in sub-phases with completion expected in 2010. Construction of a new Municipal Center, costing approximately \$22,000,000 and located in the lower downtown area, was completed in July 2009. The Municipal Center houses the administrative offices of the City and provides the space for the Arts and Heritage Center as well as rental space for special events.

The City's efforts to redevelop vacant property on the Savannah River made considerable progress in 2009. In 2002 the City successfully assembled 200 acres upstream of the Georgia

Avenue Bridge. In 2003 the City and the North Augusta Riverfront Company executed an agreement to purchase the majority of the land and a development agreement that specified the scope and schedule of the development and the details of the public-private partnership. The developer has purchased approximately eighty-one acres to date from the City to develop a traditional neighborhood development project on the riverfront. Additional acreage will be purchased in coming years. Once completed, the project will include 1,000 to 1,200 new homes, 50,000 square feet of office and retail space, passive parks, and a major special event venue and park on the Savannah River. Approximately 93 homes and four commercial buildings have been constructed to date. A new road, Center Street, was constructed at a cost of \$4,000,000 and connects Georgia Avenue near the new Municipal Center with the riverfront redevelopment area. The commercial phase of Hammond's Ferry, located on both sides of Center Street, is scheduled to commence in 2010.

Building activity in other approved developments continues, albeit at a slower rate due to the economy. Subdivision infrastructure and single-family construction in Walnut Grove, Butler's Mill, Andrew's Branch, Arbor Place, the Summit and Bergen Place are essentially complete. Construction in Bergen West, Wando Woodlands, Woodstone, Whatley Place, Brighton Place and Knollwood continues and is expected to increase to previous levels in 2010.

The City has also approved two large planned developments on the north side of Interstate 20. Sweetwater Junction is a 277.5± acre planned development located on the east side of US 25 approximately one mile north of I-20. The development plan includes 96 acres of commercial development totaling approximately 900,000 square feet and 181 acres of residential development, including 815 multi-family, townhouse and single-family units. The Springs is a 1,513.8± acre planned development located east of US 25 and south of Ascauga Lake Road. The development plan consists of approximately 50 acres of commercial and civic development, a 307-acre golf course, and 1,200 acres of mixed residential development totaling more than 3,500 units. Unfortunately due to the economy, both of these projects have been placed on hold by the developers. SRP Federal Credit Union completed and occupied a 130,000 square foot headquarters facility and branch office on US 25 at Walnut Lane. Completion of the improvements to the interchange at Interstate 20 and US 25 and the reconstruction of the Walnut Lane and US 25 intersection will facilitate the Sweetwater and SRP developments.

In 2001, the South Carolina Transportation Infrastructure Bank Board (SCTIB) approved initial funding for the completion of the Palmetto Parkway, the South Carolina portion of the I-520 Interstate loop around the Augusta metropolitan area. Construction of Phase 1, 2½ miles from Sand Bar Ferry Road in Augusta, Georgia, to US 1 in North Augusta, was completed in June 2004. Phase 2 extends another 6 miles to the north, from US 1 to Interstate 20 east of US 25. Construction on Phase 2 began in late 2006. Additional funding made available in 2007 for improvements to the US 25 and I-20 interchange area increased the scope of the project. The Palmetto Parkway was completed and opened to traffic in December 2009. The total cost of the Palmetto Parkway, including the Georgia DOT share of the Savannah River Bridge, was approximately \$247 million.

In summary, the economic outlook for the City of North Augusta offers a great deal of promise.

FINANCIAL INFORMATION

Management of the City of North Augusta is responsible for establishing and maintaining an internal control structure designed to insure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity of generally accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting and Budgeting Controls. The annual budget serves as the foundation for the City of North Augusta's financial planning and control. All Department Directors of the City are required to submit requests for appropriation to the City Administrator the first week of September each year. The City Administrator uses these requests as the starting point for developing a proposed budget. The City Administrator then presents this proposed balanced budget to City Council for review the first week of October. Following review of the proposed budget, City Council holds a public hearing and as soon thereafter as possible, adopts the budget and passes a budget ordinance, tax levy ordinance and other such ordinances as may be required to make the budget effective. The appropriated budget is adopted by total expenditures or expenses. Detail is provided for accounting and budgetary control.

Formal budgetary integration is employed as a management control device. A budget is legally adopted annually for the General Fund on a basis consistent with generally accepted accounting principles. Budgets for Special Revenue Funds or Capital Projects Fund are adopted on a project or activity basis instead of an annual operating cycle basis. Budgets for the enterprise funds are adopted annually on a basis consistent with generally accepted accounting principles except that depreciation is not a budgeted item. The transfer of budgeted amounts between functional areas must be approved by City Council; however, the City Administrator can amend the budget at the line item or department level, within a functional area, not to exceed \$5,000. Management can also over-expend appropriations, with 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.

Long-Term Financial Planning. Each spring the City Council and staff meet in an intense planning environment lasting two complete days. The major focus of this Council/staff seminar, known as North Augusta Forward, is to identify the best possible future for North Augusta and to chart a course to make that future a reality. The success of this seminar can be easily measured by the many changes that have taken place in North Augusta, many of which were in the planning stages for several years. Future projects requiring significant financial planning and resources have been identified as follows: (1) Greenway/bikeway extensions, (2) regional/district/community recreational parks, (3) aquatic/senior adult facility, (4) conference center, (5) public safety fire sub-stations and appropriate fire apparatus, (6) transportation improvements, (7) road and intersection improvements, and (8) sidewalk additions. These

facilities, estimated to cost in excess of \$75,000,000 in today's dollars, are excellent candidates for future rounds of sales tax funding.

Relevant Financial Policies. The City's financial policies adopted by City Council in 1987 require that the General Fund unreserved fund balance at the end of each fiscal year be transferred to the Capital Projects Fund in the following fiscal year. These funds are used for one-time capital expenditures, thereby reducing the need to incur additional debt for capital expenditures/facilities. The unreserved fund balance in the General Fund at December 31, 2008 of \$257,821 was transferred to the Capital Projects Fund on July 8, 2009. The unreserved fund balance in the General Fund at December 31, 2009 of \$595,511 will be transferred to the Capital Projects Fund in July of 2010.

Cash Management Policies and Practices. The Department of Finance has undertaken an active cash management program to ensure the most efficient and profitable use of the City's cash resources. The City of North Augusta takes full advantage of investment opportunities of all temporarily idle funds. The cash available for investment as of December 31, 2009 was invested in the South Carolina Local Government Investment Pool, collateralized deposits, and repurchase agreements. The average yield on investments during 2009 was .68% which is significantly less than in previous years. It is anticipated that the investment yield will stabilize somewhat before increasing slightly in the future. Additional information concerning cash and investments can be found in Note 2 in the notes to the financial statements.

Risk Management. The City provides a comprehensive risk management program. This program has two main objectives. The first of these objectives is to ensure a safe environment for City employees and for members of the public who utilize the services and programs provided by the City. The second objective is to develop an effective safety or accident prevention program, thereby reducing the costs of both accidents and insurance. The City has an active Safety Committee whose top priority is to reduce and hopefully eliminate all accidents and incidents involving the City's workforce. Insurance coverage is provided through the South Carolina Municipal Association in the form of a public entity risk pool that operates as a common risk management and insurance program. Additional information concerning the risk pools and coverage amounts can be found in Note 10 in the notes to the financial statements.

Pension Plans. All City employees, excluding public safety officers, are members of the South Carolina Retirement System (SCRS), a cost-sharing, multiple-employer PERS. Public safety officers are members of the South Carolina Police Officers' Retirement System (SCPORS), a cost-sharing, multiple-employer PERS. The City has no responsibility to either of the retirement systems other than to make the periodic payments required by state statute. The administration of each of these retirement systems is vested in the South Carolina Budget and Control Board. Data is not kept by individual municipalities or units; therefore, all necessary disclosures that relate to the City of North Augusta cannot be made. Note 8 in the notes to the financial statements provides additional information regarding employee and employer contribution rates and employer contributions for the last three fiscal years.

Debt Administration. As of December 31, 2009, the City of North Augusta has two active Revenue Bond Issues, dated 1998 and 2002, and one General Obligation Bond issue, dated 2006. The City of North Augusta has also entered into several long-term lease agreements for machinery and equipment, furniture and fixtures, and vehicles. Additionally, in December 2007, the City entered into a \$6,350,000 lease for financing a portion of the new Municipal Center. The revenue stream for this lease is the City's local hospitality and accommodations tax. For more information on the outstanding debt of the City, please see Notes 5 and 6 in the notes to the financial statements.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Augusta, South Carolina for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2008. This was the twenty-seventh consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR, whose contents conform to program standards. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the CAFR on a timely basis could not be accomplished without the dedicated endeavors of the Finance and Administrative Departments. We would like to express our appreciation to each employee who assisted and contributed to its preparation. Credit also must be given to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of North Augusta's finances.

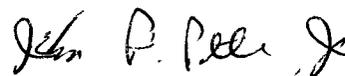
While we recognize that the contents of the financial statements contained herein are the City's, it would be inappropriate not to mention the assistance of our independent auditors in the preparation of these statements.

Respectfully submitted,



C. Samuel Bennett, II
City Administrator

Respectfully submitted,



John P. Potter, Jr.
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of North Augusta
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



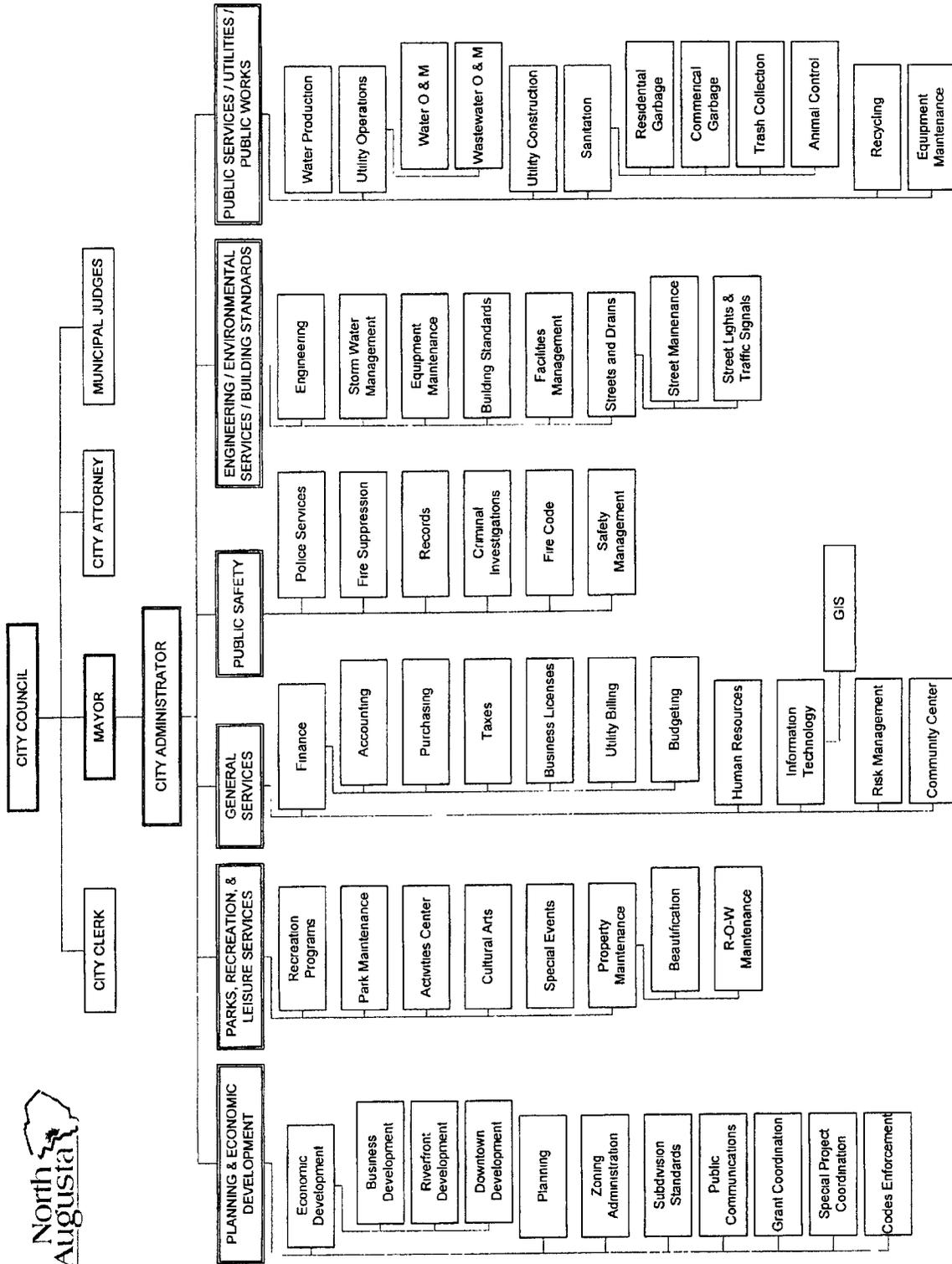
A stylized, handwritten signature in black ink, appearing to read "JEFFREY R. EMEN".

President

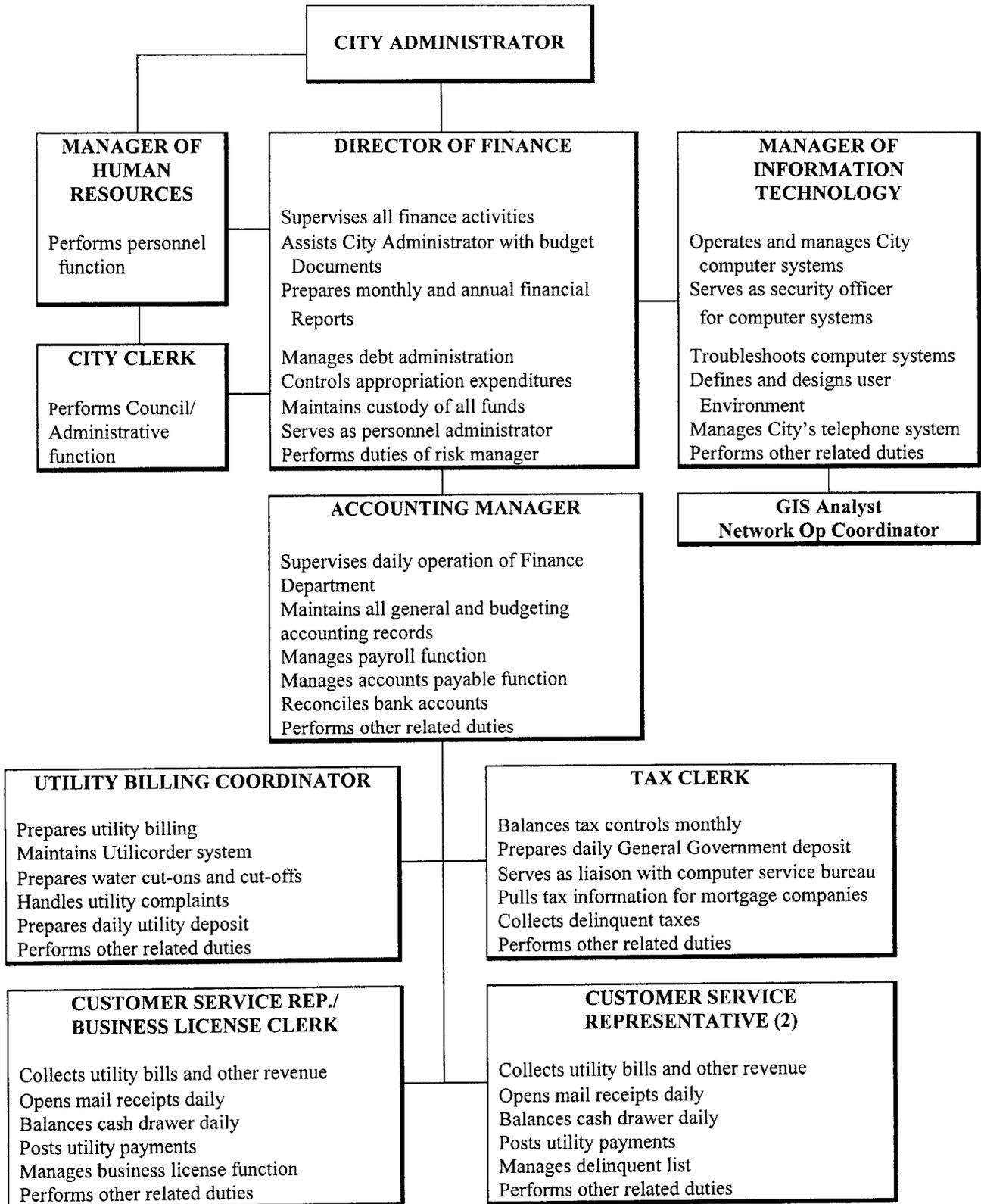
A handwritten signature in black ink, appearing to read "Jeffrey R. Emen".

Executive Director

CITY OF NORTH AUGUSTA ORGANIZATION CHART - 2009



**FINANCE DEPARTMENT
ORGANIZATIONAL CHART - 2009**



CITY OF NORTH AUGUSTA, SOUTH CAROLINA

PRINCIPAL OFFICIALS

CITY COUNCIL

Lark W. Jones, Mayor
(5-97 to 5-13)

Carolyn C. Baggott, Councilwoman
(5-91 to 5-11)

Pat C. Carpenter, Councilwoman
(5-93 to 5-13)

Kenneth J. McDowell, Councilman
(11-98 to 5-11)

Jason M. Whinghter, Councilman
(05-05 to 5-13)

Arthur H. Shealy, Councilman
(11-00 to 5-13)

James M. Adams, Jr., Councilman
(11-02 to 5-11)

CITY ADMINISTRATOR

C. Samuel Bennett, II

CITY CLERK

Donna B. Young

DEPARTMENT DIRECTORS

J. Robert Brooks, Director of Parks, Recreation & Leisure Services
George M. 'Skip' Grkovic, Director of Planning & Economic Development
John P. Potter, Jr., Director of Finance
John C. Thomas, Director of Public Safety
Thomas C. Zeaser, Director of Engineering & Public Works

North
Augusta
South Carolina's Riverfront

The logo for North Augusta, South Carolina's Riverfront, features the text "North Augusta" in a serif font, with "Augusta" underlined. To the right of the text is a stylized graphic of a fan or shell, composed of numerous radiating lines. Below the main text, the phrase "South Carolina's Riverfront" is written in a smaller, italicized serif font.

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



SEROTTA MADDOCKS EVANS & CO
CERTIFIED PUBLIC ACCOUNTANTS

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, 2009, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2010, on our consideration of the City of North Augusta, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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



SEROTTA MADDOCKS EVANS & CO.

May 20, 2010
Augusta, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2009. 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 \$115,835,470 (*net assets*). Of this amount, \$21,884,397 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 \$6,444,009 for the year ended December 31, 2009. The governmental activities contributed \$4,483,150 and the business-type activities contributed \$2,060,859 of the net change in net assets.

At the close of the fiscal year ended December 31, 2009, the City's governmental funds reported combined ending fund balances of \$13,123,119, a decrease of \$2,155,834 from the prior year. The decrease is primarily the result of funds expended to complete the Municipal Center.

At the close of the fiscal year ended December 31, 2009, the designated and undesignated fund balance for the General Fund was \$595,511. This balance will be transferred to the City's Capital Projects Fund in 2010 per the City's adopted Financial Policies.

The City's new Municipal Center opened in June of 2009. Funding for the Municipal Center of approximately \$22,000,000 came from a combination of GOB debt, a capital lease, proceeds from the Capital Project Sales Tax (Phase 2), and City reserves. The approximately 70,000 square foot facility is located at 100 Georgia Avenue in the lower downtown area. The Municipal Center houses the City administrative offices and Council Chambers. Additionally, approximately 40% of the center is used as a cultural and historical display area and special events space. The Municipal Center has been well received by the community.

The City's total debt decreased from \$17,042,350 to \$16,133,444 or \$908,906 during 2009.

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 the 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 water and wastewater 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 eleven 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 II Fund and the Capital Projects Fund, which also meet the criteria for a major fund. Information from the other eight 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 wastewater, sanitation, and stormwater enterprises. These three funds are considered major enterprise funds. A fourth enterprise fund, a nonmajor fund, entitled the Savannah Bluff Lock and Dam Fund was created in 2007 for the purpose of maintaining the Augusta pool on the Savannah River. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found immediately following the "Governmental Fund" financial statements.

With the exception of the Savannah Bluff Lock and Dam Fund, 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 25-46 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.

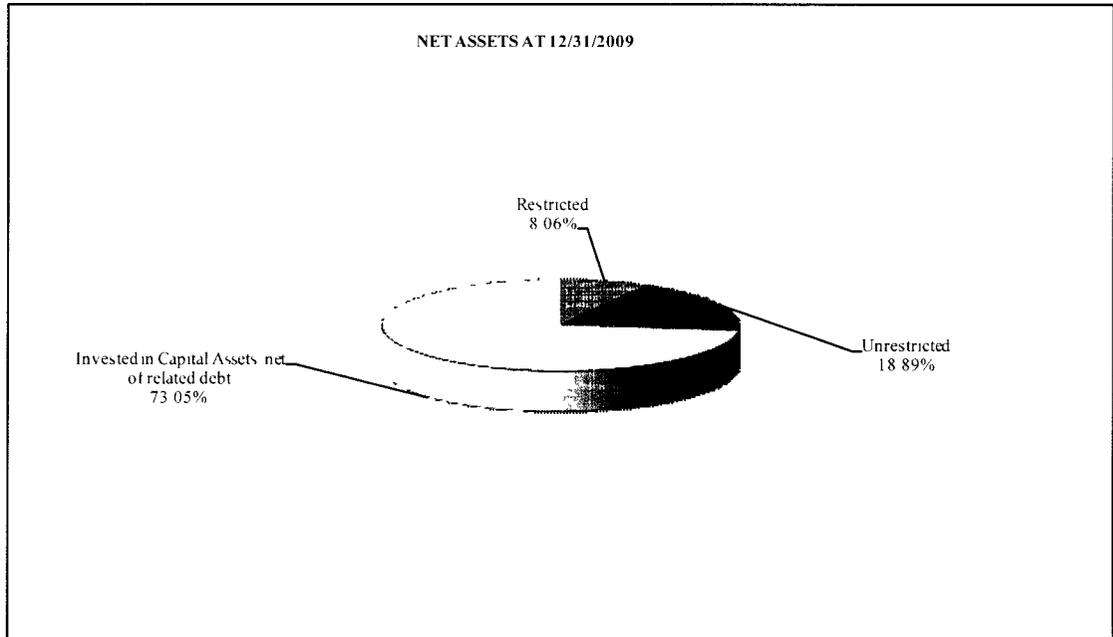
Government-Wide Financial Analysis

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 \$115,835,470 at the close of the most recent fiscal year.

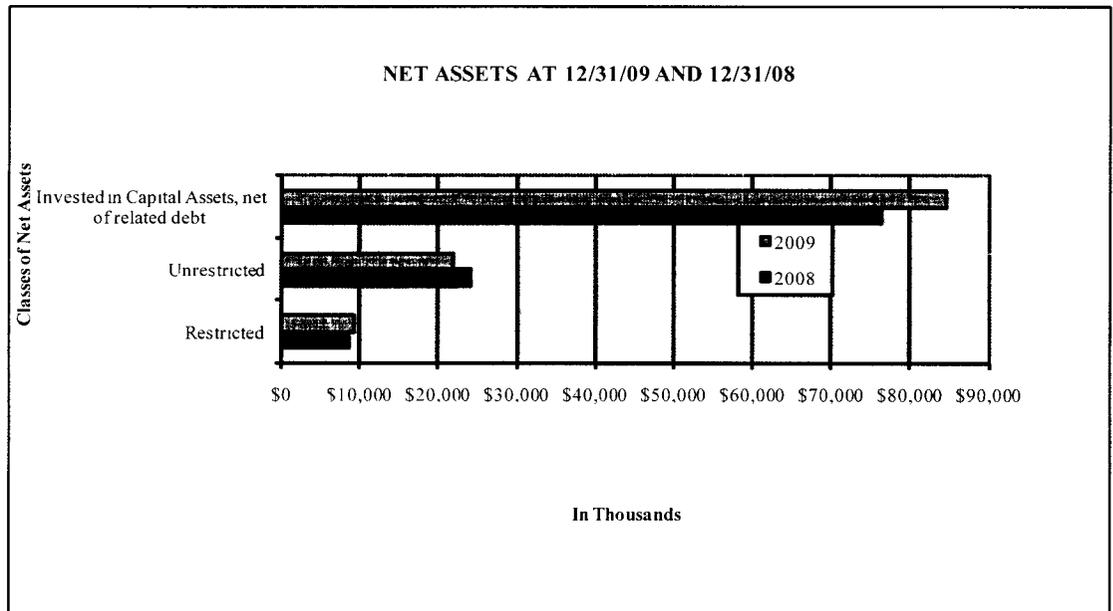
By far, the largest portion of the City’s net assets (\$84,612,015, or 73.05%) reflects its investment in capital assets (e.g., land, land improvements, right-of-way and easements, buildings, machinery and equipment, furniture and fixtures, vehicles, infrastructure, system improvements, PSA capital, 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	
	2008	2009	2008	2009	2008	2009
Assets:						
Cash/Investments-Unrestricted	\$16,321,365	\$13,678,478	\$9,376,535	\$9,808,597	\$25,697,900	\$23,487,075
Other Current Assets	555,674	578,831	1,781,977	1,704,507	2,337,651	2,283,338
Cash/Investments-Restricted	47,801	9,771	8,412,597	8,764,748	8,460,398	8,774,519
Capital assets, net of accumulated depreciation	48,583,935	54,574,627	44,941,438	46,170,832	93,525,373	100,745,459
Service rights, net of accumulated depreciation	-	-	48,501	46,001	48,501	46,001
Deferred charges, net of accumulated depreciation	-	-	63,998	57,360	63,998	57,360
TOTAL ASSETS	\$65,508,775	\$68,841,707	\$64,625,046	\$66,552,045	\$130,133,821	\$135,393,752
Liabilities:						
Current liabilities	\$1,557,428	\$1,142,029	\$1,054,678	\$1,175,457	\$2,612,106	\$2,317,486
Noncurrent liabilities	11,856,321	11,221,502	6,273,933	6,019,294	18,130,254	17,240,796
TOTAL LIABILITIES	\$13,413,749	\$12,363,531	\$7,328,611	\$7,194,751	\$20,742,360	\$19,558,282
Net Assets:						
Net invested in capital assets	\$37,222,478	\$43,873,602	\$39,260,545	\$40,738,413	\$76,483,023	\$84,612,015
Restricted	47,801	9,771	8,669,853	9,329,287	8,717,654	9,339,058
Unrestricted	14,824,747	12,594,803	9,366,037	9,289,594	24,190,784	21,884,397
TOTAL NET ASSETS	\$52,095,026	\$56,478,176	\$57,296,435	\$59,357,294	\$109,391,461	\$115,835,470

An additional portion of the City's net assets (\$9,339,058 or 8.06%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$21,884,397 or 18.89%) 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.



