

The City of North Myrtle Beach South Carolina



**Comprehensive Annual Financial Report
for Fiscal Year ended June 30, 2009**

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2009

Issued by: Department of Finance
Randy J. Wright, Director

CITY OF NORTH MYRTLE BEACH

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2009

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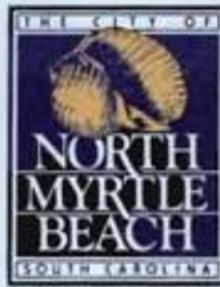
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INTRODUCTORY SECTION

CITY OF NORTH MYRTLE BEACH



December 17, 2009

To the Honorable Mayor, Members of City Council, and Citizens of North Myrtle Beach:

We are pleased to present the Comprehensive Annual Financial Report of the City of North Myrtle Beach, South Carolina for the Fiscal Year Ended June 30, 2009. This report has been prepared in conformity with generally accepted accounting principle (GAAP) and audited in accordance with generally accepted auditing standards by a licensed certified public accounting firm.

Responsibility for both accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City of North Myrtle Beach. We believe the enclosed is accurate in all material aspects, and that it is presented in a manner designed to fairly set forth the financial position and results of operation of the various funds of the government in accordance with accounting principles generally accepted in the United States of America GAAP; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included. To provide a reasonable basis for making these representations, management of the City of North Myrtle Beach has established a comprehensive internal control framework. This framework is designed to protect the government's assets as well as provide sufficient reliable information for preparation of its financial statements. Because the costs of internal controls should not outweigh their benefits, the City of North Myrtle Beach's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

In accordance with Section 5-13-30 of the South Carolina Code of Laws, an annual audit was performed by Robert E. Milhous, C.P.A.; P.A., a firm of licensed certified public accounts. The goal of the independent audit was to provide reasonable assurance that the Financial Statements are free of material misstatement. The auditor's report in the Financial Section provides a discussion of the audit and its procedures. The independent auditor has rendered an unqualified opinion that the City of North Myrtle Beach's financial statements for the fiscal year ended June 30, 2009, are fairly presented in accordance with GAAP.

Additional information as well as an overview and analysis of the City's financial position and statements can be found in the Management's Discussion and Analysis section of this report. This analysis is located after the Auditor's Opinion.

PROFILE OF THE GOVERNMENT

The City of North Myrtle Beach is located on the Atlantic Ocean and encompasses the northeastern section of the South Carolina coastal beach area known as the Grand Strand. North Myrtle Beach operates in and is governed by the laws of the State of South Carolina and also by its own charter, which was first adopted by the electorate

on May 7, 1968. The charter provides for a Council-Manager form of government. Legislative authority is vested in the Mayor and six Council members; provided, one council member shall be a resident of the Crescent Beach Ward, one a resident of the Cherry Grove Ward, one a resident of the Ocean Drive Ward, and one a resident of the Windy Hill Ward. The terms of office are for four years each. The present term for council members from the Cherry Grove and Crescent Beach Wards will expire during November 2011. The present term of the Mayor and the councilmembers from the Ocean Drive and Windy Hill Wards will expire during November 2013. The two at-large councilmembers were added November 2001 – they both have a four-year term and one will expire during November 2012 while the other will be November 2013. The Mayor and Council enact ordinances and resolutions relating to City services, levy of taxes, appropriation and borrowing, licensing and regulating of businesses and trades, and other municipal purposes.

The City of North Myrtle Beach provides a full range of services, including police and fire protection; the construction and maintenance of streets, drainage, and other infrastructure; and recreational activities, and cultural events. Water, sewer, and solid waste are provided by the government through enterprise funds.

The annual budget serves as the foundation for the City of North Myrtle Beach's financial planning and control. All departments of the City are required to submit requests for appropriation to the Finance Department on or before the first week of January each year. The Finance Department uses these requests as the starting point for developing a proposed budget. The government's manager then reviews this proposed budget and makes adjustments to be presented to Council at the annual budget retreat held the beginning of March. The Council then makes any suggestion or changes in programs and policy and instructs staff to provide a budget document by the end of April, sixty days prior to the beginning of the fiscal year. Council then holds a public hearing and as soon thereafter as possible, adopts a budget and passes a tax levy ordinance and such other ordinances as may be required to make the budget effective. The appropriated budget is adopted by total expenditures. Detail is provided for accounting and budgetary control. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 48 and 49 as part of the basic financial statements for the governmental funds.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

The City of North Myrtle Beach is located on the Atlantic Ocean and encompasses the northeastern section of the South Carolina coastal beach area known as the Grand Strand. The near term economic outlook appears to be stable at a reduced level from 2008. Indicators such as water usage, hospitality fees, and accommodations tax receipts have stabilized at a level about 3 to 5% below the previous fiscal year. Other factors such as property taxes continue to show an ever-increasing tax base as of this writing.

The construction industry is the one area that has experienced a significant slow down from previous years. A total of \$34,009,019 of permitted construction has occurred over the first four months of FY 2010. This represents an increase of 2% over the previous fiscal year. Major development continues to occur throughout the City, with continued development of Barefoot Landing Resort which encompasses 5 square miles on the west side of the Intracoastal Waterway, and the redevelopment of the Gator Hole Golf Course and ocean front property. Citywide construction has slowed significantly, but single family residential construction is still occurring at a reasonable pace.

The long-term economic outlook for the City of North Myrtle Beach is positive. The community continues to be a highly visited vacation spot which offers popular attractions such as golf, the beach, entertainment, and shopping. Also, the recent addition of major roads such as Route 22 and 31 in the area has opened up new areas for development as well as provided alternative routes in order to alleviate some traffic congestion.

The City recently annexed approximately 1,350 acres along Route 31 and east to the Intracoastal Waterway. Even though no development is currently underway within this annexation, it will provide the City of North

Myrtle Beach with a large commercial district that will develop over the next several years. This annexation is extremely positive for future growth after the current recession begins to end.

Another factor that will provide significant tourist dollars over the next several years is sports tourism. The City has a commitment from 108 Division II softball teams to conduct their spring training programs in North Myrtle Beach starting in 2011. The City is pursuing other sports tourism agreements as well.

General Fund Revenues are projected to remain stable to slightly higher through 2011. No additional bond issues are budgeted at this time, but should the opportunity to expand sports tourism arise, the City has the financial leverage to buy property and build the necessary facilities to accommodate new opportunities such as soccer and lacrosse.

Long-Term Financial Planning

The annexation of the 1,350 acres will greatly enhance the City's revenue picture over the long run. Few annexations are along a future interstate like the Parkway Group annexation with an already existing interchange. This annexation will provide the City with a commercial district that has the potential to bring in major retail businesses along with the many ancillary businesses that accompany them.

Even though the economy took a major hit in 2008 and 2009, the City was able to bring the General Fund Budget in at a small surplus. This was done by reducing expenditure in proportion to revenues. This management process will continue as long as the overall economy remains weak. Current projection is a surplus for FY 2010.

GFOA CERTIFICATE OF ACHIEVEMENT

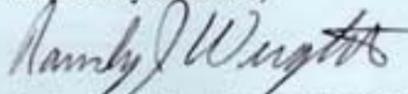
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Myrtle Beach, South Carolina for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2008. In order to be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility for a certificate for Fiscal Year 2009.

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the dedicated endeavors of the Accounting Division. We would like to express our appreciation to all staff members, especially Assistant Finance Director, Diane Shell; Accounting Supervisor, Jamie Baker; Enterprise Accountant, Lauren Jones; and Administrative Assistant, Debra Brown, who have assisted and contributed to its preparation. Further appreciation is extended to the Mayor and City Council and City Manager for their encouragement, assistance, and approval. It is a real pleasure to work for a group of people who encourage and support the sound financial operation and reporting of the City.

Respectfully submitted,



Randy J. Wright, CPA, CPFO, CGFM
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of North Myrtle Beach
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 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 handwritten signature in black ink, appearing to read "M. L. Post".

President

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

Executive Director

City of North Myrtle Beach, South Carolina

PRINCIPAL OFFICIALS

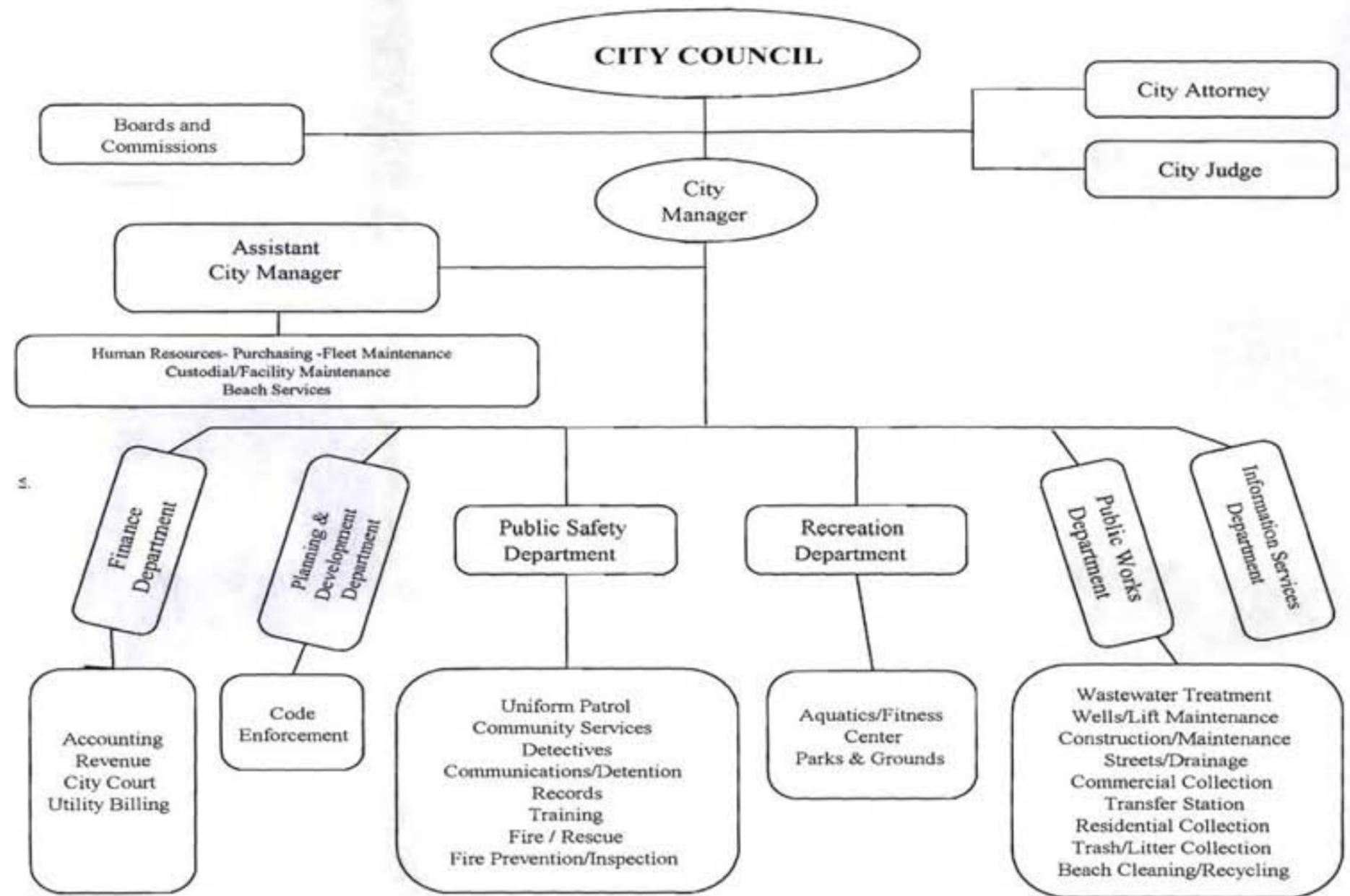
June 30, 2009

Elected

Mayor Marilyn B. Hatley
Councilmember, Cherry Grove Ward Doris Williams
Councilmember, Crescent Beach Ward Jay Baldwin
Councilmember, Ocean Drive Ward Terry White
Councilmember, Windy Hill Ward Greg Duckworth
Councilmember, At-Large Bob Cavanaugh
Councilmember, At-Large Hank Thomas

Appointed

City Manager John H. Smithson
Assistant City Manager Steven E. Thomas
Finance Director Randy J. Wright
Information Services Director Patrick Wall, Jr.
Parks and Recreation Director John W. Bullard
Planning and Development Director James W. Wood
City Engineer/Public Works Director Kevin D. Blayton
Public Safety Director William H. Bailey, Jr.



FINANCIAL SECTION

CITY OF NORTH MYRTLE BEACH

REPORT OF INDEPENDENT AUDITOR

CITY OF NORTH MYRTLE BEACH

ROBERT E. MILHOUS, C.P.A., P.A. & ASSOCIATES

A Professional Association Of

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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REPORT OF INDEPENDENT AUDITOR

The Honorable Mayor and Members of City Council
City of North Myrtle Beach, South Carolina

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of North Myrtle Beach, South Carolina (the "City"), as of and for the year ended June 30, 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's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic 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 Myrtle Beach, South Carolina, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying Management's Discussion and Analysis and the Required Supplemental Information as listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

— CONTINUED —



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My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information such as the combining and individual fund financial statements and schedules as listed in the table of contents as Other Financial Information are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of North Myrtle Beach, South Carolina. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

I did not audit the introductory and statistical sections of this report, and accordingly, do not express an opinion or any other form of assurance on this information.


December 14, 2009
Columbia, South Carolina

**CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2009**

This section of the City of North Myrtle Beach, South Carolina's (the "City") annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2009. Please read it in conjunction with the transmittal letter 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 City's total assets at year end June 30, 2009 were \$208.6 million and exceeded total liabilities by \$171.1 million. Of the total net assets at June 30, 2009, \$23.2 million were unrestricted and available to support short term operations of the City.

Per the Government-Wide Statement of Activities, the City's total net assets increased by \$7.7 million for the year ended June 30, 2009. The Governmental activities contributed \$7.6 million and the Business-type activities contributed the remainder of the net change in net assets of \$.1 million, which was funded almost entirely by capital contributions received during the year.

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 required supplementary information in addition to the basic financial statements themselves. Typically, the MD&A contains comparative data to help the reader identify trends in financial activity of the government. 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's 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 or 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 timing 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., revenues receivable and earned but unused vacation leave).

Government-Wide Financial Statements (Continued)

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, finance, public safety, public works, parks and recreation, planning and economic development, and support services. The Business-type activities of the City include enterprise operations for water and sewer utility, solid waste, aquatic center, and beach service.

The Government-Wide financial statements can be found immediately following the "Report of the Independent Auditor".

Fund Financial Statements – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: Governmental funds, Proprietary funds, and Fiduciary funds.

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 focus on *near-term inflows and outflows of expendable resources*, as well as on *balances of expendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 this budget, and can be found in the section entitled "Required Supplementary Information".

The basic Governmental Fund financial statements can be found immediately following the "Government-Wide" financial statements.

Proprietary funds – *Enterprise funds* are used to report the same functions presented as *Business-type activities* in the Government-Wide financial statements. The City uses enterprise funds to account for its Water and Sewer Utility, its Solid Waste, its Aquatic Center and its Beach Service enterprises. Proprietary funds provide the same type of information as the Government-Wide financial statements, only in more detail. The basic Proprietary Fund financial statements can be found immediately following the "Governmental Fund" financial statements.

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.

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

Government-Wide Financial Analysis

Below is a 'condensed' Statement of Net Assets at June 30, 2009 (with comparative amounts of June 30, 2008) which depicts the major components of the City's total (Governmental and Business-type) assets, liabilities and net assets (with amounts shown in thousands):

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets:						
Cash and cash equivalents:						
Unrestricted	\$ 13,017	\$ 7,873	\$ 6,130	\$ 5,054	\$ 19,147	\$ 12,927
Restricted	435	384	13,440	16,638	13,875	17,022
Other current assets	7,760	6,342	(1,789)	(861)	5,971	5,481
Capital assets, net of accumulated depreciation	73,304	67,590	80,631	78,972	153,935	146,562
Deferred charges, net of accumulated amortization	—	—	15,693	18,513	15,693	18,513
Total assets	\$ 94,516	\$ 82,189	\$ 114,105	\$ 118,316	\$ 208,621	\$ 200,505
Liabilities:						
Current liabilities	\$ 5,126	\$ 3,946	\$ 5,783	\$ 9,328	\$ 10,909	\$ 13,274
Long term liabilities	9,707	6,183	16,932	17,744	26,639	23,927
Total liabilities	14,833	10,129	22,715	27,072	37,548	37,201
Net assets:						
Net invested in capital assets	62,387	59,998	73,471	70,182	135,858	130,180
Restricted	370	280	11,571	13,256	11,941	13,536
Unrestricted	16,926	11,782	6,348	7,806	23,274	19,588
Total net assets	\$ 79,683	\$ 72,060	\$ 91,390	\$ 91,244	\$ 171,073	\$ 163,304

Governmental activities – For 2009, current assets (consisting of cash, cash equivalents, receivables, amounts due from other governments, inventories and prepaid items, and restricted assets) totaled \$21.2 million, or 22% of the total. Non-current assets (consisting of capital assets and deferred charges, net of accumulated depreciation and amortization, respectively) totaled \$73.3 million 78% of the respective total. Current liabilities (consisting of payables and current portion of long-term debt) totaled \$5.1 million 35% of the respective total. Long-term (non-current) liabilities totaled \$9.7 million, or 65% of the respective total.

Business-type activities – For 2009, current assets (consisting of cash, cash equivalents, receivables, amounts due from other governments, inventories and prepaid items, and restricted assets) totaled \$17.8 million, or 16% of the respective total. Non-current assets (consisting of capital assets and deferred charges, net of accumulated depreciation and amortization, respectively) totaled \$96.3 million, or 84% of the respective total. Current liabilities (consisting of payables and current portion of long-term debt) totaled \$5.8 million, or 25% of the respective total. Long-term (non-current) liabilities totaled \$16.9 million, or 75% of the respective total.

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, 2009 total assets exceeded total liabilities by \$171.1 million at the end of June 30, 2009 (or \$79.7 million for Governmental activities and \$91.4 million for Business-type activities.)

By far the largest portion (\$135.9 million, or 80%) of the City's 2009 total net assets reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used 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 investment 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.

Government-Wide Financial Analysis (Continued)

The City's 2009 restricted net assets (totaling \$11.9 million or 7.0% of total net assets) consist of \$4 million in Governmental activities and \$11.5 million in Business-type activities, and represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$16.9 million Governmental activities and \$6.3 million Business-type activities, for a total of \$23.2 million, or 13.6% of total net assets) may be used to meet the government's ongoing obligations to citizens and creditors. The City's components of changes in net assets for FY 2009 and FY 2008 are illustrated in the following table (with amounts shown in thousands):

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenue:						
Program Revenue:						
Charges for services	\$ 3,179	\$ 3,350	\$ 17,306	\$ 17,143	\$ 20,485	\$ 20,493
Operating grants and contributions	457	446	125	125	582	571
Capital grants and contributions	6,304	1,582	3,064	4,063	9,368	5,645
General revenue:						
Property taxes	11,071	9,664	—	—	11,071	9,664
State shared and other taxes	14,125	14,726	—	—	14,125	14,726
Investment earnings	352	398	266	819	618	1,217
Other	88	56	193	—	281	56
Total revenue	35,576	30,222	20,954	22,150	56,530	52,372
Expenses:						
General government	2,271	2,089	—	—	2,271	2,089
Finance	752	657	—	—	752	657
Information services	431	350	—	—	431	350
Public safety	12,057	11,420	—	—	12,057	11,420
Planning and development	1,507	1,317	—	—	1,507	1,317
Public works	4,806	3,659	—	—	4,806	3,659
Parks and recreation	3,129	3,260	—	—	3,129	3,260
Support services	749	792	—	—	749	792
Interest on general long-term debt	452	439	—	—	452	439
Depreciation (unallocated)	757	723	—	—	757	723
Water and Sewer Utility	—	—	13,913	13,482	13,913	13,482
Solid Waste	—	—	3,554	3,551	3,554	3,551
Aquatic Center	—	—	2,256	2,300	2,256	2,300
Beach Service	—	—	2,126	2,455	2,126	2,455
Total expenses	26,911	24,706	21,849	21,788	48,760	46,494
Increases in net assets before transfers	8,665	5,516	(895)	362	7,770	5,878
Transfers	(1,041)	(1,211)	1,041	1,211	—	—
Change in net assets	7,624	4,305	146	1,573	7,770	5,878
Net Assets – beginning of year	72,059	67,754	91,244	89,671	163,303	157,425
Net Assets – end of year	\$ 79,683	\$ 72,059	\$ 91,390	\$ 91,244	\$ 171,073	\$ 163,303

Of total net assets at June 30, 2009, (and June 30, 2008 respectively), \$79.7 million (and \$72.1 million) represents net assets of the City's Governmental activities, and \$91.4 million (and \$91.2 million) represents net assets of the City's Business-type activities. At the end of the current fiscal year, the City is able to report 'positive' changes in net assets, both for the Governmental and Business-type activities. This net 'positive' change occurred in 2009 even with the implementation of GASB #45, *Other Post-Employment Benefits Other Than Pensions* (OPEB). Total OPEB liability and related expenses equaled \$1.2 million (\$.9 million in Governmental Activities and \$.3 million in Business-type Activities). Additional information on the City's OPEB can be found in *Note 13* of this report.

Government-Wide Financial Analysis (Continued)

Expenses and Program Revenues – Governmental Activities

Governmental expenses are funded by fees for services, grants and contributions and general revenues. The Statement of Activities details this activity for the City. The following table summarizes that data.

(amounts shown in thousands)

	Expenses	Total Program Revenue	Net Expenses	% Funded by Program Revenue	% Required to Funded by General Revenue
General govt. admin.	\$ (2,271)	\$ 44	\$ (2,227)	2%	98%
Finance	(752)	—	(752)	—	—
Information services	(431)	—	(431)	—	—
Public safety	(12,057)	699	(11,358)	6%	94%
Planning and development	(1,507)	346	(1,161)	23%	77%
Public works	(4,806)	5,673	867	118%	—
Parks and recreation	(3,129)	3,177	48	102%	—
Support services	(749)	—	(749)	—	—
Debt service interest	(452)	—	(452)	—	—
Depreciation unallocated	(757)	—	(757)	—	—
Totals	\$ (26,911)	\$ 9,939	\$ (16,972)	37%	63%

The City allocated its depreciation to the City's functions, except for a portion which is not allocated. General Revenues (63%) were required to fund Governmental Activity Expenses and were as follows:

General Revenues by Source – Governmental Activities (shown in thousands)

Property taxes	\$ 11,071
Accommodations/hospitality taxes	6,232
State shared taxes – unrestricted	1,134
Licenses and franchise taxes	6,759
Investment earnings	352
Other revenues	88
Total general revenue before transfers	\$ 25,636

Fund Financial Analysis

General Fund Budgetary Highlights

The General Fund final budgeted revenues were \$22.1 million, but achieved revenues of \$20.9 million or \$1.2 million under budget. Final expenditures budgeted for the General Fund were \$24.1 million with actual expenditures of \$22.4 million, before other financing sources and uses. The City budgeted a deficiency of estimated revenues over its appropriated expenditures before other financing sources and uses totaling \$2.0 million, with the actual deficiency equaling \$1.4 million. However, after considering Other Financing Sources and Uses, the General Fund had an increase of \$.1 million in fund balance.

For 2009, the City's General Fund fund balance increased slightly and was a direct result of the City managing expenditures throughout the year due to the economic downturn. Capital purchases were put on hold and open personnel positions were allowed to stay vacant substantially longer in order to align expenditures with the reduced revenue. These efforts proved successful and the General Fund was able to have a small increase in its fund balance.

Fund Financial Analysis (Continued)

The General Fund's budget also included net transfers to/from other funds netting to \$2.1 million which decline in both Accommodation and Hospitality taxes.

Expenses and Program Revenues – Business-type Activities

The City operates four enterprises that comprise its Business-type Activities – Water and Sewer Utility, Solid Waste, Aquatic Center and Beach Service. The Water and Sewer Utility has been in operation for a number of years, and suffered an operating loss of \$2.7 million for the year ended June 30, 2009. However, the Utility was able to achieve an increase on overall net assets for the same time period of \$2 million primarily due to recognizing capital contributions of \$3.1 million as non-operating revenue.

The City's Solid Waste Enterprise Fund has been operating for a number of years and incurred a net operating income of \$233,390 for the year ended June 30, 2009. After a transfer from the Accommodations Tax Fund of \$198,402, the change net assets increased by \$433,332.

The City's Aquatic Center Enterprise Fund in its fourth year of operation incurred a net operating loss of \$437,910. After recognizing \$175,528 in net non-operating loss and a \$710,806 transfer from the Hospitality Tax Fund, the change in net assets of the Aquatic Center totaled \$97,368.

The City's Beach Service Enterprise Fund in its third year of operations incurred a net operating loss of \$712,820. After recognizing \$132,010 in net non-operating transfers, the change in net assets of the Beach Service totaled a deficit of \$580,810 resulted in an ending deficit net assets balance of \$2,232,086.

Capital Asset and Debt Administration

Capital Assets – The City's investment in capital assets for its Governmental and Business-type activities as of June 30, 2009, amounts to \$153.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, and roads.

Capital asset purchases within the General Fund departments continued to be made on a pay-as-you-go basis. This has been the City's policy for 20 years. However, some capital asset purchases were delayed or postponed in FY 2009 due to the sharp economic downturn. The City believes this deferral will have no negative impact on City services since the City has an excellent maintenance program for its capital assets and fleet vehicles. Additional information on the City's capital assets can be found in *Note 6* of this report.

Long-Term Debt – At the end of the current fiscal year, the City had total bonded debt outstanding of \$25.5 million. Of this amount, \$6.2 million (including a \$5.1 million new issuance for road improvements) comprises debt backed by the full faith and credit of the governments, \$3.5 million backed by certain governmental fees and taxes associated with Stormwater, and \$.8 million in outstanding capital lease obligations. Enterprise revenue backed bond debt, contract and note payables totaled \$17.7 million.

Additional information on the City's long-term debt can be found in *Note 7* of this report.

Request for Information

This 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 Office of the Finance Director, City of North Myrtle Beach, South Carolina 29582.