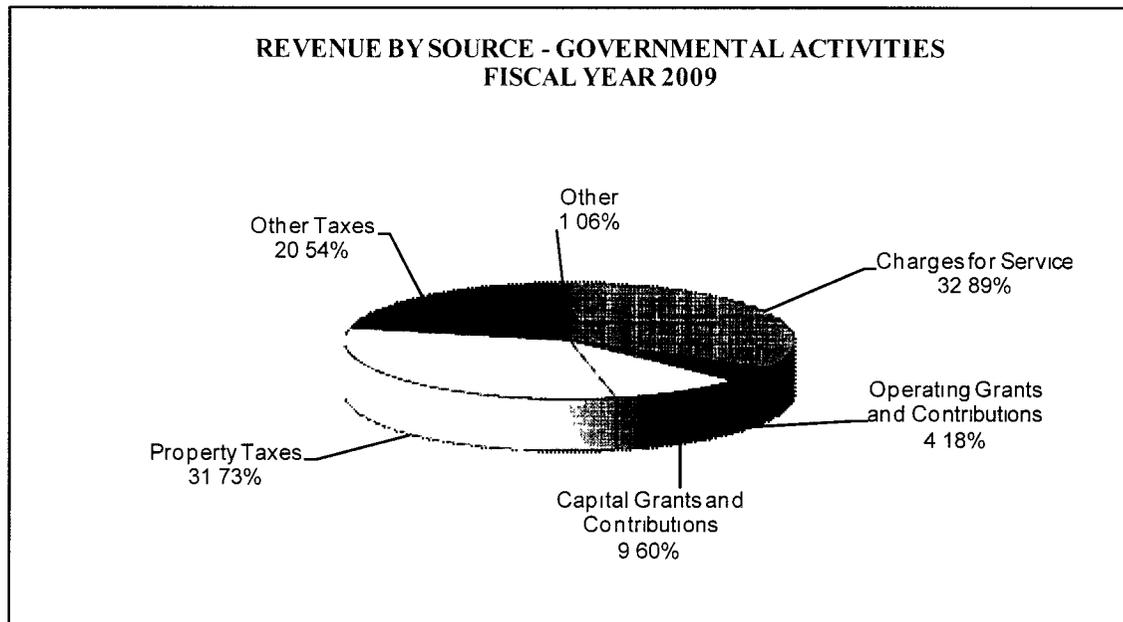
Governmental Activities

Governmental activities increased the City's net assets by \$4,383,150, thereby accounting for 68.02% 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	
	2008	2009	2008	2009	2008	2009
Revenues:						
Program revenues:						
Charges for services	\$6,310,455	\$6,212,452	\$11,393,581	\$11,451,023	\$17,704,036	\$17,663,475
Operating grants and contributions	856,777	789,968	-	-	856,777	789,968
Capital grants and contributions	1,768,611	1,813,172	3,091,789	955,928	4,860,400	2,769,100
General revenues:						
Property taxes	5,498,319	5,994,545	-	-	5,498,319	5,994,545
Other taxes	3,966,309	3,880,116	-	-	3,966,309	3,880,116
Other	731,825	199,487	883,272	522,347	1,615,097	721,834
TOTAL REVENUES	\$19,132,296	\$18,889,740	\$15,368,642	\$12,929,298	\$34,500,938	\$31,819,038
Expenses:						
General government	\$2,890,989	\$3,646,500	-	-	\$2,890,989	\$3,646,500
Public safety	5,265,573	5,414,709	-	-	5,265,573	5,414,709
Public works	2,692,210	1,883,507	-	-	2,692,210	1,883,507
Recreation and parks	3,763,461	3,623,796	-	-	3,763,461	3,623,796
Interest and bank fees	433,418	476,037	-	-	433,418	476,037
Water and sewer	-	-	\$6,694,797	\$6,782,763	6,694,797	6,782,763
Sanitation	-	-	3,239,034	3,012,364	3,239,034	3,012,364
Stormwater	-	-	373,803	529,291	373,803	529,291
Savannah Bluff Lock and Dam	-	-	0	6,062	0	6,062
TOTAL EXPENSES	\$15,045,651	\$15,044,549	\$10,307,634	\$10,330,480	\$25,353,285	\$25,375,029
Increase in net assets before transfers	\$4,086,645	\$3,845,191	\$5,061,008	\$2,598,818	\$9,147,653	\$6,444,009
Transfers	396,667	537,959	(396,667)	(537,959)	-	-
Increase in net assets	4,483,312	4,383,150	4,664,341	2,060,859	9,147,653	6,444,009
Net assets - Beginning of year	47,611,714	52,095,026	52,632,094	57,296,435	100,243,808	109,391,461
Net assets - End of year	\$52,095,026	\$56,478,176	\$57,296,435	\$59,357,294	\$109,391,461	\$115,835,470

Governmental activities revenues decreased from \$19,132,296 to \$18,889,740 in 2009. Charges for services (\$6,212,452) include business license revenues, franchise fees, construction permits and public safety fines and represent 32.89% of total governmental revenues. These revenues are predominantly elastic in nature and vary with economic trends and are evidence of a slowing economy, declining by 1.27% in 2009. During 2009 operating grants and contributions decreased by \$66,809 while capital grants and contributions increased by \$44,561. Property taxes increased by \$496,226 or 9.03% during the year. Other taxes consisting of the One-cent Capital Projects Sales Tax II and the City's Local Hospitality and Accommodations Tax

decreased by \$86,193. Other revenue including investment income decreased by \$532,338 from 2008.



In 2009, governmental activities expenditures decreased by \$1,102 from \$15,045,651 to \$15,044,549. Stabilizing fuel cost and a freeze in non Public Safety personnel positions along with holding the line in other operating expenditures provided for this almost no-growth scenario. General government expenditures increased by \$755,511 or 26.13%, primarily due to the operating expenditures associated the new Municipal Center completion and renovations to the Community Center. Expenditures in public safety for 2009 increased by \$149,136 from \$5,265,573 to \$5,414,709 or 2.83%, primarily due to an increase in personnel related expenditures and data processing equipment. Public works expenditures decreased by \$808,703 or 30.04% from \$2,692,210 to \$1,883,507 in 2009, primarily due to the completion of some road resurfacing and reconstruction in 2008. Expenditures in recreation and parks remained fairly constant, decreasing by \$139,665 or 3.71%.

Business-type Activities

The City operates four enterprises that comprise its business-type activities. The Water and Wastewater System, Sanitation Services Funds, and Stormwater Fund are classified as major funds. The Savannah Bluff Lock and Dam Fund, a nonmajor fund, was created on January 1, 2007 for the ultimate purpose of maintaining the Augusta pool on the Savannah River. The City of North Augusta entered into an agreement with the City of Augusta, the County of Aiken and four industrial stakeholders for the future operations and maintenance of the Savannah Bluff Lock & Dam. The agreement is contingent based on future upgrades to the Savannah Bluff Lock and Dam by the United States Corps of Engineers. The agreement calls for the establishment of an escrow account in the amount of \$1,000,000 to be established over a three-year period. Funding for the escrow account was completed in 2009.

an escrow account in the amount of \$1,000,000 to be established over a three-year period. Funding for the escrow account was completed in 2009.

Business-type activities increased the City's net assets by \$2,060,859, accounting for 31.98% of the total growth in net assets. Charges for services increased only slightly by \$57,442 or 0.50% from \$11,393,581 in 2008 to \$11,451,023 in 2009. This slight increase is attributed to another wet year with rainfall significantly up from the norm, another ACPSA sewer rate increase and a significant market change in recyclable sales. Water sales in the Water and Wastewater Fund decreased by \$69,311 from \$3,352,934 in 2008 to \$3,283,623 in 2009 while wastewater charges increased from by 274,718 from \$4,058,186 in 2008 to \$4,332,904 in 2009 due a rate increase from the ACPSA. The sale of recyclables in the Sanitation Services Fund decreased by \$253,755, from \$492,593 in 2008 to \$238,838 in 2009. Charges for services in the Stormwater Utility Fund and the Savannah Bluff Lock and Dam Fund remained fairly constant from 2008.

Expenses for the Water and Wastewater System increased from \$6,694,797 in 2008 to \$6,782,763 in 2009 or \$87,966. While most operating expenses in the Water and Sewer System were held at less than 2008 levels, ACPSA sewerage treatment cost increased by \$274,983 or 16.89% in 2009. 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 2009 the expenses for the Sanitation Services Fund decreased \$226,670 (from \$3,239,034 to \$3,012,364). The decrease is a direct result of a decrease in the cost of fuel which had increased significantly in 2008 and a decrease in personnel cost resulting from a freeze in hiring instituted in early 2009.

The expenses in the Stormwater Utility Fund increased by \$155,488 (from \$373,803 in 2008 to \$529,291 in 2009). This increase is attributed the purchase of property for designated for wetlands mitigation, storm drainage and ravine parks (walkways and bikeways).

General Fund

The General Fund is the primary operating fund of the City. The fund balance of the General Fund at December 31, 2009 was \$606,458 of which \$595,511 was unreserved. Per the City's financial policies, the unreserved fund balance will be transferred to the Capital Projects Fund in 2010. The General Fund had an increase in fund balance from 2008 of \$298,754. In spite of a dismal economy and a shortfall of the revenues when compared to budget, the increase in fund balance is attributable to holding expenditures below budget.

General Fund Budgetary Highlights

For the fiscal year 2009 the City adopted a balanced budget in the General Fund. The General Fund budgeted revenues amounted to \$12,972,354 including operating transfers in of \$513,374 from the major enterprise funds. The City does not budget proceeds from capital lease obligations, which amounted to \$285,909 in 2009. For 2009, actual General Fund revenues fell short of budgeted revenues by \$192,737. Current taxes in the General Fund grew by \$245,500 or 5.43%. This noteworthy growth rate is attributed to the state mandated county-wide

rate 10.5% to 6.0% over a six year period beginning in 2002 and ending in 2007. Revenues from business licenses and construction permits decreased from \$4,481,413 in 2008 to \$4,344,903 in 2009 or \$136,510, which is indicative of a continued decline in the local economy. Revenue from public safety fines increased by \$49,939, or 6.01%, from \$830,404 in 2008 to \$880,343 in 2009. Charges for services, bolstered by the rental fees from the new Municipal Center, increased by \$85,023 from \$998,638 in 2008 to \$1,083,661 in 2009. Intergovernmental revenue decreased slightly by \$11,216 or 1.47% from \$760,976 in 2008 to \$749,760 in 2009. Miscellaneous revenue decreased by \$53,243 or 12.62% due primarily to a continued decline in interest earnings of \$49,731. Overall actual expenditures in the General Fund were under budget by \$463,403 due to the decline in fuel prices and the deferment of a budgeted salary increase for 2009.

Budget Amendments – There were no budget amendments in any fund for fiscal year 2009.

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, 2009, amounts to \$100,745,459 (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.

CITY OF NORTH AUGUSTA'S CAPITAL ASSETS (net of depreciation)						
	Governmental activities		Business-type activities		Total	
	2008	2009	2008	2009	2008	2009
Land	\$6,092,677	\$7,479,201	\$639,081	\$764,548	\$6,731,758	\$8,243,749
Land Improvements	4,592,896	4,214,497	-	-	4,592,896	4,214,497
Right-of-way and easements	2,270,735	2,353,800	62,760	62,760	2,333,495	2,416,560
Buildings	5,174,149	24,070,880	1,690,544	2,659,828	6,864,693	26,730,708
Machinery and equipment	549,609	710,967	860,281	873,283	1,409,890	1,584,250
Furniture and fixtures	148,503	47,377	-	-	148,503	47,377
Vehicles	2,411,417	2,371,177	1,105,510	1,205,634	3,516,927	3,576,811
Infrastructure	12,336,065	12,845,317	-	-	12,336,065	12,845,317
System Improvements	-	-	33,194,845	38,381,417	33,194,845	38,381,417
PSA Capital	-	-	974,987	904,684	974,987	904,684
Construction in progress	15,007,884	481,411	6,413,430	1,318,678	21,421,314	1,800,089
TOTAL CAPITAL ASSETS	\$48,583,935	\$54,574,627	\$44,941,438	\$46,170,832	\$93,525,373	\$100,745,459

The City has committed \$3,200,000 to the Sweetwater Water Line and elevated tank project scheduled for completion in 2010. In addition, the City has committed \$2,301,014 to the West Avenue Streetscape project and \$675,000 to a Greenway extension (Pisgah to Bergen). These projects should also be completed in 2010 and will require no future financing. Also, the City has committed \$500,000 for the renovation of the Community Center and \$250,000 to up fit the old Municipal Building (vacated when the administrative offices moved to the new Municipal Center) for Public Safety use. No additional financing

will be required to complete either of these projects. Additional information on the City's capital assets can be found in *Note 3* on pages 34-36 of this report.

Long-Term Debt – At the end of the current fiscal year, the City had total bonded debt outstanding of \$8,978,522. General Obligation Bonds outstanding comprise 47.22% and Revenue bonds outstanding (net of deferred refunding) comprise 52.78% of the total amount of the City's outstanding bonded debt.

CITY OF NORTH AUGUSTA'S OUTSTANDING BONDED DEBT						
	Governmental activities		Business-type activities		Total	
	2008	2009	2008	2009	2008	2009
General Obligation Bonds (GOB)	\$4,491,068	\$4,239,853	-	-	\$4,491,068	\$4,239,853
Revenue bonds, net of deferred refunding	-	-	\$5,174,433	\$4,738,669	5,174,433	4,738,669
TOTAL DEBT	\$4,491,068	\$4,239,853	\$5,174,433	\$4,738,669	\$9,665,501	\$8,978,522

The City's total bonded debt outstanding (net of deferred refunding of a 1998 revenue bond) decreased by \$686,979 during the current fiscal year. This decrease was attributed to the annual payment of principal for the City's GOB and revenue bonds.

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 from 3.57 to 2.33. The City's bond covenants require coverage of 1.25 to issue additional bonds. Please refer to Table XV on page xxx for additional information regarding the City's revenue bond coverage.

The City's General Obligation Bond, Series 2006 in the amount of \$4,716,068 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 \$1,367,687 in capital leases for furniture, equipment, and machinery and \$5,787,235 in a capital lease (Municipal Center Lease, 2007) designated for the City's new Municipal Center. Additionally, long term debt related to compensated absences was \$453,602 at the end of the current fiscal year.

Additional information of the City's long-term debt can be found in *Notes 5* and *6* on pages 38-43 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.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Equity in pooled cash	\$ 2,649,159	\$ 893,237	\$ 3,542,396
Investments	11,029,319	8,915,360	19,944,679
Receivables:			
Taxes	107,403	-	107,403
Loans	7,187	63,906	71,093
Customers, net	-	1,266,743	1,266,743
Grants	463,065	175,192	638,257
Inventory	1,176	198,666	199,842
Current restricted assets (cash and investments)	-	1,199,717	1,199,717
Noncurrent assets:			
Restricted assets (cash and investments)	9,771	7,565,031	7,574,802
Capital assets, net:			
Non-depreciable	10,314,412	2,145,986	12,460,398
Depreciable	44,260,215	44,024,846	88,285,061
Service rights, net	-	46,001	46,001
Deferred charges	-	57,360	57,360
TOTAL ASSETS	<u>\$ 68,841,707</u>	<u>\$ 66,552,045</u>	<u>\$ 135,393,752</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 680,726	\$ 615,671	\$ 1,296,397
Accrued salaries, wages, and employee benefits	351,756	85,951	437,707
Municipal court liability	44,604	-	44,604
Accrued interest payable	44,862	10,079	54,941
Payable from restricted resources:			
Accounts payable	-	17,505	17,505
Accrued bond interest	20,081	24,014	44,095
Customer deposits	-	422,237	422,237
Noncurrent liabilities:			
Due within one year:			
Capital leases	630,705	193,671	824,376
Unearned revenue	-	14,105	14,105
General obligation bonds	275,000	-	275,000
Revenue bonds	-	497,289	497,289
Accrued vacation	270,602	212,985	483,587
Due in more than one year:			
Capital leases	5,830,467	500,079	6,330,546
Unearned revenue	66,875	359,785	426,660
General obligation bonds	3,964,853	-	3,964,853
Revenue bonds	-	4,241,380	4,241,380
Long-term portion of accrued vacation	183,000	-	183,000
TOTAL LIABILITIES	<u>12,363,531</u>	<u>7,194,751</u>	<u>19,558,282</u>
<u>NET ASSETS</u>			
Invested in capital assets net of related debt	43,873,602	40,738,413	84,612,015
Restricted per bond indentures	-	8,300,992	8,300,992
Restricted per operating agreement	-	1,028,295	1,028,295
Restricted per state regulations for victims assistance	9,771	-	9,771
Unrestricted	12,594,803	9,289,594	21,884,397
TOTAL NET ASSETS	<u>56,478,176</u>	<u>59,357,294</u>	<u>115,835,470</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 68,841,707</u>	<u>\$ 66,552,045</u>	<u>\$ 135,393,752</u>

See notes to financial statements

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009

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	\$ 3,646,500	\$ 4,344,903	\$ 720,180	\$ 1,598,812	\$ 3,017,395	\$ -	\$ 3,017,395
Public safety	5,414,709	945,905	40,208	-	(4,428,596)	-	(4,428,596)
Public works	1,883,507	-	29,580	210,143	(1,643,784)	-	(1,643,784)
Recreation and parks	3,623,796	921,644	-	4,217	(2,697,935)	-	(2,697,935)
Interest and fiscal charges on debt service	476,037	-	-	-	(476,037)	-	(476,037)
Total governmental activities	15,044,549	6,212,452	789,968	1,813,172	(6,228,957)	-	(6,228,957)
Business-type activities:							
Water and wastewater	6,782,763	7,714,553	-	672,594	-	1,604,384	1,604,384
Sanitation	3,012,364	3,182,076	-	-	-	169,712	169,712
Stormwater utility	529,291	554,394	-	-	-	25,103	25,103
Savannah Bluff Lock and Dam	6,062	-	-	283,334	-	277,272	277,272
Total business-type activities	10,330,480	11,451,023	-	955,928	-	2,076,471	2,076,471
Total	\$ 25,375,029	\$ 17,663,475	\$ 789,968	\$ 2,769,100	(6,228,957)	2,076,471	(4,152,486)
General revenues:							
Ad valorem property taxes					5,994,545	-	5,994,545
Local hospitality and accommodation taxes					548,490	-	548,490
Capital projects sales taxes					3,331,626	-	3,331,626
Interest on investments					92,616	95,157	187,773
Miscellaneous					106,871	427,190	534,061
Transfers					537,959	(537,959)	-
Total general revenues and transfers					10,612,107	(15,612)	10,596,495
Change in net assets					4,383,150	2,060,859	6,444,009
Net assets - beginning of year					52,095,026	57,296,435	109,391,461
Net assets - end of year					\$ 56,478,176	\$ 59,357,294	\$ 115,835,470

(continued)

See notes to financial statements

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	GENERAL FUND	SALES TAX II FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Equity in pooled cash	\$ 572,860	\$ 316,567	\$ 839,011	\$ 920,721	\$ 2,649,159
Investments	378,065	1,310,821	4,479,337	4,861,096	11,029,319
Receivables					
Taxes	107,403	-	-	-	107,403
Loans	-	-	-	7,187	7,187
Grants	41,478	-	-	421,587	463,065
Inventory	1,176	-	-	-	1,176
Due from other funds	-	-	-	2,721	2,721
Cash, restricted	9,771	-	-	-	9,771
TOTAL ASSETS	\$ 1,110,753	\$ 1,627,388	\$ 5,318,348	\$ 6,213,312	\$ 14,269,801
LIABILITIES					
Accounts payable	\$ 91,534	\$ 177,370	\$ 375,246	\$ 36,576	\$ 680,726
Due to other funds	2,721	-	-	-	2,721
Accrued salaries, wages, and employee benefits	351,756	-	-	-	351,756
Unearned revenue	13,680	-	-	53,195	66,875
Municipal court liability	44,604	-	-	-	44,604
TOTAL LIABILITIES	\$ 504,295	\$ 177,370	\$ 375,246	\$ 89,771	\$ 1,146,682
FUND BALANCES					
Reserved for inventory	1,176	-	-	-	1,176
Reserved for non-current loans receivable	-	-	-	7,187	7,187
Reserved for victims assistance	9,771	-	-	-	9,771
Unreserved, designated for contingencies, reported in Special revenue funds	-	-	-	100,000	100,000
Capital projects fund	-	-	1,950,000	-	1,950,000
Unreserved, undesignated for, reported in General fund	595,511	-	-	-	595,511
Special revenue funds	-	1,450,018	-	6,016,354	7,466,372
Capital projects fund	-	-	2,993,102	-	2,993,102
TOTAL FUND BALANCES	\$ 606,458	\$ 1,450,018	\$ 4,943,102	\$ 6,123,541	\$ 13,123,119
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,110,753	\$ 1,627,388	\$ 5,318,348	\$ 6,213,312	

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

Premium on bond

Capital leases

Accrued vacation

Interest payable on long-term debt does not require current financial resources and, therefore, are not reported in the funds

NET ASSETS OF GOVERNMENTAL ACTIVITIES

	54,574,627
	(4,235,000)
	(4,853)
	(6,461,172)
	(453,602)
	(64,943)
\$	56,478,176

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2009

	GENERAL FUND	SALES TAX II FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Ad valorem property taxes	\$ 4,838,765	\$ -	\$ 590,423	\$ 565,357	\$ 5,994,545
Local hospitality and accommodation taxes	-	-	-	548,490	548,490
Capital projects sales taxes	-	3,331,626	-	-	3,331,626
Licenses and permits	4,344,903	-	-	-	4,344,903
Fines and forfeitures	880,343	-	-	-	880,343
Charges for services	1,083,661	-	-	-	1,083,661
Intergovernmental	749,760	-	-	1,431,794	2,181,554
Grant revenues	-	-	-	421,586	421,586
Miscellaneous/interest earnings	368,811	16,662	30,868	37,511	453,852
TOTAL REVENUES	12,266,243	3,348,288	621,291	3,004,738	19,240,560
EXPENDITURES					
Current:					
General government	2,795,510	6,258	120,006	-	2,921,774
Public safety	5,031,151	-	-	60,011	5,091,162
Public works	1,078,396	-	-	-	1,078,396
Recreation and parks	2,768,089	-	50,320	-	2,818,409
Debt service					
Principal	408,714	-	250,000	286,412	945,126
Interest and fiscal charges	25,888	-	165,338	221,081	412,307
Capital outlay					
General government	14,225	4,403,041	848,524	439,953	5,705,743
Public safety	304,066	-	18,413	665,998	988,477
Public works	31,274	91,447	-	602,396	725,117
Recreation and parks	51,638	445,794	180,972	473,830	1,152,234
Community Center	-	356,932	-	-	356,932
TOTAL EXPENDITURES	12,508,951	5,303,472	1,633,573	2,749,681	22,195,677
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(242,708)	(1,955,184)	(1,012,282)	255,057	(2,955,117)
OTHER FINANCING SOURCES (USES)					
Capital lease obligations	285,909	-	-	-	285,909
Transfers in	513,374	-	257,821	-	771,195
Transfers out	(257,821)	-	-	-	(257,821)
TOTAL OTHER FINANCING SOURCES	541,462	-	257,821	-	799,283
NET CHANGE IN FUND BALANCES	298,754	(1,955,184)	(754,461)	255,057	(2,155,834)
FUND BALANCE - BEGINNING OF YEAR	307,704	3,405,202	5,697,563	5,868,484	15,278,953
FUND BALANCE - END OF YEAR	\$ 606,458	\$ 1,450,018	\$ 4,943,102	\$ 6,123,541	\$ 13,123,119

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, 2009

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

Net change in fund balances - total governmental funds \$ (2,155,834)

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	8,306,210	
Depreciation on general government assets	(2,164,692)	
Loss on the disposal of capital assets	(175,411)	
Transfer of capital assets from proprietary fund	24,585	5,990,692

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

Compensated absences	(47,197)	
Principal payments on general obligation bonds	250,000	
Principal payments on capital leases	695,126	
Proceeds from capital lease	(285,909)	
Amortization of premium on bond	1,215	613,235

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

Change in net assets of governmental activities \$ 4,383,150

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETED AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
<u>REVENUES</u>			
Ad valorem property taxes	\$ 4,722,124	\$ 4,838,765	\$ 116,641
Licenses and permits	4,543,000	4,344,903	(198,097)
Fines and forfeitures	930,000	880,343	(49,657)
Charges for services	1,125,976	1,083,661	(42,315)
Intergovernmental	728,180	749,760	21,580
Miscellaneous	409,700	368,811	(40,889)
TOTAL REVENUES	<u>12,458,980</u>	<u>12,266,243</u>	<u>(192,737)</u>
<u>EXPENDITURES</u>			
Current:			
General government	3,120,987	2,795,510	(325,477)
Public safety	5,269,884	5,031,151	(238,733)
Public works	1,163,826	1,078,396	(85,430)
Recreation and parks	2,919,126	2,768,089	(151,037)
Capital lease payments	444,831	434,602	(10,229)
Capital outlay:			
General government	17,500	14,225	(3,275)
Public safety	12,000	304,066	292,066
Public works	1,200	31,274	30,074
Recreation and parks	23,000	51,638	28,638
TOTAL EXPENDITURES	<u>12,972,354</u>	<u>12,508,951</u>	<u>(463,403)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(513,374)</u>	<u>(242,708)</u>	<u>270,666</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds from capital lease obligations	-	285,909	285,909
Transfers in	513,374	513,374	-
Transfers out	-	(257,821)	(257,821)
TOTAL OTHER FINANCING SOURCES (USES)	<u>513,374</u>	<u>541,462</u>	<u>28,088</u>
NET CHANGE IN FUND BALANCES	-	298,754	298,754
FUND BALANCE - BEGINNING OF YEAR	-	307,704	307,704
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 606,458</u>	<u>\$ 606,458</u>

See notes to financial statements

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2009

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTAL ENTERPRISE FUNDS
	MAJOR FUNDS			NONMAJOR FUND	
	WATER AND WASTEWATER SYSTEM	SANITATION SERVICES	STORMWATER UTILITY FUND	SAVANNAH BLUFF LOCK AND DAM	
ASSETS					
CURRENT ASSETS					
Equity in pooled cash	\$ 535,386	\$ 300,393	\$ 37,624	\$ 19,834	\$ 893,237
Investments	4,312,476	1,919,377	1,675,046	1,008,461	8,915,360
Customer accounts receivable (net of allowance for doubtful accounts of \$26,000 in 2009 and 2008)	1,218,316	48,427	-	-	1,266,743
Inventory	198,666	-	-	-	198,666
Grant receivable	175,192	-	-	-	175,192
Loan receivable	63,906	-	-	-	63,906
TOTAL CURRENT ASSETS	6,503,942	2,268,197	1,712,670	1,028,295	11,513,104
CURRENT RESTRICTED ASSETS (cash and investments)					
With fiscal agents	777,480	-	-	-	777,480
Customer deposits	422,237	-	-	-	422,237
TOTAL CURRENT RESTRICTED ASSETS	1,199,717	-	-	-	1,199,717
TOTAL CURRENT ASSETS	7,703,659	2,268,197	1,712,670	1,028,295	12,712,821
NON-CURRENT RESTRICTED ASSETS (cash and investments)					
Revenue bond improvement and extension account	1,194,295	-	-	-	1,194,295
Revenue bond depreciated or obsolete item account	552,348	-	-	-	552,348
Revenue bond construction account	5,818,388	-	-	-	5,818,388
TOTAL NON-CURRENT RESTRICTED ASSETS	7,565,031	-	-	-	7,565,031
CAPITAL ASSETS, NET					
Non-depreciable	1,929,285	91,235	125,466	-	2,145,986
Depreciable	41,401,812	2,095,095	527,939	-	44,024,846
TOTAL CAPITAL ASSETS	43,331,097	2,186,330	653,405	-	46,170,832
SERVICE RIGHTS (net of accumulated amortization of \$53,999 for 2009 and \$51,499 for 2008)	46,001	-	-	-	46,001
BOND ISSUANCE EXPENSE (net of accumulated amortization of \$63,510 for 2009 and \$56,872 for 2008)	57,360	-	-	-	57,360
TOTAL NON-CURRENT ASSETS	50,999,489	2,186,330	653,405	-	53,839,224
TOTAL ASSETS	\$ 58,703,148	\$ 4,454,527	\$ 2,366,075	\$ 1,028,295	\$ 66,552,045

See notes to financial statements

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2009

LIABILITIES AND FUND EQUITY	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					TOTAL ENTERPRISE FUNDS
	MAJOR FUNDS			NONMAJOR FUND		
	WATER AND WASTEWATER SYSTEM	SANITATION SERVICES	STORMWATER UTILITY FUND	SAVANNAH BLUFF LOCK AND DAM		
<u>LIABILITIES</u>						
<u>CURRENT LIABILITIES</u>						
Accounts payable	\$ 575,707	\$ 39,852	\$ 112	\$ -	615,671	
Accrued salaries, wages and employee benefits	42,736	32,750	10,465	-	85,951	
Accrued vacation	113,169	75,991	23,825	-	212,985	
Current portion of capital leases payable	72,423	103,290	17,958	-	193,671	
Accrued interest payable	3,545	6,534	-	-	10,079	
Unearned revenue	14,105	-	-	-	14,105	
Payable from restricted assets						
Accounts payable	17,505	-	-	-	17,505	
Accrued bond interest	24,014	-	-	-	24,014	
Current portion of revenue bonds payable	497,289	-	-	-	497,289	
Customer deposits	422,237	-	-	-	422,237	
TOTAL CURRENT LIABILITIES	1,782,730	258,417	52,360	-	2,093,507	
<u>NON-CURRENT LIABILITIES</u>						
Capital leases payable	142,743	341,642	15,694	-	500,079	
Revenue bonds payable, net of deferred refunding	4,241,380	-	-	-	4,241,380	
Unearned revenue	359,785	-	-	-	359,785	
TOTAL NON-CURRENT LIABILITIES	4,743,908	341,642	15,694	-	5,101,244	
TOTAL LIABILITIES	6,526,638	600,059	68,054	-	7,194,751	
<u>FUND EQUITY</u>						
<u>NET ASSETS</u>						
Invested in capital assets net of related debt	38,377,262	1,741,398	619,753	-	40,738,413	
Restricted per revenue bond indentures	8,300,992	-	-	-	8,300,992	
Restricted per operating agreement	-	-	-	1,028,295	1,028,295	
Unrestricted	5,498,256	2,113,070	1,678,268	-	9,289,594	
TOTAL NET ASSETS	52,176,510	3,854,468	2,298,021	1,028,295	59,357,294	
TOTAL LIABILITIES AND FUND EQUITY	58,703,148	4,454,527	2,366,075	\$ 1,028,295	\$ 66,552,045	

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, 2009

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTAL ENTERPRISE FUNDS
	WATER AND WASTEWATER SYSTEM	MAJOR FUNDS	NONMAJOR FUND	SAVANNAH BLUFF LOCK AND DAM	
	WATER AND WASTEWATER SYSTEM	SANITATION SERVICES	STORMWATER UTILITY FUND	SAVANNAH BLUFF LOCK AND DAM	TOTAL ENTERPRISE FUNDS
OPERATING REVENUES					
Metered water sales - net	3,283,623	-	-	-	3,283,623
Wastewater service charges	4,332,904	-	-	-	4,332,904
Water tap fees	30,065	-	-	-	30,065
Wastewater tap fees	57,265	-	-	-	57,265
Fire protection fees	10,696	-	-	-	10,696
Sanitation service fees	-	2,381,297	-	-	2,381,297
Recycling fees	-	561,941	-	-	561,941
Sale of recyclables	-	238,838	-	-	238,838
Stormwater utility fees	-	-	554,394	-	554,394
Other	268,918	47,378	110,894	-	427,190
TOTAL OPERATING REVENUES	7,983,471	3,229,454	665,288	-	11,878,213
OPERATING EXPENSES					
Utilities- Finance	507,783	-	-	-	507,783
Utilities Administration	547,829	-	-	-	547,829
Water Operations and Maintenance	641,538	-	-	-	641,538
Water Production and Treatment	1,289,968	-	-	-	1,289,968
Wastewater Operations and Maintenance	2,636,555	-	-	-	2,636,555
Sanitation Operations	-	1,890,058	-	-	1,890,058
Material Recovery Facility	-	769,375	-	-	769,375
Stormwater Utility Operations	-	-	493,303	-	493,303
Savannah Bluff Lock and Dam operations	-	-	-	6,062	6,062
Depreciation and amortization	886,908	366,421	34,319	-	1,287,648
TOTAL OPERATING EXPENSES	6,510,581	3,025,854	527,622	6,062	10,070,119
OPERATING INCOME	1,472,890	203,600	137,666	(6,062)	1,808,094
NONOPERATING REVENUES (EXPENSES)					
Interest revenue	70,932	8,667	9,907	5,651	95,157
Interest expense and fiscal charges	(243,822)	(8,713)	(1,669)	-	(254,204)
Amortization of bond issuance costs and deferred refunding	(43,509)	-	-	-	(43,509)
Gain (loss) on sale/disposal of property, plant and equipment	(9,436)	22,203	-	-	12,767
TOTAL NONOPERATING REVENUES (EXPENSES)	(225,835)	22,157	8,238	5,651	(189,789)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	1,247,055	225,757	145,904	(411)	1,618,305
CONTRIBUTIONS					
TRANSFERS IN	672,594	-	-	283,334	955,928
TRANSFERS OUT	10,038,573	-	-	50,000	10,088,573
CHANGE IN NET ASSETS	(10,463,154)	(138,793)	145,904	332,923	(10,601,947)
NET ASSETS - BEGINNING OF YEAR	1,495,068	86,964	145,904	695,372	2,060,859
NET ASSETS - END OF YEAR	50,681,442	3,767,504	2,152,117	1,028,295	57,296,435
	\$ 52,176,510	\$ 3,854,468	\$ 2,298,021	\$ 1,028,295	\$ 59,357,294

Amounts reported for business-type activities in the statement of activities are different because proprietary funds report transfers of capital assets to governmental funds as contribution expense. However, in the statement of activities these costs are considered transfers between governmental activities and business-type activities.

Contribution Expense
Transfers

(24,585)
24,585
\$ 59,357,294

Change in net assets of business-type activities

See notes to financial statements

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2009

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					TOTAL ENTERPRISE FUNDS
	MAJOR FUNDS			NONMAJOR FUND		
	WATER AND WASTEWATER SYSTEM	SANITATION SERVICES	STORMWATER UTILITY FUND	SAVANNAH BLUFF LOCK AND DAM		
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>						
Cash received from customers	\$ 7,771,139	\$ 3,163,528	\$ 554,394	\$ -	\$ 11,489,061	
Customer deposits	9,766	-	-	-	9,766	
Cash paid to suppliers	(3,304,755)	(1,015,531)	(74,391)	(6,062)	(4,400,739)	
Cash paid to employees for services	(2,201,934)	(1,642,763)	(404,451)	-	(4,249,148)	
Other operating cash receipts	254,813	47,378	110,894	-	413,085	
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,529,029</u>	<u>552,612</u>	<u>186,446</u>	<u>(6,062)</u>	<u>3,262,025</u>	
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>						
Transfers in from other funds	10,038,573	-	-	-	10,038,573	
Transfers out to other funds	(10,463,154)	(138,793)	-	-	(10,601,947)	
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	<u>(424,581)</u>	<u>(138,793)</u>	<u>-</u>	<u>-</u>	<u>(563,374)</u>	
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>						
Capital contributions received from other governments	467,533	-	-	-	467,533	
Purchase and construction of capital assets	(1,612,979)	(6,370)	(189,897)	-	(1,809,246)	
Proceeds received from sales of capital assets	-	22,203	-	333,334	355,537	
Principal paid on revenue bonds	(472,635)	-	-	-	(472,635)	
Principal paid on capitalized leases	(91,376)	(219,408)	(21,032)	-	(331,816)	
Interest paid	(243,822)	(8,713)	(1,669)	-	(254,204)	
Other receipts	9,436	-	-	-	9,436	
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,943,843)</u>	<u>(212,288)</u>	<u>(212,598)</u>	<u>333,334</u>	<u>(2,035,395)</u>	
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>						
Payments received on loan extended to developer	25,800	-	-	-	25,800	
Interest on investments	70,932	8,667	9,907	5,651	95,157	
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>96,732</u>	<u>8,667</u>	<u>9,907</u>	<u>5,651</u>	<u>120,957</u>	
NET DECREASE IN CASH AND CASH EQUIVALENTS	257,337	210,198	(16,245)	332,923	784,213	
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	13,355,273	2,009,572	1,728,915	695,372	17,789,132	
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 13,612,610</u>	<u>\$ 2,219,770</u>	<u>\$ 1,712,670</u>	<u>\$ 1,028,295</u>	<u>\$ 18,573,345</u>	

See notes to financial statements

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2009

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTAL ENTERPRISE FUNDS
	MAJOR FUNDS			NONMAJOR FUND	
	WATER AND WASTEWATER SYSTEM	SANITATION SERVICES	STORMWATER UTILITY FUND	SAVANNAH BLUFF LOCK AND DAM	
	\$ 1,472,890	\$ 203,600	\$ 137,666	\$ (6,062)	\$ 1,808,094
	886,908	366,421	34,319	-	1,287,648
	(26,602)	(18,548)	-	-	(45,150)
	83,188	-	-	-	83,188
	13,632	-	-	-	13,632
	98,666	4,793	(6,257)	-	97,202
	9,766	-	-	-	9,766
	6,050	2,281	5,479	-	13,810
	(1,364)	(5,935)	15,239	-	7,940
	(14,105)	-	-	-	(14,105)
	1,056,139	349,012	48,780	-	1,453,931
	\$ 2,529,029	\$ 552,612	\$ 186,446	\$ (6,062)	\$ 3,262,025
	\$ 113,920	\$ 405,187	\$ -	\$ -	\$ 519,107
	\$ 195,625	\$ -	\$ -	\$ -	\$ 195,625
	\$ 535,386	\$ 300,393	\$ 37,624	\$ 19,834	\$ 893,237
	4,312,476	1,919,377	1,675,046	1,008,461	8,915,360
	1,199,717	-	-	-	1,199,717
	7,565,031	-	-	-	7,565,031
	\$ 13,612,610	\$ 2,219,770	\$ 1,712,670	\$ 1,028,295	\$ 18,573,345

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

OPERATING INCOME	Adjustments to reconcile operating income to net cash provided by operating activities:
	Depreciation and amortization
	Change in assets and liabilities:
	Increase in accounts receivable
	Decrease in grants receivable
	Decrease in inventory
	Increase (decrease) in accounts payable
	Increase in customer deposits
	Increase in accrued salaries, wages and employee benefits
	(Decrease) increase in accrued vacation
	Decrease in unearned revenue
	TOTAL ADJUSTMENTS
	NET CASH PROVIDED BY OPERATING ACTIVITIES

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Capital assets purchased with proceeds from a capital lease	Capital assets contributed by subdividers/developers
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RECONCILIATION OF CASH AND CASH EQUIVALENTS

Equity in pooled cash	Investments
Current restricted assets	Non-current restricted assets

CASH AND CASH EQUIVALENTS

See notes to financial statements

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

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.

As permitted by accounting principles generally accepted in the United States of America, the City has elected to apply only applicable Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its government-wide and proprietary operations. 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, 2009

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 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.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

The Stormwater Utility Fund This fund is used to account for improvements to stormwater runoff infrastructure that are financed and operated in a manner similar to private business enterprises – 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 regard to interfund activities, payables and receivables. All due to/due from balances have been eliminated in the preparation of the Statement of Net Assets.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.
 - 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 is held available for the following year.
2. For the year ended December 31, 2009, expenditures exceeded budget at the functional level in General Fund – Public Safety by approximately \$48,000. The over expenditure was due to the purchase of equipment with capital lease proceeds.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

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.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimated useful lives for asset types are as follows:

Buildings	10 - 40 years
Water and wastewater system, structures and facilities	20 - 75 years
Machinery and equipment	3 - 12 years
Furniture and fixtures	5 - 12 years
Vehicles	5 - 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.

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".

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Postemployment Benefits other than Pension

In August 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which 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 the years 2009 and 2008, 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.

P. New Accounting Pronouncements

In June 2007, the GASB has issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets." This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. The application of this statement is effective for the City's fiscal year ending December 31, 2010.

In June 2008, the GASB has issued Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments." This statement establishes accounting and financial reporting requirements for derivative instruments entered into by state and local governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. The application of this statement is effective for the City's fiscal year ending December 31, 2010.

In March 2009, the GASB issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement is intended to improve the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental type definitions. The application of this statement is effective for the City's fiscal year ending December 31, 2011.

The impact of these pronouncements on the City's financial statements has not been determined.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

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

As of December 31, 2009, the City had the following investments:

	MATURITIES	FAIR VALUE
State Treasurer's Investment Pool	Daily	\$ 24,329,565
Money Market Accounts	Daily	4,411,487
Columbia Funds Series Trust - Treasury Mutual Funds	Daily	777,480
Total Investments		\$ 29,518,532

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; and
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, 2009

NOTE 2 - EQUITY IN POOLED CASH AND INVESTMENTS, DEPOSITS AND INVESTMENTS (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 83% of total investments and the Money Market Accounts comprise 14% 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, 2009, the carrying amount of the City's deposits was approximately \$4,133,000 and the bank balance was approximately \$4,412,000. 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, 2009, 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, 2009, 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, 2009

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

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

	BALANCE 12/31/08	ADDITIONS	DISPOSALS	TRANSFERS	BALANCE 12/31/09
Capital assets, not being depreciated:					
Land	\$ 6,092,677	\$ 1,386,524	\$ -	\$ -	\$ 7,479,201
Construction in progress	15,007,884	453,859	-	(14,980,332)	481,411
Right-of-way	2,270,735	83,065	-	-	2,353,800
Total capital assets, not being depreciated	<u>23,371,296</u>	<u>1,923,448</u>	<u>-</u>	<u>(14,980,332)</u>	<u>10,314,412</u>
Capital assets, being depreciated:					
Land improvements	7,745,123	113,788	-	-	7,858,911
Buildings	9,633,020	4,350,877	-	14,980,332	28,964,229
Machinery and equipment	1,269,804	302,269	(86,058)	24,585	1,510,600
Furniture and fixtures	522,613	64,270	(60,653)	-	526,230
Vehicles	4,254,961	282,138	(138,583)	-	4,398,516
Infrastructure	17,413,455	1,134,822	-	-	18,548,277
Total capital assets, being depreciated	<u>40,838,976</u>	<u>6,248,164</u>	<u>(285,294)</u>	<u>15,004,917</u>	<u>61,806,763</u>
Less accumulated depreciation for:					
Land improvements	(3,152,227)	(492,187)	-	-	(3,644,414)
Buildings	(4,458,871)	(434,478)	-	-	(4,893,349)
Machinery and equipment	(720,195)	(137,375)	82,522	(24,585)	(799,633)
Furniture and fixtures	(374,110)	(152,704)	47,961	-	(478,853)
Vehicles	(1,843,544)	(322,378)	138,583	-	(2,027,339)
Infrastructure	(5,077,390)	(625,570)	-	-	(5,702,960)
Total accumulated depreciation	<u>(15,626,337)</u>	<u>(2,164,692)</u>	<u>269,066</u>	<u>(24,585)</u>	<u>(17,546,548)</u>
Total capital assets being depreciated, net	<u>25,212,639</u>	<u>4,083,472</u>	<u>(16,228)</u>	<u>14,980,332</u>	<u>44,260,215</u>
Governmental activities capital assets, net	48,583,935	6,006,920	(16,228)	-	54,574,627
Related debt	(11,361,457)	(285,911)	946,343	-	(10,701,025)
Capital assets, net of related debt	<u>\$ 37,222,478</u>	<u>\$ 5,721,009</u>	<u>\$ 930,115</u>	<u>\$ -</u>	<u>\$ 43,873,602</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

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	\$ 216,313
City Administration	2,563
Finance	11,341
Economic and Community Development	3,631
Building Standards	12,379
City Buildings	22,125
Public Safety	300,583
Public Works	
Engineering	3,325
Street Light/Traffic	115,676
Streets and Drains	681,561
Recreation, Parks and Leisure Services	
Recreation and Parks	731,158
Property Maintenance	64,037
	<u>64,037</u>
	 <u>\$ 2,164,962</u>

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

	BALANCE 12/31/08	ADDITIONS	DISPOSALS	TRANSFERS	BALANCE 12/31/09
Capital assets, not being depreciated:					
Land	\$ 639,081	\$ 125,467	\$ -	\$ -	\$ 764,548
Construction in progress	6,413,430	1,086,922	-	(6,181,674)	1,318,678
Easements	62,760	-	-	-	62,760
Total capital assets, not being depreciated	7,115,271	1,212,389	-	(6,181,674)	2,145,986
Capital assets, being depreciated:					
Buildings	3,526,453	-	-	1,053,350	4,579,803
Machinery and equipment	2,367,847	213,735	(307,870)	(24,585)	2,249,127
Vehicles	3,038,704	405,187	(337,961)	-	3,105,930
System improvements	43,357,988	692,667	-	5,128,324	49,178,979
PSA capital	2,812,128	-	-	-	2,812,128
Total capital assets, being depreciated	\$55,103,120	\$ 1,311,589	\$ (645,831)	\$ 6,157,089	\$ 61,925,967

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 3 - CAPITAL ASSETS (continued)

	BALANCE 12/31/08	ADDITIONS	DISPOSALS	TRANSFERS	BALANCE 12/31/09
Less accumulated depreciation for:					
Buildings	\$ (1,835,909)	\$ (84,066)	\$ -	\$ -	\$ (1,919,975)
Machinery and equipment	(1,507,566)	(191,297)	298,434	24,585	(1,375,844)
Vehicles	(1,933,194)	(305,063)	337,961	-	(1,900,296)
System improvements	(10,163,143)	(634,419)	-	-	(10,797,562)
PSA capital	(1,837,141)	(70,303)	-	-	(1,907,444)
Total accumulated depreciation	(17,276,953)	(1,285,148)	636,395	24,585	(17,901,121)
Total capital assets being depreciated, net	37,826,167	26,441	(9,436)	6,181,674	44,024,846
Business-type activities capital assets, net	44,941,438	1,238,830	(9,436)	-	46,170,832
Related debt	(5,680,893)	(519,106)	767,580	-	(5,432,419)
Capital assets, net of related debt	\$ 39,260,545	\$ 719,724	\$ 758,144	\$ -	\$ 40,738,413

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

Water and Wastewater	\$ 884,408
Sanitation	366,421
Stormwater	34,319
	<u>\$ 1,285,148</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 4 - COMMITMENTS

Significant commitments are composed of the following:

	Project Authorization	Expended to December 31, 2009	Commitments	Required Future Financing
Public Safety Renovations	\$ 250,000	\$ 18,413	\$ 231,587	\$ -
Community Center Renovations	500,000	329,090	170,910	-
Sweetwater Water Line/ Elevated Tank	3,200,000	1,247,530	1,952,470	-
West Avenue Water Line	118,000	71,145	46,855	-
West Avenue Streetscape	2,301,014	1,405,010	896,004	-
Greeneway - Pisgah to Bergen	675,000	252,507	422,293	-

The City has entered into an agreement for the future operations and maintenance of the Savannah Bluff Lock and Dam for the purpose of maintaining the Augusta Pool. The agreement is between the City, Aiken County, South Carolina, Augusta-Richmond County, Georgia, and four industrial stakeholders. The agreement is contingent based on future upgrades of the Savannah Bluff Lock and Dam by the Corps of Engineers. The agreement calls for the establishment of an escrow account in the amount of \$1,000,000 to be established over a three-year period and funded by the participating entities. The City established a separate enterprise fund, The Savannah Bluff Lock and Dam Fund, to reflect the escrow payments received during the year totaling \$334,334. The Savannah Bluff Lock and Dam will be operated within the guidelines established by the Corps of Engineers. The City will not be directly involved in the daily operations of the facility. The fund established by the City will receive all revenues associated with the project and all direct costs incurred by the contractor or the local sponsors will be paid by the fund. At December 31, 2009, the escrow account balance of \$1,000,000 was fully funded.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

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 FASB ASC 840-30 and its subsections (formerly 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, 2009:

	GOVERN- MENTAL FUNDS	WATER AND WASTE- WATER	SANI- TATION	STORM- WATER	TOTAL
Machinery and equipment	\$ 183,716	\$ 143,990	\$ 39,460	\$ 54,295	\$ 421,461
Vehicles	1,125,350	155,120	405,188	37,375	1,723,033
	<u>1,309,066</u>	<u>299,110</u>	<u>444,648</u>	<u>91,670</u>	<u>2,144,494</u>
Accumulated depreciation	(397,167)	(73,962)	(42,298)	(28,710)	(542,137)
Carrying value	<u>\$ 911,899</u>	<u>\$ 255,148</u>	<u>\$ 402,350</u>	<u>\$ 62,960</u>	<u>\$ 1,602,357</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, 2009:

YEAR ENDING DECEMBER 31	BUSINESS-TYPE FUNDS				TOTAL
	GOVERN- MENTAL FUNDS	WATER AND WASTE- WATER	SANI- TATION	STORM- WATER	
2010	\$ 279,520	\$ 89,387	\$ 185,040	\$ 13,827	\$ 567,774
2011	199,895	63,924	132,329	9,890	406,038
2012	150,044	47,982	99,327	7,423	304,776
2013	83,455	26,688	55,246	4,129	169,518
Total minimum lease payments	712,914	227,981	471,942	35,269	1,448,106
Amount representing interest	(38,977)	(12,815)	(27,010)	(1,617)	(80,419)
Present value of minimum lease payments	<u>\$ 673,937</u>	<u>\$ 215,166</u>	<u>\$ 444,932</u>	<u>\$ 33,652</u>	<u>\$ 1,367,687</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 5 - CAPITALIZED LEASE OBLIGATIONS (continued)

Municipal Center Lease

During 2007, the City entered into a \$6,350,000 lease for financing a new municipal center. The proceeds from the lease were used for the construction of a Municipal Center complex for the City. The lease's interest rate is 3.64% and matures December 20, 2024.

The annual requirements to amortize the City's outstanding lease payments as of December 31, 2009, are as follows:

	PRINCIPAL	INTEREST	TOTAL
2010	\$ 296,838	\$ 210,655	\$ 507,493
2011	307,643	199,850	507,493
2012	318,841	188,652	507,493
2013	330,447	177,046	507,493
2014	342,475	165,018	507,493
2015-2019	1,908,692	628,773	2,537,465
2020-2024	2,282,299	255,166	2,537,465
	<u>\$ 5,787,235</u>	<u>\$ 1,825,160</u>	<u>\$ 7,612,395</u>

NOTE 6 - LONG-TERM DEBT

Changes in Long-Term Debt

Long-term liability activity for the year ended December 31, 2009 was as follows:

	Balance 01/01/09	Additions	Reductions	Balance 12/31/09	Due Within One Year
<u>Governmental Activities</u>					
Bonds payable					
General Obligation					
Bonds	\$ 4,485,000	\$ -	\$ (250,000)	\$ 4,235,000	\$ 275,000
Deferred Amounts for bond issuance premiums	6,068	(1,215)	-	4,853	-
Total bonds payable	<u>4,491,068</u>	<u>(1,215)</u>	<u>(250,000)</u>	<u>4,239,853</u>	<u>275,000</u>
Capital leases					
Municipal Center Lease	6,073,647	-	(286,412)	5,787,235	296,838
Capitalized Leases	796,742	285,909	(408,714)	673,937	333,867
Total capital leases	<u>6,870,389</u>	<u>285,909</u>	<u>(695,126)</u>	<u>6,461,172</u>	<u>630,705</u>
Other liabilities					
Compensated					
Absences	406,405	355,792	(308,595)	453,602	270,602
Total other liabilities	<u>406,405</u>	<u>355,792</u>	<u>(308,595)</u>	<u>453,602</u>	<u>270,602</u>
Total	<u>\$ 11,767,862</u>	<u>\$ 640,486</u>	<u>\$ (1,253,721)</u>	<u>\$ 11,154,627</u>	<u>\$ 1,176,307</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 6 - LONG-TERM DEBT (continued)

Changes in Long-Term Debt

Long-term liability activity for the year ended December 31, 2009 was as follows:

	Balance 01/01/09	Additions	Reductions	Balance 12/31/09	Due Within One Year
<u>Business-Type Activities</u>					
Revenue bonds payable					
Revenue Bonds	\$ 5,543,147	-	\$ (472,635)	\$ 5,070,512	\$ 497,289
Deferred amounts					
Deferred Refunding	(368,714)	-	36,871	(331,843)	(36,871)
Total revenue Bonds,	5,174,433	-	(435,764)	4,738,669	460,418
Capital Leases					
Capitalized Leases	506,460	519,106	(331,816)	693,750	193,671
Total capital leases	506,460	519,106	(331,816)	693,750	193,671
Total	\$ 5,680,893	\$ 519,106	\$ (767,580)	\$ 5,432,419	\$ 654,089

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, 2009, are as follows:

	PRINCIPAL	INTEREST	TOTAL
2010	\$ 275,000	\$ 155,494	\$ 430,494
2011	280,000	145,087	425,087
2012	290,000	134,400	424,400
2013	320,000	122,962	442,962
2014	335,000	110,681	445,681
2015-2019	1,870,000	345,883	2,215,883
2020-2021	865,000	32,718	897,718
	4,235,000	\$ 1,047,225	\$ 5,282,225
Unamortized Premium on bonds	4,853		
	\$ 4,239,853		

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2009

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 5th of each year commencing December 5, 2002 and ending December 5, 2016. At December 31, 2009, the balance due on the obligation was \$2,721.