AUDITED BASIC FINANCIAL STATEMENTS

CITY OF NORTH MYRTLE BEACH

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF NET ASSETS

JUNE 30, 2009

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,050,721	\$ 3,019,789	\$ 8,070,510
Equity in pooled cash and cash equivalents	7,965,896	3,110,121	11,076,017
Receivables, net	1,926,866	1,664,792	3,591,658
Due from other governments	884,122	640,125	1,524,247
Internal balances, net	4,424,700	(4,424,700)	—
Inventories	525,264	329,510	854,774
Restricted assets:			
Cash and cash equivalents	274,826	9,485,729	9,760,555
Equity in pooled cash and cash equivalents	159,935	3,674,835	3,834,770
Deposits with other governments	—	280,000	280,000
Total current assets	<u>21,212,330</u>	<u>17,780,201</u>	<u>38,992,531</u>
Non-currents assets:			
Capital assets not subject to depreciation	14,707,369	5,271,729	19,979,098
Capital assets, net of depreciation	58,596,661	75,359,593	133,956,254
Deferred charges, net	—	15,693,403	15,693,403
Total non-current assets	<u>73,304,030</u>	<u>96,324,725</u>	<u>169,628,755</u>
Total Assets	<u>\$ 94,516,360</u>	<u>\$ 114,104,926</u>	<u>\$ 208,621,286</u>
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	\$ 1,196,681	\$ 1,042,570	\$ 2,239,251
Accrued payroll and related taxes	385,078	248,723	633,801
Accrued compensated absences – current portion	95,113	308,254	403,367
Insurance claims payable	106,101	51,910	158,011
Accrued interest payable	55,101	181,319	236,420
Bonds, contracts and notes payable – current portion	2,243,038	1,124,418	3,367,456
Capital lease obligation – current portion	410,132	—	410,132
Construction and retainage payables	353,263	111,643	464,906
Unearned revenue	90,000	247,297	337,297
Liabilities payable from restricted assets	191,371	2,466,755	2,658,126
Total current liabilities	<u>5,125,878</u>	<u>5,782,889</u>	<u>10,908,767</u>
Long-term (non-current) liabilities:			
General obligation bonds payable	5,031,424	—	5,031,424
Revenue bonds payable	2,452,404	—	2,452,404
Capital lease payable	426,497	—	426,497
Accrued compensated absences	870,387	—	870,387
Contracts payable	—	9,920,000	9,920,000
Note payable	—	6,699,397	6,699,397
Other post-employment benefits (OPEB)	926,205	312,165	1,238,370
Total long-term liabilities	<u>9,706,917</u>	<u>16,931,562</u>	<u>26,638,479</u>
Total liabilities	<u>14,832,795</u>	<u>22,714,451</u>	<u>37,547,246</u>
Net assets:			
Invested in capital assets, net of related debt	62,387,272	73,470,864	135,858,136
Restricted for:			
Public safety assistance	335,681	—	335,681
Public works projects	34,566	—	34,566
Future capacity of utility	—	11,571,789	11,571,789
Unrestricted	16,926,046	6,347,822	23,273,868
Total net assets	<u>79,683,565</u>	<u>91,390,475</u>	<u>171,074,040</u>
Total Liabilities and Net Assets	<u>\$ 94,516,360</u>	<u>\$ 114,104,926</u>	<u>\$ 208,621,286</u>

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2009

Functions and Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
		Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government admin.	\$ (2,271,467)	\$ 9,270	\$ 34,640	\$ —	\$ (2,227,557)	\$ —	\$ (2,227,557)
Finance	(752,495)	—	—	—	(752,495)	—	(752,495)
Information Services	(430,655)	—	—	—	(430,655)	—	(430,655)
Public safety	(12,056,536)	698,384	—	—	(11,358,152)	—	(11,358,152)
Planning and development	(1,507,356)	346,808	—	—	(1,160,548)	—	(1,160,548)
Public works	(4,806,216)	1,994,499	—	3,678,509	866,792	—	866,792
Parks and recreation	(3,129,329)	130,202	422,342	2,625,000	48,215	—	48,215
Support services	(748,813)	—	—	—	(748,813)	—	(748,813)
Debt service – interest	(451,621)	—	—	—	(451,621)	—	(451,621)
Depreciation (unallocated)	(756,800)	—	—	—	(756,800)	—	(756,800)
Total governmental activities	(26,911,288)	3,179,163	456,982	6,303,509	(16,971,634)	—	(16,971,634)
Business-type Activities:							
Water and Sewer Utility	(13,913,062)	10,584,989	3,395	3,064,214	—	(260,464)	(260,464)
Solid Waste	(3,554,310)	3,787,700	—	—	—	233,390	233,390
Aquatic Center	(2,255,884)	1,520,409	122,037	—	—	(613,438)	(613,428)
Beach Service	(2,125,599)	1,412,779	—	—	—	(712,820)	(712,820)
Total business-type activities	(21,848,855)	17,305,877	125,432	3,064,214	—	(1,353,332)	(1,353,322)
Total functions and programs	\$ (48,760,143)	\$ 20,485,040	\$ 582,414	\$ 9,367,723	(16,971,634)	(1,353,332)	(18,324,966)
General Revenue and Transfers							
General Revenue:							
Property taxes					11,070,906		11,070,906
Accommodations and hospitality taxes					6,231,622		6,231,622
State shared taxes – unrestricted					1,134,677		1,134,677
Business licenses and franchise taxes					6,758,690		6,758,690
Unrestricted investment earnings					352,529	265,690	618,219
Miscellaneous					88,097	192,552	280,649
Transfers:							
Transfers in/(out)					(1,041,218)	1,041,218	—
Total general revenue and transfers					24,595,303	1,499,460	26,094,763
Changes in net assets							
Net Assets – beginning of year					72,059,896	91,244,347	163,304,243
Net Assets – end of year					\$ 79,683,565	\$ 91,390,475	\$ 171,074,040

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2009

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 4,938,470	\$ 112,251	\$ 5,050,721
Equity in pooled cash and cash equivalents	1,636,546	6,329,350	7,965,896
Receivables, net	1,129,524	638,252	1,767,776
Due from other funds	2,172,648	3,215,275	5,387,923
Due from other governments	279,867	604,255	884,122
Inventories and prepaid items	525,264	—	525,264
Restricted assets:			
Cash and cash equivalents	274,826	—	274,826
Equity in pooled cash and cash equivalents	159,935	—	159,935
Total assets	\$ 11,117,080	\$ 10,899,383	\$ 22,016,463
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 572,303	\$ 610,051	\$ 1,182,354
Accrued payroll and related taxes	385,078	—	385,078
Accrued compensated absences	95,113	—	95,113
Insurance claims payable	106,101	—	106,101
Retainage payable	—	353,263	353,263
Due to other funds	—	963,223	963,223
Due to other governments	14,327	—	14,327
Deferred revenue	—	90,000	90,000
Payable from restricted assets	191,371	—	191,371
Total liabilities	1,364,293	2,016,537	3,380,830
Fund balances:			
Reserved for:			
Inventories and prepaid items	525,264	—	525,264
Victims assistance	87,279	—	87,279
Scholarship fund	44,505	—	44,505
Grants receivable	352,221	—	352,221
Drug enforcement	203,897	—	203,897
Shore Protection Project	—	34,566	34,566
J. Causey Memorial	2,295	—	2,295
Admissions tax	620,999	—	620,999
Unreserved/designated for:			
Contingencies	250,000	—	250,000
Area emergency recovery	142,500	—	142,500
Unreserved/undesignated reported in:			
General Fund	7,523,827	—	7,523,827
Special Revenue Funds	—	4,326,912	4,326,912
Capital Projects Funds	—	4,521,368	4,521,368
Total fund balances	9,752,787	8,882,846	18,635,633
Total liabilities and fund balances	\$ 11,117,080	\$ 10,899,383	
Reconciliation to amounts reported for governmental activities in the Statement of Net Assets (see Note 15):			
Capital assets used in governmental activities are not financial resources and therefore are not reported in these funds.			73,304,030
Other assets not available to paid for current period expenditures.			159,090
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in these funds.			(12,415,188)
Net Assets, end of year – Governmental Activities			\$ 79,683,565

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2009

Revenue	General Fund	Other Governmental Funds	Total Governmental Funds
Property taxes:			
Current property taxes	\$ 10,903,564	\$ —	\$ 10,903,564
Delinquent property taxes	167,342	—	167,342
Licenses and permits	7,105,498	—	7,105,498
Fines and forfeitures	594,020	—	594,020
Use of money and property	238,245	114,284	352,529
Unrestricted intergovernmental	1,134,667	—	1,134,667
Restricted intergovernmental	422,342	11,210,131	11,632,473
Sales and service charges	298,735	1,991,827	2,290,562
Miscellaneous	79,718	1,325,500	1,405,218
Total revenue	20,944,131	14,641,742	35,585,873
Expenditures			
Current:			
General government administration	2,145,521	28,494	2,174,015
Finance	649,999	—	649,999
Information Services	348,220	—	348,220
Public safety	10,754,799	—	10,754,799
Planning/development	1,413,520	—	1,413,520
Public works	1,720,950	5,315,846	7,036,796
Parks and recreation	1,900,917	4,772,231	6,673,148
Support services	656,093	—	656,093
Debt service	1,281,130	1,140,000	2,421,130
Capital outlay	1,540,672	—	1,540,672
Total expenditures	22,411,821	11,256,571	33,668,392
Excess (deficiency) of revenue over (under) expenditures	(1,467,690)	3,385,171	1,917,481
Other Financing Sources (Uses)			
Transfers in	4,141,501	3,913,180	8,054,681
Transfers (out)	(2,611,500)	(6,484,498)	(9,095,998)
Bonds proceeds	—	5,100,000	5,100,000
Total other financing sources (uses)	1,530,001	2,528,682	4,058,683
Net change in fund balances	62,311	5,913,853	5,976,164
Fund balances, beginning of year, as restated (see Note 1)	9,690,476	2,968,993	12,659,469
Fund balances, end of year	\$ 9,752,787	\$ 8,882,846	\$ 18,635,633

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 — CONTINUED —

Reconciliation to amounts reported for governmental activities in the Statement of Activities (see Note 15):	
Net change in fund balances – total governmental funds	\$ 5,976,164
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	5,713,800
Some expenses reported in Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in these funds.	(946,188)
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>(3,120,107)</u>
Change in net assets – governmental activities	<u>\$ 7,623,669</u>

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BALANCE SHEET
PROPRIETARY FUNDS

JUNE 30, 2009

	Business-type Activities – Enterprise Fund				Totals
	Water and Sewer Utility	Solid Waste	Aquatic Center	Beach Service	
Assets					
Current assets:					
Cash and cash equivalents	\$ 3,010,840	\$ —	\$ 400	\$ 8,549	\$ 3,019,789
Equity in pooled cash and cash equivalents	3,110,121	—	—	—	3,110,121
Receivables, net	1,477,320	139,872	31,553	16,047	1,664,792
Inventories	318,087	—	—	11,423	329,510
Due from other funds	—	—	120,805	—	120,805
Due from other governments	640,125	—	—	—	640,125
Restricted assets:					
Cash and cash equivalents	9,485,729	—	—	—	9,485,729
Equity in pooled cash and cash equivalents	3,674,835	—	—	—	3,674,835
Deposits with other governments	280,000	—	—	—	280,000
Total current assets	21,997,057	139,872	152,758	36,019	22,325,706
Non-current assets:					
Capital assets, not subject to depreciation	5,271,729	—	—	—	5,271,729
Capital assets, subject to depreciation	63,649,526	1,522,851	9,036,987	1,150,229	75,359,593
Total capital assets, net	68,921,255	1,522,851	9,036,987	1,150,229	80,631,322
Deferred charges, net	15,643,580	—	49,823	—	15,693,403
Total non-current assets	84,564,835	1,522,851	9,086,810	1,150,229	96,324,725
Total assets	\$ 106,561,892	\$ 1,662,723	\$ 9,239,568	\$ 1,186,248	\$ 118,650,431
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	\$ 884,004	\$ 55,816	\$ 29,086	\$ 73,664	\$ 1,042,570
Accrued payroll and related taxes	72,593	39,888	21,300	114,942	248,723
Accrued compensated absences	174,788	99,308	27,338	6,820	308,254
Insurance claims payable, net	20,489	26,405	4,244	772	51,910
Due to other funds	—	1,009,458	320,772	3,215,275	4,545,505
Accrued interest payable	—	—	181,319	—	181,319
Contracts and note payable – current portion	775,000	—	349,418	—	1,124,418
Retainage payable	111,643	—	—	—	111,643
Unearned revenue	—	—	247,297	—	247,297
Liabilities payable from restricted assets	2,466,755	—	—	—	2,466,755
Total current liabilities	4,505,272	1,230,875	1,180,774	3,411,473	10,328,394
Long-term (non-current) liabilities:					
Contracts payable	9,920,000	—	—	—	9,920,000
Note payable	—	—	6,699,397	—	6,699,397
Other post employment benefits (OPEB)	174,950	92,620	37,734	6,861	312,165
Total long-term liabilities	10,094,950	92,620	6,737,131	6,861	16,931,562
Total liabilities	14,600,222	1,323,495	7,917,905	3,418,334	27,259,956
Net assets:					
Invested in capital assets, net of related debt	68,809,612	1,522,851	1,988,172	1,150,229	73,470,864
Restricted for:					
Future capacity and deposits	11,571,789	—	—	—	11,571,789
Unrestricted (deficit)	11,580,269	(1,183,623)	(666,509)	(3,382,315)	6,347,822
Total net assets	91,961,670	339,228	1,321,663	(2,232,086)	91,390,475
Total liabilities and net assets	\$ 106,561,892	\$ 1,662,723	\$ 9,239,568	\$ 1,186,248	\$ 118,650,431

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2009

	Business-type Activities – Enterprise Fund				Totals
	Water and Sewer Utility	Solid Waste	Aquatic Center	Beach Service	
Operating Revenue					
Sales and service charges	\$ 10,584,989	\$ 3,787,700	\$ 1,520,409	\$ 1,412,779	\$ 17,305,877
Total operating revenue	<u>10,584,989</u>	<u>3,787,700</u>	<u>1,520,409</u>	<u>1,412,779</u>	<u>17,305,877</u>
Operating Expenses					
General government administration	1,013,634	200,923	124,014	176,776	1,515,347
Finance	705,523	94,269	28,282	70,705	898,779
Information services	208,171	41,634	13,878	20,816	284,499
Public safety	55,995	—	—	645,360	701,355
Planning/development	32,845	—	—	—	32,845
Public works	7,127,942	2,707,463	—	—	9,835,405
Parks and recreation	—	—	1,393,354	932,050	2,325,404
Support services	434,735	118,866	17,671	21,208	592,480
Depreciation and amortization	3,716,180	391,155	381,120	258,684	4,747,139
Total operating expenses	<u>13,295,025</u>	<u>3,554,310</u>	<u>1,958,319</u>	<u>2,125,599</u>	<u>20,933,253</u>
Operating income (loss)	<u>(2,710,036)</u>	<u>233,390</u>	<u>(437,910)</u>	<u>(712,820)</u>	<u>(3,627,376)</u>
Non-Operating Revenue (Expenses)					
Interest earned on investments	264,150	1,540	—	—	265,690
Interest expense	(612,023)	—	(294,129)	—	(906,152)
Non-operating program fees and other	—	—	13,896	—	13,896
Amortization of debt issuance costs	(4,342)	—	(3,436)	—	(7,778)
Bond agent fees	(1,672)	—	—	—	(1,672)
Restricted intergovernmental	3,395	—	73,551	—	76,946
Tower rental and other	192,552	—	—	—	192,552
Donation/fundraisers	—	—	34,590	—	34,590
Total non-operating revenue (expenses)	<u>(157,940)</u>	<u>1,540</u>	<u>(175,528)</u>	<u>—</u>	<u>(331,928)</u>
Income (loss) before contributions and transfers	<u>(2,867,976)</u>	<u>234,930</u>	<u>(613,438)</u>	<u>(712,820)</u>	<u>(3,959,304)</u>
Capital Contributions	3,064,214	—	—	—	3,064,214
Transfers – in (out)	—	198,402	710,806	132,010	1,041,218
Change in net assets	<u>196,238</u>	<u>433,332</u>	<u>97,368</u>	<u>(580,810)</u>	<u>146,128</u>
Net assets, beginning of year	91,765,432	(94,104)	1,224,295	(1,651,276)	91,244,347
Net assets, end of year	<u>\$ 91,961,670</u>	<u>\$ 339,228</u>	<u>\$ 1,321,663</u>	<u>\$ (2,232,086)</u>	<u>\$ 91,390,475</u>

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2009

	Business-type Activities – Enterprise Fund				Totals
	Water and Sewer Utility	Solid Waste	Aquatic Center	Beach Service	
Cash flows from operating activities					
Cash received from:					
User fees	\$ 11,017,212	\$ 3,783,049	\$ —	\$ —	\$ 14,800,261
Tap fees	54,960	—	—	—	54,960
Service and miscellaneous charges	185,958	12,066	1,480,304	1,414,010	3,092,338
Cash paid to (for):					
Employee salaries and related costs	(3,153,931)	(1,556,019)	(931,085)	(1,180,300)	(6,821,335)
Water and sewer system costs	(3,697,569)	—	—	—	(3,697,569)
Collection services	—	(948,746)	—	—	(948,746)
Aquatic Center operations	—	—	(420,882)	—	(420,882)
Beach Service operations	—	—	—	(322,939)	(322,939)
Other supplies and miscellaneous costs	(1,950,915)	(574,384)	(183,845)	(262,791)	(2,971,935)
Net cash provided by (used in) operating activities	2,455,715	715,966	(55,508)	(352,020)	2,764,153
Cash flows from non-capital and related financing activities					
Inter-fund borrowing/payments	1,000,000	(281,749)	(141,010)	220,559	797,800
Increase in contract rights	1,292,681	—	—	—	1,292,681
Tower rental and other	192,552	—	—	—	192,552
Intergovernmental grants	—	—	73,551	—	73,551
Local accommodation/hospitality taxes	—	198,402	730,499	132,010	1,060,911
Donations/fundraisers	—	—	48,486	—	48,486
Net cash provided by (used in) non-capital and related financing activities	2,485,233	(83,347)	711,526	352,569	3,465,981
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	(5,701,824)	(634,159)	(17,500)	—	(6,353,483)
Principal paid on bonds and contracts	(993,333)	—	(335,656)	—	(1,328,989)
Interest and bond agent fees on long-term debt	(621,377)	—	(302,762)	—	(924,139)
Capital contributions – impact fees, grants and other cash contributions	173,446	—	—	—	173,446
Net cash provided by (used in) capital and related financing activities	(7,143,088)	(634,159)	(655,918)	—	(8,433,165)

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

— CONTINUED —

	Business-type Activities – Enterprise Fund				Totals
	Water and Sewer Utility	Solid Waste	Aquatic Center	Beach Service	
Cash flows from investing activities					
Interest received on investments	264,150	1,540	—	—	265,690
Net cash provided by (used in) investing activities	264,150	1,540	—	—	265,690
Net increase (decrease) in cash and cash equivalents	(1,937,990)	—	100	549	(1,937,341)
Cash and cash equivalents, beginning of year (of which \$16,174,099 is restricted)	21,219,515	—	300	8,000	21,227,815
Cash and cash equivalents, end of year (of which \$13,160,564 is restricted)	\$ 19,281,525	\$ —	\$ 400	\$ 8,549	\$ 19,290,474
Reconciliation of operating income (loss) to net cash from operating activities					
Operating income (loss)	\$ (2,710,036)	\$ 233,390	\$ (437,910)	\$ (712,820)	\$ (3,627,376)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	3,716,180	391,155	381,120	258,684	4,747,139
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	656,115	7,415	(26,893)	1,231	637,868
Increase (decrease) in accounts and other payables	538,516	(6,515)	3,641	18,316	553,958
(Increase) decrease in inventories	53,689	—	—	60,311	114,000
Increase (decrease) in accrued liabilities	9,275	(2,099)	12	15,397	22,585
Increase (decrease) in deferred revenue	17,026	—	(13,212)	—	3,814
Increase (decrease) in other post employment benefits (OPEB)	174,950	92,620	37,734	6,861	312,165
Net cash provided by (used in) operating activities	\$ 2,455,715	\$ 715,966	\$ (55,508)	\$ (352,020)	\$ 2,764,153
Supplemental disclosure of non-cash capital and related financing activities					
System contributions by developers	\$ 1,961,669	\$ —	\$ —	\$ —	\$ 1,961,669
Amortization of bond issue costs only	\$ 4,342	\$ —	\$ 3,436	\$ —	\$ 7,778

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET ASSETS
FUDUCIARY FUNDS

JUNE 30, 2009

	<u>Pension Trust Funds</u>	<u>Agency Fund Firemen's Fund</u>
Assets		
Cash and cash equivalents	\$ —	\$ 9,843
Cash and temporary investments	10,585,155	—
Receivables – Participant loans	659,729	—
Total assets	<u>\$ 11,244,884</u>	<u>\$ 9,843</u>
Liabilities		
Due to Firemen's Association	\$ —	\$ 9,843
Total liabilities	<u>—</u>	<u>\$ 9,843</u>
Net Assets		
Held in trust for employee's pension benefits	<u>\$ 11,244,884</u>	

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FUDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2009

	Pension Trust Funds
Additions	
Employer contributions	\$ 777,583
Employee (member) contributions	200,443
Investment income (loss)	(1,477,481)
Total additions	(499,455)
Deductions	
Benefit payments and loan issuance costs	743,350
Total deductions	743,350
Change in net assets	(1,242,805)
Net assets, beginning of year	12,487,689
Net assets, end of year	\$ 11,244,884

See accompanying notes to financial statements.

CITY OF NORTH MYRTLE BEACH

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of North Myrtle Beach, South Carolina was incorporated on May 7, 1968, and adopted a "Home Rule Charter" on February 13, 1976. The City operates under a "Council-Manager" form of government.

The financial statements of the City of North Myrtle Beach, South Carolina (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City has compiled with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, as amended. GASB Statement No. 34 established new financial reporting requirements for governments and caused to restructure much of the information that the City presented in the past. The more significant of the government's accounting policies are described below.

Using the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the basic financial statements of the City present the reporting entity that consists of the primary government and those organizations for which the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion could cause the City's financial statements to be misleading or incomplete.

"Blended" component units are separate entities that are, substantially, part of the primary government's operations and are combined with financial data of the primary government.

Blended Component Unit

For the year ended June 30, 2009, the City had a 'blended' component unit, North Myrtle Beach Area Historical Museum. The City Council appoints members of the board of directors, and provides the majority of its financial support. The corporation does not issue separate financial statements.

B. Basis of Presentation

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements - The Government-Wide financial statements consists of a Statement of Net Assets and the Statement of Activities and reports information on all of the non-fiduciary activities of the government as a whole. Separate columns are used to distinguish between the City's governmental and business-type activities. Governmental activities are generally those activities financed by taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds. Business-type activities are those activities which are financed in whole or in part by user fees charged to external parties for goods and services. These activities are usually reported in Enterprise Funds. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. At June 30, 2009, there were no material component units of the City.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. **Summary of Significant Accounting Policies (Continued)**

B. Basis of Presentation (Continued)

The Statement of Net Assets reports all financial and capital resources of the City and reports the difference between assets and liabilities as "net assets" not fund balance or equity. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues and reflects the "net (expenses) revenue" of the City's individual functions before applying 'general' revenues.

Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole, and thus reduce the net cost of the function to be financed from the government's general revenues. They 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, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues. All revenues are 'general' revenues unless they are required to be reported as program revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the Government-Wide financial statements. The focus of governmental and proprietary fund financial statements is on 'major' funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with 'non-major' funds being aggregated and displayed in a single column.

The City reports the following 'major' governmental fund: General Fund. The City reports the following 'major' proprietary funds: Water and Sewer Utility Fund, Solid Waste Fund, Aquatic Center Fund, and Beach Service Fund.

A combining schedule of non-major funds is presented separately as part of Other Financial Information. Because of the basis of accounting and reporting differences, summary reconciliations to the Government-Wide financial statements are presented at the end of each applicable fund financial statement.

Governmental Funds

Governmental fund reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. The Governmental Fund category includes the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project 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.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than sources for major capital projects) that are legally restricted to expenditures for specified purposes. The City's Special Revenue Funds consists of the Accommodations (2%) Tax Fund, Local Accommodations (1.5%) Tax Fund, Hospitality (1%) Fee Fund, the Stormwater Fund, plus the blended component unit, Historical Museum Fund.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. **Summary of Significant Accounting Policies (Continued)**

B. Basis of Presentation (Continued)

Debt Service Fund – Debt Service Funds account for the accumulation of financial resources for the payment of interest and principal on certain general long-term debt of the City, other than debt service payments financed by proprietary fund types.

Capital Projects Funds – The Capital Projects Funds are used to account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by the proprietary funds). The City utilizes the following individual Capital Projects Funds: Capital Improvement Fund, Street Improvement Fund, Beach Renourishment Fund, and Park Development Fund.

Proprietary Funds

Proprietary fund reporting primarily focuses on the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. The proprietary fund category includes the Enterprise Fund.

Enterprise Funds – Enterprise Funds are used to account for operations (a) 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; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City uses the Water and Sewer Utility Fund to account for all financial resources associated with furnishing water and sewer service to domestic, business and industrial users; the Solid Waste Fund to account for all revenues and expenses related to the City's solid waste activities; the Aquatic Center Fund to account for all revenues and expenses associated with the operation of the City's Aquatic and Fitness Center; and the Beach Service Fund to account for all revenues and expenses related to the City's beach service activities.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets, and is used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The Fiduciary Fund category includes Pension Trust Funds to account for retirement benefits, and Agency Funds to account for the City's Firemen's Funds.

Pension Trust Funds

A Pension Trust Fund is a fund held by the City in a trustee capacity for retirement plan members, and used to account for the accumulation of assets for the purpose of paying benefits when they become due in accordance with the terms of the plan. Pension Trust Funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is fundamental. The City maintains two pension trust funds – see Note 11.

Agency Funds

Agency Fund is used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. At June 30, 2009, these included Firemen's Fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These activities have been excluded from the City's Government-wide financial statements because the City can not use those assets to finance its operations.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. **Summary of Significant Accounting Policies (Continued)**

C. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting is a conceptual description of the timing of the accounting measurements made.

Under GASB #34, the Government-Wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the budget year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

As a general rule, the effect of interfund activity (i.e. advances or short-term loans) has been eliminated from the Government-Wide financial statements, except for amounts due between the City's governmental activities and business-type activities.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis concept, revenues are recognized when they become measurable (estimable as to the net amount to be collected) and available as current assets. Revenues are considered to be available when they are collected within the current period or soon enough (usually 60 days) thereafter to pay liabilities of the current 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.

Proprietary Fund statements reflect net assets and revenues, expenses and changes in net assets using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis concept, revenues are recognized when earned and expenses are recognized when incurred.

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

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the Government-Wide and Proprietary Fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. The City has elected to apply only applicable Financial Accounting Standards Board (FASB) Statements and Interpretations issued before November 30, 1989, in its accounting and reporting practices for its proprietary fund operations.

The Statement of Fiduciary Net Assets includes information about the assets, liabilities, and net assets for each of the City's fiduciary fund types on the basis of accounting similar to proprietary-type funds, except for agency funds. The Statement of Changes in Fiduciary Net Assets presents information about the additions, deductions, and net increases (or decreases) for the year in net assets for each fiduciary fund type.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts, certain claims and judgment liabilities, and current-portions of compensated absences among other accounts. Actual results could differ from those estimates.

D. Budgets and Budgetary Accounting

The City follows the procedures described below in establishing the budgetary data reflected in the financial statements:

- By May 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures (expenses) and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- By June 30, the budget is legally enacted through passage of an ordinance to set the tax levy (millage) for the fiscal year.
- The City Manager is legally authorized by ordinance to transfer amounts within and between funds; however, any revisions that alter the total expenditures, other than transfers, of the approved initial budget must be approved by the City Council.
- The City employs formal budgetary integration as a management control device during the year and legally adopts a budget for the General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Funds, and Enterprise Funds. The budgets are adopted on a basis consistent with generally accepted accounting principles. Formal budgetary integration is not employed for the Trust and Agency funds.
- Appropriations lapse at the end of each fiscal year.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

D. Budgets and Budgetary Accounting (Continued)

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not used by the City and, accordingly, is not a part of budgetary integration.

Budgeted amounts presented in the financial statements are as originally adopted, or as amended by City Council as of June 30, 2009.

Budget Deficits and Fund Balances

For the year ended June 30, 2009, 'final' budgeted expenditures exceeded estimated revenues of Accommodations (2%) Tax Fund by \$180,300; Stormwater Special Revenue Fund by \$870,000; and Capital Improvement Fund by \$330,735; and Street Improvement Fund by \$875,000. These deficits were funded (if necessary) by unreserved and applicable reserved fund balances and additional unbudgeted revenue.

The Enterprise Funds of the Water and Sewer Utility Fund, the Solid Waste Fund, the Aquatic Center Fund and Beach Service Fund operated under total operating expense budgets equaling \$12.8 million, \$3.5 million, \$2.0 million and \$2.0 million, respectively.

At June 30, 2009, deficit fund balances/net assets resulted in the following: Accommodations (2%) Tax Fund by \$24,257; and Beach Service Enterprise Fund by \$2,232,086. These deficits are expected to be resolved from either future appropriations or revenues.

E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses

Cash and Cash Equivalents, and Investments

The City pools the cash of all funds into a central depository bank account except where legal restrictions prohibit the commingling of funds. Temporary investments are then made from the account in collaborative form in order to maximize the return on invested funds. Therefore, in the "Statement of Cash Flows", all Water and Sewer Utility Fund cash and investments (including restricted assets other than deposits with other agencies) are essentially demand deposits and are considered cash and cash equivalents. Each individual fund's equity in the pooled cash and temporary investments is shown in that fund. Allocation of interest earned is made to each fund based on pro rata equity.

Investments of the Money Purchase Retirement Plans managed by the ICMA Retirement Corporation, a third party administrator, consists of a combination of mutual funds, and money market accounts as selected by the participating employees. All investments are carried at fair value.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated net of their allowance for uncollectible accounts.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses (Continued)

Inventories

Inventories are valued at weighted average cost and consist of expendable supplies held for consumption. Accordingly, the cost is recorded as an asset at the time individual inventory items are purchased and then expended as the supplies are consumed ("consumption method"). Reported inventories in the Governmental Funds are equally offset by a fund balance reserve which indicates that they do not constitute "available expendable resources" even though they are a component of net current assets.

Deferred Charges

Bond issuance costs are deferred and amortized over the life of the related bond issue using the straight-line method. Additionally, the cost of purchased water capacity incurred by the Water and Sewer Utility Fund is being amortized over the longer of the life of the related Water Sale and Purchase Agreement or the useful asset using the straight-line method.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions result in loans or advances between individual funds. The lending fund reports amounts 'due from other funds', while the borrowing fund reports amounts 'due to other funds'. These interfund receivables and payables are classified as "internal balances" on the government-wide Statement of Net Assets and have been eliminated. Amounts payable to the Governmental activities from the Business-type activities are reported as contra-assets in the Proprietary fund financial statements for consistency and clarity in presentation.

Restricted Assets

Restricted accounts include monies or other resources, the use of which is restricted by legal or contractual requirements. In the Water and Sewer Utility Enterprise Fund restricted assets arise from certain bond and contract ordinances.

Capital Assets and Depreciation

Capital assets, which include land, buildings, water and sewer systems, improvements, machinery and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the Government-Wide financial statements. Capital assets of the City that are not specifically related to activities reported in proprietary or fiduciary funds have been reported as assets in the governmental funds column of the Government-Wide financial statement. Capital assets are defined by the City as those assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

All capital assets are valued at historical cost if purchased or constructed, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized.