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 Wastewater System Fund) at December 31, 2009, are comprised of the following individual issues:

\$4,603,000 (less deferred refunding of \$331,843) Water and Wastewater (Series 1998) serial bonds due in annual installments of \$279,000 to \$397,000 through June 1, 2018; interest at 4.45%.	\$ 2,682,157
\$3,336,266 Water and Wastewater (Series 2002) serial bonds due in annual installments of \$218,289 to \$299,579 through June 1, 2017; interest at 4.46%.	2,056,512
	\$ 4,738,669

During 1998, the City issued \$4,603,000 in Series 1998 Water and Wastewater 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 Wastewater 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 Wastewater Fund. As of December 31, 2009, the amount of the defeased debt outstanding but removed from the Water and Wastewater Fund is \$3,915,000.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 6 - LONG-TERM DEBT (continued)

The annual requirements to amortize each of the City's outstanding revenue bonds as of December 31, 2009, are as follows:

YEAR ENDING DECEMBER 31,	1998 REVENUE BOND ISSUE		
	PRINCIPAL	INTEREST	TOTAL
2010	\$ 279,000	\$ 127,915	\$ 406,915
2011	289,000	115,277	404,277
2012	304,000	102,083	406,083
2013	319,000	88,221	407,221
2014	333,000	73,715	406,715
2015-2018	1,490,000	136,169	1,626,169
	3,014,000	\$ 643,380	\$ 3,657,380
Deferred refunding	(331,843)		
Principal portion, net of deferred refunding	\$ 2,682,157		

	2002 REVENUE BOND ISSUE		
	PRINCIPAL	INTEREST	TOTAL
2010	\$ 218,289	\$ 88,045	\$ 306,334
2011	228,388	77,946	306,334
2012	238,752	67,582	306,334
2013	250,002	56,332	306,334
2014	261,570	44,764	306,334
2015-2017	859,511	59,491	919,002
	\$ 2,056,512	\$ 394,160	\$ 2,450,672

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

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, 2009

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 6.5% of their gross earnings. The City of North Augusta is required to contribute at an actuarially determined rate. The rate was 9.24% of gross earnings for 2009. The City's contributions to SCRS for the years ending December 2009, 2008 and 2007 were approximately \$604,000, \$588,000, and \$507,000, 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 rate was 10.65% of gross earnings for 2009. The City's contributions to PORS for the years ending December 2009, 2008 and 2007, were approximately \$306,000, \$297,000, and \$276,000, respectively, equal to the required contributions for each year.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 9 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivable and payable balances at December 31, 2009 are as follows:

Receivable Fund	Payable Fund	Amount	Purpose
Riverfront/ Central Core Redevelopment	General Fund	\$ 2,721	Tax Increment Revenue Obligation (refer to Note 6)
		<u>\$ 2,721</u>	

The following interfund transfers are reflected in the fund financial statements at December 31, 2009:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$ 513,374	\$ 257,821
Capital Projects Fund	257,821	-
Total Governmental Funds	<u>771,195</u>	<u>257,821</u>
Enterprise Funds:		
Water and Wastewater Fund	10,038,573	10,463,154
Sanitation Fund	-	138,793
Savannah Bluff Lock and Dam Fund	50,000	-
Total Enterprise Funds	<u>10,088,573</u>	<u>10,601,947</u>
Total	<u>\$ 10,859,768</u>	<u>\$ 10,859,768</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.

Capital assets in the net amount of \$24,585 were transferred from the Water and Wastewater Fund to the General Fund. On the government-wide financial statements this was recorded as a transfer between the Sanitation Fund and General Fund.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2009

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	102	Workers' compensation	\$600,000
SC Local Government Assurance Group	92	Health, life, dental	300,000
SC Municipal Insurance/Risk Financing Fund	87	Property and casualty/ general liability	500,000/500,000

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.

NOTE 11 - CONTINGENCIES

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

The City of North Augusta receives wastewater treatment and disposal services from Aiken County under a wastewater treatment and disposal contract dated January 10, 1977. By invoice dated January 2, 2009, Aiken County invoiced the City of North Augusta in the amount of \$252,390.57 which it asserts is due under the contract as a true up of expense recovery for the fiscal year ended June 30, 2008. Aiken County has not billed the City for additional true up of costs for the fiscal year ended June 30, 2009. The City of North August disputes the validity of this charge because it is based on the recovery of contingency and depreciation expenses that are not authorized to be charged to the City under the 1977 contract. The matter is currently in negotiation between the parties. If the issue were to be litigated, counsel for the City of North Augusta believes that the likelihood of the county prevailing on its claim would be remote.

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 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, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Equity in pooled cash	\$ 572,860	\$ 382,957
Investments	378,065	263,785
Taxes receivable	107,403	95,345
Grants receivable	41,478	-
Inventory	1,176	2,082
Cash, restricted	9,771	47,801
	\$ 1,110,753	\$ 791,970
 <u>LIABILITIES</u>		
Accounts payable	\$ 91,534	\$ 76,249
Due to other funds	2,721	3,050
Accrued salaries, wages and employee benefits	351,756	332,992
Unearned revenue	13,680	35,264
Municipal Court liability	44,604	36,711
	504,295	484,266
 <u>FUND BALANCE</u>		
Fund balance:		
Reserved for inventory	1,176	2,082
Reserved for victims assistance	9,771	47,801
Unreserved	595,511	257,821
	606,458	307,704
 TOTAL FUND BALANCE	 606,458	 307,704
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 1,110,753	 \$ 791,970

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGETED AND ACTUAL
GENERAL FUND

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
	<u>REVENUES</u>			
Ad valorem property taxes	\$ 4,722,124	\$ 4,838,765	\$ 116,641	\$ 4,601,783
Licenses and permits	4,543,000	4,344,903	(198,097)	4,481,413
Fines and forfeitures	930,000	880,343	(49,657)	830,404
Charges for services	1,125,976	1,083,661	(42,315)	998,638
Intergovernmental	728,180	749,760	21,580	760,976
Miscellaneous	409,700	368,811	(40,889)	422,053
TOTAL REVENUES	12,458,980	12,266,243	(192,737)	12,095,267
<u>EXPENDITURES</u>				
Current:				
General government	3,120,987	2,795,510	(325,477)	2,684,417
Public safety	5,269,884	5,031,151	(238,733)	4,935,056
Public works	1,163,826	1,078,396	(85,430)	1,116,121
Recreation and parks	2,919,126	2,768,089	(151,037)	2,840,705
Capital lease payments	444,831	434,602	(10,229)	432,831
Capital outlay:				
General government	17,500	14,225	(3,275)	74,196
Public safety	12,000	304,066	292,066	301,551
Public works	1,200	31,274	30,074	35,637
Recreation and parks	23,000	51,638	28,638	137,764
TOTAL EXPENDITURES	12,972,354	12,508,951	(463,403)	12,558,278
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES - forward	\$ (513,374)	\$ (242,708)	\$ 270,666	\$ (463,011)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGETED AND ACTUAL
GENERAL FUND

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>EXPENDITURES</u> - Continued				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES - forwarded	\$ (513,374)	\$ (242,708)	\$ 270,666	\$ (463,011)
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from capital lease obligations	-	285,909	285,909	408,499
Transfers in	513,374	513,374	-	360,983
Transfers out	-	(257,821)	(257,821)	(1,078,440)
 TOTAL OTHER FINANCING SOURCES (USES)	 513,374	 541,462	 28,088	 (308,958)
 NET CHANGE IN FUND BALANCES	 -	 298,754	 298,754	 (771,969)
 FUND BALANCE - BEGINNING OF YEAR	 -	 307,704	 307,704	 1,079,673
 FUND BALANCE - END OF YEAR	 \$ -	 \$ 606,458	 \$ 606,458	 \$ 307,704

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

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>TAXES</u>				
Current	\$ 4,665,124	\$ 4,765,711	\$ 100,587	\$ 4,520,211
Delinquent	10,000	11,765	1,765	22,065
Penalties	47,000	61,289	14,289	59,507
TOTAL	4,722,124	4,838,765	116,641	4,601,783
<u>LICENSES AND PERMITS</u>				
Business licenses	4,352,000	4,233,899	(118,101)	4,317,231
Building permits	140,000	87,061	(52,939)	121,739
Electrical permits	17,000	6,675	(10,325)	13,002
Mechanical permits	14,000	8,998	(5,002)	13,674
Plumbing permits	20,000	8,270	(11,730)	15,767
TOTAL	4,543,000	4,344,903	(198,097)	4,481,413
<u>FINES AND FORFEITURES</u>				
Public safety fines	910,000	857,273	(52,727)	811,832
Drug related fines	20,000	23,070	3,070	18,572
TOTAL	930,000	880,343	(49,657)	830,404
<u>CHARGES FOR SERVICES</u>				
Fire protection fees	69,636	65,562	(4,074)	67,024
Customer street light fees	39,640	41,692	2,052	39,605
Municipal Center rentals	76,500	96,455	19,955	-
Rec. fees - special programs	36,600	17,803	(18,797)	27,757
Rec. fees - volleyball	5,200	5,050	(150)	4,035
Rec. fees - soccer	54,800	60,545	5,745	54,025
Rec. fees - miscellaneous	15,000	15,685	685	13,840
Rec. fees - basketball	39,290	35,879	(3,411)	40,695
Rec. fees - softball	26,725	27,618	893	29,032
Rec. fees - football	39,075	36,349	(2,726)	36,780
Rec. fees - baseball	64,810	78,101	13,291	68,796
Concession stand	127,000	125,900	(1,100)	115,536
Community Center fees	134,550	85,614	(48,936)	114,076
Activities Center fees	222,150	207,966	(14,184)	207,393
Recreation facilities rentals	15,000	18,891	3,891	18,428
Activities Center tournaments	160,000	164,551	4,551	161,616
TOTAL	\$ 1,125,976	\$ 1,083,661	\$ (42,315)	\$ 998,638

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

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>INTERGOVERNMENTAL</u>				
State of South Carolina:				
State shared revenue	\$ 618,000	\$ 563,562	\$ (54,438)	\$ 630,308
Accommodations tax	10,200	13,240	3,040	14,016
Merchants' inventory tax	54,700	54,790	90	54,790
Local option sales tax	14,000	24,071	10,071	12,758
SCDOT traffic signals	31,280	29,580	(1,700)	29,230
Highway safety grant	-	64,517	64,517	19,874
TOTAL	728,180	749,760	21,580	760,976
<u>MISCELLANEOUS</u>				
Other	110,000	132,253	22,253	141,824
Communication tower rental	214,700	221,291	6,591	215,231
Interest earnings	85,000	15,267	(69,733)	64,998
TOTAL	409,700	368,811	(40,889)	422,053
TOTAL REVENUES	\$ 12,458,980	\$ 12,266,243	\$ (192,737)	\$ 12,095,267

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

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
	<u>GENERAL GOVERNMENT -</u>			
City Council -				
Personal services:				
Salaries and wages	\$ 101,582	\$ 91,490	\$ (10,092)	\$ 97,946
FICA	7,771	5,696	(2,075)	6,174
Employee retirement	7,280	6,775	(505)	6,895
Employee insurance	4,794	4,063	(731)	4,203
Workers' compensation	132	117	(15)	105
Operating expenditures:				
General supplies/postage	4,500	4,549	49	4,065
Dues/training/travel	9,750	3,694	(6,056)	8,125
Data processing	-	-	-	2,978
Advertising	600	-	(600)	330
Professional services	3,550	-	(3,550)	286
Special department supplies	600	1,224	624	600
Insurance	1,804	1,198	(606)	1,293
Contingencies	8,000	-	(8,000)	-
TOTAL	\$ 150,363	\$ 118,806	\$ (31,557)	\$ 133,000

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009
With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>GENERAL GOVERNMENT -</u>				
Continued				
City Administration -				
Personal services:				
Salaries and wages	\$ 192,520	\$ 191,115	\$ (1,405)	\$ 185,185
FICA	14,728	12,836	(1,892)	12,260
Employee retirement	30,536	29,036	(1,500)	29,046
Employee insurance	11,870	10,060	(1,810)	10,379
Workers' compensation	473	420	(53)	376
Unemployment insurance	25	-	(25)	-
Operating expenditures:				
General supplies/postage	4,850	4,701	(149)	3,131
Dues/training/travel	17,460	11,850	(5,610)	16,064
Data processing	600	641	41	11,272
Contracts/repairs	5,000	4,628	(372)	4,303
Professional services	-	-	-	4,969
Insurance	1,404	933	(471)	1,006
TOTAL	\$ 279,466	\$ 266,220	\$ (13,246)	\$ 277,991

(continued)

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

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>GENERAL GOVERNMENT -</u>				
Continued				
Justice and Law -				
Personal services:				
Salaries and wages	\$ 106,348	\$ 104,920	\$ (1,428)	\$ 103,258
FICA	8,136	7,234	(902)	7,062
Employee retirement	9,986	9,077	(909)	8,978
Workers' compensation	240	213	(27)	191
Operating expenditures:				
General supplies/postage	100	121	21	1,276
State fees/fines	489,248	453,623	(35,625)	416,944
Dues/training/travel	3,000	1,468	(1,532)	1,514
Contracts and repairs	850	833	(17)	1,022
Jury services	3,000	2,010	(990)	2,510
Professional services	4,925	5,213	288	1,604
Juvenile detention	3,000	-	(3,000)	550
Judgments/settlements	250	-	(250)	-
Insurance	776	515	(261)	556
TOTAL	629,859	585,227	(44,632)	545,465
Community Promotion -				
Personal services:				
Salaries and wages	46,690	37,999	(8,691)	-
FICA	3,572	2,771	(801)	-
Employee retirement	4,384	3,345	(1,039)	-
Employee insurance	6,238	3,569	(2,669)	-
Workers' compensation	195	173	(22)	-
Unemployment insurance	50	-	(50)	-
Operating expenditures:				
Contributions	64,800	63,800	(1,000)	63,800
Dues/training/travel	5,704	5,704	-	5,704
Special department supplies	24,350	21,765	(2,585)	25,376
Insurance	778	517	(261)	-
TOTAL	\$ 156,761	\$ 139,643	\$ (17,118)	\$ 94,880

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

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
	<u>GENERAL GOVERNMENT -</u>			
Continued				
Finance -				
Personal services:				
Salaries and wages	\$ 304,772	\$ 300,492	\$ (4,280)	\$ 312,918
FICA	23,315	22,098	(1,217)	21,714
Employee retirement	28,618	27,280	(1,338)	29,129
Employee insurance	24,203	20,512	(3,691)	21,181
Workers' compensation	612	822	210	487
Unemployment insurance	50	-	(50)	-
Operating expenditures:				
General supplies/postage	8,200	7,131	(1,069)	7,679
Dues/training/travel	8,975	5,588	(3,387)	6,939
Auto operating	2,245	1,747	(498)	2,688
Data processing	21,220	19,099	(2,121)	29,179
Contracts/repairs	35,700	23,095	(12,605)	16,639
Advertising	2,200	297	(1,903)	2,367
Professional services	18,000	18,000	-	17,040
Insurance	1,900	1,578	(322)	1,423
Capital lease payments	4,145	4,144	(1)	4,144
Capital outlay:				
Office machines	17,500	14,225	(3,275)	25,596
<hr/>				
TOTAL	\$ 501,655	\$ 466,108	\$ (35,547)	\$ 499,123

(continued)

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

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
	<u>GENERAL GOVERNMENT -</u>			
Continued				
Building Standards -				
Personal services:				
Salaries and wages	\$ 268,123	\$ 263,200	\$ (4,923)	\$ 210,414
FICA	20,511	18,751	(1,760)	14,919
Employee retirement	25,177	24,240	(937)	19,302
Employee insurance	28,122	23,833	(4,289)	19,173
Workers' compensation	6,966	6,189	(777)	4,650
Unemployment insurance	50	-	(50)	-
Operating expenditures:				
General supplies/postage	3,250	3,283	33	2,859
Dues/training/travel	2,500	1,701	(799)	1,703
Auto operating	12,650	6,837	(5,813)	8,707
Data processing	5,500	5,177	(323)	-
Contracts/repairs	6,200	4,506	(1,694)	3,579
Uniforms/clothing	1,400	1,044	(356)	931
Advertising	-	-	-	-
Special department supplies	1,900	1,665	(235)	1,964
Insurance	7,244	9,626	2,382	4,630
Capital lease payments	9,100	6,350	(2,750)	5,877
Capital outlay:				
Automotive equipment	-	-	-	13,854
TOTAL	<u>\$ 398,693</u>	<u>\$ 376,402</u>	<u>\$ (22,291)</u>	<u>\$ 312,562</u>

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

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
	<u>GENERAL GOVERNMENT -</u>			
Continued				
Economic and Community Development -				
Personal services:				
Salaries and wages	\$ 301,727	\$ 260,160	\$ (41,567)	\$ 341,017
FICA	23,082	18,545	(4,537)	24,504
Employee retirement	28,332	23,673	(4,659)	31,387
Employee insurance	30,628	25,957	(4,671)	32,332
Workers' compensation	2,539	2,256	(283)	2,793
Unemployment insurance	50	-	(50)	-
Operating expenditures:				
General supplies/postage	5,000	3,369	(1,631)	2,980
Dues/training/travel	10,000	12,625	2,625	11,750
Auto operating	3,475	337	(3,138)	2,863
Data processing	13,000	9,859	(3,141)	3,400
Contracts/repairs	4,000	3,992	(8)	3,975
Advertising	3,000	446	(2,554)	249
Professional services	55,000	27,071	(27,929)	54,391
Special department supplies	4,500	3,348	(1,152)	3,558
Insurance	6,554	4,354	(2,200)	5,295
Capital lease payments	-	-	-	3,430
Capital outlay:				
Office machines	-	-	-	11,920
Automotive equipment	-	-	-	16,274
TOTAL	<u>\$ 490,887</u>	<u>\$ 395,992</u>	<u>\$ (94,895)</u>	<u>\$ 552,118</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>GENERAL GOVERNMENT -</u>				
Continued				
City Buildings -				
Personal services:				
Salaries and wages	\$ 73,614	\$ 62,167	\$ (11,447)	\$ 31,366
Overtime pay	500	5,688	5,188	494
FICA	5,670	4,986	(684)	2,242
Employee retirement	6,959	6,061	(898)	2,939
Employee insurance	18,946	12,685	(6,261)	5,843
Workers' compensation	696	2,001	1,305	216
Unemployment insurance	50	-	(50)	-
Operating expenditures:				
General supplies/postage	37,200	30,012	(7,188)	25,327
Utility services	257,800	234,620	(23,180)	146,503
Contracts/repairs	64,000	48,215	(15,785)	16,701
Professional services	4,500	3,016	(1,484)	2,905
Special department supplies	35,991	20,878	(15,113)	111,527
Insurance	38,122	41,502	3,380	4,310
Capital outlay:				
Office machines	-	-	-	6,552
 TOTAL	 \$ 544,048	 \$ 471,831	 \$ (72,217)	 \$ 356,925
 TOTAL GENERAL GOVERNMENT	 \$ 3,151,732	 \$ 2,820,229	 \$ (331,503)	 \$ 2,772,064

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

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>PUBLIC SAFETY -</u>				
Police and Fire -				
Personal services:				
Salaries and wages	\$ 3,398,109	\$ 3,275,983	\$ (122,126)	\$ 3,166,046
Overtime pay	99,000	137,330	38,330	109,232
FICA	267,529	249,744	(17,785)	239,134
Employee retirement	375,873	359,468	(16,405)	345,578
Employee insurance	389,483	332,497	(56,986)	332,799
Workers' compensation	78,629	86,202	7,573	74,687
Unemployment insurance	5,000	175	(4,825)	5,090
Operating expenditures:				
General supplies/postage	18,000	17,397	(603)	19,818
Dues/training/travel	39,510	29,905	(9,605)	27,390
Auto operating	227,250	139,559	(87,691)	205,298
Data processing	10,900	12,872	1,972	27,847
Contracts/repairs	114,666	124,550	9,884	133,317
Uniforms/clothing	74,000	65,468	(8,532)	66,123
NAPS drug related account	20,000	23,070	3,070	18,572
Advertising	2,500	3,801	1,301	6,917
Professional services	14,000	20,575	6,575	15,197
Special department supplies	45,550	91,621	46,071	65,620
Insurance	89,885	60,934	(28,951)	76,391
Capital lease payments	293,643	288,181	(5,462)	267,701
Capital outlay:				
Automotive equipment	-	282,138	282,138	298,143
Machines/equipment	12,000	21,928	9,928	3,408
TOTAL PUBLIC SAFETY	\$ 5,575,527	\$ 5,623,398	\$ 47,871	\$ 5,504,308

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009
With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
	<u>PUBLIC WORKS -</u>			
Engineering -				
Personal services:				
Salaries and wages	\$ 121,511	\$ 104,027	\$ (17,484)	\$ 104,545
FICA	9,296	7,722	(1,574)	7,680
Employee retirement	11,410	9,724	(1,686)	9,558
Employee insurance	17,168	14,550	(2,618)	15,108
Workers' compensation	6,012	5,341	(671)	4,781
Unemployment insurance	50	-	(50)	-
Operating expenditures:				
General supplies/postage	1,500	1,569	69	1,016
Dues/training/travel	1,200	665	(535)	1,464
Auto operating	4,460	2,728	(1,732)	3,748
Data processing	1,600	1,635	35	3,765
Contracts/repairs	2,550	1,244	(1,306)	1,108
Uniforms/clothing	800	272	(528)	653
Advertising	100	81	(19)	1,190
Professional services	-	260	260	143
Special department supplies	2,200	1,874	(326)	1,650
Insurance	2,312	1,536	(776)	1,657
Capital lease payments	7,091	7,091	-	7,091
Capital outlay:				
Automotive equipment	-	-	-	16,687
 TOTAL	 \$ 189,260	 \$ 160,319	 \$ (28,941)	 \$ 181,844

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

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
	PUBLIC WORKS -			
Continued				
Street Lighting and Traffic Signals -				
Personal services:				
Workers' compensation	\$ 88	\$ 78	\$ (10)	\$ 70
Operating expenditures:				
Dues/training/travel	2,450	143	(2,307)	3,924
Utility services	329,000	354,027	25,027	331,435
Contracts/repairs	3,500	3,094	(406)	3,267
Special department supplies	10,000	9,484	(516)	7,953
TOTAL	345,038	366,826	21,788	346,649
Streets and Drains -				
Personal services:				
Salaries and wages	339,827	305,030	(34,797)	320,946
Overtime pay	7,500	6,769	(731)	10,412
FICA	26,570	23,224	(3,346)	24,315
Employee retirement	32,614	28,699	(3,915)	30,512
Employee insurance	47,566	40,311	(7,255)	41,648
Workers' compensation	19,162	17,602	(1,560)	19,842
Unemployment insurance	1,400	-	(1,400)	-
Operating expenditures:				
General supplies/postage	500	391	(109)	422
Dues/training/travel	1,500	640	(860)	548
Auto operating	41,250	27,667	(13,583)	45,845
Data processing	800	763	(37)	-
Contracts/repairs	24,750	30,280	5,530	32,860
Building materials/supplies	63,000	69,058	6,058	55,457
Uniforms/clothing	5,200	4,348	(852)	4,035
Streets and Drains - forward	\$ 611,639	\$ 554,782	\$ (56,857)	\$ 586,842

(continued)

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

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>PUBLIC WORKS -</u>				
Continued				
Streets and Drains - forwarded	\$ 611,639	\$ 554,782	\$ (56,857)	\$ 586,842
Operating expenditures:				
Continued				
Advertising	1,500	-	(1,500)	-
Professional services	180	204	24	723
Special department supplies	15,000	13,502	(1,498)	18,251
Judgments/settlements	500	319	(181)	-
Insurance	7,800	6,222	(1,578)	5,590
Capital lease payments	42,379	42,189	(190)	64,668
Capital outlay:				
Automotive equipment	-	13,300	13,300	16,339
Machines/equipment	1,200	1,287	87	2,611
TOTAL	680,198	631,805	(48,393)	695,024
TOTAL PUBLIC WORKS	\$ 1,214,496	\$ 1,158,950	\$ (55,546)	\$ 1,223,517

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

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>RECREATION AND PARKS -</u>				
Recreation -				
Personal services:				
Salaries and wages	\$ 342,511	\$ 335,122	\$ (7,389)	\$ 347,598
Overtime pay	14,000	7,252	(6,748)	13,675
FICA	27,273	25,219	(2,054)	26,632
Employee retirement	33,476	31,327	(2,149)	33,219
Employee insurance	29,067	24,634	(4,433)	25,508
Workers' compensation	9,932	8,824	(1,108)	7,929
Unemployment insurance	150	1,667	1,517	-
Operating expenditures:				
General supplies/postage	2,400	1,970	(430)	2,280
Dues/training/travel	8,500	6,657	(1,843)	7,320
Auto operating	4,618	1,502	(3,116)	2,006
Contract/repairs	8,320	8,742	422	7,818
Uniforms/clothing	900	417	(483)	873
Advertising	1,300	1,247	(53)	1,545
Rent	200	-	(200)	-
Professional services	24,980	22,408	(2,572)	24,868
Special department supplies	25,200	23,383	(1,817)	24,812
Basketball program	36,200	31,586	(4,614)	37,884
Softball program	25,000	28,484	3,484	27,796
Football program	36,000	30,857	(5,143)	34,085
Baseball program	60,000	75,963	15,963	67,263
Soccer program	42,500	45,013	2,513	39,056
Volleyball program	4,200	3,891	(309)	2,398
Concession stand supplies	104,000	97,118	(6,882)	111,541
Insurance	11,155	7,410	(3,745)	13,879
Capital outlay:				
Office machines	5,500	5,548	48	-
Furniture/fixtures	2,000	1,024	(976)	1,518
Automotive equipment	-	9,469	9,469	-
Machines/equipment	-	-	-	10,698
TOTAL	\$ 859,382	\$ 836,734	\$ (22,648)	\$ 872,201

(continued)

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

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
	<u>RECREATION AND PARKS -</u>			
Continued				
Parks -				
Personal services:				
Salaries and wages	\$ 145,965	\$ 144,683	\$ (1,282)	\$ 140,139
Overtime pay	7,800	8,945	1,145	9,174
FICA	11,763	10,907	(856)	10,549
Employee retirement	14,439	14,094	(345)	13,741
Employee insurance	23,810	20,179	(3,631)	20,986
Workers' compensation	3,784	3,362	(422)	2,928
Unemployment insurance	1,200	-	(1,200)	-
Operating expenditures:				
General supplies/postage	1,400	1,162	(238)	1,221
Dues/training/travel	1,150	1,010	(140)	904
Auto operating	14,235	11,180	(3,055)	13,976
Utility services	43,900	48,861	4,961	46,543
Contracts/repairs	44,050	44,961	911	47,797
Building materials/supplies	15,100	14,982	(118)	14,899
Uniforms/clothing	2,100	1,942	(158)	2,215
Advertising	300	-	(300)	-
Professional services	180	-	(180)	19,952
Special department supplies	28,000	28,220	220	27,760
Insurance	7,002	4,651	(2,351)	4,955
Capital lease payments	16,856	15,699	(1,157)	13,705
Capital outlay:				
Automotive equipment	-	-	-	18,975
Furniture/fixtures	-	-	-	3,423
Machines/equipment	8,000	7,271	(729)	3,478
Park improvements	5,000	3,730	(1,270)	5,000
TOTAL	\$ 396,034	\$ 385,839	\$ (10,195)	\$ 422,320

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

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
	<u>RECREATION AND PARKS -</u>			
Continued				
Property Maintenance -				
Personal services:				
Salaries and wages	\$ 448,697	\$ 430,213	\$ (18,484)	\$ 386,233
Overtime pay	6,000	8,605	2,605	7,667
FICA	34,784	31,407	(3,377)	28,338
Employee retirement	42,696	40,196	(2,500)	36,272
Employee insurance	69,310	58,739	(10,571)	60,706
Workers' compensation	32,406	30,228	(2,178)	25,972
Unemployment insurance	1,100	-	(1,100)	229
Operating expenditures:				
General supplies/postage	1,500	858	(642)	891
Dues/training/travel	1,500	1,260	(240)	1,513
Auto operating	30,390	22,058	(8,332)	31,970
Utility services	7,700	14,633	6,933	7,382
Data processing	-	-	-	1,609
Contracts/repairs	28,600	30,546	1,946	31,443
Building materials/supplies	2,800	2,935	135	2,856
Uniforms/clothing	4,150	4,094	(56)	4,127
Advertising	3,000	140	(2,860)	3,059
Professional services	39,560	11,728	(27,832)	39,314
Special department supplies	60,000	60,700	700	49,968
Insurance	12,300	15,012	2,712	8,867
Capital lease payments	64,025	63,356	(669)	58,623
Capital outlay:				
Automotive equipment	-	22,480	22,480	22,615
Machines/equipment	-	-	-	27,172
TOTAL	<u>\$ 890,518</u>	<u>\$ 849,188</u>	<u>\$ (41,330)</u>	<u>\$ 836,826</u>

(continued)

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

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
	<u>RECREATION AND PARKS -</u>			
Continued				
Community Center -				
Personal services:				
Salaries and wages	\$ 111,338	\$ 81,168	\$ (30,170)	\$ 104,177
Overtime pay	2,000	641	(1,359)	48
FICA	8,670	6,255	(2,415)	7,828
Employee retirement	10,642	7,623	(3,019)	9,613
Employee insurance	14,304	12,122	(2,182)	12,523
Workers' compensation	452	562	110	329
Unemployment insurance	800	-	(800)	-
Operating expenditures:				
General supplies/postage	3,000	1,384	(1,616)	2,973
Dues/training/travel	650	-	(650)	65
Utility services	19,200	20,245	1,045	19,301
Data processing	360	-	(360)	2,494
Contracts/repairs	7,500	11,919	4,419	7,513
Uniforms/clothing	600	438	(162)	477
Advertising	1,500	2,898	1,398	961
Professional services	24,180	23,300	(880)	23,729
Special department supplies	12,500	17,525	5,025	24,554
Insurance	4,134	2,746	(1,388)	2,865
Capital outlay:				
Machines/equipment	-	-	-	4,000
TOTAL	\$ 221,830	\$ 188,826	\$ (33,004)	\$ 223,450

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

YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>RECREATION AND PARKS -</u>				
Continued				
RVP Activities Center -				
Personal services:				
Salaries and wages	\$ 253,083	\$ 244,648	\$ (8,435)	\$ 236,358
Overtime pay	10,000	5,244	(4,756)	10,181
FICA	20,126	18,486	(1,640)	18,070
Employee retirement	24,703	22,923	(1,780)	22,652
Employee insurance	33,304	28,225	(5,079)	29,135
Workers' compensation	2,600	2,310	(290)	2,068
Unemployment insurance	3,000	303	(2,697)	13,209
Operating expenditures:				
General supplies/postage	7,000	6,872	(128)	17,172
Dues/training/travel	1,100	134	(966)	1,413
Auto operating	3,000	628	(2,372)	1,108
Utility services	103,200	133,677	30,477	123,082
Data processing	-	-	-	1,466
Contracts/repairs	70,175	58,402	(11,773)	54,197
Uniforms/clothing	1,400	1,023	(377)	1,389
Advertising	3,000	572	(2,428)	2,363
Professional services	180	-	(180)	-
Tournaments/special events	92,000	90,521	(1,479)	100,529
Special department supplies	16,000	16,217	217	14,364
Insurance	8,872	5,894	(2,978)	6,359
Capital lease payments	7,592	7,592	-	7,592
Capital outlay:				
Automotive equipment	-	-	-	36,022
Furniture/fixtures	2,500	2,116	(384)	-
Machines/equipment	-	-	-	4,863
TOTAL	662,835	645,787	(17,048)	703,592
TOTAL RECREATION AND PARKS	3,030,599	2,906,374	(124,225)	3,058,389
TOTAL EXPENDITURES	\$12,972,354	\$12,508,951	\$ (463,403)	\$12,558,278

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 COMPARATIVE BALANCE SHEETS
 SALES TAX II FUND
 DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Equity in pooled cash	\$ 316,567	\$ 807,784
Investments	<u>1,310,821</u>	<u>3,694,394</u>
 TOTAL ASSETS	 <u>\$ 1,627,388</u>	 <u>\$ 4,502,178</u>
 <u>LIABILITIES</u>		
Accounts payable	<u>\$ 177,370</u>	<u>\$ 1,096,976</u>
 <u>FUND BALANCE</u>		
Fund balance:		
Unreserved:		
Undesignated	<u>1,450,018</u>	<u>3,405,202</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 1,627,388</u>	 <u>\$ 4,502,178</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, 2009 AND 2008

	2009	2008
<u>REVENUES</u>		
Capital projects sales taxes	\$ 3,331,626	\$ 3,415,808
Interest on investments	16,662	73,299
 TOTAL REVENUES	 3,348,288	 3,489,107
<u>EXPENDITURES</u>		
Current:		
General government	6,258	-
Capital outlay:		
General government	4,403,041	1,106,309
Public safety	-	1,008,364
Public works	91,447	144,073
Recreation	445,794	-
Community Center	356,932	-
 TOTAL EXPENDITURES	 5,303,472	 2,258,746
 NET CHANGE IN FUND BALANCE	 (1,955,184)	 1,230,361
 FUND BALANCE - BEGINNING OF YEAR	 3,405,202	 2,174,841
 FUND BALANCE - END OF YEAR	 \$ 1,450,018	 \$ 3,405,202

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 COMPARATIVE BALANCE SHEETS
 CAPITAL PROJECTS FUND
 DECEMBER 31, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Equity in pooled cash	\$ 839,011	\$ 82,098
Investments	4,479,337	5,615,730
 TOTAL ASSETS	 \$ 5,318,348	 \$ 5,697,828
 <u>LIABILITIES</u>		
Accounts payable	\$ 375,246	\$ 265
 <u>FUND BALANCE</u>		
Fund balance:		
Unreserved:		
Designated for contingencies	1,950,000	1,850,000
Undesignated	2,993,102	3,847,563
 TOTAL FUND BALANCE	 4,943,102	 5,697,563
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 5,318,348	 \$ 5,697,828

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 CAPITAL PROJECTS FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
<u>REVENUES</u>		
Ad valorem property taxes	\$ 590,423	\$ 560,008
Interest	30,868	121,423
Miscellaneous	-	12,000
	621,291	693,431
<u>EXPENDITURES</u>		
Current:		
General government	120,006	196,165
Recreation and parks	50,320	77,300
Capital outlay:		
General government	848,524	-
Public safety	18,413	-
Recreation and parks	180,972	253,896
General Obligation Bond payments:		
Principal	250,000	225,000
Interest	165,338	174,244
	1,633,573	926,605
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,012,282)	(233,174)
<u>OTHER FINANCING SOURCES</u>		
Transfers in	257,821	1,078,440
NET CHANGE IN FUND BALANCE	(754,461)	845,266
FUND BALANCE - BEGINNING OF YEAR	5,697,563	4,852,297
FUND BALANCE - END OF YEAR	\$ 4,943,102	\$ 5,697,563

North
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South Carolina's Riverfront

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:

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

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.

Tax Increment Fund - to account for the receipt and disbursement of money designated for projects located in the Tax Increment Fund area.

Transportation Improvement Fund - to account for the receipt and disbursement of monies from other governmental agencies and developers designated for use for major transportation-related projects.

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.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2009
 With Comparative Totals for December 31, 2008

	SALES TAX FUND	COMMUNITY DEVELOPMENT BLOCK GRANT	STREET IMPROVEMENTS	RECREATION
<u>ASSETS</u>				
Equity in pooled cash	\$ 97,327	\$ 154,806	\$ 268,607	\$ 84,774
Investments	1,262,218	-	646,159	-
Grant receivable	-	-	-	-
Loans receivable, net	-	7,187	-	-
Due from other funds	-	-	-	-
TOTAL ASSETS	\$ 1,359,545	\$ 161,993	\$ 914,766	\$ 84,774
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ 22,773	\$ 10,100
Deferred revenue	-	-	-	-
TOTAL LIABILITIES	-	-	22,773	10,100
<u>FUND BALANCES</u>				
Fund balances:				
Reserved for non-current loans receivable	-	7,187	-	-
Unreserved:				
Designated for contingencies	-	-	100,000	-
Undesignated	1,359,545	154,806	791,993	74,674
TOTAL FUND BALANCES	1,359,545	161,993	891,993	74,674
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,359,545	\$ 161,993	\$ 914,766	\$ 84,774

FIREMAN'S FUND	TAX INCREMENT FUND	TRANSPORTATION IMPROVEMENT FUND	RIVERFRONT/ CENTRAL CORE REDEVELOPMENT FUND	TOTALS	
				2009	2008
\$ 36,134	\$ 73,093	\$ 103,989	\$ 101,991	\$ 920,721	\$ 791,052
-	1,058,059	756,349	1,138,311	4,861,096	4,683,565
-	-	-	421,587	421,587	451,060
-	-	-	-	7,187	7,187
-	-	-	2,721	2,721	3,050
<u>\$ 36,134</u>	<u>\$ 1,131,152</u>	<u>\$ 860,338</u>	<u>\$ 1,664,610</u>	<u>\$ 6,213,312</u>	<u>\$ 5,935,914</u>
\$ 2,824	\$ 879	\$ -	\$ -	\$ 36,576	\$ 14,235
-	-	53,195	-	53,195	53,195
<u>2,824</u>	<u>879</u>	<u>53,195</u>	<u>-</u>	<u>89,771</u>	<u>67,430</u>
-	-	-	-	7,187	7,187
-	-	-	-	100,000	100,000
<u>33,310</u>	<u>1,130,273</u>	<u>807,143</u>	<u>1,664,610</u>	<u>6,016,354</u>	<u>5,761,297</u>
<u>33,310</u>	<u>1,130,273</u>	<u>807,143</u>	<u>1,664,610</u>	<u>6,123,541</u>	<u>5,868,484</u>
<u>\$ 36,134</u>	<u>\$ 1,131,152</u>	<u>\$ 860,338</u>	<u>\$ 1,664,610</u>	<u>\$ 6,213,312</u>	<u>\$ 5,935,914</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, 2009
 With Comparative Totals for December 31, 2008

	SALES TAX FUND	COMMUNITY DEVELOPMENT BLOCK GRANT	STREET IMPROVEMENTS	RECREATION
REVENUES				
Ad valorem property taxes - TIF District	\$ -	\$ -	\$ -	\$ -
Local hospitality and accommodations taxes				
Intergovernmental	-	-	587,369	4,217
Interest on investments/loans	10,857	186	4,873	96
Grant revenues	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	871	6,795
TOTAL REVENUES	10,857	186	593,113	11,108
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	18,577	-
Recreation and parks	-	-	-	-
Capital lease payments	-	-	-	-
Capital outlay:				
General government	-	-	-	-
Public safety	-	-	665,998	-
Public works	602,396	-	-	-
Recreation and parks	465,973	-	-	-
Intergovernmental	-	-	-	-
TOTAL EXPENDITURES	1,068,369	-	684,575	-
NET CHANGE IN FUND BALANCES	(1,057,512)	186	(91,462)	11,108
FUND BALANCE - BEGINNING OF YEAR	2,417,057	161,807	983,455	63,566
FUND BALANCE - END OF YEAR	\$ 1,359,545	\$ 161,993	\$ 891,993	\$ 74,674

FIREMAN'S FUND	TAX INCREMENT FUND	TRANSPORTATION IMPROVEMENT FUND	RIVERFRONT/ CENTRAL CORE REDEVELOPMENT FUND	TOTALS	
				2009	2008
\$ -	\$ 565,357	\$ -	\$ -	\$ 565,357	\$ 336,528
			548,490	548,490	550,501
40,208	-	800,000	-	1,431,794	1,502,568
39	3,692	1,058	9,018	29,819	273,426
-	-	-	421,586	421,586	304,844
-	-	-	-	-	57,000
-	-	-	26	7,692	5,035
<u>40,247</u>	<u>569,049</u>	<u>801,058</u>	<u>979,120</u>	<u>3,004,738</u>	<u>3,029,902</u>
-	-	-	-	-	720
41,434	-	-	-	60,011	57,300
-	-	-	-	-	4,295
-	-	-	507,493	507,493	507,493
-	-	-	439,953	439,953	7,928,782
-	-	-	-	665,998	454,931
-	-	-	-	602,396	335,858
-	7,857	-	-	473,830	427,659
-	-	-	-	-	800,000
<u>41,434</u>	<u>7,857</u>	<u>-</u>	<u>947,446</u>	<u>2,749,681</u>	<u>10,517,038</u>
(1,187)	561,192	801,058	31,674	255,057	(7,487,136)
<u>34,497</u>	<u>569,081</u>	<u>6,085</u>	<u>1,632,936</u>	<u>5,868,484</u>	<u>13,355,620</u>
<u>\$ 33,310</u>	<u>\$ 1,130,273</u>	<u>\$ 807,143</u>	<u>\$ 1,664,610</u>	<u>\$ 6,123,541</u>	<u>\$ 5,868,484</u>

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MAJOR ENTERPRISE FUNDS

The Water and Wastewater Fund is used to account for waterworks and wastewater 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.

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.

NONMAJOR ENTERPRISE FUNDS

The Savannah Bluff Lock and Dam Fund is used to account for operations of the Savannah River Lock and Dam that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that costs (expenses including depreciation) of providing goods and 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 WASTEWATER SYSTEM
 DECEMBER 31, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Equity in pooled cash	\$ 535,386	\$ 656,321
Investments	4,312,476	4,286,355
Customer accounts receivable (net of allowance for doubtful accounts of \$26,000 for 2009 and 2008)	1,218,316	1,191,714
Inventory	198,666	212,298
Grant receivable	175,192	258,380
Loan receivable	63,906	89,706
TOTAL CURRENT UNRESTRICTED ASSETS	6,503,942	6,694,774
<u>CURRENT RESTRICTED ASSETS</u> (cash and investments)		
With fiscal agents	777,480	630,274
Customer deposits	422,237	412,471
TOTAL CURRENT RESTRICTED ASSETS	1,199,717	1,042,745
TOTAL CURRENT ASSETS	7,703,659	7,737,519
<u>NON-CURRENT RESTRICTED ASSETS</u> (cash and investments)		
Revenue bond improvement and extension account	1,194,295	1,162,265
Revenue bond depreciation or obsolete item account	552,348	495,566
Revenue bond construction account	5,818,388	5,712,021
TOTAL NON-CURRENT RESTRICTED ASSETS	7,565,031	7,369,852
<u>CAPITAL ASSETS, NET</u>		
Non-depreciable	1,929,285	7,024,036
Depreciable	41,401,812	35,278,381
TOTAL CAPITAL ASSETS, NET	43,331,097	42,302,417
<u>SERVICE RIGHTS</u> (net of accumulated amortization of \$53,999 for 2009 and \$51,499 for 2008)		
	46,001	48,501
<u>DEFERRED CHARGES</u>		
Bond issuance expense (net of accumulated amortization of \$63,510 for 2009 and \$56,872 for 2008)	57,360	63,998
TOTAL ASSETS	\$ 58,703,148	\$ 57,522,287

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 COMPARATIVE BALANCE SHEETS
 ENTERPRISE FUND - WATER AND WASTEWATER SYSTEM
 DECEMBER 31, 2009 AND 2008

	2009	2008
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u> (payable from current assets)		
Accounts payable	\$ 575,707	\$ 492,915
Accrued salaries, wages and employee benefits	42,736	36,686
Accrued vacation	113,169	114,533
Current portion of capital leases payable	72,423	66,893
Accrued interest payable	3,545	3,545
Unearned revenue	14,105	14,105
TOTAL CURRENT LIABILITIES (payable from current assets)	821,685	728,677
<u>CURRENT LIABILITIES</u> (payable from restricted assets)		
Accounts payable	17,505	1,631
Accrued bond interest	24,014	24,014
Current portion of revenue bonds payable	497,289	472,635
Customer deposits	422,237	412,471
TOTAL CURRENT LIABILITIES (payable from restricted assets)	961,045	910,751
<u>LONG-TERM LIABILITIES</u>		
Capital leases payable	142,743	125,729
Revenue bonds payable	4,241,380	4,701,798
Unearned revenue	359,785	373,890
TOTAL LONG-TERM LIABILITIES	4,743,908	5,201,417
TOTAL LIABILITIES	6,526,638	6,840,845
<u>FUND EQUITY</u>		
<u>NET ASSETS</u>		
Invested in capital assets net of related debt	38,377,262	36,935,362
Restricted per revenue bond indentures	8,300,992	7,974,481
Unrestricted	5,498,256	5,771,599
TOTAL NET ASSETS	52,176,510	50,681,442
TOTAL LIABILITIES AND FUND EQUITY	\$ 58,703,148	\$ 57,522,287

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 ENTERPRISE FUND - WATER AND WASTEWATER SYSTEM
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
<u>OPERATING REVENUES</u>		
Metered water sales - net	\$ 3,283,623	\$ 3,352,934
Wastewater service charges	4,332,904	4,058,186
Water tap fees	30,065	33,240
Wastewater tap fees	57,265	82,330
Fire protection fees	10,696	10,587
Other	268,918	403,201
TOTAL OPERATING REVENUES	7,983,471	7,940,478
<u>OPERATING EXPENSES</u>		
Utilities Finance	507,783	448,517
Utilities Administration	547,829	546,647
Water Operations and Maintenance	641,538	710,270
Water Production and Treatment	1,289,968	1,239,082
Wastewater Operations and Maintenance	2,636,555	2,459,310
Depreciation and amortization	886,908	853,667
TOTAL OPERATING EXPENSES	6,510,581	6,257,493
OPERATING INCOME	1,472,890	1,682,985
<u>NONOPERATING REVENUES AND (EXPENSES)</u>		
Interest revenue	70,932	307,868
Interest expense and fiscal charges	(243,822)	(263,908)
Amortization of bond issuance costs and deferred refunding	(43,509)	(43,509)
Loss on sale/disposal of capital assets	(9,436)	(129,887)
TOTAL NONOPERATING REVENUES (EXPENSES)	(225,835)	(129,436)
INCOME BEFORE CONTRIBUTIONS AND OPERATING TRANSFERS	1,247,055	1,553,549
CAPITAL CONTRIBUTIONS	672,594	2,808,455
TRANSFERS IN	10,038,573	13,758,732
TRANSFERS OUT	(10,463,154)	(14,065,773)
CHANGE IN NET ASSETS	1,495,068	4,054,963
NET ASSETS - BEGINNING OF YEAR	50,681,442	46,626,479
NET ASSETS - END OF YEAR	\$ 52,176,510	\$ 50,681,442

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 COMPARATIVE STATEMENTS OF CASH FLOWS
 ENTERPRISE FUND - WATER AND WASTEWATER SYSTEM
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$ 7,771,139	\$ 7,530,765
Customer deposits	9,766	18,821
Cash paid to suppliers	(3,304,755)	(3,588,999)
Cash paid to employees for services	(2,201,934)	(2,139,612)
Other operating cash receipts	<u>254,813</u>	<u>389,201</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>2,529,029</u>	 <u>2,210,176</u>
 <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Transfers in from other funds	10,038,573	13,758,732
Transfers out to other funds	<u>(10,463,154)</u>	<u>(14,065,773)</u>
 NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	 <u>(424,581)</u>	 <u>(307,041)</u>
 <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Capital contributions received from other governments	467,533	2,808,455
Purchase and construction of capital assets	(1,612,979)	(5,858,873)
Principal paid on revenue bonds	(472,635)	(452,111)
Principal paid on capitalized leases	(91,376)	(91,809)
Interest paid on revenue bonds	(237,696)	(258,724)
Interest paid on capital leases	(6,126)	(5,184)
Other receipts	<u>9,436</u>	<u>(174)</u>
 NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>(1,943,843)</u>	 <u>(3,858,420)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Payments received on loan extended to developer	25,800	27,950
Interest on investments	<u>70,932</u>	<u>307,868</u>
 NET CASH PROVIDED BY INVESTING ACTIVITIES	 <u>96,732</u>	 <u>335,818</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 257,337	 (1,619,467)
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	 <u>13,355,273</u>	 <u>14,974,740</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u>\$ 13,612,610</u>	 <u>\$ 13,355,273</u>

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 COMPARATIVE STATEMENTS OF CASH FLOWS
 ENTERPRISE FUND - WATER AND WASTEWATER SYSTEM
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
OPERATING INCOME	\$ 1,472,890	\$ 1,682,985
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	886,908	853,667
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(26,602)	39,452
Decrease (increase) in grants receivable	83,188	(45,960)
Decrease in inventory	13,632	36,761
Increase (decrease) in accounts payable	98,666	(377,248)
Increase in customer deposits	9,766	18,821
Increase in accrued salaries, wages and employee benefits	6,050	13,395
(Decrease) increase in accrued vacation	(1,364)	2,307
Decrease in unearned revenue	(14,105)	(14,004)
 TOTAL ADJUSTMENTS	 1,056,139	 527,191
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 \$ 2,529,029	 \$ 2,210,176
<u>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>		
Capital assets purchased with proceeds from a capital lease	\$ 113,920	\$ 135,226
Capital assets contributed by subdividers/developers	\$ 195,625	\$ -
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS</u>		
Equity in pooled cash	\$ 535,386	\$ 656,321
Investments	4,312,476	4,286,355
Current restricted assets	1,199,717	1,042,745
Non-current restricted assets	7,565,031	7,369,852
 CASH AND CASH EQUIVALENTS	 \$ 13,612,610	 \$ 13,355,273

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - WATER AND WASTEWATER SYSTEM
YEAR ENDED DECEMBER 31, 2009
With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>OPERATING REVENUES</u>				
Metered water sales - net	\$ 3,358,691	\$ 3,283,623	\$ (75,068)	\$ 3,352,934
Wastewater service charges	4,390,898	4,332,904	(57,994)	4,058,186
Water tap fees	50,000	30,065	(19,935)	33,240
Wastewater tap fees	140,000	57,265	(82,735)	82,330
Fire protection fees	11,270	10,696	(574)	10,587
Other	216,400	268,918	52,518	403,201
TOTAL OPERATING REVENUES	8,167,259	7,983,471	(183,788)	7,940,478
<u>OPERATING EXPENSES</u>				
Utilities Finance	505,046	507,783	2,737	448,517
Utilities Administration	596,721	547,829	(48,892)	546,647
Water Operations and Maintenance	650,670	641,538	(9,132)	710,270
Water Production and Treatment	1,309,509	1,289,968	(19,541)	1,239,082
Wastewater Operations and Maintenance	2,592,564	2,636,555	43,991	2,459,310
Depreciation and amortization	-	886,908	886,908	853,667
TOTAL OPERATING EXPENSES	5,654,510	6,510,581	856,071	6,257,493
<u>NONOPERATING REVENUES</u>				
<u>(EXPENSES)</u>				
Loss on sale/disposal of capital assets	-	(9,436)	(9,436)	(129,887)
Interest revenue	150,000	70,932	(79,068)	307,868
Interest expense and fiscal charges	-	(243,822)	(243,822)	(263,908)
Amortization of bond issuance costs and deferred refunding	-	(43,509)	(43,509)	(43,509)
TOTAL NONOPERATING REVENUES (EXPENSES)	150,000	(225,835)	(375,835)	(129,436)
INCOME BEFORE CONTRIBUTIONS AND OPERATING TRANSFERS	2,662,749	1,247,055	(1,415,694)	1,553,549
CAPITAL CONTRIBUTIONS	-	672,594	672,594	2,808,455
TRANSFERS IN	8,289,259	10,038,573	1,749,314	13,758,732
TRANSFERS OUT	(8,713,840)	(10,463,154)	(1,749,314)	(14,065,773)
NET INCOME	\$ 2,238,168	\$ 1,495,068	\$ (743,100)	\$ 4,054,963

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL
 ENTERPRISE FUND - WATER AND WASTEWATER SYSTEM
 YEAR ENDED DECEMBER 31, 2009
 With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
	<u>UTILITIES FINANCE</u>			
Personal services:				
Salaries and wages	\$ 194,542	\$ 191,941	\$ (2,601)	\$ 187,434
Overtime pay	300	-	(300)	-
FICA	14,906	13,990	(916)	13,635
Employee retirement	19,602	18,845	(757)	18,298
Employee insurance	21,956	18,607	(3,349)	19,222
Workers' compensation	888	789	(99)	706
Unemployment insurance	50	-	(50)	-
Operating expenses:				
General supplies/postage	83,550	109,971	26,421	80,456
Dues/training/travel	4,450	377	(4,073)	3,279
Data processing	46,200	44,368	(1,832)	42,316
Contracts and repairs	61,200	61,821	621	36,707
Professional services	28,500	18,129	(10,371)	17,145
Insurance	902	599	(303)	646
Bad debts	28,000	28,346	346	28,673
TOTAL UTILITIES FINANCE	\$ 505,046	\$ 507,783	\$ 2,737	\$ 448,517

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - WATER AND WASTEWATER SYSTEM
YEAR ENDED DECEMBER 31, 2009
With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>UTILITIES ADMINISTRATION</u>				
Personal services:				
Salaries and wages	\$ 353,692	\$ 344,855	\$ (8,837)	\$ 290,671
Overtime pay	3,470	970	(2,500)	4,668
FICA	27,323	25,163	(2,160)	21,133
Employee retirement	33,538	31,607	(1,931)	26,911
Employee insurance	42,583	37,454	(5,129)	38,391
Workers' compensation	14,656	18,584	3,928	11,923
Unemployment insurance	650	50	(600)	116
Operating expenses:				
General supplies/postage	3,000	780	(2,220)	2,375
Dues/training/travel	4,800	2,122	(2,678)	5,213
Auto operating	12,665	9,798	(2,867)	11,674
Utility services	20,200	17,571	(2,629)	18,472
Data processing	800	763	(37)	6,748
Contracts and repairs	10,100	9,123	(977)	17,145
Building material	1,900	1,200	(700)	1,540
Uniforms and clothing	2,350	1,036	(1,314)	1,238
Advertising	500	-	(500)	1,994
Professional services	12,680	10,316	(2,364)	45,432
Special department supplies	6,455	3,536	(2,919)	6,356
Insurance	45,359	32,901	(12,458)	34,647
TOTAL UTILITIES ADMINISTRATION	\$ 596,721	\$ 547,829	\$ (48,892)	\$ 546,647