Public domain (infrastructure) capital assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the government) have been capitalized using actual and estimated historical costs of major general infrastructure assets that were acquired or significantly reconstructed, or that received significant improvements in fiscal years ending after June 30, 1980.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. **Summary of Significant Accounting Policies (Continued)**

E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses (Continued)

Depreciation of all exhaustible capital assets has been provided based on the estimated useful lives of the class of assets, or individual assets using the straight line method with service lives as follows: Buildings – 15 to 40 years; Water and sewer systems – 10 to 60 years; Improvements – 10 to 30 years; Machinery and equipment – 3 to 20 years; Infrastructure – 30 years.

Interest costs incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. During the year ended June 30, 2009, there were no material capitalized interest costs incurred.

Deferred Revenue

In the Government-wide financial statements, and in the Governmental Fund and Proprietary Fund types, certain assets are recognized in connection with a transaction before the earnings process is complete. These assets are generally offset by a corresponding liability for deferred revenue, commonly referred to as unearned revenue. Unearned revenue in the Government-wide and in the Proprietary (Enterprise) financial statements, is represented by various deposits on contracts. In the Governmental Fund financial statements certain assets that are not yet available to finance expenditures for the current fiscal period are classified as deferred revenue.

Long-term Obligations

In the Government-Wide financial statements, and the Proprietary Fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Long-term debt represents unmatured principal of general obligation and revenue bond indebtedness, and outstanding portions due on long-term contracts. Other long-term obligations represent outstanding net present value portions due on capital lease obligations, and long-term portions of claims or judgments. Liabilities arising from interfund activities do not constitute general long-term liabilities.

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as Other Financing Sources.

Compensated Absences (Accrued Vacation)

It is the City's policy to permit employees to accumulate earned but unused vacation leave. In the Government-Wide and Proprietary Fund financial statements, vacation pay is accrued when incurred and reported as a current and long-term liability. In the Governmental Funds, expenditures and liabilities related to these obligations are recognized when they become due. For example, vacation pay that is expected to be liquidated (as a result of paid time-off or cash payments at termination or retirement) with expendable available financial resources is reported as expenditure and a fund liability current-portion of compensated absences are estimated by management based on historical trends. City employees are provided sick leave at the rate of ten working days per year. Employees are not allowed to accumulate sick leave days and any unused sick leave at termination will not be paid.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses (Continued)

Net Assets and Fund Balances

In the Government-Wide financial statements, the difference between the City's total assets and total liabilities represents net assets. Net assets for both the governmental and proprietary fund types displays three components – invested in capital assets, net of related debt; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net assets represent the net assets available for future operations.

In the Fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represents tentative management plans that are subject to change.

In accordance with these criteria, the City utilizes the following fund balance reserves:

RESERVED FOR INVENTORIES AND PREPAID ITEMS – To indicate that an amount equal to the inventory balance at year end is not available for appropriation or expenditure in the General Fund.

RESERVED FOR VICTIM'S ASSISTANCE AND DRUG ENFORCEMENT – To indicate the balance at year end from the Victims' Assistance program and from drug confiscations required by law.

RESERVED FOR GRANTS AND ADMISSIONS TAX – To restrict use of revenues required by grants and by state law.

RESERVED IN CONJUNCTION WITH REVENUE BONDS – To segregate a portion of retained earnings for resources legally restricted by revenue bond ordinances.

RESERVED FOR PENSION TRUST FUNDS – To restrict the use of all resources contributed to or earned by the Pension Trust Funds.

RESERVED FOR SHORE PROTECTION PROJECT – A capital project account used to restrict the use of funds not available for appropriation for any other purpose.

Program and General Revenues

The City charges public fees for building permits and inspections, participation fees for certain recreational activities and stormwater fees. These fees as well as fines for traffic violations and grant revenues are recorded as program revenue in the Statement of Activities.

General revenues reported by the City include property taxes, state shared taxes, business licenses, hospitality fees (which are meal and hotel imposed taxes) and franchise fees (which are general revenue fees in lieu of business licensees).

The City has imposed a one-half (1/2%) percent local accommodations and hospitality tax, which purpose is restricted by State law, with City Council designating such receipts toward the City's Aquatic Center. Accordingly, these funds have been reported as non-operating revenue in the Aquatic Center Enterprise Fund.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses (Continued)

Property Taxes

The City of North Myrtle Beach assesses and levies property taxes in accordance with applicable laws of the State of South Carolina. Real property and personal property of every description owned and used in the City, except that which is exempt from taxation under the Constitution and Laws of the State, is subject to taxation. An annual ordinance establishing the millage rate associated with the levy is adopted each year as a part of the budget adoption process.

Real property and all personal property other than vehicles are assessed for property tax purposes as of December 31 of each year. The basis for value of taxable property within the City is taken from the records of the Horry County Auditor. Taxes are levied on January 1, billed in October, and are due by January 15 in the year following their levy. A penalty of 3% is added to the tax bill on January 16; with an additional 7% added on February 2; and an additional 5% to the tax bill on March 17.

New vehicle property taxes are assessed and levied within 120 days of the registration date of the vehicle and payment is due upon receipt of the property tax notice. Other vehicle property taxes are assessed and levied in the month the vehicle is scheduled for license renewal with the South Carolina Department of Transportation and payment is due before the end of the month of the scheduled renewal.

City property tax revenues are recognized for the budget period to which they apply when they become measurable and available. Delinquent and unpaid property taxes are reported as receivables, less amounts estimated to be uncollectible.

Comparative Data and Reclassifications

Comparative data for the prior year has been presented in selected sections of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. The prior year summarized comparative information has been derived from the City's 2008 audited financial statements. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Restatement of Beginning Fund Balance

The City corrected its June 30, 2008 reported fund balance for its Governmental Funds as a result of its blended component unit, Historical Museum Special Revenue Fund, as follows:

	Other Governmental Funds	Total Governmental Funds
Balances as previously reported June 30, 2008	\$ 2,895,137	\$ 12,585,613
Correction of an error	73,856	73,856
Restated balance, June 30, 2008	<u>\$ 2,968,993</u>	<u>\$ 12,659,469</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

2. Deposits and Investments

Deposits

Custodial credit risk of 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 June 30, 2009, the carrying amount of the City's cash deposits with financial institutions was \$785,152 and the financial institution's balances totaled \$1,077,827. Of this balance, \$748,647 was covered by federal depository insurance and the remaining balance was covered by collateral held by the financial institutions' trust departments in the City's name. At June 30, 2009, the City's deposits were not materially exposed to custodial credit risk.

Investments

Custodial credit risk of investments is the risk that, in the event of a bank failure or the failure of the counterparty, the City will not be able to recover the value of its investments. The City does not have an investment policy for custodial credit risk. At June 30, 2009, the City had the following investment types:

	Fair Value	Weight Average Maturity (years)	Credit Rating
Repurchase agreements	\$ 3,522,841	0.002	n/a
Certificates of deposit	11,000,000	0.05	n/a
Money Market funds	5,030,090	n/a	Aa1
Bond funds	157,224	6-9	AAA
Other mutual funds	5,397,842	n/a	n/a
State of South Carolina Treasurer's Investment Pool	17,432,227	0.5	Unrated
Total fair value	<u>\$ 42,540,224</u>		

At June 30, 2009, the City's investments were not materially exposed to custodial credit risk.

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State statute authorizes the City to invest in obligations of the United States and agencies thereof; general obligations of the State of South Carolina or any of its political units provided such obligations are rated as an "A" or better by Moody's Investors Service, Inc. and Standard and Poor's Corporation or their respective successors; interest bearing accounts in savings and loan associations to the extent that the same are insured by an agency of the Federal government; certificates of deposit where the certificates are collaterally secured by securities of the type described above, held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, provided, however, such collateral shall not be required to the extent the same are insured by an agency of the United States Government; or deposit accounts with banking institutions insured and secured in the same manner. The statutes provide that all authorized investments shall have maturities consistent with the time or times when the invested monies will be needed in cash. Statutes also allow the State Treasurer to assist local governments in investing funds. The State Treasurer also provides oversight for the State Treasurer's Investment Pool, of which, the fair value of the City's investments is the same as the value of the pooled shares. The City is under no contractual agreements which restrict investment alternatives. The City has no investment policy that would further limit its investment choices.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

2. Deposits and Investments (Continued)

Concentration of Credit Risk. The City places no limit on the amount it may invest in any one issuer. More than 5 percent of the City's investments are in repurchase agreements, bank certificates of deposit, mutual funds, and pooled with the State Treasurer's investments. The concentrations of these investments are 8%, 26%, 25% and 41% respectively, of the City's total investments.

A reconciliation of deposits and investments to cash and cash equivalents shown on the Government-wide and Fiduciary financial statements at June 30, 2009 are as follows:

Cash on hand	\$ 11,474
Carrying amount of cash deposits	785,152
Carrying amount of investments	42,540,224
Total	<u>\$ 43,336,850</u>
Government-wide Statement of Net Assets:	
Cash and cash equivalents	\$ 8,070,510
Equity in pooled cash and cash equivalents	11,076,017
Cash and cash equivalents-restricted	9,760,555
Equity in pooled cash and cash equivalents-restricted	3,834,770
Statement of Fiduciary Net Assets:	
Cash and cash equivalents – Agency Fund	9,843
Investments – Pension Trust Funds:	
Money Purchase Retirement Plan #1	10,260,333
Money Purchase Retirement Plan #2	324,822
Total	<u>\$ 43,336,850</u>

3. Receivables

Receivables at June 30, 2009, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Property taxes	\$ 871,523	\$ —
Franchise fees	585,680	—
Grants	352,221	—
Stormwater fees	64,244	—
Local accommodation and hospitality fees	574,008	—
Water and sewer accounts	—	1,478,230
Solid waste user fees	—	139,872
Aquatic Center	—	31,553
Beach Service	—	16,047
Defined Benefit Pension Trust Fund (terminated plan)	147,531	—
Other	9,286	—
Gross receivables	<u>2,604,493</u>	<u>1,665,702</u>
Less: allowance for uncollectibles	<u>(836,717)</u>	<u>(910)</u>
Net total receivables	<u>\$ 1,767,776</u>	<u>\$ 1,664,792</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

4. Due To/From Other Funds

In the Governmental and Proprietary Enterprise Fund financial statements, short-term interfund receivables and payables at June 30, 2009, were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<u>Governmental Funds</u>		
General Fund	\$ 2,172,648	\$ —
Special Revenue Fund:		
Accommodations (2%) Tax	—	389,215
Local Accommodations (1.5%) Tax Fund	—	363,425
Hospitality Fees (1%) Fund	—	210,583
Stormwater Drainage	3,215,275	
Capital Projects Funds:		
Capital Improvement Fund	—	—
Street Improvement Fund	—	—
Beach Renourishment Fund	—	—
<u>Proprietary Funds</u>		
Enterprise Fund:		
Water and Sewer Utility Fund	—	—
Solid Waste Enterprise Fund	—	1,009,458
Aquatic Center Fund	120,805	320,772
Beach Service Fund	—	3,215,275
	<u>\$ 5,508,728</u>	<u>\$ 5,508,728</u>

Net internal balances between Governmental and Business-type activities equaled \$4,424,700, and resulted from short-term loans between individual funds. Transfers of monies in/out of Governmental and Business-type activities equaled \$1,041,218 and resulted in budgeted amounts being moved between the funds.

5. Due To/From Other Governments

The amounts due from other governmental agencies include the following:

	<u>Due From</u>	<u>Due To</u>
<u>Governmental Activities</u>		
General Fund:		
Grants	\$ 279,867	\$ —
Abandoned property	—	14,327
Special Revenue Fund:		
Accommodations (2%) Tax Fund	604,255	—
	<u>\$ 884,122</u>	<u>\$ 14,327</u>
<u>Business-type Activities</u>		
Water and Sewer Utility Fund:		
Grants	\$ 640,125	\$ —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Capital Assets

A summary of the changes in the City's capital assets during the year ended June 30, 2009, are as follows:

Governmental Activities:

	Balance June 30, 2008	Additions	Retirements	Transfers	Balance June 30, 2009
Capital assets not being depreciated:					
Land	\$ 10,281,230	\$ 409,942	\$ —	\$ —	\$ 10,691,172
Construction in progress	354,466	3,702,622	—	(40,891)	4,016,197
Total capital assets not being depreciated	10,635,696	4,112,564	—	(40,891)	14,707,369
Capital assets being depreciated:					
Buildings	16,674,269	—	—	—	16,674,269
Improvements	5,083,698	522,716	—	40,891	5,647,305
Machinery and equipment	13,697,893	1,017,701	(101,109)	—	14,614,485
Infrastructure	46,753,683	3,684,271	—	—	50,437,954
Total capital assets being depreciated	82,209,543	5,224,688	(101,109)	40,891	87,374,013
Less, accumulated depreciation for:					
Buildings	(5,272,710)	(473,200)	—	—	(5,745,910)
Improvements	(1,935,082)	(283,601)	—	—	(2,218,683)
Machinery and equipment	(8,234,587)	(1,214,785)	101,109	—	(9,348,263)
Infrastructure	(9,812,630)	(1,651,866)	—	—	(11,464,496)
Total accumulated depreciation	(25,255,009)	(3,623,452)	101,109	—	(28,777,352)
Total capital assets being depreciated, net	56,954,534	1,601,236	—	40,891	58,596,661
Net capital assets – Governmental Activities	<u>\$ 67,590,230</u>	<u>\$ 5,713,800</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 73,304,030</u>

For the year ended June 30, 2009, depreciation expenses charged to Governmental Activities totaled \$3,623,452, which has been allocated to the respective functions, except for \$756,800 disclosed as unallocated on the Statement of Activities.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Capital Assets (Continued)

Business-type Activities:

	Balance June 30, 2008	Additions	Retirements	Transfers	Balance June 30, 2009
Capital assets not being depreciated:					
Land	\$ 227,014	\$ 5,000	\$ —	\$ —	\$ 232,014
Construction in progress	2,986,145	2,053,570	—	—	5,039,715
Total capital assets not being depreciated	3,213,159	2,058,570	—	—	5,271,729
Capital assets being depreciated:					
Buildings	11,095,444	—	—	—	11,095,444
Water and sewer systems	86,504,850	2,457,914	—	—	88,962,765
Improvements	23,281	10,420	—	—	33,701
Machinery and equipment	10,541,833	995,725	(47,726)	—	11,489,831
Total capital assets being depreciated	108,165,408	3,464,059	(47,726)	—	111,581,741
Less, accumulated depreciation:					
Buildings	(1,049,362)	(297,597)	—	—	(1,346,959)
Water and sewer systems	(24,540,617)	(2,424,545)	—	—	(26,965,162)
Improvements	(20,908)	(661)	—	—	(21,569)
Machinery and equipment	(6,795,361)	(1,140,823)	47,726	—	(7,888,458)
Total accumulated depreciation	(32,406,248)	(3,863,626)	47,726	—	(36,222,148)
Total capital assets being depreciated, net	75,759,160	(399,567)	—	—	75,359,592
Net capital assets – Business-type Activities	\$ 78,972,319	\$ 1,659,003	\$ —	\$ —	\$ 80,631,322

A summary of Proprietary Fund Type capital assets at June 30, 2009, is as follows:

	Water and Sewer Utility	Solid Waste Fund	Aquatic Center Fund	Beach Service Fund	Total
Land	\$ 232,014	\$ —	\$ —	\$ —	\$ 232,014
Buildings	668,218	313,200	9,700,878	413,148	11,095,444
Water and sewer systems	88,962,765	—	—	—	88,962,765
Other improvements	—	32,262	1,439	—	33,701
Machinery and equipment	4,754,188	4,702,611	648,032	1,385,000	11,489,831
Construction in progress	5,039,715	—	—	—	5,039,715
Totals	99,656,900	5,048,073	10,350,349	1,798,148	116,853,470
Less, accumulated depreciation	(30,735,645)	(3,525,222)	(1,313,362)	(647,919)	(36,222,148)
Net capital assets – Proprietary Funds	\$ 68,921,255	\$ 1,522,851	\$ 9,036,987	\$ 1,150,229	\$ 80,631,322

For the year ended June 30, 2009, depreciation expenses were charged to Business-type activities totaling \$3,863,626 (Water and Sewer Utility – \$2,832,667, Solid Waste Fund – \$391,155, Aquatic Center Fund – \$381,120, and Beach Service – \$258,684, respectively).

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt

Long-term debt of the City at June 30, 2009, consisted of the following:

A. Governmental Activities

	Date of Issue	Interest Rate	Amount Outstanding	Final Maturity Dates
<u>General Obligation Bonds:</u>				
Municipal Building	10/17/00	5.31%	\$ 600,000	March 1, 2010
Refunding	12/30/02	3.88%	548,000	February 1, 2012
Municipal Roads	4/22/09	3.26%	5,100,000	April 22, 2019
<u>Revenue Bonds:</u>				
Stormwater	7/08/04	3.77%	3,478,867	September 8, 2012
Total general obligation and revenue bonds			9,726,867	
Less, current portions (payable within one year)			(2,243,038)	
			<u>7,483,829</u>	
<u>Capital Lease:</u>				
Equipment lease '06	4/5/06	3.99%	836,629	April 5, 2011
Less, current portions (payable within one year)			(410,132)	
			<u>426,497</u>	
<u>Accrued Compensated Absences</u>			965,500	
Less, current portions (payable within one year)			(95,113)	
			<u>870,387</u>	
Total Long-Term Debt — Governmental Activities			<u>\$ 8,780,713</u>	

B. Business-type Activities

	Date of Issue	Interest Rate	Amount Outstanding	Final Maturity Dates
<u>Water and Sewer Utility Fund</u>				
Contract payable:				
Myrtle Beach/Grand Strand Water Sale and Purchase Agreement Series	09/18/91	2.75%-5.50%	\$ 10,695,000	March 1, 2020
Less, current portions (payable within one year)			(775,000)	
			<u>9,920,000</u>	
<u>Aquatic Center Enterprise Fund</u>				
Aquatics and Fitness Center Note	11/13/03	4.10%	7,048,815	November 13, 2023
Less, current portions (payable within one year)			(349,418)	
			<u>6,699,397</u>	
<u>Accrued Compensated Absences</u>			308,254	
Less, current portions (payable within one year)			(308,254)	
			<u>—</u>	
Total Long-Term Debt — Business-type Activities			<u>\$ 16,619,397</u>	

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt (Continued)

C. Changes in Total Long-term Debt

Changes in the long-term debt of the City during the year ended June 30, 2009, were as follows:

	Date of Issue	Outstanding 6/30/08	Additions	Retirements	Outstanding 6/30/09
Governmental Activities					
<u>General Obligation Bonds:</u>					
Municipal Building	10/17/00	\$ 1,175,000	\$ —	\$ (575,000)	\$ 600,000
Refunding	12/30/02	720,000	—	(172,000)	548,000
Municipal Roads	4/22/09	—	5,100,000	—	5,100,000
Total general obligation bonds		<u>\$ 1,895,000</u>	<u>\$ 5,100,000</u>	<u>\$ (747,000)</u>	<u>\$ 6,248,000</u>
<u>Revenue Bonds:</u>					
Stormwater	7/08/04	<u>\$ 4,467,410</u>	<u>\$ —</u>	<u>\$ (988,543)</u>	<u>\$ 3,478,867</u>
<u>Capital Lease Payable:</u>					
New equipment lease '06	4/5/06	<u>\$ 1,231,025</u>	<u>\$ —</u>	<u>\$ (394,396)</u>	<u>\$ 836,629</u>
<u>Accrued Compensated Absences:</u>					
Liability for vacation pay:		<u>\$ 817,355</u>	<u>\$ 245,160</u>	<u>\$ (97,015)</u>	<u>\$ 965,500</u>
Business-type Activities					
<u>Revenue Bonds:</u>					
Water and sewer system refunding	11/16/01	\$ 255,000	\$ —	\$ (255,000)	\$ —
<u>Contracts Payable:</u>					
Myrtle Beach/Grand Strand Water Sales and Purchase Agreement (see Note 8)	09/18/91	<u>\$ 11,433,333</u>	<u>\$ —</u>	<u>\$ (738,333)</u>	<u>\$ 10,695,000</u>
<u>Notes Payable:</u>					
Aquatics and fitness center note obligation	11/13/03	<u>\$ 7,384,471</u>	<u>\$ —</u>	<u>\$ (335,656)</u>	<u>\$ 7,048,815</u>
<u>Accrued Compensated Absences:</u>					
Liability for vacation pay:		<u>\$ 293,009</u>	<u>\$ 308,254</u>	<u>\$ (293,009)</u>	<u>\$ 308,254</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt (Continued)

D. Annual Requirements for Long-term Debt

The annual debt service requirements to amortize all of the City's long-term debt, except accrued compensated absences, are summarized below:

	Interest Requirements	Principal Requirements	Total Requirements
General Obligation Bonds:			
2010 (Due within one year)	219,382	1,216,576	1,435,958
2011	166,324	638,906	805,230
2012	144,348	654,703	799,051
2013	121,853	483,983	605,836
2014	106,075	499,761	605,836
2015-2019	275,109	2,754,071	3,029,180
	<u>\$ 1,033,091</u>	<u>\$ 6,248,000</u>	<u>\$ 7,281,091</u>
Revenue Bonds: (Stormwater Utility)			
2010 (Due within one year)	113,538	1,026,462	1,140,000
2011	74,164	1,065,836	1,140,000
2012	33,280	1,106,720	1,140,000
2013	5,151	279,849	285,000
	<u>\$ 226,133</u>	<u>\$ 3,478,867</u>	<u>\$ 3,705,000</u>
Contract Payable:			
2010 (Due within one year)	569,075	775,000	1,344,075
2011	526,450	810,000	1,336,450
2012	481,900	856,667	1,338,567
2013	434,783	905,000	1,339,783
2014	385,788	950,000	1,335,788
2015-2019	1,126,125	5,555,000	6,681,125
2020	44,275	843,333	887,608
	<u>\$ 3,568,396</u>	<u>\$ 10,695,000</u>	<u>\$ 14,263,396</u>
Note Payable:			
2010 (Due within one year)	289,001	349,418	638,419
2011	274,675	363,744	638,419
2012	259,762	378,657	638,419
2013	244,237	394,182	638,419
2014	228,075	410,344	638,419
2015-2019	873,788	2,318,208	3,192,095
2020-2024	357,934	2,834,162	3,192,096
	<u>\$ 2,527,472</u>	<u>\$ 7,048,715</u>	<u>\$ 9,576,286</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Long-Term Debt (Continued)

D. Annual Requirements for Long-term Debt (Continued)

Capital Lease Obligations

At June 30, 2009, the City maintained capital lease for its Smartnet Motorola system and various equipment in Governmental Activities with a gross value of \$1,916,167. The future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	
2010	\$ 443,514
2011	443,514
Total lease payments	887,028
Less, interest	(50,399)
Present value of future minimum lease payments	836,629
Less, current portion	(410,132)
Total non-current portion	<u>\$ 426,497</u>

E. Revenue Bond Requirements

The ordinance provisions supporting the Stormwater Utility Revenue Bonds and the Water and Sewer System Refunding Revenue Bonds require the maintenance of the following funds:

Gross Revenue Fund – All revenues generated respectively by the Stormwater Utility and the Water and Sewer System are to be deposited in this fund. This revenue is included in the Stormwater Special Revenue Fund and Water and Sewer Enterprise Fund.

Operation and Maintenance Fund – This fund is intended to provide for the payment of expenses incurred in connection with the administration and operation of the system, and such expenses as may be necessary to preserve the system in good repair and working order. These expenses are included in the Stormwater Special Revenue Fund and Water and Sewer Enterprise Fund, respectively.

Debt Service Fund – Transfers from the Gross Revenue Fund are required to meet bond redemptions and interest payments. This account is titled "Bond and Interest Redemption and Cushion Funds" in the Water and Sewer Enterprise Fund and the Stormwater Debt Service Fund, respectively. Additionally, in lieu of making deposits into a Debt Service Reserve Fund, the City has obtained a Debt Service Reserve Surety Bond issued by a third-party guarantor.

Depreciation and Contingent Fund – A transfer from the Gross Revenue Fund is required annually in an amount determined by the City. These funds are to be used for the purposes of restoring depreciated or obsolete items of the system and for contingencies, improvements, betterments and extensions of the system. At June 30, 2009, no amounts have been transferred.

There are a number of limitations and restrictions contained in the respective revenue bond indentures, all of which the City complied at June 30, 2009.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Contracts Payable and Long-term Commitments

Water Sale and Purchase Agreement

The City is obligated under a Water Sale and Purchase Agreement (the Agreement), whereby the City purchased capacity of eleven million gallons per day in the City of Myrtle Beach, South Carolina (Myrtle Beach) water treatment plant. During 2006, Myrtle Beach assigned all of its rights, title and interest of the contract to Grand Strand Water and Sewer Authority (GSWSA). The City's obligation under the Agreement is to make payments to GSWSA solely from charges for water services. The City does not receive any ownership rights in the water treatment plant under the Agreement and is obligated to make the scheduled payments regardless of actual usage of water from the system. The Agreement expires in 2021 upon the final maturity of the related bonds.

The City's purchase cost incurred, which consists of a pro rata portion of original construction costs incurred by Myrtle Beach, has been recorded by the City as an asset ("deferred charge"), net of amortization, in the Water and Sewer Utility Fund.

At year end June 30, 2009, net carrying value of the deferred charge equaled \$7,877,580 and accumulated amortization expense equaled \$11,682,243. For 2009, amortization expense equaled \$654,069. The City's obligation to make payments to GSWSA to retire a pro rata portion of the principal of bonds issued by GSWSA to finance the water treatment plant has been recorded as contracts payable in the Water and Sewer Utility Fund (see Note 7). Additionally, the City is obligated to make a monthly payment attributable to its pro rata share of the cost of operating and maintaining the water treatment plant and related booster pumps. Currently estimated annual costs, which will be charged to expense as incurred, are approximately \$500,000 plus twenty (20) percent of the annual debt service component. A portion of the annual operating cost paid is deposited into a Renewal and Replacement Fund held by GSWSA to provide for depreciation, contingencies, improvements and extensions of the plant. If at the end of any fiscal year, there shall be on deposit in the Renewal and Replacement Fund an amount in excess of \$1,000,000, the City will be entitled to a reimbursement from GSWSA. Deposits on hand with GSWSA as of June 30, 2009 have been reported in the Enterprise Fund as restricted assets.

During the term of the Agreement, the City covenants that it will maintain rates and charges for its water and sewer system to enable the Water and Sewer Enterprise Fund to maintain the sum of net income, depreciation, amortization and interest at levels equal to at least 120% of total debt service requirements for each year.

Wastewater Treatment Service Agreement

The City is obligated under a Wastewater Treatment Service Agreement with the Grand Strand Water and Sewer Authority (GSWSA), an independent authority whose membership is appointed by elected officials from Horry County, South Carolina, to provide wastewater treatment services for the City. Under the agreement, the City is obligated to pay periodically an amount based on volume usage equal to a pro rata share of GSWSA's cost of wastewater treatment. The term of the agreement expires in the year 2020.

During FY 03-04, the City exercised its option and acquired additional sewer capacity from GSWSA at a cost of approximately \$9.0 million for 3.0 million gallons per day (mgd). The total capacity of the City's wastewater treatment plants is 5.4 mgd. At June 30, 2009, net carrying value equaled \$7,765,999 and accumulated amortization expense equaled \$1,238,058. For 2009, amortization expense equaled \$225,102.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. Capital Contributions

Capacity (system impact) charges, non-operating grants, and other capital contributions have been recognized in the Government-Wide financial statements and in the Proprietary Funds as a change in net assets. Capacity (system impact) charges are designed to reimburse the City for cost of providing additional facilities and services made necessary by the impact of new utility users. Capacity charges are recognized when the fees become non-refundable, typically when the construction is completed.

For the Proprietary Fund, a summary of capacity charges recognized and system contributions deeded from developers during the year ended June 30, 2009, were as follows:

Utility system impact fees	\$	1,102,545
System contributions by developers		1,961,669
Total capital contributions	\$	<u>3,064,214</u>

10. Net Assets

Net assets of the Government-Wide and Proprietary Fund financial statements represent the difference between assets and liabilities. Reported amounts for invested in capital assets and restricted net assets were as follows:

	Governmental Activities	Business-type Activities
Invested in Capital Assets, Net of Related Debt:		
Net capital assets	\$ 73,304,030	\$ 80,631,322
Less, G.O., revenue bonds, note and capital lease payable.	(10,563,495)	(7,048,815)
Less, construction and retainage payable for capital items	(353,263)	(111,643)
Total invested in capital assets, net of related debt	\$ <u>62,387,272</u>	\$ <u>73,470,864</u>
Restricted:		
Equity in pooled cash and cash equivalents	\$ 126,857	\$ —
Restricted cash, cash equivalents and deposits	434,761	13,440,564
Less, liabilities payable from restricted assets	(191,371)	(1,868,775)
	\$ <u>370,247</u>	\$ <u>11,571,789</u>
Restricted net assets:		
Public safety:		
Victims' assistance programs	\$ 87,279	\$ —
Drug enforcement programs	203,897	—
Scholarships	44,505	—
Public works:		
Shore protection project	34,566	—
Future capacity of utility	—	11,571,789
Total restricted net assets	\$ <u>370,247</u>	\$ <u>11,571,789</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Retirement Plans

The City presently maintains two defined contribution plans (Money Purchase Retirement Plans #1 and #2) and also participates in the South Carolina Police Officers Retirement System, a cost-sharing multiple-employer public employee retirement system. Detailed disclosures about each of these plans follow:

Money Purchase Retirement Plans

A. Plan Description

In 1994, the City established a money purchase plan and trust Money Purchase Retirement Plans #1 and #2 to be known as "North Myrtle Beach 401(a) Plan for General Employees and Firefighters".

The Money Purchase Retirement Plans #1 and #2 are single-employer defined contribution retirement systems administered by the International City Managers' Association (ICMA) Retirement Corporation. The City is the only non employee contributor to the plans. All employees of the City are covered by the two plans with Plan #2 covering certain administrative personnel and Plan #1 covering the balance of the work force.

The plan provides retirement benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined. The benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. Contributions made by participants vest immediately and participant loans are permitted.

B. Basic Provisions

The City has adopted the Declaration of trust of the ICMA Retirement Trust. Under terms of the trust, the City (as Trustee), or the Plan Administrator acting as agent for the trustee, shall have the investment powers listed in the Declaration with respect to investment of Trust, except to the extent that the investment of Trust assets is controlled by participants.

The Trust created under the plan shall consist of all the assets of the Plan derived from employer contributions and participant contributions under the plan, plus any income and gains thereon, less any losses, expenses, and distributions to participants and beneficiaries.

Contributions from the City and the City's employees are recognized as revenue in the period in which employees provide services to the City. Investment income is recognized as earned by the pension plan. The net appreciation (depreciation) in the fair value of investments held by the pension plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the balance sheet. Investments in securities are valued at current market prices. No investment in any one organization represents 5% or more of the net assets available for pension benefits. There are no investments in, loans to, or leases with parties related to the pension plan.

At June 30, 2009, separate, GAAP financial reports have not been issued for the Money Purchase Retirement Plans #1 and #2.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Retirement Plans (Continued)

Money Purchase Retirement Plans (Continued)

C. Funding Policy

For Plan #1, the City contributes 8% of the employees' gross earnings and each participant is required to contribute 2%. Contributions made by the City are vested 100% after 5 years of full-time employment. For Plan #2, the City and each participant contribute 12% and contributions vest immediately. As of June 30, 2009, the plans' participants equaled 211 employees. The gross payroll for the employees covered by the plans for the year ended June 30, 2009, approximated \$9,583,250. The City's total payroll, without adjustment for accruals, was approximately \$17,667,929. Employer contributions to Plan #1 and Plan #2 for the year ended June 30, 2009, equaled \$766,660 and \$10,923, respectively, and represented approximately 8% and 12%, respectively, of covered payroll. Employee contributions to Plan #1 and #2 for the year ended June 30, 2009, equaled \$189,521 and \$10,923 respectively.

D. Condensed Financial Information

Combining Statement of Plan Net Assets
June 30, 2009

	Pension Trust Funds		
	Money Purchase Retirement Plan #1	Money Purchase Retirement Plan #2	Combined Total
Assets			
Cash and temporary investments	\$ 10,260,333	\$ 324,822	\$ 10,585,155
Receivables – Participant loans	659,729	—	659,729
Total assets	<u>\$ 10,920,062</u>	<u>\$ 324,822</u>	<u>\$ 11,244,884</u>
Net Assets			
Held in trust for employee's pension benefits	<u>\$ 10,920,062</u>	<u>\$ 324,822</u>	<u>\$ 11,244,884</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Retirement Plans (Continued)

Money Purchase Retirement Plans (Continued)

Combining Statement of Changes of Plan Net Assets
Year Ended June 30, 2009

	Pension Trust Funds		
	Money Purchase Retirement Plan #1	Money Purchase Retirement Plan #2	Combined Total
Additions			
Employer contributions	\$ 766,660	\$ 10,923	\$ 777,583
Employee (member) contributions	189,520	10,923	200,443
Investment income (loss)	(1,438,025)	(39,456)	(1,477,481)
Non-vested rollover	—	—	—
Total additions	<u>(481,845)</u>	<u>(17,610)</u>	<u>(499,455)</u>
Deductions			
Benefit payments/loan issuance costs	743,350	—	743,350
Trustee fees	—	—	—
Forfeitures	—	—	—
Total deductions	<u>743,350</u>	<u>—</u>	<u>743,350</u>
Change in net assets	(1,225,195)	(17,610)	(1,242,805)
Net assets, beginning of year	12,145,257	342,432	12,487,689
Net assets, end of year	<u>\$ 10,920,062</u>	<u>\$ 324,822</u>	<u>\$ 11,244,884</u>

South Carolina Police Officers Retirement System

A. Plan Description

The City participates in the South Carolina Police Officers Retirement System (PORS), which is a cost-sharing multi-employer defined benefit pension plan administered by the Retirement Division of the State Budget and Control Board. City police officers and certain other public safety officers are required to participate in and contribute to the PORS as a condition of employment.

The South Carolina Police Officers Retirement System offers retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the SC Code of Laws.

A comprehensive annual financial report containing financial statements and required supplementary information for the South Carolina Police Officers Retirement System is issued and publicly available by writing the South Carolina Retirement System, P. O. Box 11960, Columbia, SC 29211-1960.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Retirement Plans (Continued)

South Carolina Police Officers Retirement System (Continued)

B. Funding Policy

Both employees and employers are required to contribute to the Plan under authority of Title 9 of the SC Code of Laws.

Employees are required to contribute 6.5% of their salary to the Plan.

Employers are required to contribute to the Plan at an actuarially determined rate. The rate for the year ended June 30, 2009, was 10.3%. In addition, the City contributes .2% to provide group life insurance and .2% to provide accidental death benefits. The City's contributions to the PORS for the years ending June 30, 2009, 2008 and 2007 were \$668,346, \$632,882, and \$592,619, respectively, equal to the required contributions for each year.

City of North Myrtle Beach Death, Disability and Retirement Benefit Plan-Terminated

Prior to FY 95, the City maintained its own self-funded death, disability and retirement plan. The plan was a single-employer, defined benefit pension plan administered by the City, as trustee, with plan assets held by a commercial bank under the terms of a custodial and management agreement with the City. In 1994, the City, via resolution, terminated the plan, which effectively ceased all future participation requirements and benefit accruals. All remaining net assets available for benefits (\$366,421 at June 30, 2009) are maintained by a third-party trustee. At June 30, 2009, \$87,707 has been recorded as a receivable in the General Fund (*see Note 3*) from the excess of net assets over actuarial liabilities.

All City employees who were actively employed by the City as of June 30, 1994 and whose customary employment was for at least 30 hours per week were eligible and were required to participate in the City's Money Purchase Retirement Plans with all applicable net assets of the terminated plan being transferred accordingly.

For those employees who have retired under the terminated plan, or vested employees who had left the City employ prior to plan termination, will receive a comparable level of benefits as defined by the plan and trust agreement, or a negotiated settlement.

12. Risk Management

The City is exposed to various risks of loss related to torts-theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial property insurance coverage and general liability coverage for these risks, except as noted below. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the last three fiscal years.

The City participates in the South Carolina Municipal Insurance and Risk Financing Fund (SCMIRF), an insurance pool currently operating as a common risk management and insurance program. The pool provides coverage up to \$500,000 for property and liability insurance. The pool has excess commercial insurance that increases coverage to \$300,000 (per occurrence) for property, \$1 million for liability, \$75 million for boiler and machinery and \$100,000 surety coverage. The City pays an annual premium to SCMIRF for its general insurance coverage. Payments made for the year ended June 30, 2009, were \$656,255.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

12. Risk Management (Continued)

The City participates in the South Carolina Local Government Assurance Group (SCLGAG) to provide for the administration of a plan providing health insurance coverage to all employees. Effective July 1, 1997, the City changed its plan and became an "experience rated" participant in the SCLGAG. Claims in excess of \$100,000 (stop-loss provision) are insured by a private carrier selected by the SCLGAG. Cash is transferred, in the form of "contributions" monthly to the SCLGAG to provide for the payment of claims, including a reserve against unusually large claims, as they are filed. The SCLGAG experienced rated members collectively share in claims between \$60,000 and \$100,000.

The City participates in the South Carolina Municipal Insurance Trust (SCMIT), an insurance pool covering the City's worker's compensation liability program. The City funds the costs by charging premiums to user departments. Claims in excess of \$600,000 (stop-loss provision) are issued by a private carrier selected by the SCMIT. The City made premium payments totaling \$493,919 for the year ended June 30, 2009. The limits of liability for tort actions not specifically exempt by the South Carolina Government Tort Claims Act are \$300,000 per person and \$600,000 per occurrence.

Changes in the aggregate liability are as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Unpaid claims at beginning of year	\$ 4,204	\$ 80,874	\$ 189,337
Incurred claims for current and prior year events where the City has retained risk of loss	3,120,321	3,280,261	2,527,933
Payments on claims for current and prior year events where the City has retained risk of loss	<u>(3,336,356)</u>	<u>(3,203,591)</u>	<u>(2,636,396)</u>
(Reserve)/unpaid claims at end of year	<u>\$ (211,831)</u>	<u>\$ 4,204</u>	<u>\$ 80,874</u>

The City also is self-insured for unemployment benefits. Claims are administered by the South Carolina Employment Security Commission and are then reimbursed by the City. No liability has been accrued at year end for potential claims, as they are expected to be minimal.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

13. Post-Employment Benefits Other Than Pension

Plan Description

In addition to the pension benefits described in *Note 11*, the City maintains a policy whereby an employee who has 20 years of continuous service with the City will have the opportunity to participate in the City's single employer defined benefit other post-employment benefit (OPEB) plan, hereafter referred to as "OPEB" or the "Program". The plan offers retired employees' premium payments for the employee group health insurance plan (including dental) at no cost. The City's policy premium rates were \$6,516 for the retiree and \$6,516 for the spouse for the year ended June 30, 2009. The retiree pays nothing for retiree only coverage and pays the full premium rate of \$6,516 for spouse coverage. The program covers the retired employee until the earlier of (1) the retired employee reaches age 65, or (2) the retired employee qualifies for health insurance under another plan. The City currently administers the program and maintains the authority for establishing benefits and funding policy. The program does not issue separate stand alone financial statements and is not included in the financial statements of another entity.

Funding Policy

The City's contributions are financed on a pay-as-you-go basis and therefore, no trust fund has been established which would maintain plan net assets. At June 30, 2009, the City had 16 retired employees who are covered under this program, with an average age of 64.0 years covered by the program and monthly premium costs averaging \$543 per participant. Total expenses incurred by the City for the year ended June 30, 2009 were \$91,303 or 7.52% of the annual required contribution.

Annual Other Post-Employment Benefit (OPEB) Cost

The annual required contribution ("ARC") represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's annual other post-employment benefit (OPEB) cost for the current year and the related information for the program is as follows:

Employer normal costs	\$ 693,856
Amortization of UAL	450,869
Annual required contribution (ARC)	<u>1,144,725</u>
Interest on net other post-employment benefit (OPEB) obligation	93,645
Adjustment to required annual contribution	<u>—</u>
Annual other post-employment benefit (OPEB) cost	1,238,370
Contributions made	<u>—</u>
Increase in net other post-employment benefit (OPEB) obligation	1,238,370
Net other post-employment benefit (OPEB) obligation – beginning of year	<u>—</u>
Net other post-employment benefit (OPEB) obligation – end of year	<u>\$ 1,238,370</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

13. Post Employment Benefits Other Than Pension (Continued)

Funded Status and Funding Progress

The actuarial accrued liability for benefits was \$8,108,305, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$17,667,929, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 45.9 percent.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the other post-employment benefit (OPEB) and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of other post-employment benefit (OPEB) assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive program (the program as understood by the City and participants) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the participants to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued other post-employment benefit (OPEB) liabilities and the actuarial value of other post-employment benefit (OPEB) assets.

In the actuarial valuation dated July 1, 2008, the Projected Unit cost method and the Dollar Closed amortization method were used. The unfunded actuarial accrued liability ("UAAL") amortization payment is the fixed amount of payroll required to fully amortize the UAAL over a 30 year period. The remaining amortization period is 30 years. The actuarial assumptions included an estimated investment rate of return of 4.00% (which is the annual return net of both administrative and investment related expenses) and a healthcare inflation rate of 5% annually.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

14. Contingencies

Litigation

The City is party to legal proceedings that normally occur in governmental operations. City officials believe the legal proceedings are not likely to have a material adverse impact on the affected funds of the City.

Federal and State Assisted Programs

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to insure compliance with conditions precedent to the granting of funds.

Such audits could result in the refund of grant monies to the grantor agencies. However, management believes that any required refunds would be immaterial and no provision has been made in the accompanying financial statements for the refund of grant monies.

15. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanations of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The Governmental Fund Balance Sheet includes a reconciliation between fund balance amounts and Net Assets-Governmental Activities. The details of the reconciled amounts are as follows:

Capital assets in governmental activities are not financial resources and therefore are not reported in the fund financial statements:

Capital assets	\$ 102,081,382
Less, accumulated depreciation	<u>(28,777,352)</u>
Net amount reported	<u>\$ 73,304,030</u>

Some of the City's taxes will be collected after year end, but are not available soon enough to pay for current period's expenditures:

Property taxes, net of allowance for uncollectible	\$ 159,090
Net amount reported	<u>\$ 159,090</u>

Long-term liabilities, including accrued interest, are not due and payable in the current period and therefore are not reported in the fund financial statements:

Accrued interest expense	\$ (55,101)
General obligation bonds payable	(6,248,000)
Revenue bonds payable	(3,478,866)
Capital lease payable	(836,629)
Accrued compensated absences – long-term portion	(870,387)
Other Post Employment Benefits (OPEB)	<u>(926,205)</u>
Net amount reported	<u>\$ (12,415,188)</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

15. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

B. Explanations of Differences Between the Governmental Fund Statement of Revenue, Expenditures and Fund Balances and the Government-Wide Statement of Activities

The Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances include a reconciliation between net changes in fund balance and Changes in Net Assets-Governmental Activities. The details of the reconciled amounts are as follows:

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

Capital outlay expenditures	\$ 9,337,252
Depreciation expense	<u>(3,623,452)</u>
Net amount reported	<u>\$ 5,713,800</u>

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

Other Post Employment Benefit (OPEB)	\$ (926,205)
Accrued interest expense - net	(10,384)
Other	<u>(9,599)</u>
Net amount reported	<u>\$ (946,188)</u>

The issuance of long - term debt provides current financial resources to governmental funds, while repayment of principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long - term debt and related items:

Bond Proceeds	\$ (5,100,000)
Principal repayments - G.O. Bonds, revenue bonds and capital lease and transfers to escrow agents and other related costs	<u>1,979,893</u>
Net amount reported	<u>\$ (3,120,107)</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED JUNE 30, 2009

(With comparative actual amounts for June 30, 2008)

	2009		Actual	Variance Positive (Neg.)	2008
	Budget				Actual
	Original	Final			
Revenue					
Current property taxes	\$ 8,450,000	\$10,410,000	\$10,903,564	\$ 493,564	\$ 9,337,950
Delinquent property taxes	190,000	205,000	167,342	(37,658)	166,898
Licenses and permits	8,333,000	8,610,500	7,105,498	1,505,002	7,368,349
Fines and forfeitures	649,000	599,000	594,020	(4,980)	498,923
Use of money and property	585,000	485,000	238,245	(246,755)	402,030
Unrestricted intergovernmental	1,107,600	1,066,600	1,134,667	68,067	1,040,789
Restricted intergovernmental	231,000	373,364	422,342	48,978	369,094
Sales and service charges	331,500	300,500	298,735	(1,765)	298,351
Miscellaneous	25,000	25,000	79,718	54,718	120,687
Total revenue	19,902,100	22,074,964	20,944,131	(1,130,833)	19,603,071
Expenditures					
General Government Administration					
General services	670,089	717,366	790,373	(73,007)	2,385,956
Legislative	67,362	293,894	292,080	1,814	77,837
Administrative	141,860	150,786	115,795	34,991	121,587
City Court	383,450	400,013	370,040	29,973	397,677
Legal	132,857	135,822	154,600	(18,778)	198,308
Economic development	81,947	82,847	—	82,847	—
Personnel	432,755	463,185	432,161	31,024	436,036
Total	1,910,320	2,243,913	2,155,049	88,864	3,617,401
Less, capital outlay	—	—	(9,528)	(9,528)	(1,663,978)
Net general government administration	1,910,320	2,243,913	2,145,521	98,392	1,953,423
Finance					
Accounting	306,800	344,432	353,524	(9,092)	390,726
Revenue	360,462	380,922	386,795	(5,873)	373,299
Total	667,262	725,354	740,319	(14,965)	764,025
Less, capital outlay	(25,000)	(75,000)	(90,320)	(15,320)	(222,218)
Net finance	642,262	650,354	649,999	355	541,807
Information Services					
Total	464,506	414,604	409,404	5,200	445,146
Less, capital outlay	(237,000)	(125,000)	(61,184)	63,816	(95,263)
Net information services	227,506	289,604	348,220	(58,616)	349,883
Public Safety					
Administrative	366,270	368,320	343,205	25,115	361,339
Uniform patrol	4,566,025	4,640,102	4,411,677	228,425	4,651,397
Community services	779,780	858,243	762,253	95,990	824,557
Detectives	895,456	848,254	842,279	5,975	859,088
Communications/Detention	1,109,379	1,084,415	1,030,300	54,115	1,086,437
Records	277,692	290,608	254,728	35,880	279,222
Victim's assistance	67,325	70,445	65,281	5,164	59,730
Police training	240,992	261,203	167,190	94,013	224,465
Fire suppression	2,645,765	3,130,987	3,002,894	128,093	2,772,761
Fire prevention	295,092	323,632	317,801	5,831	320,630
Total	11,243,776	11,876,209	11,197,608	678,601	11,439,626
Less, capital outlay	(601,078)	(524,364)	(442,809)	(81,555)	(745,537)
Net public safety	10,642,698	11,351,845	10,754,799	597,046	10,694,089

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

Expenditures (Continued)	2009			Variance Positive (Neg.)	2008 Actual
	Budget		Actual		
	Original	Final			
Planning/Development					
Planning/zoning administration:	836,398	833,711	789,468	44,243	685,491
Code enforcement	848,882	819,004	624,052	194,952	602,587
Total	1,685,280	1,652,715	1,413,520	239,195	1,288,078
Less, capital outlay	(19,000)	—	—	—	(5,871)
Net planning/development	1,666,280	1,652,715	1,413,520	239,195	1,282,207
Public Works					
Streets/drainage	1,935,534	2,060,075	1,958,835	101,240	1,994,597
Less, capital outlay	(274,000)	(300,000)	(237,885)	(62,115)	(251,649)
Net public works	1,661,534	1,760,075	1,720,950	39,125	1,742,948
Parks and Recreation					
Recreation	782,657	1,275,915	911,557	364,358	856,658
Parks and grounds	1,511,511	1,789,878	1,644,241	145,637	1,216,657
Total	2,294,168	3,065,793	2,555,798	509,995	2,073,315
Less, capital outlay	(499,300)	(696,290)	(654,881)	(41,409)	(220,591)
Net parks and recreation	1,794,868	2,369,503	1,900,917	468,586	1,852,724
Support Services					
Purchasing	181,485	196,353	176,714	19,639	176,408
Fleet maintenance	270,524	263,568	251,848	11,720	291,897
Custodial services	242,736	293,671	271,596	22,075	354,660
Total	694,745	753,592	700,158	53,434	822,965
Less, capital outlay	(40,000)	(49,000)	(44,065)	(4,935)	(56,993)
Net support services	654,745	704,592	656,093	48,499	765,972
Debt Service					
Principal retirement	1,072,264	1,141,396	1,141,396	—	1,069,264
Interest and fiscal charges	189,046	139,446	139,446	—	192,046
Agent fees	20,000	20,000	288	19,712	—
Total debt service	1,281,310	1,300,842	1,281,130	19,712	1,261,310
Capital Outlay	1,695,378	1,769,654	1,540,672	228,982	3,262,100
Total expenditures	22,176,901	24,093,097	22,411,821	1,684,276	23,706,463
Excess (deficiency) of revenue over (under) expenditures	(2,274,801)	(2,018,133)	(1,467,690)	550,443	(4,103,392)

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2009			Variance Positive (Neg.)	2008
	Budget		Actual		Actual
	Original	Final			
Other Financing Sources (Uses)					
Transfers in:					
From Accommodations (2%) Tax Fund	1,089,100	1,089,100	881,414	(207,686)	1,069,248
From Local (1.5%) Accommodations Tax Fund	1,550,000	1,550,000	1,400,112	(149,888)	1,210,137
From Local (1%) Hospitality Fee Fund	2,025,000	2,025,000	1,859,975	(165,025)	2,278,643
Total transfers in	4,664,100	4,664,100	4,141,501	(522,599)	4,558,028
Transfers (out):					
To Historical Museum Fund	—	—	(61,500)	(61,500)	—
To Capital Improvement Fund	(1,800,000)	(1,800,000)	(1,800,000)	—	(1,525,000)
To Street Improvement Fund	(750,000)	(750,000)	(750,000)	—	(750,000)
Total Transfers (out)	(2,550,000)	(2,550,000)	(2,611,500)	(61,500)	(2,275,000)
Total other financing sources (uses)	2,114,100	2,114,100	1,530,001	(584,099)	2,283,028
Net change in fund balance	160,701	95,967	62,311	(33,656)	(1,820,364)
Fund balance, beginning of year	9,690,476	9,690,476	9,690,476	—	11,510,840
Fund balance, end of year	\$ 9,529,775	\$ 9,786,443	\$ 9,752,787	\$ (33,656)	\$ 9,690,476

Notes to Schedule:

Budget to Actual Deficits

As needed actual General Fund expenditures were funded by unreserved and reserved fund balances, additional unbudgeted revenue and transfers.

Budgets and Budgetary Accounting

The City follows the procedures described below in establishing the budgetary data reflected in the financial statements:

- By May 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures (expenses) and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- By June 30, the budget is legally enacted through passage of an ordinance to set the tax levy (millage) for the fiscal year.
- The City Manager is legally authorized by ordinance to transfer amounts within and between funds; however, any revisions that alter the total expenditures, other than transfers, of the approved initial budget must be approved by the City Council.
- The City employs formal budgetary integration as a management control device during the year and legally adopts a budget for the General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Funds, and Enterprise Funds. The budgets are adopted on a basis consistent with generally accepted accounting principles. Formal budgetary integration is not employed for the Trust and Agency funds.
- Appropriations lapse at the end of each fiscal year.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 OTHER POST-EMPLOYMENT BENEFITS
 SCHEDULE OF FUNDING PROGRESS

JUNE 30, 2009

Actuarial Valuation Date	Actuarial Value Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/01/08	—	8,108,305	\$8,108,305	0%	\$17,337,929	46.77%

CITY OF NORTH MYRTLE BEACH

OTHER FINANCIAL INFORMATION

CITY OF NORTH MYRTLE BEACH

COMBINING 'NON-MAJOR' GOVERNMENTAL
FINANCIAL STATEMENTS

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2009

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 112,251	\$ —	\$ —	\$ 112,251
Equity in pooled cash and cash equivalents	1,011,719	—	5,317,631	6,329,350
Receivables	638,252	—	—	638,252
Due from other funds	3,215,275	—	—	3,215,275
Due from other governments	604,255	—	—	604,255
Total assets	\$ 5,581,752	\$ —	\$ 5,317,631	\$ 10,899,383
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 291,617	\$ —	\$ 318,434	\$ 610,051
Retainage payable	—	—	353,263	353,263
Due to other funds	963,223	—	—	963,223
Deferred revenue	—	—	90,000	90,000
Total liabilities	1,254,840	—	761,697	2,016,537
Fund balances:				
Reserved for:				
Shore Protection Project	—	—	34,566	34,566
Unreserved/undesignated				
	4,326,912	—	4,521,368	8,848,280
Total fund balances	4,326,912	—	4,555,934	8,882,846
Total liabilities and fund balances	\$ 5,581,752	\$ —	\$ 5,317,631	\$ 10,899,383

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
 BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2009

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenue				
Use of money and property	\$ 21,415	\$ —	\$ 92,869	\$ 114,284
Restricted intergovernmental	9,231,622		1,978,509	11,210,131
Sales and service charges	1,991,707	—	120	1,991,827
Miscellaneous	200,500	—	1,125,000	1,325,500
Total revenue	<u>11,445,244</u>	<u>—</u>	<u>3,196,498</u>	<u>14,641,742</u>
Expenditures				
Current:				
General government administration	—	—	28,494	28,494
Public works	853,538	—	4,462,308	5,315,846
Parks and recreation	1,090,833	—	3,681,398	4,772,231
Debt Service	—	1,140,000	—	1,140,000
Total expenditures	<u>1,944,371</u>	<u>1,140,000</u>	<u>8,172,200</u>	<u>11,256,571</u>
Excess (deficiency) of revenue over (under) expenditures	<u>9,500,873</u>	<u>(1,140,000)</u>	<u>(4,975,702)</u>	<u>3,385,171</u>
Other Financing Sources (Uses)				
Transfers in	61,500	1,140,000	2,711,680	3,913,180
Transfers (out)	(6,484,498)	—	—	(6,484,498)
Bonds proceeds	—	—	5,100,000	5,100,000
Total other financing sources (uses)	<u>(6,422,998)</u>	<u>1,140,000</u>	<u>7,811,680</u>	<u>2,528,682</u>
Net change in fund balances	3,077,875	—	2,835,978	5,913,853
Fund balances, beginning of year	1,249,037	—	1,719,956	2,968,993
Fund balances, end of year	<u>\$ 4,326,912</u>	<u>\$ —</u>	<u>\$ 4,555,934</u>	<u>\$ 8,882,846</u>

CITY OF NORTH MYRTLE BEACH

INDIVIDUAL FUND
FINANCIAL STATEMENTS

CITY OF NORTH MYRTLE BEACH

GENERAL FUND

The General Fund is the major operating fund of the City's governmental activities and is used to account for all financial resources except those required to be accounted for in other funds.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

GENERAL FUND
BALANCE SHEET

JUNE 30, 2009

(With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Cash and cash equivalents	\$ 4,9338,470	\$ 4,901,926
Equity in pooled cash and cash equivalents	1,636,546	163,460
Receivables:		
Property taxes	871,523	649,471
Less, allowance for doubtful accounts	(836,717)	(540,654)
Franchise fees	585,680	432,518
Grants	352,221	—
Defined Benefit Pension Trust Fund	147,531	147,532
Other receivables	9,286	675
Due from other governments:		
Federal grant	—	5,885
State of South Carolina	166,503	—
Horry County	113,364	—
Due from other funds:		
Accommodations (2%) Tax Fund	389,215	381,455
Local Accommodations (1.5%) Tax Fund	242,620	281,156
Hospitality (1.0%) Fees Fund	210,583	237,592
Solid Waste Fund	1,009,458	1,291,207
Aquatic Center Fund	320,772	461,782
Beach Service Fund	—	2,994,716
Inventories and prepaid items	525,264	238,136
Restricted assets:		
Cash and cash equivalents:		
Drug enforcement account	203,897	121,930
Police seizures held	26,424	27,239
Public safety scholarship fund	44,505	49,339
Equity in pooled cash and cash equivalents:		
Bail bond account	159,935	185,522
Total assets	<u>\$ 11,117,080</u>	<u>\$ 12,030,887</u>

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

GENERAL FUND
BALANCE SHEET

— CONTINUED —

	<u>2009</u>	<u>2008</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 572,303	\$ 513,133
Accrued payroll and withholdings payable	385,078	326,183
Accrued compensated absences	95,113	97,015
Insurance claims payable, net	106,101	186,332
Due to other governments:		
State of SC – abandoned property	14,327	—
Payable from restricted assets:		
Bail bonds	159,934	185,523
Police seizures held	26,424	27,239
Magistrate payable	5,013	4,986
Total liabilities	<u>1,364,293</u>	<u>2,340,411</u>
Fund Balance:		
Reserved for inventories and prepaid items	525,264	238,136
Reserved for victims assistance	87,279	83,954
Reserved for scholarship fund	44,505	—
Reserved for grants receivable	352,221	—
Reserved for drug enforcement	203,897	121,930
Reserved for J. Causey Memorial	2,295	2,295
Reserved for admissions tax	620,999	30,140
Unreserved:		
Designated for contingencies	250,000	250,000
Designated for recovery emergency area	142,500	142,500
Undesignated	7,523,827	9,690,476
Total fund balance	<u>9,752,787</u>	<u>9,690,476</u>
Total liabilities and fund balance	<u>\$ 11,117,080</u>	<u>\$ 12,030,887</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2009
(With comparative actual amounts for June 30, 2008)