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL
 ENTERPRISE FUND - WATER AND WASTEWATER SYSTEM
 YEAR ENDED DECEMBER 31, 2009
 With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
	<u>WATER OPERATIONS AND MAINTENANCE</u>			
Personal services:				
Salaries and wages	\$ 336,854	\$ 346,587	\$ 9,733	\$ 359,220
Overtime pay	22,000	25,472	3,472	20,534
FICA	27,452	26,342	(1,110)	26,825
Employee retirement	33,696	34,321	625	34,659
Employee insurance	48,135	40,794	(7,341)	42,151
Workers' compensation	6,252	5,979	(273)	5,335
Unemployment insurance	700	-	(700)	-
Operating expenses:				
Dues/training	4,100	593	(3,507)	3,906
Auto operating	50,070	34,448	(15,622)	42,170
Contracts and repairs	17,070	15,746	(1,324)	15,959
Building material	16,200	17,718	1,518	13,102
Uniforms and clothing	3,700	3,015	(685)	2,970
Advertising	500	-	(500)	-
Professional services	3,680	173	(3,507)	678
Special department supplies	74,700	86,420	11,720	139,492
Judgments/settlements	1,000	900	(100)	-
Insurance	4,561	3,030	(1,531)	3,269
TOTAL WATER OPERATIONS AND MAINTENANCE	\$ 650,670	\$ 641,538	\$ (9,132)	\$ 710,270

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - WATER AND WASTEWATER SYSTEM
YEAR ENDED DECEMBER 31, 2009
With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
	<u>WATER PRODUCTION AND TREATMENT</u>			
Personal services:				
Salaries and wages	\$ 415,209	\$ 410,533	\$ (4,676)	\$ 400,876
Overtime pay	20,000	9,626	(10,374)	10,277
FICA	33,293	30,327	(2,966)	29,659
Employee retirement	40,866	38,591	(2,275)	37,795
Employee insurance	44,159	37,424	(6,735)	38,661
Workers' compensation	5,104	4,535	(569)	4,358
Unemployment insurance	500	-	(500)	-
Operating expenses:				
General supplies	4,200	3,016	(1,184)	3,249
Dues/training	7,100	2,963	(4,137)	26,805
Auto operating	9,850	2,907	(6,943)	5,860
Utility services	310,000	397,422	87,422	385,376
Contracts and repairs	142,500	102,216	(40,284)	104,963
Building material	4,500	2,068	(2,432)	1,030
Uniforms and clothing	4,000	782	(3,218)	2,203
Advertising	300	-	(300)	-
Professional services	71,900	51,750	(20,150)	20,285
ACPSA treatment charges	3,500	3,068	(432)	3,852
Special department supplies	189,000	190,317	1,317	161,304
Insurance	3,528	2,423	(1,105)	2,529
TOTAL WATER PRODUCTION AND TREATMENT	\$ 1,309,509	\$ 1,289,968	\$ (19,541)	\$ 1,239,082

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - WATER AND WASTEWATER SYSTEM
YEAR ENDED DECEMBER 31, 2009
With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
	<u>WASTEWATER OPERATIONS AND MAINTENANCE</u>			
Personal services:				
Salaries and wages	\$ 386,102	\$ 344,864	\$ (41,238)	\$ 350,954
Overtime pay	23,540	18,811	(4,729)	28,289
FICA	31,338	26,017	(5,321)	27,434
Employee retirement	38,465	33,564	(4,901)	35,480
Employee insurance	54,811	46,451	(8,360)	48,023
Workers' compensation	24,416	23,577	(839)	21,792
Unemployment insurance	1,000	-	(1,000)	-
Operating expenses:				
Dues/training	3,700	1,006	(2,694)	2,222
Auto operating	35,280	23,927	(11,353)	34,867
Utility services	67,650	92,647	24,997	100,678
Contracts and repairs	55,170	55,095	(75)	106,713
Building material	24,000	16,581	(7,419)	21,228
Uniforms and clothing	4,550	3,161	(1,389)	3,641
Advertising	500	-	(500)	-
Professional services	4,680	296	(4,384)	1,562
ACPSA treatment charges	1,773,900	1,903,245	129,345	1,628,262
Special department supplies	46,500	30,145	(16,355)	33,692
Judgments/settlements	1,000	307	(693)	1,920
Insurance	15,962	16,861	899	12,553
TOTAL WASTEWATER OPERATIONS AND MAINTENANCE	<u>2,592,564</u>	<u>2,636,555</u>	<u>43,991</u>	<u>2,459,310</u>
DEPRECIATION AND AMORTIZATION	<u>-</u>	<u>886,908</u>	<u>886,908</u>	<u>853,667</u>
TOTAL OPERATING EXPENSES	<u>\$ 5,654,510</u>	<u>\$ 6,510,581</u>	<u>\$ 856,071</u>	<u>\$ 6,257,493</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 COMPARATIVE BALANCE SHEETS
 ENTERPRISE FUND - SANITATION SERVICES
 DECEMBER 31, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Equity in pooled cash	\$ 300,393	\$ 320,199
Investments	1,919,377	1,689,373
Accounts receivable	48,427	29,879
 TOTAL CURRENT ASSETS	 2,268,197	 2,039,451
<u>CAPITAL ASSETS, NET</u>		
Non-depreciable	91,235	91,235
Depreciable	2,095,095	2,049,960
 TOTAL CAPITAL ASSETS	 2,186,330	 2,141,195
 TOTAL ASSETS	 \$ 4,454,527	 \$ 4,180,646
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 39,852	\$ 35,059
Accrued salaries and wages	32,750	30,469
Accrued vacation	75,991	81,926
Current portion of capital leases payable	103,290	132,652
Accrued interest payable	6,534	6,534
 TOTAL CURRENT LIABILITIES	 258,417	 286,640
<u>LONG-TERM LIABILITIES</u>		
Capital leases payable	341,642	126,502
 TOTAL LIABILITIES	 600,059	 413,142
<u>FUND EQUITY</u>		
<u>NET ASSETS</u>		
Invested in capital assets net of related debt	1,741,398	1,882,041
Unrestricted	2,113,070	1,885,463
 TOTAL NET ASSETS	 3,854,468	 3,767,504
 TOTAL LIABILITIES AND FUND EQUITY	 \$ 4,454,527	 \$ 4,180,646

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 ENTERPRISE FUND - SANITATION SERVICES
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
<u>OPERATING REVENUES</u>		
Sanitation service fees	\$ 2,381,297	\$ 2,268,065
Recycling fees	561,941	547,880
Sale of recyclables	238,838	492,593
Other	47,378	67,296
TOTAL OPERATING REVENUES	3,229,454	3,375,834
<u>OPERATING EXPENSES</u>		
Sanitation operations	1,890,058	2,105,230
Material recovery facility	769,375	776,962
Depreciation	366,421	347,334
TOTAL OPERATING EXPENSES	3,025,854	3,229,526
OPERATING INCOME	203,600	146,308
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Contribution expense	-	(35,684)
Interest revenue	8,667	39,920
Interest expense	(8,713)	(13,257)
Gain on disposal of capital assets	22,203	3,749
TOTAL NONOPERATING REVENUES (EXPENSES)	22,157	(5,272)
INCOME BEFORE OPERATING TRANSFERS	225,757	141,036
<u>TRANSFERS</u>		
Transfers out	(138,793)	(103,942)
CHANGE IN NET ASSETS	86,964	37,094
NET ASSETS - BEGINNING OF YEAR	3,767,504	3,730,410
NET ASSETS - END OF YEAR	\$ 3,854,468	\$ 3,767,504

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 COMPARATIVE STATEMENTS OF CASH FLOWS
 ENTERPRISE FUND - SANITATION SERVICES
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$ 3,163,528	\$ 3,312,990
Cash paid to suppliers	(1,015,531)	(1,178,543)
Cash paid to employees for services	(1,642,763)	(1,690,592)
Other operating cash receipts	47,378	67,296
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 552,612	 511,151
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Transfers out to other funds	(138,793)	(103,942)
 NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	 (138,793)	 (103,942)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Purchase of capital assets	(6,370)	(354,773)
Proceeds received from sales of capital assets	22,203	-
Principal paid on capitalized leases	(219,408)	(213,764)
Interest paid	(8,713)	(13,257)
 NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	 (212,288)	 (581,794)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest on investments	8,667	39,921
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 210,198	 (134,664)
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	 2,009,572	 2,144,236
 CASH AND CASH EQUIVALENTS - END OF YEAR	 \$ 2,219,770	 \$ 2,009,572

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 COMPARATIVE STATEMENTS OF CASH FLOWS
 ENTERPRISE FUND - SANITATION SERVICES
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
OPERATING INCOME	\$ 203,600	\$ 146,308
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	366,421	347,334
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(18,548)	4,452
Increase (decrease) in accounts payable	4,793	(17,697)
Increase in accrued salaries and wages	2,281	13,179
(Decrease) increase in accrued vacation	(5,935)	17,575
 TOTAL ADJUSTMENTS	 349,012	 364,843
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 \$ 552,612	 \$ 511,151
 <u>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>		
Capital assets purchased with proceeds from a capital lease	\$ 405,187	\$ 60,398
 <u>RECONCILIATION OF CASH AND CASH EQUIVALENTS</u>		
Equity in pooled cash	\$ 300,393	\$ 320,199
Investments	1,919,377	1,689,373
	\$ 2,219,770	\$ 2,009,572

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - SANITATION SERVICES
YEAR ENDED DECEMBER 31, 2009

With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>OPERATING REVENUES</u>				
Sanitation service fees	\$ 2,367,024	\$ 2,381,297	\$ 14,273	\$ 2,268,065
Recycling fees	548,558	561,941	13,383	547,880
Sale of recyclables	550,500	238,838	(311,662)	492,593
Other	46,825	47,378	553	67,296
TOTAL OPERATING REVENUES	3,512,907	3,229,454	(283,453)	3,375,834
<u>OPERATING EXPENSES</u>				
Sanitation operations	2,273,002	1,890,058	(382,944)	2,105,230
Material recovery facility	886,595	769,375	(117,220)	776,962
Depreciation	-	366,421	366,421	347,334
TOTAL OPERATING EXPENSES	3,159,597	3,025,854	(133,743)	3,229,526
<u>NONOPERATING REVENUES</u>				
<u>(EXPENSES)</u>				
Contribution expense	-	-	-	(35,684)
Interest revenue	45,000	8,667	(36,333)	39,920
Interest expense	-	(8,713)	(8,713)	(13,257)
Gain on disposal of assets	-	22,203	22,203	3,749
TOTAL NONOPERATING REVENUES (EXPENSES)	45,000	22,157	(22,843)	(5,272)
INCOME BEFORE OPERATING TRANSFERS	398,310	225,757	(172,553)	141,036
<u>TRANSFERS</u>				
Transfers out	(138,793)	(138,793)	-	(103,942)
NET INCOME	\$ 259,517	\$ 86,964	\$ (172,553)	\$ 37,094

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - SANITATION SERVICES
YEAR ENDED DECEMBER 31, 2009
With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>SANITATION OPERATIONS</u>				
Personal services:				
Salaries and wages	\$ 1,065,775	\$ 925,928	\$ (139,847)	\$ 1,006,688
Overtime pay	12,000	4,308	(7,692)	10,706
FICA	82,450	68,776	(13,674)	72,772
Employee retirement	101,203	86,063	(15,140)	92,112
Employee insurance	145,827	124,642	(21,185)	128,479
Workers' compensation	39,884	42,410	2,526	37,346
Unemployment insurance	7,000	175	(6,825)	4,338
Operating expenses:				
General supplies	3,250	1,645	(1,605)	1,461
Dues/training	2,350	1,087	(1,263)	1,962
Auto operating	305,804	181,948	(123,856)	276,264
Utility services	20,200	16,353	(3,847)	18,472
Data processing	24,740	5,286	(19,454)	3,696
Contracts and repairs	86,810	84,498	(2,312)	113,057
Uniforms and clothing	13,900	9,360	(4,540)	11,817
Advertising	1,200	1,356	156	360
Professional services	21,680	20,297	(1,383)	24,615
Special department supplies	300,546	286,087	(14,459)	272,742
Judgments/settlements	500	-	(500)	43
Insurance	37,883	29,839	(8,044)	28,300
TOTAL SANITATION OPERATIONS	\$ 2,273,002	\$ 1,890,058	\$ (382,944)	\$ 2,105,230

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL
 ENTERPRISE FUND - SANITATION SERVICES
 YEAR ENDED DECEMBER 31, 2009
 With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>MATERIAL RECOVERY FACILITY</u>				
Personal services:				
Salaries and wages	\$ 313,352	\$ 285,074	\$ (28,278)	\$ 261,452
Overtime pay	15,000	5,750	(9,250)	14,600
FICA	25,119	20,777	(4,342)	19,553
Employee retirement	30,832	26,883	(3,949)	25,297
Employee insurance	42,207	35,770	(6,437)	36,940
Workers' compensation	12,304	12,553	249	11,063
Unemployment insurance	1,000	-	(1,000)	-
Operating expenses:				
General supplies	1,250	1,216	(34)	548
Dues/training	2,245	250	(1,995)	1,951
Auto operating	63,652	34,001	(29,651)	58,671
Utility services	18,000	15,492	(2,508)	15,830
Contracts and repairs	55,380	54,991	(389)	74,433
Building material	2,500	2,868	368	-
Recycling expenses	107,000	106,471	(529)	105,947
Uniforms and clothing	7,100	4,246	(2,854)	5,199
Advertising	2,350	1,861	(489)	1,008
Professional services	78,180	65,218	(12,962)	45,574
Special department supplies	90,828	83,800	(7,028)	85,783
Insurance	18,296	12,154	(6,142)	13,113
TOTAL MATERIAL RECOVERY FACILITY	886,595	769,375	(117,220)	776,962
DEPRECIATION	-	366,421	366,421	347,334
TOTAL OPERATING EXPENSES	\$ 3,159,597	\$ 3,025,854	\$ (133,743)	\$ 3,229,526

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 COMPARATIVE BALANCE SHEETS
 ENTERPRISE FUND - STORMWATER UTILITY FUND
 DECEMBER 31, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Equity in pooled cash	\$ 37,624	\$ 86,972
Investments	1,675,046	1,641,943
 TOTAL CURRENT ASSETS	 1,712,670	 1,728,915
<u>CAPITAL ASSETS, NET</u>		
Non-depreciable	125,466	-
Depreciable	527,939	497,826
 TOTAL CAPITAL ASSETS	 653,405	 497,826
 TOTAL ASSETS	 \$ 2,366,075	 \$ 2,226,741
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 112	\$ 6,368
Accrued salaries and wages	10,465	4,986
Accrued vacation	23,825	8,586
Current portion of capital leases payable	17,958	20,934
 TOTAL CURRENT LIABILITIES	 52,360	 40,874
<u>LONG-TERM LIABILITIES</u>		
Capital leases payable	15,694	33,750
 TOTAL LIABILITIES	 68,054	 74,624
<u>FUND EQUITY</u>		
<u>NET ASSETS</u>		
Invested in capital assets net of related debt	619,753	443,144
Unrestricted	1,678,268	1,708,973
 TOTAL NET ASSETS	 2,298,021	 2,152,117
 TOTAL LIABILITIES AND FUND EQUITY	 \$ 2,366,075	 \$ 2,226,741

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, 2009 AND 2008

	2009	2008
<u>OPERATING REVENUES</u>		
Stormwater utility fees	\$ 554,394	\$ 547,766
Other	110,894	12,660
 TOTAL OPERATING REVENUES	 665,288	 560,426
 <u>OPERATING EXPENSES</u>		
Stormwater operations	493,303	351,901
Depreciation	34,319	20,539
 TOTAL OPERATING EXPENSES	 527,622	 372,440
OPERATING INCOME	137,666	187,986
 <u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest revenue	9,907	38,151
Interest expense	(1,669)	(1,363)
TOTAL NONOPERATING REVENUES (EXPENSES)	8,238	36,788
INCOME BEFORE CAPITAL CONTRIBUTIONS	145,904	224,774
 CHANGE IN NET ASSETS	 145,904	 224,774
NET ASSETS - BEGINNING OF YEAR	2,152,117	1,927,343
 NET ASSETS - END OF YEAR	 \$ 2,298,021	 \$ 2,152,117

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 COMPARATIVE STATEMENTS OF CASH FLOWS
 ENTERPRISE FUND - STORMWATER UTILITY FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$ 554,394	\$ 547,766
Cash paid to suppliers	(74,391)	(70,345)
Cash paid to employees	(404,451)	(273,178)
Other operating cash receipts	110,894	12,660
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 186,446	 216,903
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Purchase and construction of capital assets	(189,897)	(226,535)
Principal paid on capitalized leases	(21,032)	16,037
Interest paid on capitalized leases	(1,669)	(1,363)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(212,598)	(211,861)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest on investments	9,907	38,151
 NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	 (16,245)	 43,193
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	 1,728,915	 1,685,722
 CASH AND CASH EQUIVALENTS - END OF YEAR	 \$ 1,712,670	 \$ 1,728,915

(continued)

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 COMPARATIVE STATEMENTS OF CASH FLOWS
 ENTERPRISE FUND - STORMWATER UTILITY FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
OPERATING INCOME	\$ 137,666	\$ 187,986
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	34,319	20,539
Change in assets and liabilities:		
(Decrease) increase in accounts payable	(6,257)	5,037
Increase in accrued salaries and wages	5,479	2,628
Increase in accrued vacation	15,239	713
TOTAL ADJUSTMENTS	48,780	28,917
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 \$ 186,446	 \$ 216,903
 <u>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>		
Capital assets purchased with proceeds from a capital lease	\$ -	\$ 37,375
 <u>RECONCILIATION OF CASH AND CASH EQUIVALENTS</u>		
Equity in pooled cash	\$ 37,624	\$ 86,972
Investments	1,675,046	1,641,943
	\$ 1,712,670	\$ 1,728,915

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - STORMWATER UTILITY FUND
YEAR ENDED DECEMBER 31, 2009
With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>OPERATING REVENUES</u>				
Stormwater utility fees	\$ 549,324	\$ 554,394	\$ 5,070	\$ 547,766
Other	11,000	110,894	99,894	12,660
TOTAL OPERATING REVENUES	560,324	665,288	104,964	560,426
<u>OPERATING EXPENSES</u>				
Stormwater operations	511,621	493,303	(18,318)	351,901
Drainage projects	58,000	-	(58,000)	-
Depreciation	-	34,319	34,319	20,539
TOTAL OPERATING EXPENSES	569,621	527,622	(41,999)	372,440
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Interest revenue	50,000	9,907	(40,093)	38,151
Interest expense	-	(1,669)	(1,669)	(1,363)
TOTAL NONOPERATING REVENUES (EXPENSES)	50,000	8,238	(41,762)	36,788
NET INCOME	\$ 40,703	\$ 145,904	\$ 21,203	\$ 224,774

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
SCHEDULE OF OPERATING EXPENSES - BUDGETED AND ACTUAL
ENTERPRISE FUND - STORMWATER UTILITY FUND
YEAR ENDED DECEMBER 31, 2009
With Comparative Actual Amounts for the Year Ended December 31, 2008

	2009		2008	
	ORIGINAL AND FINAL BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL
<u>STORMWATER OPERATIONS</u>				
Personal services:				
Salaries and wages	\$ 328,977	\$ 341,793	\$ 12,816	\$ 210,796
FICA	25,167	23,502	(1,665)	15,214
Employee retirement	30,891	29,262	(1,629)	18,941
Employee insurance	30,347	25,965	(4,382)	26,375
Workers' compensation	5,213	4,631	(582)	5,193
Unemployment insurance	200	16	(184)	-
Operating expenses:				
General supplies	1,900	1,960	60	763
Dues/training	4,350	3,373	(977)	4,153
Auto operating	8,420	5,006	(3,414)	7,606
Data processing	15,600	13,755	(1,845)	15,145
Contracts and repairs	6,926	4,056	(2,870)	6,347
Uniforms and clothing	2,000	1,011	(989)	1,336
Advertising	13,000	4,983	(8,017)	8,544
Professional services	28,500	19,286	(9,214)	22,772
Special department supplies	5,965	6,531	566	6,069
Insurance	4,165	2,767	(1,398)	2,647
Wings and wetlands	-	5,406	5,406	-
TOTAL STORMWATER OPERATIONS	511,621	493,303	(18,318)	351,901
DEPRECIATION	-	34,319	34,319	20,539
TOTAL OPERATING EXPENSES	\$ 511,621	\$ 527,622	\$ 16,001	\$ 372,440

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
BALANCE SHEETS
ENTERPRISE FUND - SAVANNAH BLUFF LOCK AND DAM FUND
DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Equity in pooled cash	\$ 19,834	\$ 42,460
Investments	<u>1,008,461</u>	<u>652,912</u>
 TOTAL CURRENT ASSETS	 <u>1,028,295</u>	 <u>695,372</u>
 TOTAL ASSETS	 <u>\$ 1,028,295</u>	 <u>\$ 695,372</u>
<u>FUND EQUITY</u>		
<u>NET ASSETS</u>		
Restricted per operating agreement	<u>\$ 1,028,295</u>	<u>\$ 695,372</u>
 TOTAL NET ASSETS	 <u>1,028,295</u>	 <u>695,372</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,028,295</u>	 <u>\$ 695,372</u>

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
 STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 ENTERPRISE FUND - SAVANNAH BLUFF LOCK AND DAM FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
<u>OPERATING REVENUES AND (EXPENSES)</u>		
Savannah Bluff Lock and Dam operations	\$ (6,062)	\$ -
TOTAL OPERATING REVENUES (EXPENSES)	(6,062)	-
<u>NONOPERATING REVENUES AND (EXPENSES)</u>		
Interest revenue	5,651	14,176
TOTAL NONOPERATING REVENUES (EXPENSES)	5,651	14,176
INCOME BEFORE CONTRIBUTIONS AND OPERATING TRANSFERS	(411)	14,176
CAPITAL CONTRIBUTIONS	283,334	283,334
TRANSFERS IN	50,000	50,000
CHANGE IN NET ASSETS	332,923	347,510
NET ASSETS - BEGINNING OF YEAR	695,372	347,862
NET ASSETS - END OF YEAR	\$ 1,028,295	\$ 695,372

CITY OF NORTH AUGUSTA, SOUTH CAROLINA
STATEMENTS OF CASH FLOWS
ENTERPRISE FUND - SAVANNAH BLUFF LOCK AND DAM FUND
YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash paid to suppliers	\$ (6,062)	\$ -
NET CASH USED BY OPERATING ACTIVITIES	<u>(6,062)</u>	<u>-</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Cash received for contingency fund	<u>333,334</u>	<u>333,334</u>
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>333,334</u>	<u>333,334</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest on investments	<u>5,651</u>	<u>14,176</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>5,651</u>	<u>14,176</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	332,923	347,510
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>695,372</u>	<u>347,862</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,028,295</u>	<u>\$ 695,372</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES</u>		
OPERATING LOSS	\$ (6,062)	\$ -
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (6,062)</u>	<u>\$ -</u>
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS</u>		
Equity in pooled cash	\$ 19,834	\$ 42,460
Investments	<u>1,008,461</u>	<u>652,912</u>
	<u>\$ 1,028,295</u>	<u>\$ 695,372</u>

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, 2009

CAPITAL ASSETS

Land and improvements	\$ 15,338,112
Construction in progress	481,411
Buildings	28,964,229
Machinery and equipment	1,510,600
Furniture and fixtures	526,230
Vehicles	4,398,516
Infrastructure	18,548,277
Right of ways	<u>2,353,800</u>
 TOTAL CAPITAL ASSETS	 <u><u>\$ 72,121,175</u></u>

INVESTMENT IN CAPITAL ASSETS FROM

General and Special Revenue Fund revenues	\$ 33,975,300
Capital Projects Fund revenues	20,169,318
State and Federal grants	1,536,727
Contributions from subdividers	15,855,311
Gifts	<u>584,519</u>
 TOTAL INVESTMENT IN CAPITAL ASSETS	 <u><u>\$ 72,121,175</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, 2009

	TOTAL	LAND AND IMPROVEMENTS	CONSTRUCTION IN PROGRESS	BUILDINGS	MACHINERY AND EQUIPMENT	FURNITURE AND FIXTURES	VEHICLES	INFRA-STRUCTURE	RIGHT OF WAYS
<u>GENERAL GOVERNMENT</u>									
Control:									
City Council	\$ 24,232,680	\$ 4,107,263	\$ -	\$ 20,066,694	\$ -	\$ 58,723	\$ -	\$ -	\$ -
City Administration	13,718	-	-	-	-	13,718	-	-	-
TOTAL	24,246,398	4,107,263	-	20,066,694	-	72,441	-	-	-
Staff Agencies:									
Finance	98,920	-	-	-	-	79,716	19,204	-	-
Economic and Community Development	26,709	-	-	-	-	11,920	14,789	-	-
Building Standards	171,875	-	-	83,000	-	8,820	80,055	-	-
City Buildings	224,128	-	-	-	224,128	-	-	-	-
TOTAL	521,632	-	-	83,000	224,128	100,456	114,048	-	-
TOTAL GENERAL GOVERNMENT	24,768,030	4,107,263	-	20,149,694	224,128	172,897	114,048	-	-
PUBLIC SAFETY	5,475,366	42,406	18,413	1,504,920	26,564	240,048	3,643,015	-	-
<u>PUBLIC WORKS</u>									
Engineering	47,783	-	-	-	-	-	47,783	-	-
Street Light Traffic	1,892,148	-	-	-	-	-	-	1,892,148	-
Streets and Drains	20,259,560	294,854	83,115	150,000	417,329	5,129	299,204	16,656,129	2,353,800
TOTAL PUBLIC WORKS	22,199,491	294,854	83,115	150,000	417,329	5,129	346,987	18,548,277	2,353,800
RECREATION AND PARKS	19,678,288	10,893,589	379,883	7,159,615	842,579	108,156	294,466	-	-
TOTAL GENERAL CAPITAL ASSETS	\$ 72,121,175	\$ 15,338,112	\$ 481,411	\$ 28,964,229	\$ 1,510,600	\$ 526,230	\$ 4,398,516	\$ 18,548,277	\$ 2,353,800

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, 2009

	GENERAL CAPITAL ASSETS 12/31/08	ADDITIONS	DELETIONS	TRANSFERS	GENERAL CAPITAL ASSETS 12/31/09
<u>GENERAL GOVERNMENT</u>					
Control:					
City Council	\$ 18,907,337	\$ 5,325,343	\$ -	\$ -	\$ 24,232,680
City Administration	13,718	-	-	-	13,718
TOTAL	18,921,055	5,325,343	-	-	24,246,398
Staff Agencies:					
Finance	98,920	-	-	-	98,920
Economic and Community Development	59,354	-	(32,645)	-	26,709
Building Standards	171,875	-	-	-	171,875
City Buildings	92,610	217,576	(86,058)	-	224,128
TOTAL	422,759	217,576	(118,703)	-	521,632
TOTAL GENERAL GOVERNMENT	19,343,814	5,542,919	(118,703)	-	24,768,030
PUBLIC SAFETY	5,314,843	320,479	(166,591)	6,635	5,475,366
<u>PUBLIC WORKS</u>					
Engineering	47,783	-	-	-	47,783
Street Light Traffic	1,734,714	157,434	-	-	1,892,148
Streets and Drains	19,038,233	1,196,742	-	24,585	20,259,560
TOTAL PUBLIC WORKS	20,820,730	1,354,176	-	24,585	22,199,491
RECREATION AND PARKS	18,730,885	954,038	-	(6,635)	19,678,288
TOTAL GENERAL CAPITAL ASSETS	\$ 64,210,272	\$ 8,171,612	\$ (285,294)	\$ 24,585	\$ 72,121,175

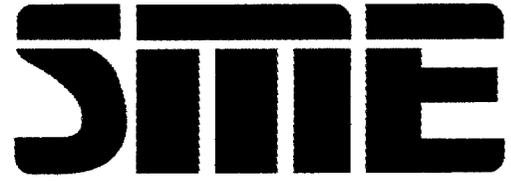
This schedule presents only the capital asset balances related to governmental funds.