Revenue	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Current property taxes	\$ 10,410,000	\$ 10,903,564	\$ 493,564	\$ 9,337,950
Delinquent property taxes:				
Real and personal property	135,000	70,450	(64,550)	83,010
Penalties	70,000	96,892	26,892	83,888
	205,000	167,342	(37,658)	166,898
Licenses and permits:				
Business licenses	6,250,000	4,891,872	1,358,128	5,260,118
Business license penalties	55,000	39,665	15,335	51,782
Building permits	600,000	323,793	276,207	411,388
Inspection fees	3,500	4,190	690	3,445
Other permits	7,000	18,825	11,825	19,195
Tree bank	—	2,650	2,650	—
Franchise fee – electricity	1,150,000	1,176,506	26,506	1,101,364
Franchise fee – cable TV	410,000	519,916	109,916	430,352
Franchise fee – telephone	40,000	35,781	(4,219)	—
Franchise fee – gas	95,000	92,300	(2,700)	90,705
	8,610,500	7,105,498	1,505,002	7,368,349
Fines and forfeitures:				
Fines	1,100,000	875,392	(224,608)	845,943
Seizures	30,000	156,432	126,432	51,620
Improper parking	9,000	8,935	(65)	10,146
Victims assistance	60,000	68,591	8,591	68,419
Less, remittances to State Treasurer	(600,000)	(515,330)	84,670	(477,205)
	599,000	594,020	(4,980)	498,923
Use of money and property:				
Interest on investments	400,000	59,085	(340,915)	310,524
Property rental	85,000	124,160	39,160	91,506
Sale of surplus property	—	55,000	55,000	—
	485,000	238,245	(246,755)	402,030
Unrestricted intergovernmental:				
Local government	365,000	352,213	(12,787)	352,210
Homestead exemption tax	90,000	102,975	12,975	93,531
Business inventory tax	36,600	36,616	16	36,616
Accommodations tax	160,000	144,605	(15,395)	157,483
Admissions tax	220,000	184,778	(35,222)	203,041
Motor carrier tax	15,000	21,180	6,180	20,270
Alcoholic beverage permit fees	180,000	292,300	112,300	177,638
	1,066,600	1,134,667	68,067	1,040,789

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL

— CONTINUED —

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Revenue (Continued)				
Restricted intergovernmental:				
Federal FEMA grant	225,000	68,057	(156,943)	6,772
Federal Homeland security/DOJ grants	148,364	274,221	125,857	187,322
State PRT/misc. grants	—	39,064	39,064	118,000
Horry County recreation	—	41,000	41,000	57,000
	<u>373,364</u>	<u>422,342</u>	<u>48,978</u>	<u>369,094</u>
Sales and service charges:				
City codes and ordinances	10,000	9,270	(730)	12,965
Fire protection – contracts	110,000	104,364	(5,636)	107,326
Street work	10,000	2,955	(7,045)	3,312
Beach services franchise	60,000	60,000	—	60,000
Recreation fees	71,500	70,202	(1,298)	80,301
GIS Data	1,500	7	(1,493)	—
NMB area historical museum	2,500	—	(2,500)	—
Miscellaneous	35,000	51,937	16,937	34,447
	<u>300,500</u>	<u>298,735</u>	<u>(1,765)</u>	<u>298,351</u>
Miscellaneous:				
Insurance reimbursements	25,000	45,078	20,078	55,774
Grants from private entities	—	28,474	28,474	64,913
Mayfest sponsorship	—	5,500	5,500	—
PS Scholarship Fund donation	—	666	666	—
	<u>25,000</u>	<u>79,718</u>	<u>54,718</u>	<u>120,687</u>
Total revenue	22,074,964	20,944,131	(1,130,833)	19,603,071
Expenditures				
General Government Administration				
General Services:				
Personal services	148,000	154,913	(6,913)	163,824
Operating expenditures	1,258,600	1,394,837	(136,237)	1,251,818
Capital expenditure	—	—	—	1,663,978
Less, overhead allocation-utility	(689,234)	(759,377)	(70,143)	(693,664)
	<u>717,366</u>	<u>790,373</u>	<u>(73,007)</u>	<u>2,385,956</u>
Legislative:				
Personal services	191,253	160,952	30,301	145,781
Operating expenditures	217,400	243,670	(26,270)	27,190
Less, overhead allocation-utility	(114,759)	(112,542)	2,217	(95,134)
	<u>293,894</u>	<u>292,080</u>	<u>1,814</u>	<u>77,837</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL

— CONTINUED —

Expenditures (Continued)	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
General Government Administration (Cont.)				
Administrative:				
Personal services	243,531	236,770	6,761	232,375
Operating expenditures	91,550	20,552	70,998	37,818
Less, overhead allocation-utility	(184,295)	(141,527)	(42,768)	(148,606)
	<u>150,786</u>	<u>115,795</u>	<u>34,991</u>	<u>121,587</u>
City Court:				
Personal services	345,538	319,715	25,823	338,993
Operating expenditures	54,475	50,325	4,150	58,684
	<u>400,013</u>	<u>370,040</u>	<u>29,973</u>	<u>397,677</u>
Legal:				
Personal services	191,445	193,952	(2,507)	188,265
Operating expenditures	110,382	149,604	(39,222)	252,420
Less, overhead allocation-utility	(166,005)	(188,956)	22,951	(242,377)
	<u>135,822</u>	<u>154,600</u>	<u>(18,778)</u>	<u>198,308</u>
Economic development:				
Personal services	72,847	—	72,847	—
Operating expenditures	10,000	—	10,000	—
Less, overhead allocation-utility	—	—	—	—
	<u>82,847</u>	<u>—</u>	<u>82,847</u>	<u>—</u>
Human resources				
Personal services	729,740	618,259	111,481	692,038
Operating expenditures	68,855	117,318	(48,463)	58,617
Capital expenditures	—	9,528	(9,528)	(314,619)
Less, overhead allocation-utility	(335,410)	(312,944)	(22,466)	—
	<u>463,185</u>	<u>432,161</u>	<u>31,024</u>	<u>436,036</u>
Total general government administration	2,243,913	2,155,049	88,864	3,617,401
Less, total capital outlay	—	(9,528)	(9,528)	(1,663,978)
Net general government administration	<u>2,243,913</u>	<u>2,145,521</u>	<u>98,392</u>	<u>1,953,423</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL

— CONTINUED —

Expenditures (Continued)	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Finance				
Accounting:				
Personal services	517,214	489,566	27,648	470,315
Operating expenditures	96,650	127,162	(30,512)	88,919
Capital expenditures	75,000	90,320	(15,320)	222,218
Less, overhead allocation-utility	(344,432)	(353,524)	(9,092)	(390,726)
	<u>344,432</u>	<u>353,524</u>	<u>(9,092)</u>	<u>390,726</u>
Revenue:				
Personal services	348,172	353,334	(5,162)	337,688
Operating expenditures	32,750	33,461	(711)	35,611
Capital expenditures	—	—	—	—
	<u>380,922</u>	<u>386,795</u>	<u>(5,873)</u>	<u>373,299</u>
Total finance	725,354	740,319	(14,965)	764,025
Less, total capital outlay	(75,000)	(90,320)	(15,320)	(222,218)
Net finance	<u>650,354</u>	<u>649,999</u>	<u>355</u>	<u>541,807</u>
Information Services				
Personal services	478,044	469,984	8,060	453,310
Operating services	99,675	162,736	(63,061)	206,997
Capital expenditures	125,000	61,184	63,816	95,263
Less, overhead allocation utility	(288,115)	(284,500)	3,615	(310,424)
	<u>414,604</u>	<u>409,404</u>	<u>5,200</u>	<u>445,146</u>
Total information services	414,604	409,404	5,200	445,146
Less, total capital outlay	(125,000)	(61,184)	63,816	(95,263)
Net information services	<u>289,604</u>	<u>348,220</u>	<u>(58,616)</u>	<u>349,883</u>
Public Safety				
Administrative:				
Personal services	345,920	311,819	34,101	333,403
Operating expenditures	22,400	31,386	(8,986)	27,936
Capital expenditures	—	—	—	—
	<u>368,320</u>	<u>343,205</u>	<u>25,115</u>	<u>361,339</u>
Uniform patrol:				
Personal services	3,786,852	3,724,541	62,311	3,663,859
Operating expenditures	546,250	413,859	132,391	458,627
Capital expenditures	307,000	273,277	33,723	528,911
	<u>4,640,102</u>	<u>4,411,677</u>	<u>228,425</u>	<u>4,651,397</u>
Community services:				
Personal services	583,563	505,053	78,510	632,996
Operating expenditures	190,680	196,115	(5,435)	191,561
Capital expenditures	84,000	61,085	22,915	—
	<u>858,243</u>	<u>762,253</u>	<u>95,990</u>	<u>824,557</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL

— CONTINUED —

Expenditures (Continued)	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Public Safety (Cont.)				
Detectives:				
Personal services	747,584	760,086	(12,502)	782,193
Operating expenditures	100,670	67,876	32,794	76,895
Capital expenditures	—	14,317	(14,317)	—
	<u>848,254</u>	<u>842,279</u>	<u>5,975</u>	<u>859,088</u>
Communications/Detention:				
Personal services	989,773	973,640	16,133	957,896
Operating expenditures	140,575	105,094	32,481	143,578
Capital expenditures	48,364	41,158	7,206	79,436
Less, overhead allocation-utility	(94,297)	(89,592)	4,705	(94,473)
	<u>1,084,415</u>	<u>1,030,300</u>	<u>54,115</u>	<u>1,086,437</u>
Records:				
Personal services	188,981	180,118	8,863	185,388
Operating expenditures	101,627	74,610	27,017	93,834
Capital expenditures	—	—	—	—
	<u>290,608</u>	<u>254,728</u>	<u>35,880</u>	<u>279,222</u>
Victim's Assistance:				
Personal services	61,035	59,422	1,613	57,539
Operating expenditures	9,410	5,859	3,551	2,191
	<u>70,445</u>	<u>65,281</u>	<u>5,164</u>	<u>59,730</u>
Police Training:				
Personal services	230,429	154,166	76,263	204,024
Operating expenditures	30,774	13,024	17,750	20,441
	<u>261,203</u>	<u>167,190</u>	<u>94,013</u>	<u>224,465</u>
Fire Suppression/Rescue:				
Personal services	2,805,612	2,690,284	115,328	2,357,798
Operating expenditures	240,375	259,638	(19,263)	293,673
Capital expenditures	85,000	52,972	32,028	121,290
	<u>3,130,987</u>	<u>3,002,894</u>	<u>128,093</u>	<u>2,772,761</u>
Fire Prevention/Inspection:				
Personal services	293,652	287,767	5,885	281,372
Operating expenditures	29,980	30,034	(54)	23,358
Capital expenditures	—	—	—	15,900
	<u>323,632</u>	<u>317,801</u>	<u>5,831</u>	<u>320,630</u>
Total Public Safety	11,876,209	11,197,608	678,601	11,439,626
Less, total capital outlay	(524,364)	(442,809)	(81,555)	(745,537)
Net public safety	<u>11,351,845</u>	<u>10,754,799</u>	<u>597,046</u>	<u>10,694,089</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL

— CONTINUED —

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Expenditures (Continued)				
Planning/Development				
Planning/Zoning Administration:				
Personal services	749,162	737,211	11,951	601,527
Operating expenditures	84,549	52,257	32,292	78,093
Capital expenditures	—	—	—	5,871
	<u>833,711</u>	<u>789,468</u>	<u>44,243</u>	<u>685,491</u>
Building:				
Personal services	696,098	587,237	108,861	570,650
Operating expenditures	166,011	69,660	96,351	63,652
Capital expenditures	—	—	—	—
Less, overhead allocation-utility	(43,105)	(32,845)	(10,260)	(31,715)
	<u>819,004</u>	<u>624,052</u>	<u>194,952</u>	<u>602,587</u>
Total Planning/Development	1,652,715	1,413,520	239,195	1,288,078
Less, total capital outlay	—	—	—	(5,871)
Net planning/development	<u>1,652,715</u>	<u>1,413,520</u>	<u>239,195</u>	<u>1,282,207</u>
Public Works				
Streets/Drainage:				
Personal services	1,135,922	1,092,122	43,800	1,088,519
Operating expenditures	853,050	846,477	6,573	876,051
Capital expenditures	300,000	237,885	62,115	251,649
Less, overhead allocation-utility	(228,897)	(217,649)	(11,248)	(221,622)
	<u>2,060,075</u>	<u>1,958,835</u>	<u>101,240</u>	<u>1,994,597</u>
Total Public Works	2,060,075	1,958,835	101,240	1,994,597
Less, total capital outlay	(300,000)	(237,885)	(62,115)	(251,649)
Net public works	<u>1,760,075</u>	<u>1,720,950</u>	<u>39,125</u>	<u>1,742,948</u>
Parks and Recreation				
Recreation Administration:				
Personal services	450,840	345,453	105,387	416,891
Operating expenditures	815,075	478,704	336,371	439,767
Capital expenditures	10,000	87,400	(77,400)	—
	<u>1,275,915</u>	<u>911,557</u>	<u>364,358</u>	<u>856,658</u>
Parks and Grounds:				
Personal services	695,188	692,193	2,995	642,683
Operating expenditures	408,400	384,567	23,833	353,383
Capital expenditures	686,290	567,481	118,809	220,591
	<u>1,789,878</u>	<u>1,644,241</u>	<u>145,637</u>	<u>1,216,657</u>
Total Parks and Recreation	3,065,793	2,555,798	509,995	2,073,315
Less, total capital outlay	(696,290)	(654,881)	(41,409)	(220,591)
Net parks and recreation	<u>2,369,503</u>	<u>1,900,917</u>	<u>468,586</u>	<u>1,852,724</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL

— CONTINUED —

Expenditures (Continued)	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Support Services				
Purchasing:				
Personal services	462,342	417,274	45,068	413,540
Operating expenditures	28,540	24,511	4,029	27,480
Capital expenditures	—	—	—	—
Less, overhead allocations- utility	(294,529)	(265,071)	(29,458)	(264,612)
	<u>196,353</u>	<u>176,714</u>	<u>19,639</u>	<u>176,408</u>
Fleet management:				
Personal services	392,233	379,502	12,731	377,678
Operating expenditures	47,047	40,245	6,802	51,824
Capital expenditures	—	—	—	56,993
Less, overhead allocation-utility	(175,712)	(167,899)	(7,813)	(194,598)
	<u>263,568</u>	<u>251,848</u>	<u>11,720</u>	<u>291,897</u>
Custodial Services:				
Personnel services	233,443	228,294	5,149	222,726
Operating expenses	218,133	158,746	59,387	340,227
Capital expenditures	49,000	44,065	4,935	—
Less, overhead allocation-utility	(206,905)	(159,509)	(47,396)	(208,293)
	<u>293,671</u>	<u>271,596</u>	<u>22,075</u>	<u>354,660</u>
Total Support Services	753,592	700,158	53,434	822,965
Less, total capital outlay	(49,000)	(44,065)	(4,935)	(56,993)
Net support services	<u>704,592</u>	<u>656,093</u>	<u>48,499</u>	<u>765,972</u>
Total Departmental Expenditures (net)	<u>21,022,601</u>	<u>19,590,019</u>	<u>1,432,582</u>	<u>1,069,264</u>
Debt Service				
Principal retirement	1,141,396	1,141,396	—	1,069,264
Interest and fiscal charges	139,446	139,446	—	192,046
Agent fees	20,000	288	19,712	—
Total debt service	<u>1,300,842</u>	<u>1,281,130</u>	<u>19,712</u>	<u>1,261,310</u>
Capital Outlay	<u>1,769,654</u>	<u>1,540,672</u>	<u>228,982</u>	<u>3,262,100</u>
Total expenditures	<u>24,093,097</u>	<u>22,411,821</u>	<u>1,684,276</u>	<u>23,706,463</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(2,018,133)</u>	<u>(1,467,690)</u>	<u>550,443</u>	<u>(4,103,392)</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL

— CONTINUED —

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Other Financing Sources (Uses)				
Transfers in:				
From Accommodations (2%) Tax Fund	1,089,100	881,414	(207,686)	1,069,248
From Local (1.5%) Accommodations Tax Fund	1,550,000	1,400,112	(149,888)	1,210,137
From Local (1%) Hospitality Fee Fund	2,025,000	1,859,975	(165,025)	2,278,643
Total transfers in:	4,664,100	4,141,501	(522,599)	4,558,028
Transfers (out):				
To Historical Museum Fund	—	(61,500)	(61,500)	—
To Capital Improvement Fund	(1,800,000)	(1,800,000)	—	(1,525,000)
To Street Improvement Fund	(750,000)	(750,000)	—	(750,000)
Total Transfers (out)	(2,550,000)	(2,611,500)	—	(2,275,000)
Total other financing sources (uses)	2,114,100	1,530,001	(584,099)	2,283,028
Net change in fund balance	95,967	62,311	(33,656)	(1,820,364)
Fund balance, beginning of year	9,690,476	9,690,476	—	11,510,840
Fund balance, end of year	<u>\$ 9,786,443</u>	<u>\$ 9,752,787</u>	<u>\$ (33,656)</u>	<u>\$ 9,690,476</u>

CITY OF NORTH MYRTLE BEACH

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than sources for major capital projects) that are restricted by law or otherwise restricted for specified purposes.

Accommodations (2%) Tax Fund:	To account for the City's share of a 2% State accommodations tax levied on the rental of transient accommodations. Use of the revenue is restricted to the promotion of tourism and tourist related activities.
Local Accommodations (1.5%) Tax Fund:	To account for the City's share of a 1.5% local accommodations tax levied on the rental of transient accommodations. Use of the revenue is restricted for the beach, infrastructure and capital purchases.
Hospitality (1%) Fees Fund:	To account for the City's share of a 1% tax on amusements and prepared foods. Use of the revenue is restricted for the beach, infrastructure and capital purchases.
Stormwater Fund:	To account for revenues and expenditures associated with the City's Stormwater management program.
Historical Museum Fund:	To account for revenues and expenditures associated with the City's Historical Museum.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2009

	State (2%) A-Tax	Local (1.5%) A-Tax	Hospitality (1%) Fee	Stormwater Fund	Historical Museum Fund	Total
Assets						
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ 112,251	\$ 112,251
Equity in pooled cash and cash equivalents	—	—	—	1,011,719	—	1,011,719
Receivables	—	363,425	210,583	64,244	—	638,252
Due from other funds	—	—	—	3,215,275	—	3,215,275
Due from other governments	604,255	—	—	—	—	604,255
Total assets	\$ 604,255	\$ 363,425	\$ 210,583	\$ 4,291,238	\$ 112,251	\$ 5,581,752
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 239,297	\$ —	\$ —	\$ 52,320	\$ —	\$ 291,617
Due to other funds	389,215	363,425	210,583	—	—	963,223
Total liabilities	628,512	363,425	210,583	52,320	—	1,254,840
Fund balances:						
Unreserved/undesignated	(24,257)	—	—	4,238,918	112,251	4,326,912
Total fund balances	(24,257)	—	—	4,238,918	112,251	4,326,912
Total liabilities and fund balances	\$ 604,255	\$ 363,425	\$ 210,583	\$ 4,291,238	\$ 112,251	\$ 5,581,752

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2009

	State (2%) A-Tax	Local (1.5%) A-Tax	Hospitality (1%) Fee	Stormwater Fund	Historical Museum Fund	Total
Revenue						
Use of money and property	\$ 2,780	\$ —	\$ —	\$ 16,284	\$ 2,351	\$ 21,415
Restricted intergovernmental	2,272,498	2,099,149	1,859,975	3,000,000	—	9,231,622
Sales and service charges	—	—	—	1,991,537	170	1,991,707
Miscellaneous	—	—	—	200,000	500	200,500
Total revenue	<u>2,275,278</u>	<u>2,099,149</u>	<u>1,859,975</u>	<u>5,207,821</u>	<u>3,021</u>	<u>11,445,244</u>
Expenditures						
Current:						
Public works	—	—	—	853,538	—	853,538
Parks and recreation	1,064,707	—	—	—	26,126	1,090,833
Total expenditures	<u>1,064,707</u>	<u>—</u>	<u>—</u>	<u>853,538</u>	<u>26,126</u>	<u>1,944,371</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,210,571</u>	<u>2,099,149</u>	<u>1,859,975</u>	<u>4,354,283</u>	<u>(23,105)</u>	<u>9,500,873</u>
Other Financing Sources (Uses)						
Transfers in	—	—	—	—	61,500	61,500
Transfers (out)	(1,385,374)	(2,099,149)	(1,859,975)	(1,140,000)	—	(6,484,498)
Total other financing sources (uses)	<u>(1,385,374)</u>	<u>(2,099,149)</u>	<u>(1,859,975)</u>	<u>(1,140,000)</u>	<u>61,500</u>	<u>(6,422,998)</u>
Net change in fund balances	<u>(174,803)</u>	<u>—</u>	<u>—</u>	<u>3,214,283</u>	<u>38,395</u>	<u>3,077,875</u>
Fund balances, beginning of year	150,546	—	—	1,024,635	73,856	1,249,037
Fund balances, end of year	<u>\$ (24,257)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 4,238,918</u>	<u>\$ 112,251</u>	<u>\$ 4,326,912</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

ACCOMMODATIONS (2%) TAX FUND
BALANCE SHEET

JUNE 30, 2009

(With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Due from other governments	\$ 604,255	\$ 760,002
Total assets	<u>\$ 604,255</u>	<u>\$ 760,002</u>
 Liabilities and Fund Balance		
Accounts payable	\$ 239,297	\$ 228,001
Due to General Fund	<u>389,215</u>	<u>381,455</u>
Total liabilities	<u>628,512</u>	<u>609,456</u>
 Fund balance:		
Unreserved/undesignated (deficit)	<u>(24,257)</u>	<u>150,546</u>
Total liabilities and fund balance	<u>\$ 604,255</u>	<u>\$ 760,002</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

ACCOMMODATIONS (2%) TAX FUND
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2009
 (With comparative actual amounts for June 30, 2008)

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ 20,000	\$ 2,780	\$ (17,220)	\$ 27,789
Restricted intergovernmental:				
SCDHEC Grant	—	—	—	11,700
State A-tax revenue	2,498,500	2,272,498	(226,002)	2,517,180
Total revenue	<u>2,518,500</u>	<u>2,275,278</u>	<u>(243,222)</u>	<u>2,556,669</u>
Expenditures				
Parks and recreation:				
Water quality monitoring	56,500	36,189	20,311	55,462
30% advertising allocation	789,000	717,630	71,370	—
North Myrtle Beach Chamber	212,400	284,788	(72,388)	—
North Myrtle Beach Rescue Squad	20,000	17,400	2,600	—
Services to other agencies	10,000	8,700	1,300	—
Allocations to other agencies	—	—	—	1,284,999
Total expenditures	<u>1,087,900</u>	<u>1,064,707</u>	<u>23,193</u>	<u>1,340,461</u>
Excess of revenue over expenditures	<u>1,430,600</u>	<u>1,210,571</u>	<u>220,029</u>	<u>1,216,208</u>
Other Financing Sources (Uses)				
Transfers (out)	(1,610,900)	(1,385,374)	(225,526)	(1,535,948)
Total other financing sources (uses)	<u>(1,610,900)</u>	<u>(1,385,374)</u>	<u>(225,526)</u>	<u>(1,535,948)</u>
Net change in fund balance	(180,300)	(174,803)	(5,497)	(319,740)
Fund balance, beginning of year	150,546	150,546	—	470,286
Fund balance, end of year	<u>\$ (29,754)</u>	<u>\$ (24,257)</u>	<u>\$ (5,497)</u>	<u>\$ 150,546</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

LOCAL ACCOMMODATIONS (1.5%) TAX FUND
BALANCE SHEET

JUNE 30, 2009
(With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Receivables	\$ 363,425	\$ 421,654
Total assets	<u>\$ 363,425</u>	<u>\$ 421,654</u>
Liabilities and Fund Balance		
Due to other funds	\$ 363,425	\$ 421,654
Total liabilities	<u>363,425</u>	<u>421,654</u>
Fund balance:		
Unreserved/undesignated	<u>—</u>	<u>—</u>
Total liabilities and fund balance	<u>\$ 363,425</u>	<u>\$ 421,654</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

LOCAL ACCOMMODATIONS (1.5%) TAX FUND
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2009
 (With comparative actual amounts for June 30, 2008)

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Revenue				
Restricted intergovernmental:				
Local A-tax revenue	\$ 2,275,000	\$ 2,096,813	\$ (178,187)	\$ 2,233,435
Penalties	—	2,336	2,336	2,336
Total revenue	<u>2,275,000</u>	<u>2,099,149</u>	<u>(175,951)</u>	<u>2,235,771</u>
Excess of revenue over expenditures	<u>2,275,000</u>	<u>2,099,049</u>	<u>(175,951)</u>	<u>2,235,771</u>
Other Financing Sources (Uses)				
Transfers (out) – General Fund	(1,500,000)	(1,400,111)	99,889	(1,491,293)
Transfers (out) – Aquatic Fund	(725,000)	(698,938)	76,062	(744,478)
Total other financing sources (uses)	<u>(2,225,000)</u>	<u>(2,099,049)</u>	<u>175,951</u>	<u>(2,235,771)</u>
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

HOSPITALITY (1.0%) FEES
BALANCE SHEET

JUNE 30, 2009
(With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Receivables	\$ 210,583	\$ 237,592
Total assets	<u>\$ 210,583</u>	<u>\$ 237,592</u>
Liabilities and Fund Balance		
Due to General Fund	\$ 210,583	\$ 237,592
Total liabilities	<u>210,583</u>	<u>237,592</u>
Fund balance:		
Unreserved/undesignated	—	—
Total liabilities and fund balance	<u>\$ 210,583</u>	<u>\$ 237,592</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

HOSPITALITY (1.0%) FEES
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2009
 (With comparative actual amounts for June 30, 2008)

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Revenue				
Restricted intergovernmental:				
Hospitality fees	\$2,025,000	\$ 1,853,894	\$ (171,106)	\$ 1,993,693
Penalties	—	6,081	6,081	3,794
Total revenue	<u>2,025,000</u>	<u>1,859,975</u>	<u>(165,025)</u>	<u>1,997,487</u>
Excess of revenue over expenditures	<u>2,025,000</u>	<u>1,859,975</u>	<u>(165,025)</u>	<u>1,997,487</u>
Other Financing Sources (Uses)				
Transfers (out) - General Fund	<u>(2,025,000)</u>	<u>(1,859,975)</u>	<u>165,025</u>	<u>(1,997,487)</u>
Total other financing sources (uses)	<u>(2,025,000)</u>	<u>(1,859,975)</u>	<u>165,025</u>	<u>(1,997,487)</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance, beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

STORMWATER FUND
BALANCE SHEET

JUNE 30, 2009
(With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 1,011,719	\$ 953,776
Accounts receivable	64,244	79,364
Due from Beach Service Fund	<u>3,215,275</u>	<u>—</u>
Total assets	<u>\$ 4,291,238</u>	<u>\$ 1,033,140</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 52,320	\$ 8,505
Total liabilities	<u>52,320</u>	<u>8,505</u>
Fund balance:		
Unreserved/undesignated	<u>4,238,918</u>	<u>1,024,635</u>
Total liabilities and fund balance	<u>\$ 4,291,238</u>	<u>\$ 1,033,140</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

STORMWATER FUND

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2009

(With comparative actual amounts for June 30, 2008)

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ 10,000	\$ 16,284	\$ 6,284	\$ 13,624
Restricted intergovernmental:				
Grants – SCDHEC	—	3,000,000	3,000,000	—
Sales and service charges:				
Water drainage fees and penalties	1,960,000	1,991,537	31,537	1,944,616
Miscellaneous:				
Other	—	200,000	200,000	—
Total revenue	<u>1,970,000</u>	<u>5,207,821</u>	<u>3,237,821</u>	<u>1,958,240</u>
Expenditures				
Public works:				
Drainage/Ocean out-fall	—	426,837	(426,837)	12,250
Hillside drainage basin	1,700,000	426,701	1,273,299	11,910
Total expenditures	<u>1,700,000</u>	<u>853,538</u>	<u>846,462</u>	<u>24,160</u>
Excess (deficiency) of revenue over (under) expenditures	<u>270,000</u>	<u>4,354,283</u>	<u>(4,084,283)</u>	<u>1,934,080</u>
Other financing sources (uses)				
Transfers (out) – Debt Service Fund	(1,140,000)	(1,140,000)	—	(1,140,000)
Total other financing sources (uses)	<u>(1,140,000)</u>	<u>(1,140,000)</u>	<u>—</u>	<u>(1,140,000)</u>
Net change in fund balance	(870,000)	3,214,283	(4,084,283)	794,080
Fund balance, beginning of year	<u>1,024,635</u>	<u>1,024,635</u>	<u>—</u>	<u>230,555</u>
Fund balance, end of year	<u>\$ 154,635</u>	<u>\$ 4,238,918</u>	<u>\$ 4,084,283</u>	<u>\$ 1,024,635</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

HISTORICAL MUSEUM FUND
BALANCE SHEET

JUNE 30, 2009

(With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Cash and cash equivalents	\$ 112,251	\$ 73,856
Total assets	<u>\$ 112,251</u>	<u>\$ 73,856</u>
Liabilities and Fund Balance		
Fund balance:		
Unreserved/undesignated	\$ 112,251	\$ 73,856
Total liabilities and fund balance	<u>\$ 112,251</u>	<u>\$ 73,856</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

SPECIAL REVENUE FUND

HISTORICAL MUSEUM FUND

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2009
(With comparative actual amounts for June 30, 2008)

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ 2,351	\$ 2,351	\$ —
Restricted intergovernmental:				
Grants	—	—	—	20,000
Sales and service charges:				
Membership dues	—	170	170	470
Sundry items sales	—	—	—	210
Miscellaneous and non-department:				
Donations	—	500	500	—
Total revenue	<u>—</u>	<u>3,021</u>	<u>3,021</u>	<u>20,680</u>
Expenditures				
Parks and recreation:				
Museum development	—	26,126	(26,126)	6,224
Total expenditures	<u>—</u>	<u>26,126</u>	<u>(26,126)</u>	<u>6,224</u>
Excess (deficiencies) of revenue over expenditures	<u>—</u>	<u>(23,105)</u>	<u>(23,105)</u>	<u>14,456</u>
Other Financing Sources (Uses)				
Transfers (in) – General Fund	—	61,500	61,500	3,500
Total other financing sources (uses)	<u>—</u>	<u>61,500</u>	<u>61,500</u>	<u>3,500</u>
Net change in fund balance	<u>—</u>	<u>38,395</u>	<u>38,395</u>	<u>17,956</u>
Fund balance, beginning of year	73,856	73,856	—	55,900
Fund balance, end of year	<u>\$ 73,856</u>	<u>\$ 112,251</u>	<u>\$ 38,395</u>	<u>\$ 73,856</u>

CITY OF NORTH MYRTLE BEACH

DEBT SERVICE FUND

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on certain general long-term debt of the City, other than debt service payments financed by proprietary fund types.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUND

STORMWATER BOND
BALANCE SHEET

JUNE 30, 2009

(With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Total assets	\$ —	\$ —
Liabilities and Fund Balance		
Fund Balance:		
Reserved for debt service	\$ —	\$ —
Total liabilities and fund balance	\$ —	\$ —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

DEBT SERVICE FUND

STORMWATER BOND

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2009
(With comparative actual amounts for June 30, 2008)

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ —	\$ —	\$ —	\$ —
Total revenue	—	—	—	—
Expenditures				
Debt Service:				
Principal	951,723	951,723	—	951,723
Interest	188,277	188,277	—	188,277
	1,140,000	1,140,000	—	1,140,000
Excess (deficiency) of revenue over (under) expenditures	(1,140,000)	(1,140,000)	—	(1,140,000)
Other Financing Sources (Uses)				
Transfers in – Stormwater Special Revenue Fund	1,140,000	1,140,000	—	1,140,000
Total other financing sources (uses)	1,140,000	1,140,000	—	1,140,000
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	\$ —	\$ —	\$ —

CITY OF NORTH MYRTLE BEACH

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities that are not financed by proprietary funds or trust funds.