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, 2009

Court Fines	
Court fines collected	\$ 349,976
Court fines retained by City	<u>349,976</u>
 Court fines remitted to State Treasurer	 <u><u>\$ -</u></u>
 Court Assessments	
Court assessments collected	\$ 351,496
Court assessments retained by City	<u>50,133</u>
 Court assessments remitted to State Treasurer	 <u><u>\$ 301,363</u></u>
 Court Surcharges	
Court surcharges collected	\$ 155,983
Court surcharges retained by City	<u>14,489</u>
 Court surcharges remitted to State Treasurer	 <u><u>\$ 141,494</u></u>
 Victim Services	
Court assessments allocated to Victim Services	\$ 39,967
Court surcharges allocated to Victim Services	<u>10,165</u>
 Funds allocated to Victim Services	 50,132
Victim Services Expenditures	<u>88,162</u>
 Funds Allocated to Victim Services in Excess of Victim Services Expenditures	 (38,030)
 Funds available for carryforward - beginning of year	 <u>47,801</u>
 Funds available for carryforward - end of year	 <u><u>\$ 9,771</u></u>

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***



**SEROTTA MADDOCKS EVANS & CO
CERTIFIED PUBLIC ACCOUNTANTS**

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Augusta, South Carolina, as of and for the year ended December 31, 2009, which collectively comprise the City of North Augusta, South Carolina's basic financial statements and have issued our report thereon dated May 20, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of North Augusta, South Carolina's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of North Augusta, South Carolina's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of North Augusta, South Carolina's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a significant deficiency, or combination of significant deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of North Augusta, South Carolina's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the City of North Augusta, South Carolina, in a separate letter dated May 20, 2010.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Serotta Maddocks Evans & Co.
SEROTTA MADDOCKS EVANS & CO., CPA's

Augusta, Georgia
May 20, 2010

STATISTICAL SECTION

STATISTICAL SECTION

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

CONTENTS	PAGE
FINANCIAL TRENDS <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	119 – 123
REVENUE CAPACITY <i>These schedules contain information to help the reader assess the factors affecting the ability to generate its property taxes and other major sources of revenue.</i>	124 – 130
DEBT CAPACITY <i>These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	131 – 135
DEMOGRAPHIC AND ECONOMIC INFORMATION <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.</i>	136 – 137
OPERATING INFORMATION <i>These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities the City performs. A history of rates and charges is also presented.</i>	138 – 142

SOURCES: *Unless otherwise noted, the information in these schedules is derived from the City of North Augusta's Comprehensive Annual Financial Reports for the relevant year. The City implemented Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning that fiscal year.*

North
Augusta 

South Carolina's Riverfront

City of North Augusta, South Carolina
Net Assets by Component
Last Eight Fiscal Years
Unaudited

	Year Ending December 31							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities								
Invested in capital assets, net of related debt	\$ 19,926,020	\$ 20,634,218	\$ 20,905,872	\$ 24,475,710	\$ 28,977,233	\$ 32,909,692	\$ 37,222,478	\$ 43,873,602
Restricted	310,683	311,237	310,766	-	4,716,068	6,386,196	47,801	9,771
Unrestricted	3,753,671	6,345,454	11,869,787	10,125,562	4,389,098	8,315,826	14,824,747	12,594,803
Total governmental activities net assets	<u>\$ 23,990,374</u>	<u>\$ 27,290,909</u>	<u>\$ 33,086,425</u>	<u>\$ 34,601,272</u>	<u>\$ 38,082,399</u>	<u>\$ 47,611,714</u>	<u>\$ 52,095,026</u>	<u>\$ 56,478,176</u>
Business-type activities								
Invested in capital assets, net of related debt	\$ 30,773,610	\$ 31,500,099	\$ 31,381,966	\$ 31,498,851	\$ 32,069,057	\$ 33,496,267	\$ 39,260,545	\$ 40,738,413
Restricted	4,239,638	5,099,864	6,366,443	7,265,318	8,263,966	9,709,599	8,669,853	9,329,287
Unrestricted	5,587,488	5,337,025	6,368,190	7,301,925	8,182,270	9,426,228	9,366,037	9,289,594
Total business-type activities net assets	<u>\$ 40,600,736</u>	<u>\$ 41,936,988</u>	<u>\$ 44,116,599</u>	<u>\$ 46,066,094</u>	<u>\$ 48,515,293</u>	<u>\$ 52,632,094</u>	<u>\$ 57,296,435</u>	<u>\$ 59,357,294</u>
Primary Government								
Invested in capital assets, net of related debt	\$ 50,699,630	\$ 52,134,317	\$ 52,287,838	\$ 55,974,561	\$ 61,046,290	\$ 66,405,959	\$ 76,483,023	\$ 84,612,015
Restricted	4,550,321	5,411,101	6,677,209	7,265,318	12,980,034	16,095,795	8,717,654	9,339,058
Unrestricted	9,341,159	11,682,479	18,237,977	17,427,487	12,571,368	17,742,054	24,190,784	21,884,397
Total primary government net assets	<u>\$ 64,591,110</u>	<u>\$ 69,227,897</u>	<u>\$ 77,203,024</u>	<u>\$ 80,667,366</u>	<u>\$ 86,597,692</u>	<u>\$ 100,243,808</u>	<u>\$ 109,391,461</u>	<u>\$ 115,835,470</u>

GASB 34 was implemented for fiscal year 2002; net asset information is not available prior to that fiscal year.

City of North Augusta, South Carolina
Changes in Net Assets
Last Eight Fiscal Years
Unaudited

	Year Ending December 31						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
General government	\$ 1,769,228	\$ 2,262,082	\$ 2,616,367	\$ 2,858,015	\$ 3,283,604	\$ 2,890,989	\$ 3,646,500
Public safety	3,837,236	3,979,710	4,294,245	4,624,981	4,955,943	5,265,573	5,414,709
Public works	1,139,090	2,109,252	1,401,228	1,516,253	1,487,012	2,692,210	1,983,507
Recreation and parks	2,766,420	2,473,011	2,488,095	2,928,875	3,327,793	3,763,461	3,623,796
Debt service - interest and fees	86,729	69,765	18,258	23,700	24,001	433,418	476,037
Total governmental activities expenses	\$ 9,598,703	\$ 10,893,820	\$ 12,207,657	\$ 11,951,824	\$ 13,078,353	\$ 15,045,651	\$ 15,044,549
Business-type activities:							
Water and sewer	\$ 4,686,426	\$ 5,283,356	\$ 5,676,796	\$ 6,080,671	\$ 6,364,814	\$ 6,694,797	\$ 6,782,763
Sanitation	2,397,792	2,463,232	2,619,149	2,845,766	3,066,729	3,239,034	3,012,364
Stormwater utility	98,302	225,271	244,115	276,721	281,471	373,803	529,291
Savannah Bluff Lock and Dam utility	-	-	-	-	-	-	6,062
Total business-type activities expenses	\$ 7,182,520	\$ 7,971,859	\$ 8,540,060	\$ 9,203,158	\$ 9,713,014	\$ 10,307,634	\$ 10,330,480
Total primary government expenses	\$ 16,781,223	\$ 18,865,679	\$ 20,747,717	\$ 21,154,982	\$ 22,791,367	\$ 25,353,285	\$ 25,375,029
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$ 2,491,561	\$ 2,743,750	\$ 3,322,592	\$ 4,177,540	\$ 4,552,001	\$ 4,481,413	\$ 4,344,903
Public safety	741,508	829,204	935,933	925,170	995,420	897,428	945,905
Recreation and parks	745,699	779,621	911,037	915,439	935,166	931,614	921,644
Operating grants and contributions	623,940	627,367	642,309	690,426	754,944	856,777	789,968
Capital grants and contributions	306,631	1,364,564	1,156,232	1,528,331	3,477,186	1,768,611	1,813,172
Total governmental activities program revenues	\$ 4,909,339	\$ 6,344,506	\$ 7,322,767	\$ 8,236,906	\$ 10,714,717	\$ 8,935,843	\$ 8,815,592
Business-type activities:							
Charges for services:							
Water and sewer	\$ 5,804,116	\$ 5,744,963	\$ 6,472,866	\$ 6,799,406	\$ 7,606,718	\$ 7,537,277	\$ 7,714,553
Sanitation	2,296,467	2,339,469	2,606,515	3,026,197	3,306,010	3,308,538	3,182,076
Stormwater utility	241,537	488,305	511,239	522,304	536,597	547,766	554,394
Capital grants and contributions	127,669	387,861	173,409	687,953	1,600,851	3,091,789	955,928
Total business-type activities program revenues	\$ 8,469,789	\$ 8,960,598	\$ 10,124,189	\$ 11,035,860	\$ 13,050,176	\$ 14,485,370	\$ 12,406,951
Total primary government program revenues	\$ 13,379,128	\$ 15,305,104	\$ 17,595,558	\$ 19,272,766	\$ 23,764,893	\$ 23,421,213	\$ 21,222,543
Net (expense) / revenue	\$ (4,689,364)	\$ (4,549,314)	\$ (4,736,288)	\$ (3,714,918)	\$ (2,363,636)	\$ (6,109,808)	\$ (6,228,957)
Governmental activities	1,287,269	988,739	1,584,129	1,832,702	3,337,162	4,177,736	2,076,471
Business-type activities	\$ (3,402,095)	\$ (3,560,575)	\$ (3,152,159)	\$ (1,882,216)	\$ 973,526	\$ (1,932,072)	\$ (4,152,486)
Total primary government net expense							

**City of North Augusta, South Carolina
Fund Balances, Governmental Funds
Last Eight Fiscal Years
Unaudited**

	Year Ending December 31							
	2002	2003	2004	2005	2006	2007	2008	2009
General Fund								
Reserved	\$ 2,954	\$ 1,829	\$ 2,526	\$ 4,222	\$ 2,433	\$ 61,429	\$ 49,883	\$ 10,947
Unreserved	574,518	323,678	882,068	1,409,691	1,294,516	1,018,244	257,821	595,511
Total General Fund	<u>\$ 577,472</u>	<u>\$ 325,507</u>	<u>\$ 884,594</u>	<u>\$ 1,413,913</u>	<u>\$ 1,296,949</u>	<u>\$ 1,079,673</u>	<u>\$ 307,704</u>	<u>\$ 606,458</u>
All Other Governmental Funds								
Reserved, reported in:								
Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ 4,716,068	\$ -	\$ -	\$ -
Riverfront/Core Redevelopment Fund	-	-	-	-	-	6,326,000	-	-
Special Revenue Funds	56,421	35,559	17,474	11,048	7,187	7,187	7,187	7,187
Unreserved, reported in:								
Sales Tax I Fund	1,047,226	2,975,315	6,337,904	3,114,127	2,783,114	2,809,915	2,417,057	1,359,545
Sales Tax II Fund	-	-	-	-	(1,134,125)	2,174,841	3,405,202	1,450,018
Capital Projects Fund	1,105,162	1,539,215	2,235,265	2,545,815	2,802,408	4,852,297	5,697,563	4,943,102
Riverfront/Core Redevelopment Fund	-	-	-	-	-	3,025,359	1,632,936	1,664,610
Special Revenue Fund	1,461,073	1,964,096	2,888,316	3,223,659	3,735,686	1,187,157	1,811,304	3,092,199
Total all other governmental funds	<u>\$ 3,669,882</u>	<u>\$ 6,514,185</u>	<u>\$ 11,478,959</u>	<u>\$ 8,894,649</u>	<u>\$ 12,910,338</u>	<u>\$ 20,382,756</u>	<u>\$ 14,971,249</u>	<u>\$ 12,516,661</u>

GASB 34 was implemented for fiscal year 2002; net asset information is not available prior to that fiscal year.

City of North Augusta, South Carolina
Changes in Fund Balances, Governmental Funds
Last Eight Fiscal Years
Unaudited

	Year Ending December 31							
	2002	2003	2004	2005	2006	2007	2008	2009
Revenues								
Ad valorem taxes	\$ 4,278,898	\$ 4,351,799	\$ 4,437,489	\$ 4,683,989	\$ 4,893,615	\$ 5,054,065	\$ 5,498,319	\$ 5,994,545
Capital projects sales taxes	1,385,000	2,650,000	3,487,905	-	617,589	4,679,330	3,415,808	3,331,626
Local hospitality and accommodations taxes	366,531	390,236	444,861	464,701	499,739	537,879	550,501	548,490
Licenses and permits	2,491,560	2,743,750	3,322,592	3,816,068	4,177,540	4,552,001	4,481,413	4,344,903
Fines and forfeitures	674,568	761,927	868,671	876,282	855,129	926,477	830,404	880,343
Charges for services	812,639	846,898	893,935	980,478	985,480	1,004,109	998,638	1,083,661
Intergovernmental	898,571	879,739	967,617	1,168,607	1,242,562	965,087	2,263,544	2,181,554
Miscellaneous/interest earnings	355,115	437,564	424,016	809,214	912,490	1,574,185	907,236	453,852
Contributions	32,000	80,000	50,000	-	-	-	57,000	-
Grant revenue	-	-	-	-	-	-	304,844	421,586
Total Revenues	\$ 11,294,882	\$ 13,141,913	\$ 14,897,086	\$ 12,799,339	\$ 14,184,144	\$ 19,293,133	\$ 19,307,707	\$ 19,240,560
Expenditures								
General Government	\$ 1,753,177	\$ 2,178,363	\$ 2,361,881	\$ 2,598,503	\$ 2,739,949	\$ 2,681,386	\$ 2,881,302	\$ 2,921,774
Public Safety	3,771,200	3,815,945	3,751,192	4,029,772	4,365,183	4,657,544	4,992,356	5,091,162
Public Works	1,188,125	1,776,272	825,874	785,659	812,420	902,549	1,116,121	1,078,396
Recreation and Parks	1,863,320	2,062,237	2,098,829	2,160,095	2,487,298	2,589,110	2,922,300	2,818,409
Capital Outlay	2,465,156	674,786	1,113,939	5,288,641	5,021,984	8,294,272	12,209,020	8,928,503
Debt Service:								
Principal	240,000	255,000	543,544	959,946	394,662	371,555	906,150	945,126
Interest	86,729	69,765	67,047	18,258	23,700	142,499	433,418	412,307
Intergovernmental	-	-	-	-	-	-	800,000	-
Total Expenditures	\$ 11,267,707	\$ 10,832,368	\$ 10,762,306	\$ 15,840,874	\$ 15,845,196	\$ 19,638,915	\$ 26,260,667	\$ 22,195,677
Excess (deficiency) of revenues over (under) expenditures	\$ (72,825)	\$ 2,309,545	\$ 4,134,780	\$ (3,041,535)	\$ (1,661,052)	\$ (345,782)	\$ (6,952,960)	\$ (2,955,117)
Other financing sources (uses)								
Proceeds on sale of capital assets	-	-	\$ 841,019	-	-	\$ 634,442	-	\$ -
Capital lease obligations	457,569	239,753	278,418	693,313	313,677	6,689,632	408,499	285,909
Lease issuance cost	-	-	-	-	-	(24,000)	-	-
Proceeds from bond issue	-	-	-	-	4,716,068	-	-	-
Transfers in	858,897	851,939	593,322	1,175,299	1,725,684	1,625,366	1,439,423	771,195
Transfers out	(457,212)	(808,899)	(323,678)	(882,068)	(1,409,691)	(1,294,516)	(1,078,440)	(257,821)
Total other financing sources (uses)	\$ 859,254	\$ 282,793	\$ 1,389,081	\$ 986,544	\$ 5,345,738	\$ 7,630,924	\$ 769,482	\$ 799,283
Net change in fund balances	\$ 786,429	\$ 2,592,338	\$ 5,523,861	\$ (2,054,991)	\$ 3,684,686	\$ 7,285,142	\$ (6,183,478)	\$ (2,155,834)
Debt service as a percentage of noncapital expenditures	3.67%	3.20%	6.33%	9.27%	3.87%	4.53%	9.53%	10.23%

GASB 34 was implemented for fiscal year 2002; net asset information is not available prior to that fiscal year.

City of North Augusta, South Carolina
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Year Ended December 31	(a) Tax Year	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		Tax Rate
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2000	1999	30,020,451	594,944,112	19,778,154	179,232,623	49,798,605	774,176,735	81.74
2001	2000	31,773,315	629,685,784	19,034,466	172,493,326	50,807,781	802,179,110	81.74
2002	(b) 2001	34,312,301	680,003,583	18,124,749	147,900,092	52,437,050	827,903,675	81.08
2003	2002	35,110,422	695,820,801	18,059,805	147,370,140	53,170,227	843,190,941	81.08
2004	2003	39,026,699	773,433,857	15,301,002	124,858,224	54,327,701	898,292,081	81.08
2005	2004	40,334,249	812,425,676	16,732,253	131,085,827	57,066,502	943,511,503	81.08
2006	2005	41,827,490	851,553,721	17,987,421	137,399,183	59,814,911	988,952,904	81.08
2007	2006	42,445,538	864,136,019	18,253,204	139,430,967	60,698,742	1,003,566,986	81.08
2008	(b) 2007	50,581,231	1,029,704,480	17,825,479	136,161,590	68,406,710	1,165,866,070	77.20
2009	2008	55,751,062	1,134,948,515	17,554,767	134,093,840	73,305,829	1,269,042,355	77.20

Source: City of North Augusta tax records

(a) The City of North Augusta uses different tax years for real and personal property taxes because on April 30, 1980, the S.C. General Assembly passed a law that provided for the billing and collection of personal property taxes on motor vehicles on a staggered basis according to expiration of the license tag.

(b) Reassessment year, see Table VI

**City of North Augusta, South Carolina
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended December 31	(a) Tax Year	Overlapping Property Tax Rates									
		City of North Augusta			County of Aiken			Aiken County School District			Total Direct & Overlapping Rates
		Operating Millage	Debt Service Millage (b)	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	
2000	1999	81.74	-	81.74	55.30	8.20	63.50	96.60	28.70	125.30	270.54
2001	2000	81.74	-	81.74	55.30	8.20	63.50	102.50	27.50	130.00	275.24
2002	2001	81.08	-	81.08	54.50	7.80	62.30	96.10	26.90	123.00	266.38
2003	2002	81.08	-	81.08	55.90	6.40	62.30	106.50	26.10	132.60	275.98
2004	2003	81.08	-	81.08	60.70	5.80	66.50	124.00	23.60	147.60	295.18
2005	2004	81.08	-	81.08	64.40	2.10	66.50	124.00	23.60	147.60	295.18
2006	2005	72.13	8.95	81.08	67.20	3.30	70.50	124.00	25.50	149.50	301.08
2007	2006	72.13	8.95	81.08	67.10	3.40	70.50	126.90	27.80	154.70	306.28
2008	2007	68.69	8.51	77.20	65.00	9.70	74.70	125.80	29.10	154.90	306.80
2009	2008	68.69	8.51	77.20	65.80	8.90	74.70	131.00	29.20	160.20	312.10

Source: Aiken County Auditor

- (a) Because of the change mandated by State law noted in the footnote of Table V, the City of North Augusta uses different tax years for real and personal property taxes.
- (b) The City had no GOB debt prior to 2006.

City Tax Data:

Mill: Represents .1% per \$1,000 of assessed valuation
 Tax Rate Limits: None
 Taxes Due: Personal: In the month preceding tag renewal by the S.C. State Highway Department
 Real and Merchants: April 30th
 Personal: N/A--Taxes on personal property paid in advance

Taxes Delinquent: Real and Merchants: May 1st
 Discount Allowed: None
 Penalties: Real and Merchants: 15%
 Reassessment Years: Tax Years 2001, 2007

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

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

Taxpayer	Type of Business	2009			2000		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
S. C. Electric & Gas Co.	Utility	\$ 1,952,460	1	2.66%	\$ 1,404,650	2	2.82%
Cytec Surface Specialties, Inc.	Manufacturing	1,907,140	2	2.60%	4,011,190	1	8.05%
North Augusta Plaza SC, LLC	Real Estate	1,036,660	3	1.41%	556,780	5	1.12%
Bell South Telecommunications	Communication	1,033,590	4	1.41%	1,337,640	3	2.69%
Halocarbon Chemicals, Inc.	Manufacturing	913,840	5	1.25%	1,064,440	4	2.14%
Wal-Mart, Inc.	Retail Shopping	754,490	6	1.03%			
CVS SC Distribution, Inc.	Warehousing/Distribution	724,480	7	0.99%	336,630	8	0.68%
Breckenridge Villas	Apartments	528,190	8	0.72%			
Cutwater Inc & Noman Investments	Real Estate	468,430	9	0.64%			
Lowes Home Centers, Inc.	Retail Contractor Supplies	447,520	10	0.61%			
D R M Seventeen Realty	Apartments				441,660	6	0.89%
Jones Intercable	Communication				425,970	7	0.86%
Trailer Train - Hamburg Industries	Manufacturing				328,320	9	0.66%
North Augusta Business Technology	Real Estate				268,140	10	0.54%
TOTAL Taxable Assessed							
Value-10 Largest Taxpayers		<u>\$ 9,766,800</u>		<u>13.32%</u>	<u>\$ 10,175,420</u>		<u>20.45%</u>

Source: City of North Augusta tax records

This table lists the ten largest taxpayers, type of business, assessed valuation, and tax levy for the fiscal year 2009 (tax year 2008) as indicated by the City of North Augusta tax digest. This includes furniture, fixtures, and equipment assessed at 10.5% and commercial real estate at 6%.

**City of North Augusta, South Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited**

Year Ended December 31	(b) Tax Year	(a) Taxes Levied for the Fiscal Year	Collected within the Current Year of Tax Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2000	1999	4,070,538	4,021,472	98.79%	17,334	4,038,806	99.22%
2001	2000	4,153,028	4,113,482	99.05%	18,794	4,132,276	99.50%
2002	(c) 2001	4,251,596	4,210,963	99.04%	27,974	4,238,937	99.70%
2003	2002	4,311,042	4,286,832	99.44%	20,693	4,307,525	99.92%
2004	2003	4,404,890	4,392,365	99.72%	9,657	4,402,022	99.93%
2005	2004	4,626,952	4,612,217	99.68%	14,508	4,626,725	99.99%
2006	2005	4,849,793	4,816,440	99.31%	30,294	4,846,734	99.94%
2007	2006	4,921,454	4,885,009	99.26%	12,083	4,897,092	99.50%
2008	(c) 2007	5,280,998	5,245,248	99.32%	22,065	5,267,313	99.74%
2009	2008	5,659,210	5,630,867	99.50%	11,765	5,642,632	99.71%

Source: City of North Augusta tax records

(a) Includes real, merchants inventory, merchants furniture and fixtures, and personal property taxes levied and collected.

(b) Because of the change by State law noted in the footnote of Table V, the City of North Augusta uses different tax years for real and personal property taxes.