Capital Improvement Fund:	To account for financial resources to be used for general capital asset acquisitions and replacements, plus park improvements and parking.
Street Improvement Fund:	To account for financial resources to be used for paving unpaved streets in the City.
Beach Renourishment Fund:	To account for financial resources to be used for renourishing the beach.
Park Development Fund:	To account for financial resources to be used for parks land acquisition and development.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2009

	Capital Improvement	Street Improvement	Beach Renourishment	Park Development	Total
Assets					
Equity in pooled cash and cash equivalents	\$ 914,460	\$ 2,595,932	\$ 37,716	\$ 1,769,523	\$ 5,317,631
Total assets	\$ 914,460	\$ 2,595,932	\$ 37,716	\$ 1,769,523	\$ 5,317,631
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 224,344	\$ 90,940	\$ 3,150	\$ —	\$ 318,434
Retainage payable	353,263	—	—	—	353,263
Deferred revenue	—	90,000	—	—	90,000
Total liabilities	577,607	180,940	3,150	—	761,697
Fund balances:					
Reserved for:					
Shore Protection Project	—	—	34,566	—	34,566
Unreserved/undesignated	336,853	2,414,992	—	1,769,523	4,521,368
Total fund balances	336,853	2,414,992	34,566	1,769,523	4,555,934
Total liabilities and fund balances	\$ 914,460	\$ 2,595,932	\$ 37,716	\$ 1,769,523	\$ 5,317,631

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2009

	Capital Improvement	Street Improvement	Beach Renourishment	Park Development	Total
Revenue					
Use of money and property	\$ 80,412	\$ 5,528	\$ 441	\$ 6,488	\$ 92,869
Restricted intergovernmental	1,500,000	478,509	—	—	1,978,509
Sales and service charges	120	—	—	—	120
Miscellaneous	—	—	—	1,125,000	1,125,000
Total revenue	1,580,532	484,037	441	1,131,488	3,196,498
Expenditures					
Current:					
General government administration	28,494	—	—	—	28,494
Public works	21,223	4,400,156	40,929	—	4,462,308
Parks and recreation	3,681,398	—	—	—	3,681,398
Total expenditures	3,731,115	4,400,156	40,929	—	8,172,200
Excess (deficiency) of revenue over (under) expenditures	(2,150,583)	(3,916,119)	(40,488)	1,131,488	(4,975,702)
Other Financing Sources (Uses)					
Transfers in	1,800,000	911,680	—	—	2,711,680
Bond proceeds	—	5,100,000	—	—	5,100,000
Total other financing sources (uses)	1,800,000	6,011,680	—	—	7,811,680
Net change in fund balances	(350,583)	2,095,561	(40,488)	1,131,488	2,835,978
Fund balances, beginning of year	687,436	319,431	75,054	638,035	1,719,956
Fund balances, end of year	\$ 336,853	\$ 2,414,992	\$ 34,566	\$ 1,769,523	\$ 4,555,934

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CAPITAL IMPROVEMENT FUND
BALANCE SEET

JUNE 30, 2009

(With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 914,460	\$ 687,446
Total assets	<u>\$ 914,460</u>	<u>\$ 687,446</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 224,344	\$ —
Retainage payable	<u>353,263</u>	<u>—</u>
Total liabilities	<u>577,607</u>	<u>—</u>
Fund balance:		
Unreserved/undesignated	<u>336,853</u>	<u>687,446</u>
Total liabilities and fund balance	<u>\$ 914,460</u>	<u>\$ 687,446</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CAPITAL IMPROVEMENT FUND

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2009

(With comparative actual amounts for June 30, 2008)

	2009			2008
	Budget	Actual	Variance Positive (Neg.)	Actual
Revenue				
Use of money and property:				
Interest on investments	\$ 10,000	\$ 2,069	\$ (7,931)	\$ —
Surplus sales	55,000	78,343	23,343	83,137
Restricted intergovernmental:				
Grants	—	1,500,000	1,500,000	—
Sales and services:				
Development fees	10,000	120	(9,880)	120
Total revenue	<u>75,000</u>	<u>1,580,532</u>	<u>1,505,532</u>	<u>83,257</u>
Expenditures				
General government administration:				
General building improvements	—	—	—	204,845
Library site development	—	28,494	28,494	—
Parks and recreation:				
Recreation/Community Center	2,750,000	3,681,398	(931,398)	—
Public works:				
Cherry Gove dredging	—	21,223	(21,223)	—
Total expenditures	<u>2,750,000</u>	<u>3,731,115</u>	<u>(981,115)</u>	<u>204,845</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(2,675,000)</u>	<u>(2,150,583)</u>	<u>524,417</u>	<u>(121,588)</u>
Transfers and Other Financing Sources (Uses)				
Transfers in – General Fund	1,800,000	1,800,000	—	1,525,000
Total other financing sources (uses)	<u>1,800,000</u>	<u>1,800,000</u>	<u>—</u>	<u>1,525,000</u>
Net change in fund balance	(875,000)	(350,583)	524,417	1,403,412
Fund balance, beginning of year	687,436	687,436	—	(715,976)
Fund balance, end of year	<u>\$ (187,564)</u>	<u>\$ 336,853</u>	<u>\$ 524,417</u>	<u>\$ 687,436</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

STREET IMPROVEMENT FUND
BALANCE SHEET

JUNE 30, 2009

(With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 2,595,932	\$ 453,413
Due from other government	—	60,000
Total assets	<u>\$ 2,595,932</u>	<u>\$ 513,413</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 90,940	\$ 193,982
Deferred revenue	90,000	—
Total liabilities	<u>180,940</u>	<u>193,982</u>
Fund balance:		
Unreserved/undesignated	<u>2,414,992</u>	<u>319,431</u>
Total liabilities and fund balance	<u>\$ 2,595,932</u>	<u>\$ 513,413</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

STREET IMPROVEMENT FUND

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2009
(With comparative actual amounts for June 30, 2008)

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ 15,000	\$ 5,528	\$ (9,472)	\$ 12,219
Restricted intergovernmental:				
Horry County Road Fee	260,465	316,201	55,736	248,549
SCDOT road grants	510,000	—	(510,000)	116,500
Santee Cooper grants	—	162,308	162,308	289,494
Total revenue	785,465	484,037	(301,428)	666,762
Expenditures				
Public works:				
6 th Ave intersection improvement	—	76,422	(76,422)	—
6 th Ave underground utilities	—	148,386	(148,386)	—
Roads – parkway	—	3,079,020	(3,079,020)	—
48 th Ave underground utilities	—	47,996	(47,996)	—
Street paving – roads	75,000	—	75,000	—
Resurfacing – roads	150,000	24,728	125,272	—
Parking lot improvements	500,000	—	500,000	982,476
Beach access improvements	80,000	—	80,000	—
Sidewalks	450,000	—	450,000	366,372
Underground utilities	—	120,960	(120,960)	234,071
Verizon underground utilities	75,000	810,816	(735,816)	—
Intersection improvements	660,000	3,100	656,900	241,213
Welcome signs	—	—	—	97,632
Professional services	—	88,728	(88,728)	53,500
Total expenditures	1,990,000	4,400,156	(2,410,156)	1,975,264
Excess (deficiency) of revenue over (under) expenditures	1,204,535	3,916,119	(2,711,584)	(1,308,502)
Other Financing Sources (Uses)				
Transfers in – General Fund	750,000	750,000	—	750,000
Transfers in – Accommodation Tax	123,800	161,680	37,880	—
Bond proceeds	—	5,100,000	5,100,000	—
Total other financing sources (uses)	873,800	6,011,680	5,137,880	750,000
Net change in fund balance	(330,735)	2,095,561	2,426,296	(558,502)
Fund balance, beginning of year	319,431	319,431	—	877,933
Fund balance, end of year	\$ (11,304)	\$ 2,414,992	\$ 2,426,296	\$ 319,431

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

BEACH RENOURISHMENT FUND
BALANCE SHEET

JUNE 30, 2009

(With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 37,716	\$ 75,054
Total assets	<u>\$ 37,716</u>	<u>\$ 75,054</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 3,150	\$ —
Total liabilities	<u>3,150</u>	<u>—</u>
Fund Balance:		
Reserved for Shore Protection Project	<u>34,566</u>	<u>75,054</u>
Total liabilities and fund balance	<u>\$ 37,716</u>	<u>\$ 75,054</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

BEACH RENOURISHMENT FUND

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2009

(With comparative actual amounts for June 30, 2008)

	2009			2008
	Budget	Actual	Variance Positive (Neg.)	Actual
Revenue				
Use of money and property:				
Interest on investments	\$ 4,000	\$ 441	\$ (3,559)	\$ 3,622
Total revenue	<u>4,000</u>	<u>441</u>	<u>(3,559)</u>	<u>3,622</u>
Expenditures				
Public works:				
Materials and supplies	—	17,271	(17,271)	40,176
Professional services	—	23,658	(23,658)	42,146
Total expenditures	<u>—</u>	<u>40,929</u>	<u>(40,929)</u>	<u>82,322</u>
Excess (deficiency) of revenue over (under) expenditures	<u>4,000</u>	<u>(40,488)</u>	<u>(44,488)</u>	<u>(78,700)</u>
Net change in fund balance	4,000	(40,488)	(44,488)	(78,700)
Fund balance, beginning of year	75,054	75,054	—	153,754
Fund balance, end of year	<u>\$ 79,054</u>	<u>\$ 34,566</u>	<u>\$ (44,488)</u>	<u>\$ 75,054</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

PARK DEVELOPMENT FUND
BALANCE SHEET

JUNE 30, 2009

(With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and cash equivalents	\$ 1,769,523	\$ 638,035
Total assets	<u>\$ 1,769,523</u>	<u>\$ 638,035</u>
Liabilities and Fund Balance		
Liabilities:		
Due to General Fund	\$ —	\$ —
Total liabilities	<u>—</u>	<u>—</u>
Fund Balance:		
Unreserved/undesignated	<u>1,769,523</u>	<u>638,035</u>
Total liabilities and fund balance	<u>\$ 1,769,523</u>	<u>\$ 638,035</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CAPITAL PROJECTS FUND

PARK DEVELOPMENT FUND

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2009
(With comparative actual amounts for June 30, 2008)

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Revenue				
Use of money and property:				
Interest on investments	\$ 12,500	\$ 6,488	\$ (6,012)	\$ 30,757
Miscellaneous:				
Contributions	—	1,125,000	1,125,000	100,000
Total revenue	<u>12,500</u>	<u>1,131,488</u>	<u>1,118,988</u>	<u>130,757</u>
Expenditures				
Parks and recreation:				
Land acquisition	—	—	—	642,212
Total expenditures	<u>—</u>	<u>—</u>	<u>—</u>	<u>642,212</u>
Excess (deficiency) of revenue over (under) expenditures	<u>12,500</u>	<u>1,131,488</u>	<u>1,118,988</u>	<u>(511,455)</u>
Net change in fund balance	12,500	1,131,488	1,118,988	(511,455)
Fund balance, beginning of year	638,035	638,035	—	1,149,490
Fund balance, end of year	<u>\$ 650,535</u>	<u>\$ 1,769,523</u>	<u>\$ 1,118,988</u>	<u>\$ 638,035</u>

CITY OF NORTH MYRTLE BEACH

ENTERPRISE FUNDS

Enterprise Funds are to be used to account for operations that are financed and operated in a manner similar to private sector businesses where the intent of the governing body is that the costs (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges.

Water and Sewer Utility:

To account for all financial resources associated with supplying water and providing sewage services to domestic, business, and industrial customers within the North Myrtle Beach area.

Solid Waste:

To account for all revenues and expenses related to the City's solid waste activities.

Aquatic Center:

To account for all revenues and expenses related to the operating of the City's aquatic center.

Beach Service:

To account for all revenues and expenses related to the operating of the City's beach service activities.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

WATER AND SEWER UTILITY
BALANCE SHEET

JUNE 30, 2009
(With comparative amounts for June 30, 2008)

	2009	2008		2009	2008
Assets			Liabilities and Net Assets		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 3,010,840	\$ 2,924,853	Accounts payable-trade	\$ 884,004	\$ 345,488
Equity in pooled cash and cash equivalents	3,110,121	2,120,563	Accrued payroll and related taxes	72,593	57,397
Accounts receivable, net	1,477,320	2,133,435	Accrued compensated absences	174,788	158,517
Due from other funds	—	1,000,000	Insurance claims payable	20,489	42,681
Inventories	318,087	371,776	Contracts payable-current portion	775,000	2,671,138
Due from other governments	640,125	—	Retainage payable	111,643	—
	<u>8,556,493</u>	<u>8,550,627</u>		<u>2,038,517</u>	<u>3,275,221</u>
Restricted assets:			Current liabilities payable from restricted assets:		
Cash and cash equivalents:			Construction and retainage payable	—	1,155,670
Depreciation funds	—	45,721	Revenue bonds payable-current portion	—	255,000
Contingent funds	—	1,673	Accrued interest payable	—	3,340
Bond and interest redemption and cushion funds	288	46,892	Meter deposits and other	1,868,775	1,851,749
Customer meter deposits	1,862,370	1,841,486	Deferred tap and impact fees	597,980	1,530,474
Impact fees	7,623,071	7,530,016	Total current liabilities payable from restricted assets	<u>2,466,755</u>	<u>4,796,233</u>
Equity in pooled cash and cash equivalents:			Total current liabilities	<u>4,505,272</u>	<u>8,071,454</u>
Depreciation funds	—	78,699			
Contingent funds	—	156,597	Long-term liabilities:		
Impact fees	3,674,835	6,473,015	Other post-employment benefits (OPEB)	174,950	—
Deposits with the GSWSA	280,000	280,000	Contracts payable	9,920,000	10,695,000
Total restricted assets	<u>13,440,564</u>	<u>16,454,099</u>	Total long-term liabilities	<u>10,094,950</u>	<u>10,695,000</u>
Total current assets	<u>21,997,057</u>	<u>25,189,034</u>	Total liabilities	<u>14,600,222</u>	<u>18,766,454</u>
Capital assets:					
Land	232,014	227,014	Net Assets:		
Buildings	668,218	668,218	Invested in capital assets, net of related debt	68,809,612	65,476,625
Water and sewer systems	88,962,765	86,504,850	Restricted debt service, capacity and deposits	11,571,789	13,256,184
Automotive equipment	946,635	946,635	Unrestricted	11,580,269	13,032,623
Maintenance equipment	2,209,105	1,942,647	Total net assets	<u>91,961,670</u>	<u>91,765,432</u>
Office equipment	1,598,448	1,510,422			
Construction in progress	5,039,715	2,986,145	Total liabilities and net assets	<u>\$ 106,561,892</u>	<u>\$ 110,531,886</u>
	<u>99,656,900</u>	<u>94,785,931</u>			
Less, accumulated depreciation	<u>(30,735,645)</u>	<u>(27,902,978)</u>			
Net capital assets	<u>68,921,255</u>	<u>66,882,953</u>			
Deferred charges:					
Unamortized bond issuance costs	—	4,342			
Unamortized cost of purchased water/sewer rights	15,643,580	18,455,557			
Net deferred charges	<u>15,643,580</u>	<u>18,459,899</u>			
Total assets	<u>\$ 106,561,892</u>	<u>\$ 110,531,886</u>			

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

WATER AND SEWER UTILITY
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS –
BUDGET AND ACTUALYEAR ENDED JUNE 30, 2009
(With comparative actual amounts for June 30, 2008)

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Operating Revenue				
Sales and service charges:				
Water usage fees	\$ 6,798,000	\$ 6,187,199	\$ (610,801)	\$ 6,421,279
Sewer usage fees	4,503,000	4,173,898	(329,102)	4,303,900
Water taps	125,000	40,308	(84,692)	87,603
Sewer taps	25,000	14,652	(10,348)	14,421
Late payment penalties and service charges	140,000	118,533	(21,467)	124,121
Construction for public use	80,000	48,082	(31,918)	98,465
Miscellaneous	—	2,317	2,317	4,867
Total operating revenue	11,671,000	10,584,989	(1,086,011)	11,054,656
Operating Expenses				
General Government Administration				
Overhead allocation-				
General services	492,310	542,413	(50,103)	495,474
Legislative	83,461	81,849	1,612	69,188
Administrative	134,033	102,929	31,104	108,077
Legal	120,731	137,422	(16,691)	176,274
Personnel	159,719	149,021	10,698	149,819
Total general government administration	990,254	1,013,634	(23,380)	998,832
Finance				
Overhead allocation-				
Accounting	206,657	212,114	(5,457)	234,436
Utility billing:				
Personal services	404,731	424,289	(19,558)	388,382
Operating expenses	127,275	120,966	6,309	122,240
Less overhead allocation	(53,201)	(51,846)	1,355	(51,728)
Total finance	685,462	705,523	(20,061)	693,330
Information Services				
Overhead allocation	210,816	208,171	2,645	227,139
Public Safety				
Overhead allocation-				
Communications	58,936	55,995	2,941	59,535

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

WATER AND SEWER UTILITY
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS -
BUDGET AND ACTUAL

— CONTINUED —

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Operating Expenses (Continued)				
Planning/Development				
Overhead allocation- Code enforcement	43,105	32,845	10,260	31,715
Public Works				
Administrative:				
Personal services	734,638	756,642	(22,004)	652,920
Operating expenses	108,900	64,706	44,194	90,879
Overhead allocation	(126,531)	(118,692)	(7,839)	(112,360)
	717,007	702,656	14,351	631,439
Wastewater treatment:				
Personal services	422,036	423,323	(1,287)	397,410
Operating expenses	990,550	1,020,883	(30,333)	877,832
	1,412,586	1,444,206	(31,620)	1,275,242
Wells/lifts maintenance:				
Personal services	583,782	586,926	(3,144)	509,198
Operating expenses	777,650	809,456	(31,806)	1,144,267
	1,361,432	1,396,382	(34,950)	1,653,465
Construction/maintenance:				
Personal services	1,146,529	1,146,976	(447)	1,007,995
Operating expenses	1,772,150	2,220,074	(447,924)	2,010,065
	2,918,679	3,367,050	(448,371)	3,018,060
Streets/drainage:				
Overhead allocation	228,897	217,648	11,249	221,622
Total public works	6,638,601	7,127,942	(489,371)	6,799,828
Support Services				
Overhead allocation- Purchasing	250,350	225,311	25,039	224,920
Fleet management	70,285	67,159	3,126	77,839
Custodial	166,859	142,265	24,594	185,774
Total support services	487,494	434,735	52,759	488,533
Depreciation and amortization expense	3,684,382	3,716,180	(31,798)	3,618,372
Total operating expenses	12,799,050	13,295,025	(495,975)	12,917,284
Operating income (loss)	(1,128,050)	(2,710,036)	(1,581,986)	(1,862,628)

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

WATER AND SEWER UTILITY
 SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS -
 BUDGET AND ACTUAL

— CONTINUED —

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Non-operating Revenue (Expenses)				
Interest earned on investments	1,500,000	264,150	(1,235,850)	812,798
Interest expense	(619,705)	(612,023)	7,682	(556,518)
Bond agent fees	(5,000)	(1,672)	3,328	(3,493)
Amortization of bond issuance costs	—	(4,342)	(4,342)	(5,210)
Restricted intergovernmental:				
Community development block grant	—	3,395	3,395	466,235
Tower rental and other	185,000	192,552	7,552	199,044
Total non-operating revenue (expenses)	<u>1,060,295</u>	<u>(157,940)</u>	<u>(1,218,235)</u>	<u>912,856</u>
Capital Contributions				
Impact fees	2,500,000	1,102,545	(1,397,455)	2,134,122
Developer contributions	—	1,961,669	1,961,669	1,463,400
Total capital contributions	<u>2,500,000</u>	<u>3,064,214</u>	<u>564,214</u>	<u>3,597,522</u>
Change in net assets	2,432,245	196,238	(2,236,007)	2,647,750
Net assets, beginning of year	<u>91,765,432</u>	<u>91,765,432</u>	<u>—</u>	<u>89,117,682</u>
Net assets, end of year	<u>\$ 94,197,677</u>	<u>\$ 91,961,670</u>	<u>\$ (2,236,007)</u>	<u>\$ 91,765,432</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

SOLID WASTE
BALANCE SHEET

JUNE 30, 2009

(With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Current assets:		
Equity in pooled cash and cash equivalents	\$ —	\$ —
Accounts receivable, net	139,872	147,287
Total current assets	<u>139,872</u>	<u>147,287</u>
Capital assets:		
Buildings	313,200	313,200
Improvements	32,262	21,842
Vehicles and equipment	4,702,611	4,126,597
	<u>5,048,073</u>	<u>4,461,639</u>
Less, accumulated depreciation	(3,525,222)	(3,181,792)
Net capital assets	<u>1,522,851</u>	<u>1,279,847</u>
Total assets	<u>\$ 1,662,723</u>	<u>\$ 1,427,134</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 55,816	\$ 62,331
Accrued payroll and related taxes	39,888	31,665
Accrued compensated absences	99,308	101,275
Insurance claims payable	26,405	34,760
Due to General Fund	1,009,458	1,291,207
Total current liabilities	<u>1,230,875</u>	<u>1,521,238</u>
Long-term liabilities:		
Other post employment benefits (OPEB)	92,620	—
Total liabilities	<u>1,323,495</u>	<u>1,521,238</u>
Net assets:		
Investment in capital assets	1,522,851	1,279,847
Unrestricted (deficit)	(1,183,623)	(1,373,951)
Total net assets	<u>339,228</u>	<u>(94,104)</u>
Total liabilities and net assets	<u>\$ 1,662,723</u>	<u>\$ 1,427,134</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

SOLID WASTE
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS -
BUDGET AND ACTUALYEAR ENDED JUNE 30, 2009
(With comparative actual amounts for June 30, 2008)

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Operating Revenue				
Sales and service charges:				
Solid waste user fees and penalties	\$ 3,750,000	\$ 3,775,634	\$ 25,634	\$ 3,143,314
Trash bags	12,000	11,909	(91)	13,106
Miscellaneous	—	157	157	1,838
Total operating revenue	3,762,000	3,787,700	25,700	3,158,258
Operating Expenses				
General government administration				
Overhead allocation -				
General services	84,396	92,985	(8,589)	84,938
Legislative	12,519	12,277	242	10,378
Administration	20,105	15,439	4,666	16,212
Legal	18,110	20,613	(2,503)	26,441
Personnel	63,888	59,609	4,279	59,927
Total general government administration	199,018	200,923	(1,905)	197,896
Finance				
Overhead allocation -				
Accounting	41,331	42,423	(1,092)	46,887
Utility billings	53,201	51,846	1,355	51,728
Total finance	94,532	94,269	263	98,615
Information Services				
Overhead allocation - accounting	42,163	41,634	529	45,428
Public works				
Overhead allocation	126,531	118,692	7,839	112,360
Commercial collection:				
Personal services	254,146	263,799	(9,653)	242,065
Operating	129,100	119,844	9,256	133,382
	383,246	383,643	(397)	375,447
Transfer station:				
Personal services	167,869	176,344	(8,475)	165,480
Operating	548,225	505,358	42,867	547,797
	716,094	681,702	34,392	713,277
Residential collection:				
Personal services	669,701	642,566	27,135	635,958
Operating	126,410	177,654	(51,244)	163,185
	796,111	820,220	(24,109)	799,143

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

SOLID WASTE
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS -
BUDGET AND ACTUAL

— CONTINUED —

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Operating Expenses (Continued)				
Public works (Continued)				
Trash/litter collections:				
Personal services	182,239	195,556	(13,317)	177,787
Operating	37,700	55,470	(17,770)	54,430
	<u>219,939</u>	<u>251,026</u>	<u>(31,087)</u>	<u>232,217</u>
Beach cleaning:				
Personal services	144,970	149,866	(1,896)	165,660
Operating	45,500	47,319	(1,819)	46,145
	<u>190,470</u>	<u>197,185</u>	<u>(6,715)</u>	<u>211,805</u>
Recycling:				
Personal services	208,740	218,409	(9,669)	209,308
Operating	56,500	36,586	19,914	67,923
	<u>265,240</u>	<u>254,995</u>	<u>10,245</u>	<u>277,231</u>
Total public works	<u>2,697,631</u>	<u>2,707,463</u>	<u>(9,832)</u>	<u>2,721,480</u>
Support services				
Overhead allocations -				
Purchasing	19,635	17,673	1,962	17,641
Fleet management	87,856	83,949	3,907	97,299
Custodial	20,023	17,244	2,779	22,518
Total support services	<u>127,514</u>	<u>118,866</u>	<u>8,648</u>	<u>137,458</u>
Depreciation and amortization	300,000	391,155	(91,155)	349,999
Total operating expenses	3,460,858	3,554,310	(93,452)	3,550,876
Operating income (loss)	301,142	233,390	67,752	(392,618)
Non-operating Revenue (Expenses)				
Interest earned on investments	—	1,540	1,540	—
Restricted governmental:				
Grant- SCDHEC	25,000	—	(25,000)	35,347
Total non-operating revenue (expenses)	<u>25,000</u>	<u>1,540</u>	<u>(23,460)</u>	<u>35,347</u>
Transfers				
Transfer in-Accommodations (2%) Tax Fund	230,000	198,402	(32,298)	331,500
Change in net assets	556,142	433,332	122,810	(25,771)
Net assets, beginning of year	(94,104)	(94,104)	—	(68,333)
Net assets, end of year	<u>\$ 462,038</u>	<u>\$ 339,228</u>	<u>\$ 122,810</u>	<u>\$ (94,104)</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

AQUATIC CENTER
BALANCE SHEET

JUNE 30, 2009

(With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 400	\$ 300
Accounts receivable	31,553	4,660
Due from Local Accommodations (1.5%) Tax Fund	120,805	140,498
Total current assets	<u>152,758</u>	<u>145,458</u>
Capital assets:		
Buildings	9,700,878	9,700,878
Improvements	1,439	1,439
Furniture and equipment	648,032	630,532
	<u>10,350,349</u>	<u>10,332,849</u>
Less, accumulated depreciation	(1,313,362)	(932,242)
Net capital assets	<u>9,036,987</u>	<u>9,400,607</u>
Deferred charges:		
Debt issuance costs	68,721	68,721
Less, accumulated amortization	(18,898)	(15,462)
Total deferred charges	<u>49,823</u>	<u>53,259</u>
Total assets	<u>\$ 9,239,568</u>	<u>\$ 9,599,324</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 29,086	\$ 25,445
Accrued payroll and related taxes	21,300	17,085
Accrued compensated absences	27,338	28,136
Insurance claims payable	4,244	7,648
Due to General Fund	320,772	461,782
Accrued interest payable	181,319	189,953
Current portion of note obligation	349,418	335,656
Deferred revenue	247,297	260,509
Total current liabilities	<u>1,180,774</u>	<u>1,326,214</u>
Long-term liabilities:		
Note obligation	6,699,397	7,048,815
Other post employment benefits (OPEB)	37,734	—
Total liabilities	<u>7,917,905</u>	<u>8,375,029</u>
Net assets:		
Invested in capital assets, net of related debt	1,988,172	2,016,136
Unrestricted (deficit)	(666,509)	(791,841)
Total net assets	<u>1,321,663</u>	<u>1,224,295</u>
Total liabilities and net assets	<u>\$ 9,239,568</u>	<u>\$ 9,599,324</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

AQUATIC CENTER
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS -
BUDGET AND ACTUALYEAR ENDED JUNE 30, 2009
(With comparative actual amounts for June 30, 2008)

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Operating Revenue				
Sales and service charges:				
Membership fees	\$ 1,315,000	\$ 1,114,143	\$ (200,857)	\$ 1,052,695
Day membership fees	25,000	40,065	15,065	27,430
Employee membership fees	—	121,346	121,346	117,391
Enrollment fees	50,000	52,794	2,794	54,208
Program fees	85,000	161,393	76,393	111,713
Merchandise sales	20,000	5,642	(14,358)	21,920
Food sales	—	23,512	23,512	—
Miscellaneous	1,000	1,514	514	1,332
Total operating revenue	1,496,000	1,520,409	24,409	1,386,689
Operating Expenses				
General government administration				
Overhead allocation -				
General services	56,264	61,990	(5,726)	56,626
Legislative	8,346	8,185	161	6,919
Administration	13,403	10,293	3,110	10,808
Legal	12,073	13,742	(1,669)	17,627
Personnel	31,944	29,804	2,140	29,963
Total general government administration	121,943	124,014	(1,984)	121,943
Finance				
Overhead allocation	27,555	28,282	(727)	31,258
Information Services				
Overhead allocation	14,054	13,878	176	15,143
Parks and recreation				
Personnel services	992,928	968,831	24,097	910,197
Operations and maintenance	411,960	424,523	(12,563)	473,660
Total parks and recreation	1,404,888	1,393,354	11,534	1,383,857
Support services				
Overhead allocations -				
Purchasing	19,635	17,671	1,964	17,641
Custodial	20,023	—	20,023	—
Total support services	39,658	17,671	21,987	17,641
Depreciation and amortization	368,582	381,120	(12,538)	379,369
Total operating expenses	1,976,767	1,958,319	18,448	1,949,211
Operating income (loss)	(480,767)	(437,910)	42,857	(562,522)

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

AQUATIC CENTER
 SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS -
 BUDGET AND ACTUAL

— CONTINUED —

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Non-operating Revenue (Expenses)				
Interest earned on investments	—	—	—	6,425
Donations / fundraisers	10,000	34,590	24,590	6,250
Non-operating program fees and other	22,688	13,896	(8,792)	27,007
Rental property	16,400	—	(16,400)	—
Amortization of debt issuance costs	(3,436)	(3,436)	—	(3,436)
Restricted intergovernmental:				
DSS grants	—	68,615	68,615	37,831
South Carolina – DDC grant	10,000	4,936	(5,064)	—
Interest expense	(302,763)	(294,129)	8,634	(347,944)
Total non-operating revenue (expenses)	(247,111)	(175,528)	71,583	(273,867)
Transfers				
Transfers in:				
Accommodations (2%) tax	13,800	11,868	(1,932)	46,000
Local Accommodations (1.5%) tax	775,000	698,938	(76,062)	744,478
Total transfers	788,800	710,806	(77,994)	790,478
Change in net assets	60,922	97,368	36,446	(45,911)
Net assets, beginning of year	1,224,295	1,224,295	—	1,270,206
Net assets, end of year	\$ 1,285,217	\$ 1,321,663	\$ 36,446	\$ 1,224,295

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

BEACH SERVICE
BALANCE SHEET

JUNE 30, 2009

(With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,549	\$ 8,000
Receivables	16,047	17,278
Inventories	11,423	71,734
Total current assets	<u>36,019</u>	<u>97,012</u>
Capital assets:		
Buildings	413,148	413,148
Furniture and equipment	1,385,000	1,385,000
	<u>1,798,148</u>	<u>1,798,148</u>
Less, accumulated depreciation	(647,919)	(389,236)
Net capital assets	<u>1,150,229</u>	<u>1,408,912</u>
Total assets	<u>\$ 1,186,248</u>	<u>\$ 1,505,924</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 73,664	\$ 55,348
Accrued payroll and related taxes	114,942	100,664
Accrued compensated absences	6,820	5,082
Insurance claims payable	772	1,390
Due to General Fund	3,215,275	2,994,716
Total current liabilities	<u>3,411,473</u>	<u>3,157,200</u>
Long-term liabilities:		
Other post employment benefits (OPEB)	6,861	—
Total liabilities	<u>3,418,334</u>	<u>3,157,200</u>
Net assets:		
Invested in capital assets, net of related debt	1,150,229	1,408,912
Unrestricted (deficit)	(3,382,315)	(3,060,188)
Total net assets	<u>(2,232,086)</u>	<u>(1,651,276)</u>
Total liabilities and net assets	<u>\$ 1,186,248</u>	<u>\$ 1,505,924</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

BEACH SERVICE
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS -
BUDGET AND ACTUALYEAR ENDED JUNE 30, 2009
(With comparative actual amounts for June 30, 2008)

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Operating Revenue				
Sales and service charges:				
Beach service rentals	\$ 1,123,500	\$ 1,034,884	\$ (88,616)	\$ 979,505
Water slide	—	43,748	43,748	—
Food and beverage sales	930,900	441,939	(488,961)	444,304
Sundry items sales	9,100	2,732	(6,368)	—
Less, sales tax/hospitality fees	(135,000)	(110,981)	24,019	(96,224)
Miscellaneous	—	457	457	17,017
Total operating revenue	1,928,500	1,412,779	(515,721)	1,344,602
Operating Expenses				
General government administration				
Overhead allocation -				
General services	56,264	61,990	(5,726)	56,626
Legislative	10,433	10,231	202	8,648
Administration	16,754	12,866	3,888	13,510
Legal	15,091	17,178	(2,087)	22,034
Personnel	79,859	74,511	5,348	74,909
Total general government administration	178,401	176,776	1,625	175,727
Finance				
Overhead allocation	68,887	70,705	(1,818)	78,145
Information Services				
Overhead allocation	21,082	20,816	266	22,714
Public safety				
Overhead allocation	35,361	33,597	1,764	34,937
Lifeguard services:				
Personnel services	497,340	509,151	(11,811)	606,238
Operations and maintenance	78,736	102,612	(23,876)	122,245
Total public safety	611,437	645,360	(33,923)	763,420
Parks and recreation				
Personnel services	660,517	693,407	(32,890)	885,856
Operations and maintenance	196,720	238,643	(41,923)	235,835
Total parks and recreation	857,237	932,050	(74,813)	1,121,691

— CONTINUED —

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ENTERPRISE FUND

BEACH SERVICE
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS -
BUDGET AND ACTUAL

— CONTINUED —

	2009		Variance Positive (Neg.)	2008
	Budget	Actual		Actual
Operating Expenses (Continued)				
Support services				
Overhead allocations -				
Purchasing	4,909	4,418	491	4,410
Fleet	17,571	16,790	780	19,460
Total support services	22,480	21,208	1,271	23,870
Depreciation and amortization	270,000	258,684	11,316	269,153
Total operating expenses	2,029,524	2,125,599	96,075	2,454,720
Operating income (loss)	(101,024)	(712,820)	(611,796)	(1,110,118)
Non-operating Revenue (Expenses)				
Donation / fundraisers	13,000	—	(13,000)	14,000
Miscellaneous	—	—	—	4,252
Total non-operating revenue (expenses)	13,000	—	(13,000)	18,252
Transfers				
Transfers in (out):				
Accommodations (2%)Tax Fund	153,500	132,010	(21,490)	89,200
Total transfers	153,500	132,010	(21,490)	89,200
Change in net assets	65,476	(580,810)	(646,286)	(1,002,666)
Net assets, beginning of year	(1,651,276)	(1,651,276)	—	132,010
Net assets, end of year	<u>\$ (1,585,800)</u>	<u>\$ (2,232,086)</u>	<u>\$ (646,286)</u>	<u>\$ (1,651,276)</u>

FIDUCIARY FUNDS

Fiduciary Funds are trust and agency funds used to account for assets received and held by the City acting in the capacity of an agent or custodian. The City maintains the following trust and agency funds:

Pension Trust Funds

Money Purchase Pension Plan #1: To account for assets received and disbursed by the City as trustee in conjunction with the City of North Myrtle Beach 401(a) Plan for general employees and firefighters.

Money Purchase Pension Plan #2: To account for assets received and disbursed by the City as trustee in conjunction with the City of North Myrtle Beach 401(a) Plan for certain administrative employees.

Agency Fund

Firemen's Fund: To account for the accumulation of resources derived primarily from 1% of the premiums of foreign insurance companies, received from the state under Section 38-57-10 through 38-57-210 of the Code of Laws of South Carolina and to be expended for the sole benefit of the City's firemen.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
PENSION TRUST FUNDS - MONEY PURCHASE PENSION PLAN #1
STATEMENT OF PLAN ASSETS

JUNE 30, 2009
(With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Cash and temporary investments	\$ 10,260,333	\$ 11,433,576
Participant loans	<u>659,729</u>	<u>711,681</u>
Total assets	<u>\$ 10,920,062</u>	<u>\$ 12,145,257</u>
Net Assets		
Held in trust for employee's pension benefits	<u>\$ 10,920,062</u>	<u>\$ 12,145,257</u>

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
PENSION TRUST FUNDS - MONEY PURCHASE PENSION PLAN #1
STATEMENT OF CHANGES IN PLAN NET ASSETS

YEAR ENDED JUNE 30, 2009
(With comparative amounts for June 30, 2008)

	2009	2008
Additions		
Employer contributions	\$ 766,660	\$ 748,779
Employee (member) contributions	189,520	187,195
Investment income gain/(loss)	(1,438,025)	(596,168)
Total additions	(481,845)	339,806
Deductions		
Benefit payments/loan issuance costs	743,350	784,866
Trustee fees	—	4,166
Forfeitures	—	684
Total deductions	743,350	789,716
Change in net assets	(1,225,195)	(449,910)
Net assets held in trust for employee's pension benefits:		
Beginning of year	12,145,257	12,595,167
End of year	\$ 10,920,062	\$ 12,145,257

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
PENSION TRUST FUNDS - MONEY PURCHASE RETIREMENT PLAN #2
STATEMENT OF PLAN NET ASSETS

JUNE 30, 2009
(With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Cash and temporary investments	\$ 324,822	\$ 342,432
Net Assets		
Held in trust for employee's pension benefits	\$ 324,822	\$ 342,432

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
PENSION TRUST FUNDS - MONEY PURCHASE RETIREMENT PLAN #2
STATEMENT OF CHANGES IN PLAN NET ASSETS

YEAR ENDED JUNE 30, 2009
(With comparative amounts for June 30, 2008)

	2009	2008
Additions		
Employer contributions	\$ 10,923	\$ 11,278
Employee (member) contributions	10,923	11,278
Investment income gain/(loss)	(39,456)	(16,495)
Total additions	(17,610)	6,061
Deductions		
Benefit payments	—	—
Total deductions	—	—
Change in net assets	(17,610)	6,061
Net assets held in trust for employee's pension benefits:		
Beginning of year	342,432	336,371
End of year	\$ 324,822	\$ 342,432

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 AGENCY FUND
 FIREMEN'S FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED JUNE 30, 2009

	<u>Beginning Balance 6/30/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance 6/30/09</u>
Assets				
Cash and cash equivalents	\$ 10,659	\$ 329,635	\$ 330,451	\$ 9,843
Liabilities				
Due to Firemen's Association	\$ 10,659	\$ 329,635	\$ 330,451	\$ 9,843

**CAPITAL ASSETS USED IN THE OPERATIONS OF
GOVERNMENTAL FUNDS**

This schedule presents 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 (Enterprise and Internal Service Funds) are excluded from these amounts. Infrastructure capital assets represent actual costs of construction, and/or estimated values of deeded properties by developers.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF
 GOVERNMENTAL FUNDS BY SOURCE

JUNE 30, 2009
 (With comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Governmental Funds Capital Assets		
Land	\$ 10,691,172	\$ 10,281,230
Land improvements	5,647,305	5,083,698
Buildings	16,674,269	16,674,269
Machinery and equipment	14,614,485	13,697,893
	<u>47,627,231</u>	<u>45,737,090</u>
Infrastructure:		
Roads	18,275,028	18,173,878
Drainage systems	19,310,047	18,977,844
Developer contributions – roads	10,245,930	6,995,014
Sidewalks	1,859,394	1,859,393
Street lighting and other	747,555	747,554
	<u>50,437,954</u>	<u>46,753,683</u>
Construction in progress	4,016,197	354,466
Total governmental funds capital assets	<u>\$ 102,081,382</u>	<u>\$ 92,845,239</u>
Investment in Governmental Funds Capital Assets by Source		
General Obligation Bonds	\$ 18,386,470	\$ 13,286,470
General Fund Revenue	65,669,791	65,194,506
Special Revenue Funds	7,101,725	6,691,783
Gifts and contributions from developers	10,923,396	7,672,480
Total investment in governmental funds capital assets	<u>\$ 102,081,382</u>	<u>\$ 92,845,239</u>

VICTIMS' RIGHTS PROGRAM

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
 YEAR ENDED JUNE 30, 2009

	2009
Court Fines and Assessments	
Court fines and assessments collected	\$ 943,983
Court fines and assessments remitted to State Treasurer	(515,330)
Total court fines and assessments retained	\$ 428,653
Surcharges and Assessments Retained for Victims Service	
Total surcharges collected	\$ 26,054
Total assessments	42,552
Total surcharges and assessments	\$ 68,606
Funds Allocated to Victims Service	
Carryover funds from prior year	\$ 83,954
Surcharges and assessments retained	68,606
Expenditures for victims service	(65,281)
Total unexpended victims rights assistance funds	\$ 87,279

STATISTICAL SECTION

Financial Trend – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. (Tables I-V)..... 110-116

Revenue Capacity – These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property tax revenue. (Tables VI-IX)..... 117-120

Debt Capacity – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. (Tables X-XIV)..... 121-125

Demographic and Economic Information – 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 and with other governments. (Tables XV-XVII)..... 126-128

Operating Information – 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 it performs. (Tables XVIII-XIX) 129-130

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TABLE I

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

NET ASSETS BY COMPONENT
(Accrual basis of accounting)

LAST EIGHT FISCAL YEARS

	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities								
Invested in capital assets, net of related debt	\$ 62,387,272	\$ 59,996,795	\$ 54,648,649	\$ 47,153,263	\$ 39,973,658	\$ 40,839,787	\$ 35,428,857	\$ 30,947,802
Restricted	370,247	280,938	295,569	1,063,240	1,049,601	1,098,748	1,141,465	1,734,199
Unrestricted	16,926,046	11,782,163	12,810,362	11,866,720	13,011,400	6,841,785	8,274,940	8,258,264
Total governmental activities net assets	\$ 79,683,565	\$ 72,059,896	\$ 67,754,580	\$ 59,883,223	\$ 54,034,659	\$ 48,780,320	\$ 44,845,262	\$ 40,940,265
Business-type Activities								
Invested in capital assets, net of related debt	\$ 73,470,864	\$ 70,181,520	\$ 66,994,082	\$ 60,972,531	\$ 56,752,917	\$ 54,705,351	\$ 49,616,367	\$ 48,425,947
Restricted	11,571,789	13,256,184	15,902,485	14,530,805	11,100,189	8,755,316	12,604,894	11,183,918
Unrestricted	6,347,822	7,806,643	6,774,378	6,972,508	7,726,850	8,537,750	2,809,111	3,004,937
Total business-type activities net assets	\$ 91,390,475	\$ 91,244,347	\$ 89,670,945	\$ 82,475,844	\$ 75,579,956	\$ 71,998,417	\$ 65,030,372	\$ 62,614,802
Primary Government								
Invested in capital assets, net of related debt	\$ 135,858,136	\$ 130,178,315	\$ 121,642,731	\$ 108,125,794	\$ 96,726,575	\$ 95,545,138	\$ 85,045,224	\$ 79,373,749
Restricted	11,942,036	13,537,122	16,198,054	15,594,045	12,149,790	9,854,064	13,746,359	12,918,117
Unrestricted	23,273,868	19,588,806	19,584,740	18,639,228	20,738,250	15,379,535	11,084,051	11,263,201
Total primary government net assets	\$ 171,074,040	\$ 163,304,243	\$ 157,425,525	\$ 142,359,067	\$ 129,614,615	\$ 120,778,737	\$ 109,875,634	\$ 103,555,067

Note: The City did not previously prepare this schedule and chooses to implement such data prospective of implementing GASB Statement 34.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

TABLE II

CHANGES IN NET ASSETS
(Accrual basis of accounting)

LAST EIGHT FISCAL YEARS

	2009	2008	2007	2006	2005	2004	2003	2002
Expenses								
Governmental activities:								
General Government	\$ 2,271,467	\$ 2,088,723	\$ (34,011)	\$ 1,161,528	\$ 1,459,140	\$ 1,548,044	\$ 1,625,528	\$ 1,254,936
Information Services	430,655	349,883	-	-	-	-	-	-
Finance	752,495	657,347	901,788	780,200	747,756	685,707	615,604	495,969
Public Safety	12,056,536	11,419,629	10,011,477	9,363,496	8,870,555	7,898,923	7,542,528	6,771,191
Planning and Development	1,507,356	1,317,488	1,473,242	1,464,816	1,315,645	1,121,542	1,031,627	964,970
Public Works	4,806,216	3,659,488	4,116,534	1,815,327	2,736,392	2,159,477	1,398,521	5,561,034
Parks and Recreation	3,129,329	3,259,313	2,764,956	2,594,537	2,403,297	1,988,628	2,130,942	1,951,975
Support Services	748,813	791,744	624,342	571,110	475,183	611,112	386,769	289,825
Debt service - interest	451,621	439,195	445,674	375,076	546,175	306,896	541,585	659,225
Depreciation (unallocated)	756,800	723,410	3,226,639	2,685,978	2,588,902	2,407,554	2,242,844	1,895,985
Total governmental activities	\$ 26,911,288	\$ 24,706,220	\$ 23,530,641	\$ 20,812,068	\$ 21,143,045	\$ 18,727,883	\$ 17,515,948	\$ 19,845,110
Business-type activities:								
Water and sewer utility	\$ 13,913,062	\$ 13,482,505	\$ 13,337,790	\$ 12,478,180	\$ 11,430,356	\$ 10,015,661	\$ 9,515,558	\$ 8,506,615
Solid waste	3,554,310	3,550,876	3,259,451	3,015,221	2,872,433	2,723,065	2,593,302	2,649,677
Aquatic Center	2,255,884	2,300,591	2,220,718	1,638,962	163,149	35,985	-	-
Beach Services	2,125,599	2,454,720	1,028,145	-	-	-	-	-
Total business type-activities	\$ 21,848,855	\$ 21,788,692	\$ 19,846,104	\$ 17,132,363	\$ 14,465,938	\$ 12,774,711	\$ 12,108,860	\$ 11,156,292
Total primary government expenses	\$ 48,760,143	\$ 46,494,912	\$ 43,376,745	\$ 37,944,431	\$ 35,608,983	\$ 31,502,594	\$ 29,624,808	\$ 31,001,402
Program Revenue								
Governmental activities:								
Fees for services								
Storm Water	\$ 1,994,499	\$ 1,944,616	\$ 1,627,127	\$ 1,596,184	\$ 1,512,516	\$ 1,420,824	\$ 1,412,122	\$ 1,323,342
Fines	698,384	640,696	1,075,873	765,829	656,426	533,818	737,139	616,543
Building Permits	346,808	434,028	1,001,339	1,643,855	1,206,264	948,572	661,942	584,555
Other	139,472	331,341	204,577	476,595	231,007	102,505	227,910	125,218
Operating grants and contributions	456,982	445,707	2,099,130	61,404	154,959	1,205,168	893,912	2,128,113
Capital grants and contributions	6,303,509	1,582,531	1,125,000	587,704	2,998,980	768,155	61,315	136,210
Total primary government net assets	\$ 9,939,654	\$ 5,378,919	\$ 7,133,046	\$ 5,131,571	\$ 6,760,152	\$ 4,979,042	\$ 3,994,330	\$ 4,913,981

CONTINUED

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

TABLE II (cont'd)

	CHANGES IN NET ASSETS (Accrual basis of accounting)							
	LAST SEVEN FISCAL YEARS							
	2009	2008	2007	2006	2005	2004	2003	2002
General Revenues and Transfers								
Business-type activities								
Fees for services								
Water & Sewer	\$ 10,584,989	\$ 11,253,700	\$ 11,029,828	\$ 10,022,828	\$ 9,127,460	\$ 8,892,124	\$ 8,402,124	\$ 7,371,441
Solid Waste	3,787,700	3,158,258	3,152,034	2,646,757	2,600,664	2,196,194	2,314,403	1,943,350
Other	2,933,188	2,731,291	1,590,656	632,967	82,199	66,024	-	-
Operating grants and contributions	125,432	124,687	107,383	255,429	-	378,151	-	-
Capital grants and contributions	3,064,214	4,063,757	9,006,557	8,644,138	5,040,737	7,498,495	3,264,897	5,897,616
Total business-type activities	\$ 20,495,523	\$ 21,331,693	\$ 24,946,458	\$ 22,140,138	\$ 16,851,060	\$ 19,030,988	\$ 13,981,527	\$ 15,212,407
Total primary government program revenue	\$ 30,435,177	\$ 26,710,612	\$ 32,079,504	\$ 27,271,709	\$ 23,611,212	\$ 24,010,030	\$ 17,975,857	\$ 20,126,388
Governmental activities:								
Property taxes	\$ 11,070,906	\$ 9,663,938	\$ 8,569,450	\$ 7,440,462	\$ 6,883,489	\$ 6,453,278	\$ 6,445,385	\$ 5,701,861
Accommodations and hospitality taxes	6,231,622	6,907,921	6,670,715	6,246,427	5,446,357	3,180,602	3,172,527	2,649,080
State shared taxes - unrestricted	1,134,677	883,306	820,197	955,045	891,991	2,452,909	1,572,791	1,719,053
Business licenses and franchise taxes	6,758,690	6,934,321	8,190,225	7,234,776	6,186,665	4,928,605	4,374,125	4,062,520
Miscellaneous	352,529	398,535	893,930	676,842	901,987	817,312	1,970,661	6,281,584
Transfers in(out)	88,097	55,774	95,149	(65,101)	34,804	208,987	16,126	1,193,796
Transfers in(out)	(1,041,218)	(1,211,178)	(970,714)	(959,390)	(708,061)	(357,794)	(125,000)	(312,300)
Total governmental activities	\$ 24,595,303	\$ 23,632,617	\$ 24,268,952	\$ 21,529,061	\$ 19,637,232	\$ 17,683,899	\$ 17,426,615	\$ 21,295,594
Business-type activities:								
Unrestricted investment earnings	\$ 265,690	\$ 819,223	\$ 1,124,033	\$ 928,723	\$ 327,142	\$ 201,315	\$ 293,442	\$ 416,260
Miscellaneous	192,552	-	-	-	161,214	152,659	124,461	110,537
Transfers in(out)	1,041,218	1,211,178	970,714	959,390	708,061	357,794	125,000	312,300
Total business type-activities	\$ 1,499,460	\$ 2,030,401	\$ 2,094,747	\$ 1,888,113	\$ 1,196,417	\$ 711,768	\$ 542,903	\$ 839,097
Total primary government general revenue and other changes	\$ 26,094,763	\$ 25,663,018	\$ 26,363,699	\$ 23,417,174	\$ 20,833,649	\$ 18,395,667	\$ 17,969,518	\$ 22,134,691
Changes in Net Assets								
Governmental activities:	\$ 7,623,669	\$ 4,305,316	\$ 7,871,357	\$ 5,848,564	\$ 5,254,339	\$ 3,935,058	\$ 3,904,997	\$ 6,364,465
Business-type activities	146,128	1,573,402	7,195,101	6,895,888	3,581,539	6,968,045	2,415,570	4,895,212
Total primary government changes in net assets	\$ 7,769,797	\$ 5,878,718	\$ 15,066,458	\$ 12,744,452	\$ 8,835,878	\$ 10,903,103	\$ 6,320,567	\$ 11,259,677

Note: The City did not previously prepare this schedule and chooses to implement such data prospective of implementing GASB Statement 34.

TABLE III

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

PROGRAM REVENUE BY COMPONENT
(Accrual basis of accounting)

LAST EIGHT FISCAL YEARS

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities:								
General Government	\$ 43,910	\$ 12,965	\$ 143,588	\$ 31,045	\$ 14,050	\$ 12,641	\$ 13,607	\$ 11,260
Information Services	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-	-
Public Safety	698,384	878,357	1,075,873	765,829	674,464	563,149	1,015,492	1,076,764
Planning and Development	346,808	434,028	-	-	1,206,264	948,572	661,942	584,555
Public Works	5,673,008	3,741,744	5,845,576	2,473,145	4,744,984	3,323,816	2,087,037	1,525,983
Parks and Recreation	3,177,544	311,825	68,009	217,697	95,590	130,864	216,252	1,715,419
Support Services	-	-	-	-	24,800	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-
Depreciation (unallocated)	-	-	-	-	-	-	-	-
Total governmental activities	\$ 9,939,654	\$ 5,378,919	\$ 7,133,046	\$ 3,487,716	\$ 6,760,152	\$ 4,979,042	\$ 3,994,330	\$ 4,913,981
Business-type activities								
Water and sewer utility	\$ 13,652,598	\$ 15,317,457	\$ 20,113,885	\$ 18,427,204	\$ 14,060,107	\$ 16,390,619	\$ 11,667,124	\$ 13,269,057
Solid waste	3,787,700	3,193,605	3,156,118	2,708,009	2,600,664	2,196,194	2,314,403	1,943,350
Aquatic Center	1,642,446	1,457,777	1,296,920	1,004,925	190,289	444,175	-	-
Beach Services	1,412,779	1,362,854	379,535	-	-	-	-	-
Total business-type activities	\$ 20,495,523	\$ 21,331,693	\$ 24,946,458	\$ 22,140,138	\$ 16,851,060	\$ 19,030,988	\$ 13,981,527	\$ 15,212,407
Total program revenue by function and program	\$ 30,435,177	\$ 26,710,612	\$ 32,079,504	\$ 25,627,854	\$ 23,611,212	\$ 24,010,030	\$ 17,975,857	\$ 20,126,388

Note: The City did not previously prepare this schedule and chooses to implement such data prospective of implementing GASB Statement 34.