(c) Reassessment year, see Table VI

City of North Augusta, South Carolina
Business Licenses / Franchise Fees
Last Ten Fiscal Years
Unaudited

Year Ended December 31	Total Revenues	Gross Sales	Total Number of Licenses Issued
2000	\$ 1,946,456	\$ 431,709,589	1,512
2001	\$ 2,203,198	\$ 459,723,426	1,515
2002	\$ 2,302,366	\$ 535,287,218	1,597
2003	\$ 2,557,137	\$ 571,501,732	1,660
2004	\$ 3,131,794	\$ 620,657,935	1,673
2005	\$ 3,646,500	\$ 709,708,803	1,680
2006	\$ 3,943,174	\$ 761,458,165	1,700
2007	\$ 4,312,185	\$ 889,057,357	1,736
2008	\$ 4,317,231	\$ 970,346,276	1,822
2009	\$ 4,233,899	\$ 869,487,157	1,746

Source: City of North Augusta business license records

City of North Augusta, South Carolina
Number of Utility Customers
Last Ten Fiscal Years
Unaudited

Year Ended December 31	Residential Inside Water	Non-Residential Inside Water	Total Inside Water Accounts	Residential Outside Water	Non-Residential Outside Water	Total Outside Water Accounts
2000	6,977	528	7,505	3,047	110	3,157
2001	7,041	531	7,572	3,059	112	3,171
2002	7,079	535	7,614	3,065	115	3,180
2003	7,130	569	7,699	3,079	117	3,196
2004	7,272	588	7,860	3,084	121	3,205
2005	7,331	594	7,925	3,099	127	3,226
2006	7,448	628	8,076	3,101	138	3,239
2007	7,541	660	8,201	3,075	139	3,214
2008	7,569	669	8,238	3,039	146	3,185
2009	7,670	582	8,252	3,023	151	3,174

Year Ended December 31	Residential Inside Sewer	Non-Residential Inside Sewer	Total Inside Sewer Accounts	Residential Outside Sewer	Non-Residential Outside Sewer	Total Outside Sewer Accounts
2000	7,398	505	7,903	891	22	913
2001	7,508	518	8,026	897	22	919
2002	7,692	522	8,214	911	24	935
2003	7,867	551	8,418	917	24	941
2004	8,092	560	8,652	923	24	947
2005	8,268	561	8,829	925	25	950
2006	8,399	599	8,998	928	27	955
2007	8,668	616	9,284	930	29	959
2008	8,804	622	9,426	918	29	947
2009	9,003	541	9,544	919	28	947

Source: City of North Augusta utility billing records

**City of North Augusta, South Carolina
Ten Largest Water and Wastewater Customers
Current Year and Nine Years Ago
Unaudited**

Water Customers

<u>Customer Name</u>	<u>Type of Business</u>	<u>2009 Annual Consumption</u>		<u>2000 Annual Consumption</u>	
		<u>Rank</u>	<u>Water Usage</u>	<u>Rank</u>	<u>Water Usage</u>
Breezy Hill Water & Sewer Authority	Water District Provider	1	233,913,600	1	146,396,000
City of North Augusta	Municipal Government	2	46,253,000	3	34,342,900
Halocarbon Chemicals, Inc.	Manufacturing	3	45,802,700	2	40,462,000
Surface Specialties, Inc.	Manufacturing	4	23,931,600	4	30,360,100
JARS at Breckenridge/Plaza Terrace	Apartments	5	12,176,100	10	6,211,400
Aiken County Schools	School District	6	10,184,900	5	12,757,200
Gentry's Mobile Home Park	Mobile Home Park	7	7,482,800		
The Housing Authority	Apartments	8	7,444,100	7	8,919,900
UniHealth Post Acute Care	Nursing Home Facility	9	6,365,300		
Plaza Place Apartments, LLC	Apartments	10	5,885,000		
The Groves Apartments, LLC	Apartments			9	7,317,500
North Augusta Garden Apartments	Apartments			6	8,936,900
Pinecrest Apartments	Apartments			8	7,362,500

Wastewater Customers

<u>Customer Name</u>	<u>Type of Business</u>	<u>2009 Annual Consumption</u>		<u>2000 Annual Consumption</u>	
		<u>Rank</u>	<u>Water Usage</u>	<u>Rank</u>	<u>Water Usage</u>
Edgefield County Water & Sewer Authority	Sewer District Provider	1	503,191,000	1	351,671,000
Halocarbon Chemicals, Inc.	Manufacturing	2	45,802,700	2	40,462,000
Surface Specialties, Inc.	Manufacturing	3	12,657,300	3	15,472,000
JARS at Breckenridge	Apartments	4	10,229,100	10	4,103,700
Aiken County Schools	School District	5	8,566,000	4	12,757,200
UniHealth Post Acute Care	Nursing Home Facility	6	8,546,700		
Plaza Place Apartments, LLC	Apartments	7	6,759,900		
The Housing Authority	Apartments	8	6,397,500	5	9,591,300
City of North Augusta	Municipal Government	9	6,243,000		
The Groves Apartments, LLC	Apartments	10	5,568,200	7	7,044,000
North Augusta Garden Apartments	Apartments			6	8,571,450
Plaza Terrace Apartments	Apartments			9	6,289,700
Pinecrest Apartments	Apartments			8	6,785,160

Note: Consumption is measured in gallons

Source: City of North Augusta utility billing records

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

Year Ended December 31	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		Total Primary Government	Population (Estimate)	Per Capita
	General Obligation Bonds	Municipal Center Lease	Capital Leases	Revenue Bonds	Capital Leases			
2000	\$ -	\$ -	\$ 492,996	\$ 4,632,317	\$ 693,945	\$ 5,819,258	17,574 (a)	\$ 331.13
2001	-	-	445,711	4,435,189	460,739	5,341,639	17,756	300.84
2002	-	-	593,323	7,567,326	310,439	8,471,088	17,992	470.83
2003	-	-	587,977	7,198,121	326,403	8,112,501	18,222	445.20
2004	-	-	592,581	6,809,958	607,291	8,009,830	18,502	432.92
2005	-	-	905,948	6,391,710	666,924	7,964,582	18,712	425.64
2006	4,716,068	-	824,963	5,953,406	787,175	12,281,612	18,992	646.67
2007	4,716,068	6,350,000	793,040	5,589,673	600,371	18,049,152	19,322	934.12
2008	4,491,068	6,073,647	796,742	5,174,433	506,460	17,042,350	19,866	857.87
2009	4,239,853	5,787,235	673,937	4,738,669	693,750	16,133,444	20,025	805.67

(a) Actual Census population from United States Census Bureau

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

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

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

Year Ended December 31	General Obligation Bonds	Estimated Actual Taxable Value (1) of Property	% of Estimated Actual Taxable Value of Property	Population (2)	Per Capita
2006	\$ 4,716,068	\$ 988,952,904	0.48%	18,992	\$248.32
2007	\$ 4,716,068	\$ 1,003,566,986	0.47%	19,322	\$244.08
2008	\$ 4,716,068	\$ 1,165,866,070	0.40%	19,866	\$237.39
2009	\$ 4,239,853	\$ 1,269,042,355	0.33%	20,025	\$211.73

Note: Details regarding the City's outstanding GOB debt can be found in the notes to the financial statements.
The City had no GOB debt prior to 2006.

(1) City of North Augusta tax records

(2) Population estimates provided by the City of North Augusta's Economic & Planning Department

**City of North Augusta, South Carolina
 Computation of Direct and Overlapping Debt
 As of December 31, 2009
 Unaudited**

<u>Jurisdiction</u>	<u>Debt Outstanding @ December 31, 2009</u>	<u>Percent Applicable to City of North Augusta</u>	<u>Amount Applicable to City of North Augusta</u>
City of North Augusta *	\$ 10,701,025	100.00%	\$ 10,701,025
County of Aiken	27,471,194	13.43%	3,689,381
Aiken County School District	<u>40,300,000</u>	13.43%	<u>5,412,290</u>
Total	<u>\$ 78,472,219</u>		<u>\$ 19,802,696</u>

* Includes GOB, Municipal Center Lease and Capital Leases

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

Source: Aiken County and Aiken County School District

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

	Fiscal Year				
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Debt Limit	\$ 3,983,888	\$ 4,064,622	\$ 4,194,964	\$ 4,253,619	\$ 4,346,216
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 3,983,888</u>	<u>\$ 4,064,622</u>	<u>\$ 4,194,964</u>	<u>\$ 4,253,619</u>	<u>\$ 4,346,216</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	\$ 4,565,320	\$ 4,775,193	\$ 4,855,899	\$ 5,472,536	\$ 5,864,466
Total net debt applicable to limit	- *	4,716,068 *	4,716,068 *	4,491,068 *	4,239,853
Legal debt margin	<u>\$ 4,565,320</u>	<u>\$ 59,125</u>	<u>\$ 139,831</u>	<u>\$ 981,468</u>	<u>\$ 1,624,613</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	98.76%	97.12%	82.07%	72.30%

* General Obligation Bonds

City of North Augusta, South Carolina
Pledged-Revenue Bond Coverage
Last Ten Fiscal Years
Unaudited

Year Ended December 31	Total Operating Revenue	Total Operating Expenses	Net Revenue Available for Debt Service	Debt Service			Coverage Ratio
				Revenue Bond Principal	Revenue Bond Interest	Total Debt Service	
2000	5,696,627	3,361,310	2,335,317	320,000	254,854	574,854	4.06
2001	5,777,687	3,508,176	2,269,511	234,000	240,710	474,710	4.78
2002	6,125,276	3,678,366	2,446,910	241,000	312,040	553,040	4.42
2003	5,977,344	4,072,138	1,905,206	406,076	364,811	770,887	2.47
2004	6,677,953	3,919,906	2,758,047	425,034	345,440	770,474	3.58
2005	6,963,475	4,505,524	2,457,951	455,119	323,560	778,679	3.16
2006	6,977,744	4,924,535	2,053,209	475,175	300,330	775,505	2.65
2007	7,796,719	5,213,116	2,583,603	400,604	278,501	679,105	3.80
2008	7,940,478	5,403,826	2,536,652	452,111	258,724	710,835	3.57
2009	8,167,259	6,510,581	1,656,678	472,635	237,696	710,331	2.33

NOTE: Revenue bond coverage requirements are defined in the City's Revenue Bond Ordinance by the City's Bond Counsel, Pope Zeigler, LLC, Attorneys and Counselors at Law, located in Columbia, South Carolina. Coverage is calculated by dividing the annual net revenue available for debt service by the average annual requirements for principal and interest on all debt outstanding and payable from revenues of the system. Annual net revenue available for debt service is defined as the total operating revenues (non-operating revenue or interest revenue is not included) less total operating expenses (depreciation or amortization is not included). The above presentation represents historical coverage and is based on actual principal and interest paid during each year as opposed to the average annual requirement for principal and interest on all debt outstanding at the conclusion of each respective year. Coverage would be significantly improved if calculated utilizing the average annual requirements for principal and interest on all outstanding debt rather than the actual principal and interest paid during the respective year.

County of Aiken, South Carolina (Note 1)
Economic Statistics
Last Ten Calendar Years (Note 2)
Unaudited

<u>Year</u>	<u>Population</u>	<u>Personal Income</u> (thousands of dollars)	<u>Per Capita Personal</u> <u>Income</u>	<u>Unemployment Rate</u>
1998	139,358	\$3,197,897	\$22,947	4.6%
1999	141,379	\$3,312,297	\$23,428	4.9%
2000	142,780	\$3,546,350	\$24,838	4.3%
2001	143,412	\$3,797,751	\$26,481	5.0%
2002	144,732	\$3,882,982	\$26,829	5.1%
2003	145,971	\$3,951,799	\$27,072	5.2%
2004	147,633	\$4,117,401	\$27,889	5.7%
2005	148,700	\$4,311,410	\$28,994	5.8%
2006	150,220	\$4,493,405	\$29,912	5.4%
2007	152,333	\$4,760,916	\$31,253	9.9%

Source: South Carolina Employment Security Commission

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

Note 2 - Personal Income, Per Capita Personal Income and Unemployment Rate figures are not available for years 2008 and 2009

The United States Census Bureau has recorded the population of the City of North Augusta and County of Aiken in the decennial years 1940 through 2000 as follows:

<u>Year</u>	<u>City of North Augusta</u>	<u>County of Aiken</u>
1940	2,629	49,916
1950	3,659	53,137
1960	10,348	81,038
1970	12,883	91,023
1980	13,593	105,625
1990	15,684	120,940
2000	17,574	142,780

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

<u>Employer</u>	<u>Location</u>	<u>Service or Product</u>	<u>2009</u>		<u>2000</u>	
			<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Savannah River Site - see detail below (1)	Out	Materials for Nuclear Defense	11,439	1	13,854	1
Aiken County Public Schools	In / Out	School District	3,390	2	3,214	2
Kimberly-Clark Corp.	Out	Tissue Products	1,475	3	1,200	4
Aiken Regional Medical Center (2)	Out	Hospital	991	4	**	**
Bridgestone-Firestone	Out	Car and Truck Tires	930	5	850	6
Aiken County Government	Out	County Government	899	6	719	7
Advanced Glassfiber Yarn	Out	Glass Fiber	775	7	1,129	5
Shaw Industries	Out	Carpet Yarns	527	8	540	8
United Parcel Service	Out	International Customhouse Brokerage	514	9	*	*
Washington Safety Management Solutions	Out	Engineering Consulting Firm	500	10	342	12
City of Aiken	Out	Municipal Government	431	11	397	10
Ohio Brass - Hubbell Power Systems	Out	High Voltage Insulators and Arrestors	340	12	430	9
Automatic Switch Co.	Out	Aluminum Valves	285	13	374	11
Carlisle Tire & Wheel Company	Out	Rims and Tires for Riding Mowers	280	14	308	14
BAE Systems	Out	Machine Parts - Track Vehicles	277	15	188	**
Glaxo Smith Kline	Out	Proprietary Drugs	252	16	250	15
City of North Augusta	In	Municipal Government	217	17	176	**
PACTIVE Corp.	Out	Plastic Food Service Plates	208	18	231	16
Newman Technology SC, Inc.	Out	Exhaust Systems and Parts	169	19	*	*
R.E. Phelon, Inc.	Out	Aluminum Die Casting	141	20	319	13
Halocarbon Chemicals, Inc.	In	Industrial Chemicals	135	**	120	**
Surface Specialties, Inc.	In	Specialty Chemicals	123	**	276	**
Avondale Mills, Inc.	Out	Textiles	**	**	2,800	3

Source: Economic Development Partnership and Various Employers

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

* not in business at this time
** information not available

(1) SRNS/SRR, including 291 subcontractors and 889 temporary construction workers	8,229
Department of Energy	347
MOX Service	1,545
WSI-SRS Team (formerly Wackenhut)	825
Parsons	365
Savannah River Ecology Lab	53
US Forestry Service	65
Other Subcontractors	<u>10</u>
	<u>11,439</u>

Westinghouse Savannah River Company employees live in 7 counties in South Carolina and 2 in Georgia with less than 5% scattered in other areas.

<u>County</u>	<u># of workers</u>	<u>%</u>
Aiken County, South Carolina	4,292	52%
Columbia County, Georgia	1,287	16%
Richmond County, Georgia	1,009	12%
Barnwell County, South Carolina	551	7%
Edgefield County, South Carolina	251	3%
Bamberg County, South Carolina	121	1%
Orangeburg County, South Carolina	112	1%
Lexington County, South Carolina	91	1%
Allendale County, South Carolina	59	1%
Other	<u>456</u>	<u>6%</u>
	<u>8,229</u>	100%

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

Fund / Function / Department	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<u>General Fund</u>										
General Government										
City Council	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
City Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Justice / Law	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Community Promotion	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Finance / IT	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Building Standards	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	5.0
Economic & Community Development	3.0	4.0	4.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0
City Buildings	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	3.0
Public Safety	65.0	65.0	66.0	65.0	65.0	65.0	67.0	68.0	69.0	72.0
Public Works										
Engineering	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	2.5
Streets & Drains	13.0	13.0	13.0	13.0	9.0	9.0	8.0	9.0	9.0	9.0
Parks, Recreation & Tourism										
Recreation	6.0	6.0	6.0	6.0	7.0	6.0	6.0	6.0	6.0	6.0
Parks	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Property Maintenance	0.0	0.0	0.0	0.0	4.0	9.0	11.0	12.0	13.0	13.0
Community Center	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
RVP Activities	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Sub-total	112.0	113.0	115.0	117.0	119.0	123.0	127.0	130.0	133.0	138.5
<u>Stormwater Fund</u>										
Stormwater	0.0	0.0	0.0	1.0	1.0	2.0	3.0	3.0	5.0	6.0
Sub-total	0.0	0.0	0.0	1.0	1.0	2.0	3.0	3.0	5.0	6.0
<u>Sanitation Fund</u>										
Public Works										
Sanitation	21.5	21.5	22.5	23.5	24.5	24.5	24.5	24.5	26.5	26.5
Material Recovery Center	5.5	6.5	5.5	6.5	7.5	7.5	7.5	7.5	7.5	7.5
Sub-total	27.0	28.0	28.0	30.0	32.0	32.0	32.0	32.0	34.0	34.0
<u>Water & Wastewater Fund</u>										
Public Utilities										
Utilities Finance	0.0	0.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Utilities Administration	13.0	12.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.5
Water Operations	8.0	8.0	8.0	8.0	8.0	8.0	8.0	9.0	9.0	9.0
Water Production	8.0	8.0	8.0	8.0	9.0	8.0	8.0	8.0	8.0	8.0
Wastewater Operations	9.0	9.0	9.0	9.0	9.0	9.0	9.0	10.0	10.0	10.0
Sub-total	38.0	37.0	37.0	37.0	38.0	37.0	37.0	39.0	39.0	38.5
TOTAL	177.0	178.0	180.0	185.0	190.0	194.0	199.0	204.0	211.0	217.0

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

Function / Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Size of City (square miles)	18.485	18.491	18.555	19.480	19.493	19.560	19.753	20.050	20.670	20.676
Annexations approved by City Council	5	2	1	8	3	4	4	10	5	3
Building permits issued	498	550	642	761	629	724	726	845	799	684
Plumbing permits issued	458	454	541	506	560	458	612	654	496	283
Mechanical permits issued	298	292	348	366	441	396	405	471	432	333
Electrical permits issued	442	494	645	710	710	689	822	733	622	335
Business licenses issued	1,512	1,515	1,597	1,660	1,673	1,680	1,700	1,736	1,822	1,746
Police										
Total calls for service	45,017	49,153	46,781	48,740	50,716	52,137	54,167	51,071	47,189	46,956
Criminal arrests	1,069	1,371	1,443	1,444	1,583	1,449	1,476	1,861	1,833	2,405
Incident reports (police action required)	3,080	3,237	3,202	3,257	3,105	2,970	3,145	3,205	3,238	3,051
Accident reports (collisions)	979	924	940	1,046	1,059	1,113	1,166	1,127	1,069	1,105
Traffic offenses (resulting in fine)	6,107	6,124	6,251	6,446	6,385	6,695	6,913	6,884	5,858	5,224
Drug offenses	51	61	89	121	109	90	155	249	202	145
Burglaries reported	269	278	310	303	255	235	265	224	298	385
Fire										
Actual fire calls - Inside City	158	123	129	126	135	123	116	146	133	276
Actual fire calls - Outside City	41	31	42	30	39	35	44	33	34	25
Solid Waste										
Garbage Refuse Collected (tons) - Residential	9,894	9,546	9,876	10,591	10,292	9,526	9,470	9,246	9,544	10,606
Garbage Refuse Collected (tons) - Commercial	4,821	4,716	5,308	4,891	4,633	5,310	6,031	6,876	6,740	6,494
Recyclables Collected (tons)	1,916	1,718	1,506	1,647	1,712	1,509	1,423	1,583	2,119	2,804
Property Maintenance										
Tree trimming hours	No data	No data	20	30	80	80	100	130	227	185
Mowing hours	No data	No data	2,052	2,736	7,280	10,032	11,856	11,998	13,198	12,200
Planting hours	No data	No data	720	1,080	2,880	3,648	4,303	4,330	5,412	5,400
Streets and Drains										
Pothole patching / asphalt tons	234	257	100	256	364	330	373	324	280	236
Curb, gutter & sidewalk repair / CY	320	135	357	72	134	185	159	181	192	152
Storm drain inlets cleaned	No data	No data	No data	No data	No data	261	259	378	275	221
Street sweeping / miles	1,359	1,940	2,803	2,385	3,017	3,336	2,973	2,400	2,827	2,139
Parks and Recreation										
Baseball / Number of Players	643	663	586	686	677	868	825	781	782	747
Youth Softball / Number of Players	296	271	237	386	278	284	171	302	289	292
Spring Soccer / Number of Players	252	533	572	540	528	440	427	404	436	566
Youth Basketball / Number of Players	719	662	734	845	751	749	767	707	576	554
Youth Football / Number of Players	542	617	478	374	397	412	411	429	328	358
Youth Cheerleading / Number of Participants	321	399	308	237	234	222	185	188	128	128
Water										
New water services	106	150	146	189	119	211	178	133	57	52
Water lines installed / L.F.	13,295	27,621	3,585	7,984	1,083	5,196	10,361	6,089	7,626	13,221
Water line leaks repaired	27	13	8	5	11	15	9	27	14	15
Average daily water pumped	4,111,000	3,863,000	4,236,000	3,553,000	3,917,000	3,696,000	4,444,000	4,608,000	4,226,000	3,771,000
Daily peak demand (gallons per day)	7,955,000	6,263,000	8,225,000	5,589,000	7,549,000	6,319,000	8,655,000	8,915,000	7,830,000	7,722,000
Peak day	6/2/2000	6/8/2001	8/13/2002	6/25/2003	7/21/2004	9/17/2005	5/29/2006	8/15/2007	6/9/2008	7/3/2009
Wastewater										
New sewer taps	148	203	245	272	227	256	238	268	94	83
Wastewater lines installed / L.F.	722	1,502	1,194	456	2452	525	292	2,052	1,922	2,901
Wastewater lines repaired	35	58	50	40	67	58	62	29	37	38
Wastewater lines cleaned / L.F.	38,297	18,930	16,103	13,931	27,377	34,990	44,970	56,895	77,402	39,468

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

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

Function / Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Number of Stations	2	2	2	2	2	2	2	2	2	2
Number of Public Safety Officers	48	48	49	48	48	48	50	51	52	52
Number of Volunteer Firemen	20	20	20	20	20	20	20	20	20	20
Insurance Rating (ISO)	Class 3	Class 3	Class 3	Class 3	Class 3	Class 3	Class 3	Class 3	Class 3	Class 3
Signalized Intersections	18	18	18	19	19	19	24	24	24	26
Number of Fire Hydrants										
Inside City	685	685	691	706	711	716	742	774	778	781
Outside City	142	144	144	144	146	148	148	148	149	149
Public Works										
Miles of Streets	123.09	123.09	123.76	126.23	128.64	129.61	131.16	135.88	135.88	137.05
Street Lights	1,502	1,502	1,502	1,535	1,535	1,535	1,641	1,668	1,718	1,740
Parks, Recreation & Tourism										
Number of Parks	9	10	18	18	18	18	19	20	22	22
Park Acreage	280	294	313	313	313	313	463	463	550	550
Miles of Paved Greenway	7.4	7.9	8.8	8.8	8.8	9.5	9.5	11.0	12.5	12.5
Number of Picnic Shelters	2	2	3	3	4	4	4	4	8	8
Baseball / Softball Diamonds	9	9	9	9	9	9	9	9	9	9
Football / Lions Field	1	1	1	1	1	1	1	1	1	2
Soccer Fields	3	3	3	3	3	6	6	6	6	6
Tennis Courts	9	9	9	9	9	9	9	9	9	9
Multi-purpose Fields	1	1	1	3	3	3	3	3	3	3
Skate Park	0	0	0	0	1	1	0	0	0	0
Community Center	1	1	1	1	1	1	1	1	1	1
Activities Center	1	1	1	1	1	1	1	1	1	1
Water										
Miles of Water Mains	165.13	165.13	165.60	166.74	167.13	167.29	169.12	170.78	189.85	194.00
Maximum Pumping Capacity (gallons per day)	8,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
Sewer										
Miles of Wastewater Lines	213.51	213.51	214.18	217.36	218.51	219.64	221.00	225.90	226.09	226.63
Stormwater										
Miles of Storm Sewer	30.35	30.35	31.06	32.71	33.48	34.33	35.69	43.18	56.80	57.28

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

**City of North Augusta, South Carolina
Enterprise Funds Rates and Charges
Rates / Charges in effect December 31, 2009
Unaudited**

Water Rate in effect December 31, 2009

Meter Size	Minimum Usage	Base Rates / Inside City Limits			Base Rates / Outside City Limits		
		Debt Service	O & M	Total	Debt Service	O & M	Total
5/8 and 3/4 Inch	3,000 gallons	\$3.90	\$7.73	\$11.63	\$5.85	\$17.41	\$23.26
1 Inch	6,000 gallons	3.90	12.69	16 59	5.85	27.33	33 18
1 1/2 Inch	9,000 gallons	3.90	17.33	21 23	5.85	36.61	42 46
2 Inch	15,000 gallons	3.90	26.72	30 62	5.85	55.39	61 24
3 Inch	24,000 gallons	3.90	40.94	44 84	5.85	83.83	89 68
4 Inch	30,000 gallons	3.90	50.42	54 32	5.85	102.79	108 64
6 Inch	90,000 gallons	3.90	145.28	149 18	5.85	292.51	298 36

Volume of Consumption	Volume Rates / Inside City Limits			Volume Rates / Outside City Limits		
	Debt Service	O & M	Total	Debt Service	O & M	Total
Next 10,000 gallons	\$0.15	\$1.00	\$1.15	\$0.30	\$2.00	\$2.30
Next 27,000 gallons	0.15	0.95	1 10	0.30	1.90	2 20
Next 160,000 gallons	0.15	0.90	1 05	0.30	1.80	2 10
All Additional Usage	0.15	0.80	0 95	0.30	1.60	1 90

Sewer Rate in effect December 31, 2009

Base Rates	Base Rates / Inside City Limits			Base Rates / Outside City Limits		
	Debt Service	O & M	Total	Debt Service	O & M	Total
	\$2.53	\$7.69	\$10.22	\$5.06	\$8.69	\$13.75

Volume of Consumption	Volume Rates / Inside City Limits			Volume Rates / Outside City Limits		
	Debt Service	O & M	Total	Debt Service	O & M	Total
Rates for first 2,000,000 gallons/month	\$0.62	\$2.02	\$2.64	\$1.24	\$2.06	\$3.30
All Additional Usage	0.59	1.55	2 14	0.59	1.55	2 14

Sanitation Service Charges in effect December 31, 2009

	<u>Inside City</u>	<u>Outside City</u>	<u>Recycling</u>
Residential (monthly)	\$15.30	\$22.95	\$3.00

	Base Fee <u>In and Out City</u>	Volume Charge (per cubic yard)		<u>Recycling</u>
		<u>Inside City</u>	<u>Outside City</u>	
Commercial (monthly)				
2 cubic yard container	\$46.41	\$2.08	\$3.12	\$3.00
3 cubic yard container	48.74	2.08	3.12	3.00
4 cubic yard container	51.05	2.08	3.12	3.00
6 cubic yard container	56.16	2.08	3.12	3.00
8 cubic yard container	61.77	2.08	3.12	3.00

Stormwater Management Service Charges in effect December 31, 2009

Residential Charge (inside City only)	\$4.00 per month
Multi-family Charge (Inside City only)	\$3.00 per month per unit
Non-residential (Inside City only)	Each non-residential developed property is classified and charged according to its primary developed use

**City of North Augusta, South Carolina
Enterprise Funds History of Rates and Charges
Through December 31, 2009
Unaudited**

History of Water Rate Changes (past 10 years)

1/1/2009	O & M Minimum Base Rate increased by \$38 per month inside city limits and \$.76 per month outside city limits
1/1/2007	O & M Minimum Base Rate increased by \$1.75 per month inside city limits and \$3.50 per month outside city limits O & M Volume Rate increased by \$.05 per 1,000 gallons inside city limits and \$.10 per 1,000 gallons outside city limits
1/1/2004	O & M Minimum Base Rate increased by \$1.30 per month inside city limits and \$2.60 per month outside city limits O & M Volume Rate increased by \$.02 per 1,000 gallons inside city limits and \$.04 per 1,000 gallons outside city limits

History of Sewer Rate Changes (past 10 years)

7/1/2009	O & M Volume Rate increased by \$.10 per 1,000 gallons inside and outside city limits (PSA)
1/1/2009	O & M Minimum Base Rate increased by \$1.00 per month outside city limits O & M Volume Rate increased by \$.06 per 1,000 gallons inside and \$.10 per 1,000 gallons outside city limits
7/1/2008	O & M Volume Rate increased by \$.16 per 1,000 gallons inside and outside city limits (PSA)
7/1/2006	O & M Volume Rate increased by \$.10 per 1,000 gallons inside and outside city limits (PSA)
7/1/2005	O & M Volume Rate increased by \$.05 per 1,000 gallons inside and outside city limits (PSA)
1/1/2004	O & M Minimum Base Rate increased by \$1.50 per month inside and outside city limits O & M Volume Rate increased by \$.10 per 1,000 gallons inside and outside city limits
7/1/2003	O & M Volume Rate increased by \$.05 per 1,000 gallons inside and outside city limits (PSA)
10/1/2001	O & M Volume Rate increased by \$.05 per 1,000 gallons inside and outside city limits (PSA)

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

1/1/2009	Residential Service Charge increased by \$.30 inside city limits and \$.45 outside city limits Commercial Rates increased by 2%
1/1/2007	Recycling Service Charge increased by \$.75 inside and outside city limits
1/1/2006	Residential Service Charge increased by \$1.70 inside city limits and \$2.55 outside city limits Commercial Rates increased by 12%
1/1/2004	Residential Service Charge increased by \$1.40 inside city limits and \$2.10 outside city limits Commercial Rates increased by 12%
1/1/2000	Residential Service Charge increased by \$1.95 inside city limits and \$2.92 outside city limits Commercial Rates increased by 20%

Stormwater Management Service Charge Changes (past 10 years)

7/1/2002	Stormwater Management Fee Implemented as follows
	Residential Charge (Inside City only) \$4.00 per month per unit
	Multi-family Charge (Inside City only) \$3.00 per month per unit
	Non-residential (Inside City only) Each non-residential developed property is classified and charged according to its primary developed use