TABLE IV

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

FUND BALANCES
GOVERNMENTAL FUNDS
(Modified accrual basis of accounting)

LAST EIGHT FISCAL YEARS

	2009	2008	2007	2006	2005	2004	2003	2002
General Fund								
Reserved	\$ 1,836,460	\$ 476,455	\$ 383,561	\$ 384,862	\$ 334,518	\$ 469,348	\$ 333,134	\$ 424,225
Unrestricted	<u>7,916,327</u>	<u>9,214,021</u>	<u>11,127,279</u>	<u>12,796,645</u>	<u>10,077,585</u>	<u>8,371,324</u>	<u>7,246,842</u>	<u>8,133,014</u>
Total general fund	<u>\$ 9,752,787</u>	<u>\$ 9,690,476</u>	<u>\$ 11,510,840</u>	<u>\$ 13,181,507</u>	<u>\$ 10,412,103</u>	<u>\$ 8,840,672</u>	<u>\$ 7,579,976</u>	<u>\$ 8,557,239</u>
All Other Governmental Funds								
Reserved, reported in:								
Special revenue funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service funds	-	-	-	-	-	-	-	-
Capital projects funds	34,566	75,054	153,754	881,417	895,201	934,007	927,187	1,413,102
Unreserved, reported in:								
Special revenue funds	4,326,912	1,175,181	700,841	505,661	276,707	(748,534)	2,652,323	1,533,842
Capital projects funds	<u>4,521,368</u>	<u>1,644,902</u>	<u>1,311,447</u>	<u>93,963</u>	<u>398,853</u>	<u>(475,026)</u>	<u>(1,294,144)</u>	<u>(1,152,283)</u>
Total all other governmental funds	<u>\$ 8,882,846</u>	<u>\$ 2,895,137</u>	<u>\$ 2,166,042</u>	<u>\$ 1,481,041</u>	<u>\$ 1,570,761</u>	<u>\$ (289,553)</u>	<u>\$ 2,285,366</u>	<u>\$ 1,794,661</u>
Total primary government	<u>\$ 18,635,633</u>	<u>\$ 12,585,613</u>	<u>\$ 13,676,882</u>	<u>\$ 14,662,548</u>	<u>\$ 11,982,864</u>	<u>\$ 8,551,119</u>	<u>\$ 9,865,342</u>	<u>\$ 10,351,900</u>
Primary Government								
Invested in capital assets, net of related debt	\$ 135,858,136	\$ 130,178,315	\$ 121,642,731	\$ 108,125,794	\$ 96,726,575	\$ 95,545,138	\$ 85,045,224	\$ 79,373,749
Restricted	11,942,036	13,537,122	16,198,054	15,594,045	12,149,790	9,854,064	13,746,359	12,918,117
Unrestricted	<u>23,273,868</u>	<u>19,588,806</u>	<u>19,584,740</u>	<u>18,639,228</u>	<u>20,738,250</u>	<u>15,379,535</u>	<u>11,084,051</u>	<u>11,263,201</u>
Total primary government net assets	<u>\$ 171,074,040</u>	<u>\$ 163,304,243</u>	<u>\$ 157,425,525</u>	<u>\$ 142,359,067</u>	<u>\$ 129,614,615</u>	<u>\$ 120,778,737</u>	<u>\$ 109,875,634</u>	<u>\$ 103,555,067</u>

Note: The City did not previously prepare this schedule and chooses to implement such data prospective of implementing GASB Statement 34.

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

TABLE V

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(Modified accrual basis of accounting)

LAST EIGHT FISCAL YEARS

	2009	2008	2007	2006	2005	2004	2003	2002
Revenue								
Property taxes:								
Current property taxes	\$ 10,903,564	\$ 9,337,950	\$ 8,312,388	\$ 7,504,632	\$ 6,634,370	\$ 6,374,997	\$ 5,690,453	\$ 6,673,734
Delinquent property taxes	167,342	166,898	173,607	145,756	39,194	78,281	161,604	140,536
Licenses and permits	7,105,498	7,368,349	9,208,744	8,878,631	7,392,929	8,940,899	8,094,828	7,296,155
Fines and forfeitures	594,020	498,923	946,703	667,589	559,298	443,370	624,318	507,169
Use of money and property	352,529	573,178	893,930	745,955	901,987	182,466	374,655	550,477
Unrestricted intergovernmental	1,134,667	11,040,789	970,104	955,045	891,991	820,928	593,328	606,644
Restricted intergovernmental	11,632,473	7,785,775	8,619,938	6,895,535	6,908,439	3,722,184	2,712,355	4,064,091
Sales and service charges	2,290,562	2,243,087	1,986,791	2,101,906	3,512,184	1,730,383	1,676,386	2,501,429
Miscellaneous	1,405,218	220,687	1,177,052	13,474	29,128	18,999	79,705	65,462
Total revenue	\$ 35,585,873	\$ 29,235,636	\$ 32,289,257	\$ 27,908,523	\$ 26,869,520	\$ 22,312,507	\$ 20,007,632	\$ 22,405,697
Expenditures								
Current:								
General Government/Administration	\$ 2,174,015	\$ 1,953,423	\$ (66,549)	\$ 1,031,253	\$ 1,459,140	\$ 1,548,044	\$ 1,625,528	\$ 1,231,814
Finance	649,999	541,807	901,788	780,200	747,756	685,707	615,604	495,969
Information Services	348,220	349,883						
Public Safety	10,754,799	10,694,089	10,011,477	9,363,496	8,870,555	7,898,923	7,542,528	6,771,191
Planning and Development	1,413,520	1,282,207	1,473,242	1,464,816	1,315,645	1,121,542	1,031,627	964,970
Public Works	7,036,796	4,671,751	7,023,921	5,899,802	9,237,747	7,756,124	3,266,970	6,674,278
Parks and Recreation	6,673,148	3,193,185	2,764,956	2,594,537	2,403,297	1,988,628	2,130,942	1,951,975
Support Services	656,093	765,972	624,342	571,110	475,183	449,463	393,686	289,825
Debt service:								
Principal	2,129,899	2,020,987	1,947,568	1,934,661	1,913,040	1,037,000	965,000	3,033,692
Interest	291,231	380,323	463,741	438,980	578,583	306,896	676,296	543,437
Capital outlay	1,540,672	3,262,100	7,879,003	3,849,922	782,834	667,157	2,147,009	1,609,741
Total expenditures	\$ 33,668,392	\$ 29,115,727	\$ 33,023,489	\$ 27,928,777	\$ 27,783,780	\$ 23,459,484	\$ 20,395,190	\$ 23,566,892

CONTINUED

TABLE V (cont'd)

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(Modified accrual basis of accounting)

LAST EIGHT FISCAL YEARS

	2009	2008	2007	2006	2005	2004	2003	2002
Other Financing Sources (Uses)								
Bond Issuance	\$ 5,100,000	\$ -	\$ -	\$ 1,975,000	\$ -	\$ 8,000,000	\$ 1,471,000	\$ -
Payment to refunded bond escrow agent	-	-	-	-	-	-	(1,445,000)	-
Transfers in	8,054,681	7,973,028	7,389,392	5,909,338	5,497,829	1,240,194	1,800,393	2,496,055
Transfers (out)	(9,095,998)	(9,184,206)	(8,360,106)	(6,868,728)	(6,748,216)	(167,246)	(1,925,393)	(2,808,355)
Total other financing sources (uses)	\$ 4,058,683	\$ (1,211,178)	\$ (970,714)	\$ 1,015,601	\$ 6,749,613	\$ (167,246)	\$ (99,000)	\$ (312,300)
Net change in fund balances	\$ 5,976,164	\$ (1,091,269)	\$ (1,704,946)	\$ 995,356	\$ 5,835,353	\$ (1,314,223)	\$ (486,558)	\$ (1,473,495)
Fund balances, beginning of year	12,659,469	13,676,882	15,381,828	14,386,472	8,551,119		10,351,900	11,825,395
Fund balances, end of year	\$ 18,635,633	\$ 12,585,613	\$ 13,676,882	\$ 15,381,828	\$ 14,386,472	\$ 14,386,472	\$ 9,865,342	\$ 10,351,900
Ratio of Debt Service to General Government Expenditures	7.75%	8.99%	7.88%	9.29%	9.85%	9.85%	8.75%	17.89%

Note: The City did not previously prepare this schedule and chooses to implement such data prospective of implementing GASB Statement 34.

TABLE VI

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Fiscal Year	LAST TEN FISCAL YEARS							Ratio of Total Assessed Value to Estimated Actual Value
	Real and Personal Property			Less: Tax-Exempt	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	
	Real Estate	Personal						
2000	\$ 116,973,404	\$ 23,876,992	\$ 997,812	\$ 139,852,584	0.0387	\$ 2,331,360,000	6.0	
2001	131,859,611	18,845,977	2,367,773	148,337,815	0.0357	2,472,300,000	6.0	
2002	145,552,226	16,814,285	2,513,010	159,853,501	0.0357	2,664,225,000	6.0	
2003	154,520,238	14,201,408	2,761,058	165,960,588	0.0357	2,766,000,000	6.0	
2004	164,149,623	22,657,095	2,866,074	183,940,644	0.0357	3,015,420,000	6.1	
2005	167,743,316	24,534,360	2,867,679	189,409,997	0.0357	3,139,826,000	6.0	
2006	216,193,479	46,475,103	2,933,728	259,734,854 ⁽¹⁾	0.0305	4,248,137,000	6.1	
2007	247,958,690	34,691,790	3,652,346	278,998,134	0.0305	4,699,320,592	5.9	
2008	283,695,735	25,394,013	2,927,453	306,162,295	0.0305	5,198,001,614	6.0	
2009	336,852,829	21,152,749	3,183,502	354,822,076	0.0322	5,913,000,000	6.0	

⁽¹⁾ Reassessment performed by Horry County.

Note: 1 mil is equal to \$354,822 in property tax billings.

TABLE VII

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS
 (rate per \$1,000 of assessed value)

<u>Fiscal Year</u>	<u>City Millage</u>	<u>County Millage</u>	<u>School District Millage</u>	<u>Higher Education Commission Millage</u>	<u>Total Millage</u>
2000	38.7	40.2	113.0	0.7	192.6
2001	35.7	50.2	124.9	0.7	211.5
2002	35.7	50.2	124.9	0.7	211.5
2003	35.7	50.2	130.4	0.7	217.0
2004	35.7	51.0	130.0	0.7	217.4
2005	35.7	50.9	130.4	0.7	217.7
2006	30.5	52.0	129.7	0.7	212.9
2007	30.5	46.6	143.3	0.7	221.1
2008	30.5	46.6	143.3	0.7	221.1
2009	32.2	46.6	143.3	0.7	222.8

Note: Each mil for North Myrtle Beach is equal to \$354,822 in property taxes.

TABLE VIII

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
YEARS 2009 AND 2000

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	2009 <u>ASSESSMENTS</u>	Percentage of <u>Total Assessed Value</u>	2009 <u>RANK</u>	2000 <u>ASSESSMENTS</u>	2000 <u>RANK</u>	Percentage of <u>Total Assessed Value</u>
Lawyers Title Insurance Corp	Condominium	4,090,872	0.82%	1	750,858	6	0.58%
Patten Resorts, Inc.	Condos - Shorecrest	2,472,288	0.50%	2	1,134,312	3	0.87%
Fairfield Resort Inc	Multi-Family Residential	2,160,120	0.43%	3			
Bahama Sands	Condominium	2,051,340	0.41%	4			
Lakeside Festival Shopping	Commercial - Retail	1,927,716	0.39%	5			
THF Gator Hole	Commercial	1,795,986	0.36%	6			
ETW Development Company, LLC	Tilghman Bceach Resort	1,771,740	0.36%	7			
Ocean Keys Development LLC	Residential Development	1,641,292	0.33%	8			
Strand Investment Group of NMB LLC	Multi-Family Residential	1,601,178	0.32%	9			
Centex Homes	Residential Development	1,399,351	0.28%	10			
Wyndham Vacations Resort Inc	Fairfield (Ocean Blvd)	1,371,846	0.28%	11			
Legacy Development SC Group LLC	Land/ Residential Development	1,149,876	0.23%	12			
Barefoot Resort Golf Club II LLC	Golf Course	1,128,040	0.23%	13			
Scabrook Plantation LLC	Residential Development	967,000	0.19%	14			
Boulineau's Inc/Frank & Elizabeth	Commercial/Residential	850,602	0.17%	15	424,398	13	0.33%
Worley, Harold G.	Commercial	825,233	0.17%	16	580,794	10	0.45%
Peppertree Resort LTD	Peppertree Ocean Club	709,836	0.14%	17	366,027	19	0.28%
Malibu Pointe Development LLC	Residential Development	699,960	0.14%	18			
Surfwood Plaza LLC	Commercial	632,082	0.13%	19	622,338	9	0.48%
Southern Land & Golf Co. LTD	Golf Course/ Residential	615,544	0.12%	20	1,624,640	1	1.25%
Barefoot Properties II LTD	Commercial				1,548,510	2	1.19%
Elliott Holding Company LLC	Commercial / Undeveloped				992,988	4	0.76%
LLL Partnership	Multi-Family Residential				945,390	5	0.72%
Defender Development Group	Multi-Family Residential				705,798	7	0.54%
Briarcliffe RV Resort	Mobile Home Park				630,600	8	0.48%
		<u>\$29,861,902</u>	<u>6.00%</u>		<u>\$10,326,653</u>		<u>7.80%</u>

TABLE IX

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS (1)

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Real Estate	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2000	\$5,412,295	\$5,306,655	98.0%	\$62,970	\$5,369,625	99.2%
2001	5,295,660 ⁽¹⁾	5,070,637	95.8%	83,653	5,154,290	97.3%
2002	5,706,770	5,561,325	97.5%	69,816	5,631,141	98.7%
2003	5,924,793	5,690,453	96.0%	106,897	5,797,350	97.8%
2004	6,374,997	6,183,313	97.0%	197,531	6,380,844	100.1%
2005	6,634,370	6,469,365	97.5%	(16,727) ⁽²⁾	6,452,638	97.3%
2006	7,921,913 ⁽³⁾	7,732,578	97.6%	83,907	7,816,485	98.7%
2007	8,509,423	8,312,388	97.7%	103,520	8,415,908	98.9%
2008	9,580,573	9,337,950	97.5%	83,010	9,663,583	100.9%
2009	11,425,271 ⁽⁴⁾	10,903,564	95.4%	70,450	10,974,014	96.1%

(1) Millage rate reduced to 35.7 from 38.7.

(2) Cash refunds from prior year assessment appeals.

(3) Millage rate reduced to 30.5 from 35.7.

(4) Millage rate increased to 30.5 from 32.2.

TABLE X

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 RATIOS OF OUTSTANDING LONG-TERM DEBT BY TYPE
 LAST TEN FISCAL YEARS

Fiscal Year	General Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Lease and Storm Water Revenue Bonds	Water and Sewer System Revenue Bonds	Water and Sewer Contracts Payable	Aquatic Center Enterprise Fund			
2000	\$4,540,000 ⁽¹⁾	\$4,540,000	\$1,890,000	\$16,905,000	\$ -	\$23,547,072	7.95%	2,146
2001	8,355,000	-	1,735,000	16,255,000	-	26,565,527	8.51%	2,379
2002	7,425,000	-	1,585,000	15,638,501	-	24,892,150	7.64%	2,183
2003	6,486,000	-	1,385,000	14,873,333	-	23,096,853	6.75%	1,984
2004	5,449,000	-	1,170,000	14,135,000	8,600,000	29,652,560	8.14%	2,495
2005	4,378,000	8,000,000	950,000	13,418,333	8,314,181	35,531,404	9.18%	2,928
2006	3,254,000	9,089,239	725,000	12,790,000	8,016,643	34,386,339	8.36%	2,776
2007	2,588,000	6,951,749	490,000	12,131,666	7,706,906	30,502,024	6.98%	2,412
2008	1,895,000	4,467,410	255,000	11,433,333	7,384,471	25,435,214	5.47%	1,970
2009	6,248,000	3,478,866	-	10,695,000	7,048,815	27,470,681	5.56%	2,084

Note: See Demographic and Economic Statistics" table for personal income and per capita data.

(1) The Tax Increment Financing (TIF) Revenue Bond is included in this total for General Obligation Bonds.

TABLE XI

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Total General Bonded Indebtedness</u>	<u>Percentage of Assessed Value of Taxable Property</u>	<u>Per Capita</u>
2000 ⁽²⁾	\$ 4,540,000	3.25%	414.99
2001	8,355,000 ⁽¹⁾	5.63%	748.05
2002	7,425,000	4.64%	651.14
2003	6,486,000	3.91%	557.12
2004	5,449,000	2.96%	458.44
2005	4,378,000	2.31%	360.77
2006	3,254,000	1.25%	262.65
2007	2,588,000	0.93%	204.62
2008	1,895,000	0.62%	146.76
2009	6,248,000 ⁽³⁾	1.76%	473.98

(1) Includes the 2000 General Obligation Public Building Bond in the amount of \$4,340,000.

(2) 2000 Census.

(3) Includes the 2009 General Obligation Road Improvement Bond in the amount of \$5,100,000.

TABLE XII

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

TOTAL OVERLAPPING GENERAL BONDED DEBT

JUNE 30, 2009

<u>Jurisdiction</u>	<u>Assessed Value</u>	<u>General Bonded Debt Outstanding</u>		
		<u>General Obligation Bond Principal Outstanding</u> ⁽¹⁾	<u>Percentage Applicable to the City of North Myrtle Beach</u>	<u>Amount Applicable to the City of Outstanding</u> ⁽²⁾
City of North Myrtle Beach	\$ 354,822,076	\$ 6,248,000	100.00%	\$ 6,248,000
Horry County	1,615,370,000	116,050,000	21.97%	25,496,185
Horry County School District	1,615,370,000	<u>449,615,000</u>	21.97%	<u>98,780,416</u>
Total overlapping general bonded debt		<u>\$ 571,913,000</u>		<u>\$ 130,524,601</u>

(1) Data for overlapping jurisdictions was provided by the Horry County Finance Department.

(2) The percentage of General Obligation Bond principal debt applicable to the City of North Myrtle Beach is based on the percentage of assessed valuation of property located in the City.

TABLE XIII

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Total Assessed Valuation	\$ 354,822,076	\$ 306,162,295	\$ 278,998,134	\$ 259,734,854	\$ 189,409,997	\$ 183,940,644	\$ 165,960,588	\$ 159,853,501	\$ 148,337,815	\$ 139,852,584
Maximum General Obligation Obligation Debt limited to 8% of total assessed valuation ⁽¹⁾	28,385,766	24,492,984	22,319,851	20,778,788	15,152,800	14,715,252	13,276,847	12,788,280	11,867,025	11,188,207
Outstanding bonds chargeable to bond limit ⁽²⁾	<u>6,248,000</u>	<u>1,895,000</u>	<u>2,588,000</u>	<u>3,254,000</u>	<u>4,378,000</u>	<u>5,449,000</u>	<u>6,486,000</u>	<u>7,425,000</u>	<u>8,355,000</u>	<u>4,540,000</u>
Legal debt margin	<u>\$ 22,137,766</u>	<u>\$ 22,597,984</u>	<u>\$ 19,731,851</u>	<u>\$ 17,524,788</u>	<u>\$ 10,774,800</u>	<u>\$ 9,266,252</u>	<u>\$ 6,790,847</u>	<u>\$ 5,363,289</u>	<u>\$ 351,205</u>	<u>\$ 6,648,207</u>
Total net debt applicable to the limit as a percentage of debt limit	22.0%	7.7%	11.6%	28.9%	28.9%	37.0%	48.9%	58.1%	70.4%	40.6%

(1) Article 10, Section 14.7 of the South Carolina Constitution limits general obligation debt to 8% of the assessed value of all taxable property.

(2) Includes only General Obligation Bonds.

TABLE XIV

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

PLEGGED REVENUE - REVENUE BOND COVERAGE WATER AND SEWER
ENTERPRISE FUND AND STORM WATER DRAINAGE FUND

LAST TEN FISCAL YEARS

Fiscal Year		Gross Revenue ⁽¹⁾	Operating and Maintenance Expenses ⁽²⁾	Net Revenue Available for Debt Service	Total Debt Service Requirements (3)			Dept Service Coverage
					Principal	Interest	Total	
2000		8,520,970	5,698,032	2,822,938	770,000	1,068,097	1,838,097	1.54%
2001		8,406,450	5,790,377	2,616,073	805,000	1,101,014	1,906,014	1.37%
2002		7,767,440	5,422,696	2,344,744	838,333	987,628	1,825,961	1.28%
2003		8,820,130	6,439,433	2,380,697	965,168	822,544	1,787,712	1.33%
2004		9,335,124	6,625,984	2,709,140	953,333	795,528	1,748,861	1.55%
2005	Water and Sewer	10,027,816	7,632,393	2,395,423	936,667	805,100	1,741,767	1.38%
	Stormwater ⁽³⁾	1,606,960	-	1,606,960	853,040	314,604	1,167,644	1.37%
2006	Water and Sewer	11,730,817	8,606,218	3,124,599	853,333	700,241	1,553,574	2.01%
	Stormwater	1,711,205	-	1,711,205	810,661	234,339	1,045,000	1.64%
2007	Water and Sewer	12,335,826	9,205,793	2,930,431	893,333	708,977	1,602,310	1.83%
	Stormwater	1,647,144	-	1,647,144	919,737	220,263	1,140,000	1.44%
2008	Water and Sewer	12,335,826	9,298,912	3,036,914	933,333	556,518	1,489,851	2.04%
	Stormwater	1,958,240	24,160	1,934,080	951,723	188,277	1,140,000	1.70%
2009	Water and Sewer	12,337,086	9,578,845	2,758,241	993,333	618,037	1,611,370	1.71%
	Stormwater	5,207,821	853,538	4,354,283	988,544	151,456	1,140,000	3.82%

(1) Includes total revenues and Impact Fees to cover bond principal and fee studies recorded as operating expenses for the respective Fiscal Year.

(2) Operating and Maintenance expenses exclude Depreciation and Interest.

(3) Added Stormwater Bonds in 2005.

TABLE XV

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA

PROPERTY VALUES AND CONSTRUCTION

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total Estimated Actual Value Amounts in 000's ⁽¹⁾	Single Family Units ⁽²⁾	Construction		Multi- Family Construction		Commercial Construction	Total Construction
			Construction	Units	Construction	Units		
2000	2,331,360 ⁽³⁾	196	25,778,812	739	68,335,351	19	8,163,347	102,277,510
2001	2,472,300	207	30,742,737	683	55,386,240	24	29,427,967	115,556,944
2002	2,664,225	225	33,835,617	501	61,591,812	9	31,609,649	127,037,078
2003	2,766,000	325	50,061,500	537	83,088,805	5	24,268,891	157,419,196
2004	3,015,420	278	48,538,234	1335	168,263,252	27	18,750,793	235,552,279
2005	3,139,826	334	52,556,053	1498	164,932,445	120	15,983,819	233,472,317
2006	4,248,137 ⁽³⁾	317	82,308,395	1190	220,231,483	488	73,666,454	376,206,332
2007	4,699,320	201	57,374,305	730	159,950,167	14	24,101,710	241,426,182
2008	5,198,002	125	36,424,451	12	2,105,249	18	12,943,211	51,472,911
2009	5,913,701	115	29,849,672	11	9,828,033	4	4,069,068	43,746,773

(1) Estimated actual value - Horry County Assessment Office.

(2) Construction valuation and number of units - Planning Department, City of North Myrtle Beach.

(3) Horry County reassessment.

TABLE XVI
CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

<u>Calendar Year</u>	<u>Population</u>	<u>Total Personal Income (amounts in thousands)</u>	<u>Per Capita Personal Income ⁽¹⁾</u>	<u>Horry County Unemployment Rate ⁽²⁾</u>
2000	10,974	\$ 296,364	\$ 27,006	3.2%
2001	11,169	312,185	27,951	4.5%
2002	11,403	325,909	28,581	4.4%
2003	11,642	342,333	29,405	5.3%
2004	11,886	364,306	30,650	5.2%
2005	12,135	387,143	31,903	4.8%
2006	12,389	411,402	33,207	4.7%
2007	12,648	437,181	34,565	4.3%
2008	12,912	464,575	35,979	5.6%
2009	13,182	493,686	37,452	12.1%

<u>INCOME</u>	<u>2007</u>			
	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
\$0 - \$10,000	7,254	8.9%	355	6.5%
10,000 - 14,999	5,413	6.6%	306	5.6%
15,000 - 24,999	12,689	15.5%	878	16.1%
25,000 - 34,999	13,677	16.7%	862	15.8%
35,000 - 49,999	15,454	18.9%	1074	19.7%
50,000 - 74,999	15,647	19.1%	1016	18.6%
75,000 - 99,999	5,828	7.1%	469	8.6%
100,000 - 149,999	3,975	4.9%	321	5.9%
150,000 - 199,999	753	0.9%	96	1.7%
200,000 and over	1,095	1.4%	81	1.5%
	<u>81,785</u>	<u>100.0%</u>	<u>5,458</u>	<u>100.00%</u>
Median Household Income:	\$36,470		\$38,787	
Per Capita Income:	\$19,949		\$27,006	
Average Household Size	2.3		2.3	

North Myrtle Beach population figures for 1999 and 2001 through 2008 are calculated using the previous year's growth rate due to the fact that no published figures are available for these years.

(1) Based on 2000 Census.

(2) County information per S.C. Employment Security Commission.

Table XVII

Largest Employers in NMB - 2009

Rank	Employer	# of Employees	Phone	Contact Person
1	City of North Myrtle Beach	439	n/a	Connie
2	Wal-Mart	424	280-8352	Ginger
3	Wyndham Sales & Marketing	317	281-3400	Jen
4	House of Blues	214	913-3716	Lilliam
5	Boulineau's Inc.	200	249-3556	Frank Boulineau
6	Avista	190	249-2521	Caralina
7	Wyndham Resort	177	281-3400	Jen
8	Bi-Lo (2 stores)	160	663-1516	Manager(s)
9	Lowe's	134	280-5182	
10	Baywatch Resort	120	272-4600	Michelle
11	Beach Cove	112	918-9000	Jan
12	Cracker Barrell	106	361-2221	Jim, Mgr
13	Barefoot Resort Golf	100	390-3230	Kristin
14	Alabama Theatre	100	272-5758	Scarlet Montgomery
15	T-Bonz	100	272-7111	Matt, Mgr
16	Home Depot	88	280-9908	Patty
17	Carrabba's	85	281-9222	Mgr
18	Outback	75	280-4855	Mgr
19	K & W Cafeteria	72	280-8444	Mgr
20	Food Lion (1 Store)	45	280-5012	Brian, Mgr

* Statistical information on total number of people employed in North Myrtle Beach is unavailable.

Source: North Myrtle Beach Revenue Division

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
 FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM
 LAST EIGHT FISCAL YEARS

Employees by Function/Program	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>Governmental Activities:</u>								
General Government								
Legislative	8	8	8	8	8	8	8	8
Administrative	14	14	14	11	10.5	10.5	9.5	8.5
City Court	5.5	5.5	5.5	5	5	4	4	4
Information Services	6	6	6	5	5	4	4	4
Finance								
Accounting/Revenue	12	12	10	9.5	9.5	9.5	9	9
Public Safety								
Administration	12	12	11	11	12	12	13	12
Detectives	9.5	10.5	10.5	10.5	10.5	9.5	9.5	9.5
Public Safety & Fire Officials	141	132	129	125.5	118.5	113.5	112.5	111.5
Planning & Community Development								
Administration	10	10	10	10	10	9	8	8
Inspection Services	11	11	11	9	7	7	8	8
Public Works								
Streets / Drainage	19	19	18	18	17	17	17	17
Parks and Recreation								
Parks & Grounds	13	13	12	11	10.5	10.5	10	9
Other Recreation Activities	7	7	6.5	6.5	6.5	6.5	6	6
Support Services								
Purchasing	7	7	7	7	6	6	6	5
Fleet Maintenance	6	6	5	5	5	5	5	5
Custodial & Facility Maintenance	5	5	4	4	4	4	4	3
<u>Business-type Activities:</u>								
Parks and Recreation								
Aquatic & Fitness Center	27.6	25.5	27	22	-	-	-	-
Beach Services	48	57.8	14	-	-	-	-	-
Water & Sewer Utility								
Administration	12.75	12.75	12	12	12	12	11.5	11
Wastewater Treatment	6	6	6	6	6	5	5	5
Wells/Lifts Maintenance	9	9	9	9	9	9	9	8
Construction Maintenance	21	19	19	17	17	17	17	14
Solid Waste Utility								
Administration	4.25	4.25	4	4	4	4	4	3.5
Sanitation Services	29	29	29	26	25	25	25	24
GRAND TOTALS	<u>443.6</u>	<u>441.3</u>	<u>387.5</u>	<u>352</u>	<u>318</u>	<u>308</u>	<u>305</u>	<u>293</u>

Source: City of North Myrtle Beach Finance Department

CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 2009

DATE OF INCORPORATION	May 7, 1968
FORM OF GOVERNMENT	Council/Manager
AREA-SQUARE MILES	19
MILES OF SHORELINE ON ATLANTIC OCEAN	9
WATER SEWER SYSTEM	
Number of Customer Billings	148,128
Daily Pumping Capacity - Gallons	13,200,000
Greatest Pumpage for a single day	8,720,000
Maximum Filtration Plant Capacity Per Day - Gallons	11,200,000
Maximum Wells Capacity Per Day - Gallons	2,000,000
Maximum Wastewater Capacity	10,400,000
Greatest Wastewater Treatment Day	7,690,000
PUBLIC SAFETY	
Number of Stations	5
Annual Police Calls	33,102
Annual Fire Calls	3,875
Fire Inspections	7,593
Traffic Stops	7,550
Arrests	3,449
	\$74,147,810
BUILDINGS	
Permits Issued	2,184
Estimated Cost of Construction	
Inspections	7,673
SOLID WASTE	
Garbage - Tons	11,670
Construction Debris - Tons	1,181
Yard Waste - Tons	4,721
Recycling - Tons	1,521
STREETS	
Asphalt Paving/ Repairs - Tons	1,097
Drainage Installed - Linear Feet	1,790
Street Sweeping - Miles	2,626

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